



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**





**Auditor of State  
Betty Montgomery**

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January 21, 2003

The attached audit was conducted and prepared for release prior to the commencement of my term of office on January 13, 2003. Thus, I am releasing this audit under the signature of my predecessor.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State



**TROTWOOD-MADISON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

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**TROTWOOD-MADISON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Non-Cash Receipts</b>	<b>Disbursements</b>	<b>Non-Cash Disbursements</b>
<b>U.S. Department of Agriculture</b>						
(Passed through Ohio Department of Education)						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550		\$56,674		\$63,287
National School Breakfast Program	05-PU-01	10.553	\$32,627		\$32,627	
	05-PU-02		125,186		125,186	
Total National School Breakfast Program			157,813		157,813	
National School Lunch Program	LL-P1-01	10.555	12,085		12,085	
	LL-P1-02		940		940	
	LL-P4-01		104,209		104,209	
	LL-P4-02		463,737		463,737	
Total National School Lunch Program			580,971		580,971	
Summer Food Service Program	23-PU-01	10.559	15,970		37,375	
	23-PU-02		38,274		2,348	
	24-PU-01		795		795	
	24-PU-02		2,202		2,202	
Total Summer Food Service Program			57,241		42,720	
Total U.S. Department of Agriculture - Nutrition Cluster			796,025	56,674	781,504	63,287
<b>U.S. Department of Education</b>						
(Passed through Ohio Department of Education)						
Title I - Education Consolidation Improvement Act	C1-S1-01	84.010	130,663		129,115	
	C1-S1-02		826,653		746,340	
Total Title I			957,316		875,455	
Special Education Cluster:						
Title VI-B - Education of Handicapped Act	6B-SF-01	84.027	20,968		64,257	
	6B-SF-02		134,243		192,685	
Total Title VI-B			155,211		256,942	
Special Education Preschool Grant	PG-S1-01	84.173	6,984		6,977	
Total Special Education Cluster			162,195		263,919	
Drug Free Schools	DR-S1-00	84.186			12,487	
	DR-S1-01				18,986	
	DR-S1-02		19,271		7,651	
Total Drug Free Schools			19,271		39,124	
Goals 2000	G2-S1-01	84.276			25,271	
	G2-S2-00				3,219	
	G2-S2-01				1,636	
	G2-SP-01		5,000		4,396	
	G2-S3-01				29,057	
Total Goals 2000			5,000		63,579	
Math Science Subsidy	MS-S1-01	84.281	2,298		10,276	
	MS-S1-02		19,335		5,189	
Total Math/Science Subsidy			21,633		15,465	
Innovative Education Program	C2-S1-02	84.298	17,677		21,332	
			17,677		21,332	
Class Size Reduction Subsidy	CR-S1-01	84.340	28,698		33,221	
Total Class Size Reduction Subsidy	CR-S1-02		101,146		143,892	
			129,844		177,113	
Title I Accountability	AK-S1-01	84.348	187,356		147,936	
	AK-S1-02		76,502		46,068	
Total Title I Accountability			263,858		194,004	
Total U.S. Department of Education			1,576,794		1,649,991	
<b>U.S. Department of Health and Human Services</b>						
(Passed through Ohio Dept. of Mental Retardation and Dev. Disabilities)						
Medicaid	N/A	93.778	89,276		89,276	
(Passed through Montgomery County Educational Service Center)						
Medicaid	N/A	93.778	4,384		4,384	
Total U.S. Department of Health and Human Services			93,660		93,660	
<b>Total Federal Programs</b>			<b>\$2,466,479</b>	<b>\$56,674</b>	<b>\$2,525,155</b>	<b>\$63,287</b>

See accompanying notes to the Schedule of Federal Awards Expenditures.

**TROTWOOD-MADISON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2002**

**NOTE A -- SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B -- FOOD DISTRIBUTION**

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. At June 30, 2002, the District had a food commodities inventory in the amount of \$6,546. Cash receipts from the U.S. Department of Agriculture are commingled with state grants. It is assumed that federal monies are expended first.

**NOTE C -- MATCHING REQUIREMENTS**

Certain federal programs require 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 funds is not included on the Schedule.





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OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND  
ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Trotwood-Madison City School District  
Montgomery County  
444 S. Broadway  
Trotwood, Ohio 45426-3397

To the Board of Education:

We have audited the financial statements of Trotwood-Madison City School District, Montgomery County (the District), as of and for the year ended June 30, 2002, and have issued our report thereon dated December 17, 2002. 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 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2002-10357-001 and 2002-10357-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 17, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2002-10357-003.

**Internal Control Over Financial Reporting  
(Continued)**

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 17, 2002.

This report is intended for the information and use of the audit committee, management, 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.



**Jim Petro**  
Auditor of State

December 17, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Trotwood-Madison City School District  
Montgomery County  
444 S. Broadway  
Trotwood, Ohio 45426-3397

To the Board of Education:

**Compliance**

We have audited the compliance of Trotwood-Madison City School District, Montgomery County (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Trotwood-Madison City School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002. We noted a certain instance of noncompliance that does not require inclusion in this report that we have reported to the management of District in a separate letter dated December 17, 2002.

**Internal Control Over Compliance**

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

**Internal Control Over Compliance  
(Continued)**

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. We noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 17, 2002.

**Schedule of Federal Awards Expenditures**

We have audited the general purpose financial statements of Trotwood-Madison City School District, Montgomery County, as of and for the year ended June 30, 2002. 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 federal awards expenditures 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. 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 and use of the audit committee, management, 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.



**Jim Petro**  
Auditor of State

December 17, 2002

**TROTWOOD-MADISON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FOR THE YEAR ENDED JUNE 30, 2002**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

**FINDING NUMBER 2002-10357-001**

**Noncompliance – Ohio Revised Code:**

**Ohio Rev. Code Section 5705.41 (D)**, provides that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money without attaching thereto the certificate of the fiscal officer of the subdivision that the amount required to meet the same in the fiscal year in which the contract is made has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Contracts and orders for expenditures lacking prior certification should be null and void.

This section also provides an exception to this requirement:

If no certificate is issued at the time the contract or order is entered into, the fiscal officer may later certify that these funds were properly appropriated and in the treasury or in the process of collection and such funds are free from previous encumbrance both at the time the contract or order was entered into and at the time of payment. After certifying this, the fiscal officer may proceed to pay for such order or contract. If the amount involved is over \$1,000, the taxing authority must approve of such payment within 30 days of the date of the fiscal officer's certification.

The District failed to comply with the requirement to certify the availability of funds prior to making a commitment and the exception above was not utilized for 10% of the disbursements transactions examined for fiscal year 2002.

The District should develop a system to approve all purchase commitments in advance and to provide for the Treasurer's certification that funds are available prior to the commitment and expenditure of funds.

**FINDING NUMBER 2002-10357-002**

**Noncompliance – Ohio Revised Code:**

**Ohio Revised Code Section 5705.41(B)**, outlines the requirements that no subdivision or taxing unit is to expend money unless it has been appropriated. Our testing indicated the following funds had expenditures and encumbrances in excess of the appropriations and carryover encumbrances available on June 30, 2002, at the fund level which is the legal level of control:

**FINDING NUMBER 2002-10357-002**  
 (Continued)

<u>Fund</u>	<u>Appropriations Plus Prior Year Encumbrances</u>	<u>Expenditures Plus Encumbrances</u>	<u>Expenditures Exceeding Appropriations</u>
<i>Special Revenue Funds:</i>			
Entry Year Grant (440)	\$29,496	\$55,456	(\$25,960)
DPIA (447)	1,661,645	1,841,072	(179,427)
Ohio Schoolnet Prof. Develop. (452)	3,485	6,688	(3,203)
Ohio Reads (459)	6,218	61,262	(55,044)
Alternative School (463)	26,606	36,209	(9,603)
Title VI-B (516)	260,492	267,263	(6,771)
Tech Prep Awareness (524)	0	46	(46)
Title 1 (572)	1,115,227	1,120,364	(5,137)
Preschool Handicapped (587)	6,098	6,977	(879)
Title VI-R (590)	4,523	177,531	(173,008)
<i>Enterprise Funds:</i>			
Food Service (006)	1,416,867	1,500,809	(83,942)
Intercession (011)	162	297	(135)
<i>Internal Service Fund (024)</i>	359,355	2,532,524	(2,173,169)

The District should compare the amounts expended and encumbered to the appropriation measures adopted by the Board of Education and modify the appropriations when it becomes apparent that they will be exceeded. The comparison should be made monthly and the Board should be provided statements of budgeted versus actual expenditures for review.

**FINDING NUMBER 2002-10357-003**

**Reportable Condition:**

**Self Insurance Fund Bank Account Reconciliations**

The District failed to perform a bank to book reconciliation for the health and dental self insurance bank accounts for the last five months of fiscal year 2002.

The performance of monthly bank reconciliations is a basic control which will allow the District to detect differences between the accounting system and the depository account activity and balances. The failure to detect errors promptly could eventually result in the misstatement of the District's health and dental self-insurance activity.

The District should establish a policy requiring monthly reconciliation of all depository accounts and implement procedures for performance of those reconciliations and managements review of the completed reconciliations.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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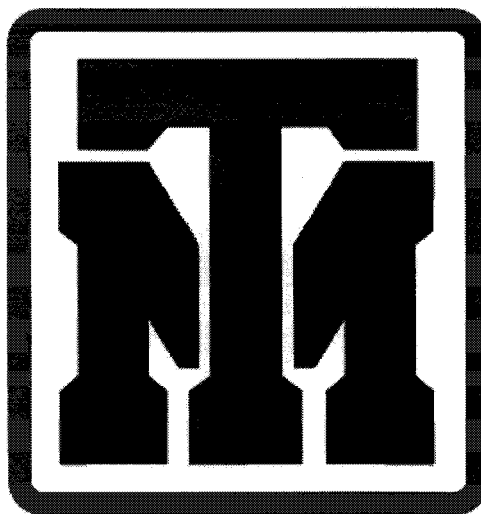
None





# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2002**



**TROTWOOD-MADISON CITY  
SCHOOL DISTRICT, OHIO**

*Our Mission is 100% Student Success*



**TROTWOOD-MADISON CITY SCHOOL DISTRICT  
TROTWOOD, OHIO**

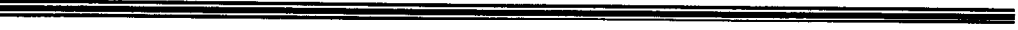
**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

Prepared by the Office of the Treasurer  
Diana Whitt, Treasurer

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# Introductory Section



**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For the Fiscal Year Ended June 30, 2002**

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TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For the Fiscal Year Ended June 30, 2002

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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TROTWOOD-MADISON  
CITY SCHOOL DISTRICT

*Our Mission Is 100% Student Success!*

December 17, 2002

TO THE CITIZENS AND BOARD OF EDUCATION OF THE TROTWOOD-MADISON CITY SCHOOL DISTRICT:

We are pleased to present the third Comprehensive Annual Financial Report (CAFR) of the Trotwood-Madison City School District (District) for the fiscal year ended June 30, 2002. The report contains financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2001-2002 fiscal year.

Responsibility for the accuracy, completeness and fairness of this report rests with the District and more specifically, the Office of the Treasurer. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position, results of operation and cash flows of the various funds and account groups of the District.

This report was prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and is representative of the District's continuing commitment to provide meaningful financial information to the citizens of the District.

This report has been divided into three sections:

**Introductory Section:** This section includes a table of contents, this transmittal letter, the Certificate of Excellence in Financial Reporting, a list of principal officials and the District's organizational chart.

**Financial Section:** This section includes the unqualified opinion of our independent auditors, the Ohio Auditor of State, the general purpose financial statements, and the combining and individual fund and account group financial statements and schedules.

**Statistical Section:** This section includes information designed to reflect social and economical data, selective financial, economic, and demographic generally presented on a multi-year basis for comparative purposes.

This report includes all funds and account groups of the District. In addition, the District also acts as fiscal agent for State funds distributed to private schools located within the District boundaries.

The private school served is Precious Blood. Because of its independent nature, none of the organizations financial statements are included in this report. The District has no component units.

## **HISTORY AND DESCRIPTION OF THE DISTRICT**

The first schoolhouse in the Madison Township Schools was built in the village of Trotwood in 1866. The first high school was established in 1894 and had five graduates in 1897. By the fall of 1923 there were a total of 15 small schools in the district, the largest being the 1913 three-room high school in Trotwood and a four-room building in Drexel. The consolidation of the District in 1924 included five schools: Buckeye, Drexel, Crown Point and the newly constructed elementary/high school in Trotwood.

After World War II the student population increased along with the need for additional buildings. Broadmoor Elementary was built in 1956, Townview Elementary in 1957 and Madison Park Elementary in 1961. Beginning in 1968, four open-space classroom buildings were constructed: Shilohview and Olivehill Elementary in 1968, Westbrook Village Elementary in 1976 and Trotwood-Madison Junior High School in 1975. Madison Township Schools became known as Trotwood-Madison City Schools in July of 1973.

The District is located approximately 15 miles west of Dayton, Ohio. It serves an area of 29 square miles encompassing the City of Trotwood. The total District population for fiscal year 2002 was 27,420.

During the 2001-2002 school year, the District had 3,854 students enrolled in 6 elementary schools serving grades K-6, 1 middle school serving grades 7-8 and 1 high school serving grades 9-12. The District also operates a variety of other facilities, including a central administration building, bus garage, maintenance building and several sports fields.

The District provides a full range of programs and services for its students. These include elementary and secondary course offerings at the general, vocational and college preparatory levels. A broad range of co-curricular and extra-curricular activities to complement the students' curricular programs are also offered.

## **ORGANIZATION OF THE DISTRICT**

The Board of Education of the Trotwood-Madison City School District (Board) is composed of five members elected at large by the citizens of the District. The Board serves as the taxing authority, contracting body and policy initiator of the operation of the District. The Board is also responsible for the annual operating budget and approves all expenditures of the District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Code.

The current Board members and their terms on the Board as of June 30, 2002 are:

<u>Board Member</u>	<u>Current Term</u>
Mr. Michael Ratcliff	Jan. 2000 - Dec. 2003
Mrs. Adrienne Heard	Jan. 2000 - Dec. 2003
Mrs. Teena Davis	Jan. 2002 - Dec. 2005
Rev. Joe Whitt	Jan. 2002 - Dec. 2005
Mrs. Debbie Daniel	Mar. 2002 - Dec. 2005

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Dr. Connie Calloway was appointed Superintendent effective August 1, 2000 and her contract will expire on July 31, 2004.

The Treasurer is the chief financial officer of the District and is directly responsible to the Board for all financial operations, investments, custody of all District funds and assets, and serves as Secretary to the Board. Mrs. Diana Whitt was appointed Treasurer effective September 19, 2002.

## **ECONOMIC CONDITION AND OUTLOOK**

The District is located in the City of Trotwood, in Montgomery County, west of Dayton. Montgomery County has traditionally had a strong economy with unemployment rates consistently below state and national averages. The area has experienced growth during the past year in retail, business and industrial parks, and recreational facilities.

The City of Trotwood is located in southwest Ohio approximately 55 miles north of Cincinnati, 75 miles southwest of Columbus and 100 miles east of Indianapolis, In. Trotwood is strategically located less than two miles from I-70, less than 5 miles from I-75 and less than 15 minutes from the Dayton International Airport.

The Northwest Corridor is experiencing a rebirth with the completion of the Trotwood Connector and the Turner Road Extension making convenient and expedient transportation available to the Trotwood Commerce Park. The 32-acre industrial park offers endless opportunities for any commercial or industrial business wanting to expand or locate in the community.

Nearby Wright Patterson Air Force Base employs more than 21,000 making it the largest single site employer in the State of Ohio, General Motors employs more than 22,000 in several of its area facilities. Companies such as NCR, Chrysler Corporation, Reynolds and Reynolds, Mead Corporation and Standard Register are included among the list of the top regional employers.<sup>1</sup> Although none of these facilities are physically located in the Trotwood, the District benefits by receiving residential property taxes from the District's residents who work for these companies. In addition, the District is close to the University of Dayton, Wright State University, Central State University and Wilberforce University.

In July, 2001 Hormel Foods Corporation opened a food distribution facility in the Northwest Industrial Park. Hormel Foods invested \$15 million in the facility, machinery and equipment and will maintain an inventory estimated at \$25 million. The 140,000 square foot distribution facility will employ 125 full-time employees and will serve as a distribution center for a variety of products manufactured at Hormel Foods plants throughout the United States.

The City of Dayton and Hormel Foods entered into an enterprise zone agreement and as a result the District and the City of Dayton have negotiated an agreement to share the real and tangible property tax as well as the taxes on incomes and payroll of new employees over one million dollars.

During 2001 the City of Trotwood issued sixty-seven single-family home permits.

## **EMPLOYEE RELATIONS**

The Board employs 445 full-time-equivalent (FTE) employees (including non-teaching personnel). Of the Board's current employees, 256 (FTE) are certificated by the Ohio Department of Education serving as classroom teachers, education specialists and administrators, all of who have at least a bachelor's degree, and many of who hold advanced degrees. The starting salary for a teacher with a bachelor's

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<sup>1</sup> City of Trotwood, Ohio Comprehensive Annual Financial Report for The Fiscal Year Ended December 31, 2000, "Economic Condition and Outlook" pp.2.

degree for the period beginning July 1, 2002 was \$27,886. The maximum teacher salary in 2001-2002 for a master's degree was \$55,493 with 27 years longevity.

Certificated and support staff employees are members of the Trotwood-Madison Education Association (TMEA) which is a labor organization affiliated with the Ohio Education Association. The collaborative interest-based bargaining approach that involves the exchange of ideas, concerns and mutual problem solving to improve the instruction of students and to address the needs of the District in a cooperative manner was used and resulted in a 2-year negotiated agreement that was effective July 1, 2001 and expires on June 30, 2003.

## **MAJOR INITIATIVES**

### Our Mission:

The mission of the Trotwood-Madison City School District is to graduate all students prepared to excel in a global society with a commitment to lifelong learning by guaranteeing a challenging curriculum facilitated by innovative and dedicated staff, community participation and state of the art resources in a stimulating atmosphere.

### Beliefs Statement:

WE BELIEVE that learning is a lifelong process.

WE BELIEVE that each individual is unique.

WE BELIEVE that all people are capable of achieving success.

WE BELIEVE that there is strength in diversity.

WE BELIEVE that all people have value.

WE BELIEVE that involvement is essential for a community to be successful.

### District's 2000-2002 Results

Ohio State law requires that each school district receive an annual performance accountability rating based on 27 performance standards, known as the Local Report Card. Districts receive one of four possible ratings: Effective (26 or more standards are met), Continuous Improvement (14-25 standards met), Academic Watch (9-13 standards met) and Academic Emergency (8 or fewer standards met).

According to the state standards Trotwood-Madison City School District moved from Academic Emergency to Academic Watch by improving and moving from six to ten of the 27 standards. This was a milestone in the history of the District.

Traditionally, Trotwood students have always performed well in the reading and writing categories at the high school. This year in addition to gaining all six indicators in reading and writing, for the first time students also earned two indicators in citizenship, one in science and one in attendance.

Results from the fourth and sixth-grade March 2001 Proficiency Tests show that district-wide proficiency scores have improved significantly. Elementary school children are making significant progress in

mathematics and science and that the hard work being done by the students, staff and families is paying off.

### Major Instructional Initiatives 2002-2003

Implementation of Concept Based instructional practices including concept centered lesson planning, instruction and assessment with adjustments to meet the needs of the learner.

#### ✓ CONCEPTS

Concepts are major ideas we need to teach students. These concepts/outcomes are standards in the five proficiency areas from the Ohio Department of Education. Resources used include: building report cards; disaggregate data, proficiency subscale report; grades; grade level proficiency learning outcomes; courses of study and textbooks.

#### ✓ STRATEGIES

Strategies are techniques and content we will use to deliver instruction. Resources used include: journals/portfolios; concept sheets; benchmark papers; complete sentences; higher order thinking skills chart; four blocks; engaged writing skills; cooperative learning; manipulatives; and supplemental materials.

#### ✓ ASSESSMENT

Assessment includes the authentic proficiency types of testing to measure student mastery of concepts taught. Resources used include: proficiency based assessments, i.e. multiple choice, short written response and extended response; scoring rubrics; correct errors; develop similar problems/examples; pre/post assessment and practice proficiency tests.

#### ✓ INTERVENTION

Intervention includes strategies for re-teaching those students who have been unsuccessful in learning or mastering the concept.

### New Educational Complex

The Trotwood-Madison School Board of Education purchased 146 acres of land with the vision of constructing a new state-of-the-art educational complex, with the goal to meet the educational needs of our students well into the 21st century and beyond.

Trotwood-Madison City Schools negotiated a master plan with the Ohio School Facilities Commission to build a high school, middle school, a pre k-k building, two elementary buildings and renovations plus additions to an existing elementary building.

With the passage of an 35 million dollar bond levy, Trotwood-Madison is currently in the planning stages for a high school building and the pre-kindergarten section of the pre k-k building. Construction will begin in the fall of 2003 with a completion date for both buildings in the fall of 2005.

## **FINANCIAL INFORMATION**

The District's accounting system is organized on a "fund" basis. Each fund and account group is a distinct, self-balancing entity. Records for general governmental operations are maintained on a cash basis system of accounting as prescribed by the Ohio Auditor of State. Cash basis accounting differs from generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). 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 Fund, Capital Projects Fund, Expendable Trust Fund and Agency Funds and for full accrual basis of accounting for all other funds.

### Internal Controls:

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

### Single Audit Act:

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

The results of the District's single audit for the fiscal year ended June 30, 2002 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

### Budgetary Controls:

The District maintains its accounts, appropriations and other financial records in accordance with the procedures established and prescribed by the Ohio Auditor of State. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. Activities of all funds are included in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not reappropriated. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

## General Fund

The following schedule presents a summary of revenues for the fiscal year ended June 30, 2002 and the amount and percentage of increases and decreases in relation to the 2001 fiscal year:

<u>Revenues by Source</u>	<u>2002 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$8,864,122	33.96%	(\$213,600)	(2.35%)
Intergovernmental	16,251,109	62.27%	1,755,692	12.11%
Investment Revenue	156,446	0.60%	(215,921)	(57.99%)
Tuition and Fees	642,918	2.46%	(13,627)	(2.08%)
Other Revenue	<u>184,880</u>	<u>0.71%</u>	<u>(272,207)</u>	<u>(59.55%)</u>
Total	<u>\$26,099,475</u>	<u>100.00%</u>	<u>\$1,040,337</u>	4.15%

Revenues for the District's general fund totaled \$26,099,475, an increase of \$1,040,337 from 2001. The Office of Auditor of the State of Ohio recommended reclassification of tax revenue from the emergency operating levies to the general fund from special revenue. Intergovernmental revenues increased due to the increase in federal and state funding the District received.

The following schedule presents a summary of expenditures for the General Fund for the fiscal year ended June 30, 2002 and the amount and percentage of increases or decreases in relation to the 2001 fiscal year:

<u>Expenditures by Function</u>	<u>2002 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Instruction	\$14,472,389	55.55%	\$126,566	0.88%
Pupil	987,849	3.79%	76,966	8.45%
Instructional Staff	1,689,784	6.49%	350,971	26.22%
Board of Education	60,718	0.23%	(31,061)	(33.84%)
Administration	2,566,961	9.85%	839,056	48.56%
Fiscal	510,849	1.96%	135,986	36.28%
Business	237,175	0.91%	233,795	100.00%
Operations & Maintenance	2,308,202	8.86%	981,041	73.92%
Pupil Transportation	1,505,013	5.78%	299,609	24.86%
Central	802,876	3.08%	236,808	41.83%
Extracurricular	272,239	1.05%	(16,202)	(5.62%)
Debt	<u>638,145</u>	<u>2.45%</u>	<u>(172,904)</u>	<u>(21.32%)</u>
Total	<u>\$26,052,200</u>	<u>100.00%</u>	<u>\$3,060,631</u>	13.31%

Expenditures for the general fund totaled \$26,052,200, an increase of \$3,060,631 from 2001. The increase in expenditures is due to an increase in Operations and Maintenance of 73.92% and an increase in Administration of 48.56%.



### Special Revenue Funds

Special Revenue Funds account for certain revenue sources restricted by law or other formal actions to be expended for a specific purpose. The sources are primarily grants and entitlements. All Special Revenue Funds on a combined basis operated with \$4,005,468 in revenues and other sources and \$4,564,328 in expenditures and other uses in 2002.

### Capital Projects Funds

The District's Capital Projects Funds are used to account for the purchase of equipment and the financing of major improvement projects. District Capital Projects Funds ended the 2002 fiscal year with a fund balance of \$68,732.

### Fiduciary Funds

Trust and Agency Funds require a fiduciary relationship in their management by the District. The Expendable Trust Fund receives interest, which may be used for any purpose. Non-Expendable Trust fund accounts for non-expendable donations received by the District in a trustee capacity. Agency funds include the Student Activities Fund and the Education Foundation. Agency Funds liabilities totaled \$21,526.

### Enterprise Funds

The District's Enterprise Funds are the Food Service Fund, Intercession Fund, and Uniform School Supply Fund. These funds are similar in nature to profit making activities found in the private sector and are managed accordingly. District Enterprise Funds operated in 2002 with \$556,331 operating revenues.

### Internal Service Fund

The Internal Service Fund accounts for the District's Employee Benefits Self-Insurance, which accounts for employee contributions for Section 125 Medical Reimbursement Benefits, and dental insurance, which accounts for premiums received and the claims and administrative costs paid by the School District for employees. The Internal Service Fund recorded a net loss of \$9,722.

### Debt Administration

During fiscal year 2002 the District issued a school improvement note in the amount of \$35,000,000 and a School Bus Acquisition Note in the amount of \$294,000. In addition the District retired a state loan note.

### Cash Management

The District's cash management program addresses the issues of safety, liquidity and yield while maximizing returns. The District utilizes the State Treasury Asset Reserve of Ohio (STAR Ohio) program investment pool for ready cash and yield. Interest earned for all funds during the fiscal year was \$178,660.

## Risk Management

The District continues to protect its assets through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss and broiler and machinery coverage are purchased from Nationwide Insurance Company. Employee health insurance is provided by Anthem Blue Cross Blue Shield and dental insurance is provided by a self-insured plan administered by CoreSource, a third party administrator. Additional information is presented in Note 16 to the General Purpose Financial Statements.

## Independent Audit

The State of Ohio requires an annual audit by either the Ohio Auditor of State or by an independent public accounting firm. The Audit was performed by the Ohio Auditor of State for the fiscal year ended June 30, 2002. The auditor's unqualified opinion rendered on the District's general purpose financial statements, and their report on the combining and individual fund statements and schedules, is included in the financial section of this Comprehensive Annual Financial Report.

## Awards

### Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

### Certificate of Excellence

The Association of School Business Officials International (ASBO) awarded the Certificate of Excellence on Financial Reporting for the fiscal year ended June 30, 2001, to the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Management believes the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002, will again conform to ASBO's principles and standards as well, and will be submitted to ASBO for review.

Acknowledgments

The preparation of this report was made possible by the dedicated services of the Treasurer's staff and the many administrators that contributed to the completion of the CAFR. Special recognition is given to Plattenburg & Associates, Inc., Certified Public Accountants for their assistance in the preparation of the CAFR, and the office of the Auditor of State for the audit of the CAFR.

Finally, this report would not have been possible without the leadership and support of the District's Board of Education and their commitment to excellence in financial accountability and the Trotwood-Madison School community.

Sincerely,

Diana C. Whitt  
Treasurer

Dr. Connie L. Calloway  
Superintendent

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Trotwood-Madison City  
School District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001

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.



*Imelda Greve*  
President

*Jeffrey L. Esser*  
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**TROTWOOD-MADISON CITY SCHOOL DISTRICT**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2001

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

*Clark J. Schell*

President

*Ernest W. Miller*

Executive Director

TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2002

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BOARD OF EDUCATION

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President.....	Rev. Joe Whitt
Vice President.....	Mr. Michael Ratcliff
Board Member.....	Mrs. Deborah Daniel
Board Member.....	Mrs. Adrienne Heard
Board Member.....	Mrs. Teena Davis

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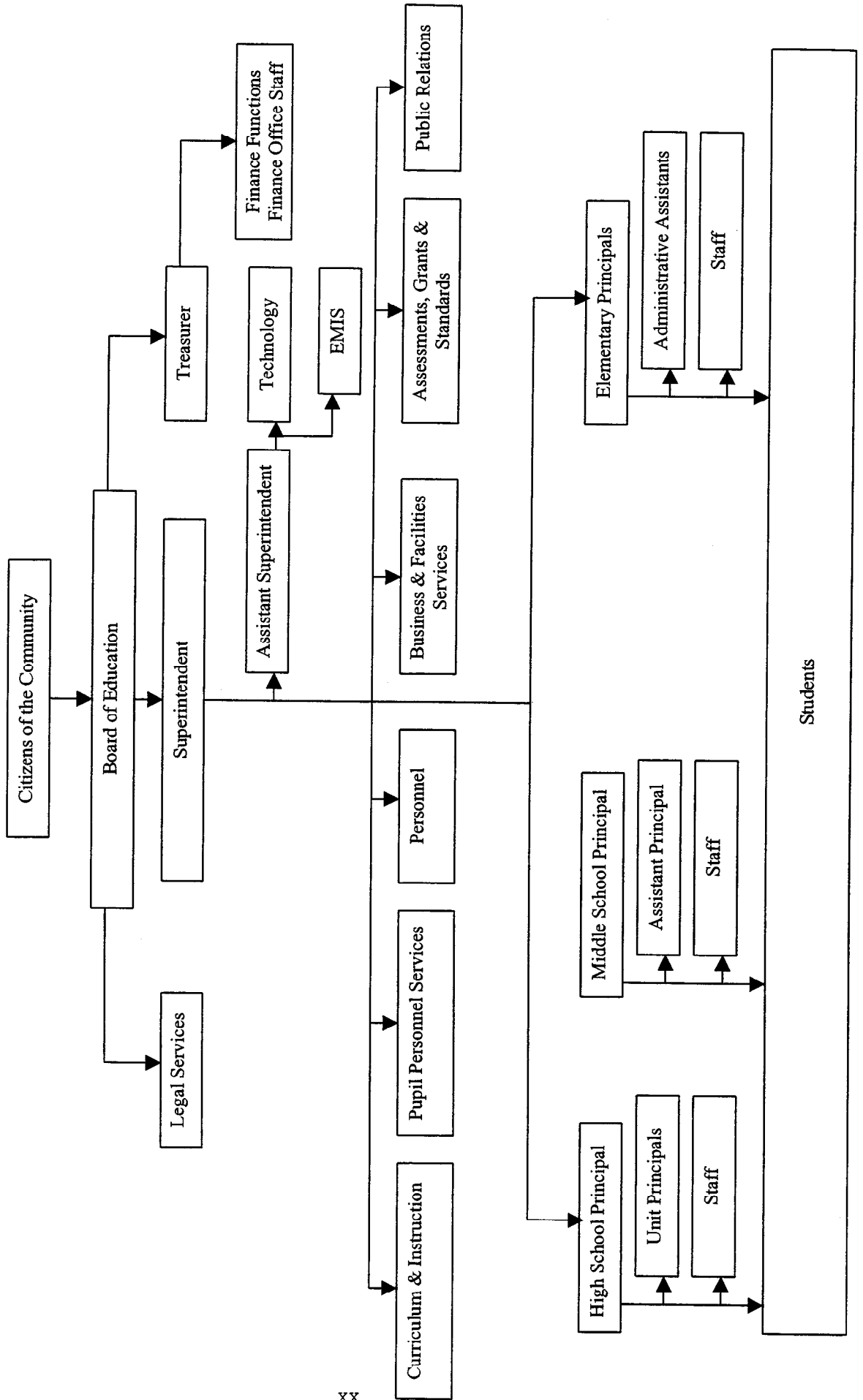
ADMINISTRATIVE OFFICIALS

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Superintendent.....	Dr. Connie L. Calloway
Assistant Superintendent.....	Dr. Lowell Draffen
Treasurer.....	Mrs. Diana C. Whitt
Director of Operations.....	Mr. John Smith
Director of Personnel.....	Mr. John Jahoda
Director of Pupil Personnel.....	Ms. Vivian Schooler
Public Information Officer.....	Ms. Debbie Clements
Director of Curriculum and Instruction.....	Dr. Marilyn Evans

# TROTWOOD-MADISON CITY SCHOOL ORGANIZATIONAL CHART



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# Financial Section

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STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

One First National Plaza  
130 West Second Street  
Suite 2040  
Dayton, Ohio 45402  
Telephone 937-285-6677  
800-443-9274  
Facsimile 937-285-6688  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

**REPORT OF INDEPENDENT ACCOUNTANTS**

Trotwood-Madison City School District  
Montgomery County  
444 S. Broadway  
Trotwood, Ohio 45426-3397

To the Board of Education:

We have audited the accompanying general-purpose financial statements of Trotwood-Madison City School District, Montgomery County (the District) as of and for the year ended June 30, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Trotwood-Madison City School District, Montgomery County, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund 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 December 17, 2002, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements. In our opinion, it is fairly stated in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim PETRO**  
Auditor of State

December 17, 2002

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

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The general purpose financial statements of the District include the basic combined financial statements, presented by fund type and account group, and notes to the financial statements that are essential to the fair presentation of financial position, results of operations and cash flows.

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TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO

Combined Balance Sheet

All Fund Types and Account Groups

June 30, 2002

GOVERNMENTAL FUND TYPES

ASSETS AND OTHER DEBITS:

Assets:

Equity in pooled cash and investments

Restricted cash

Receivables:

Taxes

Accounts

Intergovernmental

Interfund receivable

Inventory held for resale

Materials and supplies inventory

Fixed assets (net, where applicable,  
of accumulated depreciation)

Other debits:

Amount to be provided from

general government resources

TOTAL ASSETS AND OTHER DEBITS

LIABILITIES, FUND EQUITY AND OTHER CREDITS

Liabilities

Accounts payable

Claims payable

Accrued wages and benefits

Compensated absences payable

Interfund payable

Deferred revenue

Due to students

Capital leases payable

Interest payable

Notes payable

Total liabilities

Fund equity and other credits:

Investment in general fixed assets

Retained earnings:

Unreserved

Fund balances:

Reserved:

Reserved for property taxes

Reserved for endowments

Reserved for encumbrances

Reserved for set-aside

Unreserved:

Undesignated

Total fund equity and other credits

TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS

	General	Special Revenue	Capital Projects
Equity in pooled cash and investments	\$4,570,403	\$651,590	\$35,870,044
Restricted cash	81,076	0	0
Receivables:			
Taxes	10,394,164	0	778,146
Accounts	20,949	88	0
Intergovernmental	0	684,878	8,700
Interfund receivable	161,745	0	0
Inventory held for resale	0	0	0
Materials and supplies inventory	0	0	0
Fixed assets (net, where applicable, of accumulated depreciation)	0	0	0
Other debits:			
Amount to be provided from general government resources	0	0	0
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>15,228,337</b>	<b>1,336,556</b>	<b>36,656,890</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>			
Liabilities			
Accounts payable	201,130	28,114	0
Claims payable	0	0	0
Accrued wages and benefits	2,113,184	536,234	0
Compensated absences payable	160,544	33,959	0
Interfund payable	0	115,828	45,917
Deferred revenue	9,761,707	580,298	728,666
Due to students	0	0	0
Capital leases payable	0	0	0
Interest payable	10,241	0	43,575
Notes payable	294,000	0	35,770,000
<b>Total liabilities</b>	<b>12,540,806</b>	<b>1,294,433</b>	<b>36,588,158</b>
Fund equity and other credits:			
Investment in general fixed assets	0	0	0
Retained earnings:			
Unreserved	0	0	0
Fund balances:			
Reserved:			
Reserved for property taxes	632,457	0	49,480
Reserved for endowments	0	0	0
Reserved for encumbrances	641,215	87,563	0
Reserved for set-aside	81,076	0	0
Unreserved:			
Undesignated	1,332,783	(45,440)	19,252
<b>Total fund equity and other credits</b>	<b>2,687,531</b>	<b>42,123</b>	<b>68,732</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$15,228,337</b>	<b>\$1,336,556</b>	<b>\$36,656,890</b>

See accompanying notes

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Totals (Memorandum Only)
\$104,219	\$118,969	\$105,590	\$0	\$0	\$41,420,815
0	0	0	0	0	81,076
0	0	0	0	0	11,172,310
365	0	115	0	0	21,517
99,492	0	0	0	0	793,070
0	0	0	0	0	161,745
31,895	0	0	0	0	31,895
12,941	0	0	0	0	12,941
70,152	0	0	21,410,459	0	21,480,611
0	0	0	0	2,601,770	2,601,770
<u>319,064</u>	<u>118,969</u>	<u>105,705</u>	<u>21,410,459</u>	<u>2,601,770</u>	<u>77,777,750</u>
36,296	0	0	0	0	265,540
0	193,317	0	0	0	193,317
103,075	0	0	0	203,153	2,955,646
50,456	0	0	0	1,187,292	1,432,251
0	0	0	0	0	161,745
0	0	0	0	0	11,070,671
0	0	21,526	0	0	21,526
0	0	0	0	241,450	241,450
0	0	0	0	0	53,816
0	0	0	0	969,875	37,033,875
<u>189,827</u>	<u>193,317</u>	<u>21,526</u>	<u>0</u>	<u>2,601,770</u>	<u>53,429,837</u>
0	0	0	21,410,459	0	21,410,459
129,237	(74,348)	0	0	0	54,889
0	0	0	0	0	681,937
0	0	62,909	0	0	62,909
0	0	0	0	0	728,778
0	0	0	0	0	81,076
0	0	21,270	0	0	1,327,865
<u>129,237</u>	<u>(74,348)</u>	<u>84,179</u>	<u>21,410,459</u>	<u>0</u>	<u>24,347,913</u>
<u>\$319,064</u>	<u>\$118,969</u>	<u>\$105,705</u>	<u>\$21,410,459</u>	<u>\$2,601,770</u>	<u>\$77,777,750</u>

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TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO  
 Combined Statement of Revenues, Expenditures  
 And Changes in Fund Balances  
 All Governmental Fund Types and Expendable Trust Fund  
 For The Fiscal Year Ended June 30, 2002

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
<b>Revenues:</b>					
Taxes	\$8,864,122	\$0	\$661,645	\$0	\$9,525,767
Intergovernmental	16,251,109	3,625,587	211,635	0	20,088,331
Investment revenue	156,446	0	17,868	622	174,936
Tuition and fees	642,918	0	0	0	642,918
Extracurricular activities	0	130,290	0	0	130,290
Other revenues	184,880	9,428	24,465	244	219,017
<b>Total revenues</b>	<b>26,099,475</b>	<b>3,765,305</b>	<b>915,613</b>	<b>866</b>	<b>30,781,259</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	9,477,878	1,930,687	0	0	11,408,565
Special	4,857,606	1,046,787	0	0	5,904,393
Vocational	114,182	0	0	0	114,182
Other	22,723	103,543	0	0	126,266
Support services:					
Pupil	987,849	408,266	0	0	1,396,115
Instructional staff	1,689,784	499,653	0	0	2,189,437
Board of education	60,718	0	0	0	60,718
Administration	2,566,961	148,708	6,522	0	2,722,191
Fiscal	510,849	0	10,990	0	521,839
Business	237,175	3,085	0	0	240,260
Operations and maintenance	2,308,202	0	0	0	2,308,202
Pupil transportation	1,505,013	150	0	0	1,505,163
Central	802,876	11,372	62,054	0	876,302
Operation of non-instructional services					
Extracurricular activities	0	28,742	0	3,050	31,792
Capital outlay	272,239	143,772	0	0	416,011
Debt service:	0	0	503,666	0	503,666
Principal retirement	564,941	233,518	210,000	0	1,008,459
Interest and fiscal charges	73,204	6,045	100,010	0	179,259
<b>Total expenditures</b>	<b>26,052,200</b>	<b>4,564,328</b>	<b>893,242</b>	<b>3,050</b>	<b>31,512,820</b>
<b>Excess of revenues over (under) expenditures</b>	<b>47,275</b>	<b>(799,023)</b>	<b>22,371</b>	<b>(2,184)</b>	<b>(731,561)</b>
<b>Other financing sources (uses):</b>					
Proceeds of sales of fixed assets	283	600	0	0	883
Proceeds of Capital Leases	0	0	371,450	0	371,450
Operating transfers in	0	239,563	76,087	0	315,650
Operating transfers (out)	(320,000)	0	(315,650)	0	(635,650)
<b>Total other financing sources (uses)</b>	<b>(319,717)</b>	<b>240,163</b>	<b>131,887</b>	<b>0</b>	<b>52,333</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>(272,442)</b>	<b>(558,860)</b>	<b>154,258</b>	<b>(2,184)</b>	<b>(679,228)</b>
Fund balance, July 1 (restated)	2,959,973	600,983	(85,526)	22,059	3,497,489
Increase (Decrease) in reserve for inventory	0	0	0	0	0
<b>Fund balance, June 30</b>	<b>\$2,687,531</b>	<b>\$42,123</b>	<b>\$68,732</b>	<b>\$19,875</b>	<b>\$2,818,261</b>

See accompanying notes

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
**Combined Statement of Revenues, Expenditures**  
**And Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**All Governmental Fund Types**  
**For the Fiscal Year Ended June 30, 2002**

	General			Special Revenue		
	Budget	Actual	Variance: Favorable (Unfavorable)	Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$8,645,509	\$8,696,103	\$50,594	\$0	\$0	\$0
Intergovernmental	15,857,109	16,251,109	394,000	1,708,514	3,769,884	2,061,370
Interest	164,054	164,054	0	0	0	0
Tuition & fees	642,918	642,918	0	0	0	0
Extracurricular activities	0	0	0	60,812	130,202	69,390
Other revenues	163,931	163,931	0	5,467	11,645	6,178
<b>Total revenues</b>	<b>25,473,521</b>	<b>25,918,115</b>	<b>444,594</b>	<b>1,774,793</b>	<b>3,911,731</b>	<b>2,136,938</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular	10,157,312	9,669,149	488,163	1,648,101	1,767,996	(119,895)
Special	5,299,945	5,012,167	287,778	1,077,904	1,076,812	1,092
Vocational	125,238	125,238	0	0	0	0
Other	22,723	22,723	0	174,319	105,672	68,647
<b>Support services</b>						
Pupil	995,840	993,722	2,118	447,681	394,211	53,470
Instructional staff	1,746,991	1,677,420	69,571	561,405	519,711	41,694
Board of Education	66,436	66,136	300	0	0	0
Administration	2,672,739	2,538,936	133,803	152,876	155,258	(2,382)
Fiscal	550,896	532,088	18,808	0	0	0
Business	265,848	264,669	1,179	3,085	3,085	0
Operation and maintenance	2,630,353	2,412,811	217,542	240	0	240
Pupil transportation	2,073,855	1,612,868	460,987	251	251	0
Central	926,707	858,996	67,711	71,897	11,372	60,525
Operation of Non-Instructional services	0	0	0	50,098	37,205	12,893
Extracurricular activities	259,513	259,513	0	241,756	156,393	85,363
Capital outlay	0	0	0	0	0	0
<b>Debt Service:</b>						
Principal retirement	564,941	858,941	(294,000)	0	0	0
Interest and fiscal charges	68,613	62,963	5,650	0	0	0
<b>Total expenditures</b>	<b>28,427,950</b>	<b>26,968,340</b>	<b>1,459,610</b>	<b>4,429,613</b>	<b>4,227,966</b>	<b>201,647</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(2,954,429)</b>	<b>(1,050,225)</b>	<b>1,904,204</b>	<b>(2,654,820)</b>	<b>(316,235)</b>	<b>2,338,585</b>
<b>Other financing sources (uses):</b>						
Proceeds of notes	294,000	294,000	0	0	0	0
Proceeds from sale of fixed assets	283	283	0	600	600	0
Operating transfers in	2,000,000	2,000,000	0	0	0	0
Operating transfers out	(2,320,000)	(2,320,000)	0	0	0	0
Advances in	0	0	0	115,828	115,828	0
Advances (out)	(115,828)	(115,828)	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>(141,545)</b>	<b>(141,545)</b>	<b>0</b>	<b>116,428</b>	<b>116,428</b>	<b>0</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>(3,095,974)</b>	<b>(1,191,770)</b>	<b>1,904,204</b>	<b>(2,538,392)</b>	<b>(199,807)</b>	<b>2,338,585</b>
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	<b>5,017,903</b>	<b>5,017,903</b>	<b>0</b>	<b>735,728</b>	<b>735,728</b>	<b>0</b>
<b>Fund balance, June 30</b>	<b>\$1,921,929</b>	<b>\$3,826,133</b>	<b>\$1,904,204</b>	<b>(\$1,802,664)</b>	<b>\$535,921</b>	<b>\$2,338,585</b>

See accompanying notes

Capital Projects

<u>Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
\$13,689	\$648,773	\$635,084
4,282	202,935	198,653
392	18,591	18,199
0	0	0
0	0	0
517	24,465	23,948
<u>18,880</u>	<u>894,764</u>	<u>875,884</u>

45,917	0	45,917
0	0	0
0	0	0
0	0	0

0	0	0
0	0	0
0	0	0

13,139	6,574	6,565
21,415	10,990	10,425
0	0	0
0	0	0
0	0	0

725,751	440,617	285,134
0	0	0
0	0	0
351,700	132,216	219,484

321,628	210,000	111,628
109,970	56,435	53,535

<u>1,589,520</u>	<u>856,832</u>	<u>732,688</u>
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<u>(1,570,640)</u>	<u>37,932</u>	<u>1,608,572</u>
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738,527	35,000,000	34,261,473
0	0	0
0	0	0
0	0	0
0	0	0

<u>738,527</u>	<u>35,000,000</u>	<u>34,261,473</u>
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(832,113)	35,037,932	35,870,045
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<u>832,112</u>	<u>832,112</u>	<u>0</u>
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<u>(\$1)</u>	<u>\$35,870,044</u>	<u>\$35,870,045</u>
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TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO  
 Combined Statement of Revenues, Expenses  
 And Changes in Retained Earnings/Fund Balance  
 All Proprietary Fund Types and Non-Expendable Trust Fund  
 For The Fiscal Year Ended June 30, 2002

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	Totals (Memorandum Only)
	Enterprise	Internal Service	Non-Expendable Trust	
Operating revenues:				
Charges for services	\$556,331	\$2,118,607	\$0	\$2,674,938
Investment revenue	0	0	1,960	1,960
Other revenues	0	0	116	116
Total revenues	<u>556,331</u>	<u>2,118,607</u>	<u>2,076</u>	<u>2,677,014</u>
Operating expenses:				
Salaries and wages	608,678	0	0	608,678
Fringe benefits	103,741	0	0	103,741
Purchased services	73,582	6,810	0	80,392
Materials and supplies	746,846	0	0	746,846
Depreciation	5,315	0	0	5,315
Claims expense	0	2,441,570	0	2,441,570
Other operating expenses	2,057	0	3,250	5,307
Total operating expenses	<u>1,540,219</u>	<u>2,448,380</u>	<u>3,250</u>	<u>3,991,849</u>
Operating income (loss)	<u>(983,888)</u>	<u>(329,773)</u>	<u>(1,174)</u>	<u>(1,314,835)</u>
Non-operating revenues:				
Federal donated commodities	69,833	0	0	69,833
Operating grants	923,195	0	0	923,195
Investment revenue	1,713	51	0	1,764
Total non-operating revenues	<u>994,741</u>	<u>51</u>	<u>0</u>	<u>994,792</u>
Income (loss) before operating transfers	10,853	(329,722)	(1,174)	(320,043)
Operating transfers in	0	320,000	0	320,000
Net income (loss)	10,853	(9,722)	(1,174)	(43)
Retained earnings/Fund balance, July 1	118,384	(64,626)	65,478	119,236
Retained earnings/Fund balance, June 30	<u>\$129,237</u>	<u>(\$74,348)</u>	<u>\$64,304</u>	<u>\$119,193</u>

See accompanying notes

TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO  
 Combined Statement Of Cash Flows  
 All Proprietary Fund Types and Non-Expendable Trust Fund  
 For The Fiscal Year Ended June 30, 2002

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	Totals (Memorandum Only)
	Enterprise	Internal Service	Non-Expendable Trust	
Cash flows from operating activities:				
Cash received from charges of services	\$557,091	\$2,118,607	\$0	\$2,675,698
Cash received from investments	0	0	1,960	1,960
Cash received from other revenues	0	0	116	116
Cash payments to suppliers for goods and services	(748,372)	(6,810)	0	(755,182)
Cash payments to employees for services	(705,828)	0	0	(705,828)
Cash payments for claims	0	(2,525,714)	0	(2,525,714)
Cash payments for other operating expenses	(2,057)	0	(3,250)	(5,307)
Net cash provided by (used for) operating activities	(899,166)	(413,917)	(1,174)	(1,314,257)
Cash flows from noncapital financing activities:				
Cash received from other funds	0	320,000	0	320,000
Cash received from miscellaneous revenue	2,988	0	0	2,988
Operating grants received	855,526	0	0	855,526
Net cash provided by noncapital financing activities	858,514	320,000	0	1,178,514
Cash flows from investing activities:				
Interest on investments	1,713	51	0	1,764
Net cash provided by investing activities	1,713	51	0	1,764
Net increase in cash and cash equivalents	(38,939)	(93,866)	(1,174)	(133,979)
Cash and cash equivalents, July 1	143,158	212,835	65,478	421,471
Cash and cash equivalents, June 30	104,219	118,969	64,304	287,492

Continued

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
**Combined Statement Of Cash Flows**  
**All Proprietary Fund Types and Non-Expendable Trust Fund**  
**For The Fiscal Year Ended June 30, 2002**

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	Totals (Memorandum Only)
	Enterprise	Internal Service	Non-Expendable Trust	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	<u>(983,888)</u>	<u>(329,773)</u>	<u>(1,174)</u>	<u>(1,314,835)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	5,315	0	0	5,315
Donated commodities used	69,833	0	0	69,833
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	760	0	0	760
(Increase) decrease in inventory held for resale	(502)	0	0	(502)
(Increase) decrease in materials and supplies inventory	(8,034)	0	0	(8,034)
Increase (decrease) in accounts payable	17,089	0	0	17,089
Increase (decrease) in claims payable	0	(84,144)	0	(84,144)
Increase (decrease) in accrued wages and benefits	2,475	0	0	2,475
Increase (decrease) in compensated absences	4,116	0	0	4,116
Increase (decrease) in deferred revenue	<u>(6,330)</u>	<u>0</u>	<u>0</u>	<u>(6,330)</u>
Total adjustments	<u>84,722</u>	<u>(84,144)</u>	<u>0</u>	<u>578</u>
Net cash provided by (used for) operating activities	<u><u>(\$899,166)</u></u>	<u><u>(\$413,917)</u></u>	<u><u>(\$1,174)</u></u>	<u><u>(\$1,314,257)</u></u>
Reconciliation of non-expendable trust fund to balance sheet:				
Cash and cash equivalents - All Fiduciary Funds			\$105,590	
Cash and cash equivalents - Expendable Trust and Agency Funds			<u>41,286</u>	
Cash and cash equivalents - Non-expendable Trust Fund			<u><u>\$64,304</u></u>	
Non cash transactions - enterprise fund				
Non cash donation of inventory held for resale-food service	\$69,833			
See accompanying notes				

## TROTWOOD-MADISON CITY SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2002

#### 1. DESCRIPTION OF THE DISTRICT

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

The Trotwood-Madison City School District is a city school district as defined by Section 3311.02, Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District.

Management believes the financial statements included in this report represent all of the funds of the District for which the Board of Education has fiscal responsibility.

#### A. Reporting Entity

The reporting entity is comprised of the primary government. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Trotwood-Madison City School District, this includes instruction, student guidance, extracurricular activities, educational media and care and upkeep of grounds and buildings of the District. 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 appointed a voting majority of the organization's governing body; and (a) was able to impose its will on that organization; or (b) there was a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the District; or
2. The organization was fiscally dependent upon the District; or
3. The nature of the relationship between the District and the organization was such that the exclusion from the financial reporting entity would render the financial statements misleading.

The District has no component units.

The District is associated with Metropolitan Dayton Education Computer Association, Southwestern Ohio Institutional Technology Association, and Miami Valley Career Technology Center, which are defined as jointly governed organizations.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### A. Fund Accounting Basis of Presentation

The accounts of the District are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

Governmental Fund Types - 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 and Fiduciary Fund types) are accounted for through Governmental Funds. The following are the District's Governmental Fund Types:

General Fund - Is the general operating fund of the District and it is used to account for all financial resources except those required by law to be accounted for in another fund.

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.

Capital Projects Funds - Is 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 Fund Types - Proprietary Funds are used to account for the District's ongoing activities, which are similar to those most often found in the private sector. The following are the District's Proprietary Fund Types:

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 governing body is that the cost (expenses, 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 the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.



Internal Service Funds - Are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost reimbursement basis.

Fiduciary Fund Types - Fiduciary Funds are used 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 and Agency Funds. Expendable Trust Funds are accounted for essentially the same 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 thus do not involve measurement of results of operations).

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 Proprietary Funds and Nonexpendable 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 Proprietary Funds and Nonexpendable Trust Funds.

## **B. Measurement Focus and Basis of Accounting**

Measurement Focus: Governmental Fund types and Expendable Trust Funds are accounted for on a spending, or "current financial resources" measurement focus. Governmental Fund types and Expendable Trust Funds operating statements represent increases and decreases 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 cost of services, or "economic resources" measurement focus. Proprietary Fund type income statements represent increases and decreases in net total assets.

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

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

Proprietary Funds and Non-Expendable Trust Funds are accounted for on the accrual basis of accounting. Revenue is recognized in the period earned and expenses are recognized in the period incurred.

### **C. 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 budget basis and the GAAP basis are:

- (1) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- (2) Expenditures are recorded when encumbered, or paid in cash (budget), as opposed to when susceptible to accrual (GAAP).

The actual results of operations, compared to the final 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 budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level of all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. 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 increased tax rates.

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

Prior to March 15, the Board of Education accepts by formal resolution the tax rates as determined by the County Budget Commission and receives the Commission's 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 Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate.

By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level 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 at the legal level of budgetary control 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.

Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriation amounts. All supplemental appropriations were legally enacted by the Board.

Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditure plus encumbrances may not legally exceed budgeted appropriations at the legal level of budgetary control.

**D. 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 are reported on the combined balance sheet as a reserve of the fund balance on a GAAP Basis and for all funds as the equivalent of expenditures/expenses on a non-GAAP budgetary basis in order to demonstrate legal compliance.

**E. Cash and Investments**

Cash received by the District is deposited in a cash and investment pool used by all funds. Monies for all funds are maintained in these accounts or are temporarily used to purchase short-term cash equivalent investments. State Statute authorizes the District to invest in obligations of the U.S. Treasury, commercial paper and repurchase agreements. Under existing Ohio statutes, all investment earnings accrue to the General Fund except those specifically related to Agency Funds, certain Trust Funds, and those funds individually authorized by Board resolution.

During the fiscal year, investments included Money Market Mutual Funds, overnight repurchase agreements, Star Ohio and various government obligations. These investments are stated at fair value as determined by quoted market prices, except for repurchase agreements. For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with original maturities of three months or less and investments of the cash management pool are considered to be cash equivalents.

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

Under existing Ohio statutes, all investment earnings are distributed to the General Fund except those specifically related to certain trust funds, and those funds individually authorized by Board resolution. Interest revenue credited to the general fund during the fiscal year, amounted to \$156,446.

**F. Restricted Cash**

Restricted cash in the general fund represents cash and cash equivalents set aside to establish a budget stabilization reserve. During the fiscal year, the set aside for the budget stabilization reserve equaled \$81,076.

**G. 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.

**H. Inventory (Materials and Supplies)**

Inventories of the Enterprise Funds are valued at lower of cost (first-in, first-out method) or market and are determined by physical count. Inventories of Enterprise Funds consist of materials and supplies and are expensed when used.

**I. Fixed Assets and Depreciation**

1. 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. No depreciation is recognized for assets in the General Fixed Assets Account Group. The District does not possess any infrastructure.
2. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.
3. Proprietary Funds - 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:

Building Improvements	20 - 40 years
Machinery & Equipment	5 - 20 years
Vehicles	5 - 10 years

**J. Intergovernmental Revenues**

In Governmental Funds, entitlements (to the extent they are intended to finance the current fiscal year) 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.

## **K. 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 right to receive compensation is 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.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District had identified as probable of receiving payment in the future. The amount is based on the accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

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.

## **L. Interfund Transactions**

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

1. Routine transfers of resources from one fund to another fund through which resources to be expended are recorded as operating transfers.
2. Reimbursements from one fund to another fund are treated as expenditures/expenses in the reimbursing fund and as a reduction in expenditures/expenses in the reimbursed fund.
3. 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.

## **M. 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, including unpaid pension 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 Obligation Account Group.

Long-term liabilities expected to be financed from Proprietary Fund operations are accounted for in those funds.

**N. Fund Balance Reserves**

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, endowments, and budgetary set-asides required under Ohio law.

**O. 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 flows 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.

**P. Proprietary Fund Accounting**

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.

**3. EQUITY IN POOLED CASH AND INVESTMENTS**

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments". State Statute requires the classification of monies held by the District into three categories.

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

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

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

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

State legislation permits interim monies to be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal 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. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time;
8. 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.



At year-end the carrying amount of the District's deposits was \$35,314,887. The bank balance of deposits was \$36,394,539 and of the bank balance, \$133,541 was covered by federal depository insurance. The remaining amounts were uninsured and uncollateralized as defined by GASB. Although the securities were held by the pledging financial institutions' trust department in the School District's name and all statutory requirements for the investment of the money had been followed, noncompliance with the federal requirements would potentially subject the money held in the School District's name to a successful claim by the FDIC.

The District's investments are categorized to give an indication of the level of risk assumed by the entity at year-end.

CATEGORY 1 includes investments that are issued, registered, or held by the District or its agent in the District's name.

CATEGORY 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the District's name.

CATEGORY 3 includes uninsured and unregistered investments held by the counterparty, or by its department or agent, but not in the District's name.

Based on the above criteria, the District's investments at year-end are classified as follows:

	<u>Category 3</u>	<u>Carrying Value/ Fair Value</u>
Money Market	\$ 142,962	\$ 142,962
Federal Home Loan Bank Bonds	277,084	277,084
Federal Home Loan Mortgage Notes	124,595	124,595
Federal Farm Credit Bank Bonds	76,360	76,360
(1) STAR Ohio	0	3,278,771
(1) Money Market Mutual Fund	<u>0</u>	<u>2,287,232</u>
Total	<u>\$621,001</u>	<u>\$6,187,004</u>

(1) These are unclassified investments because they are not evidenced by securities that exist in physical or book entry form.

#### 4. 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 2002 were based, are as follows:

	<u>2001 Second - Half Collections</u>	<u>2002 First - Half collections</u>
Agriculture/Residential and Other Real Estate	\$148,812,779	\$155,858,420
Public Utility Personal	13,390,910	10,706,700
Tangible Personal Property	24,947,808	22,837,365
Commercial / Industrial	<u>71,617,941</u>	<u>65,103,010</u>
 Total	 <u>\$258,769,438</u>	 <u>\$254,505,495</u>
 Tax rate (Full) per \$1,000 of assessed valuation	 \$52.64	 \$52.91
 Tax Rate (Adjusted for H.B.920 Tax Reduction Factors) per \$1,000 <u>of assessed real property valuation</u>		
Residential/Agricultural	39.37	69.56
Commercial/Industrial	43.57	80.07

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment was due by January 20. If paid semi-annually, the first payment (at least one-half of amount billed) was due January 20, with the remainder due on June 20.

The County Auditor remits portions of the taxes collected with periodic settlements of Real and Public Utility property taxes in February and August and Tangible Personal Property Taxes in June and October to all taxing districts.

The School District receives property taxes from the County Auditor. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2002 are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2002. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations.

**5. FIXED ASSETS**

A summary of the General Fixed Assets Account Group at the year-end follows:

<u>Class</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Land	\$ 1,156,779	\$ 0	\$ 0	\$ 1,156,779
Buildings	13,151,275	25,832	0	13,177,107
Equipment	<u>6,449,726</u>	<u>638,417</u>	<u>(11,570)</u>	<u>7,076,573</u>
TOTAL	<u>\$20,757,780</u>	<u>\$664,249</u>	<u>\$(11,570)</u>	<u>\$21,410,459</u>

A summary of the Proprietary Fund fixed assets at year-end follows:

Equipment	\$486,470
Less Accumulated Depreciation	<u>(416,318)</u>
Net Fixed Assets	<u>\$ 70,152</u>

## 6. NOTES PAYABLE

Tax anticipation notes payable activity for the District at fiscal year end was as follows:

	<u>Maturity Date</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
2001 Tax Anticipation Notes Payable 4.6%	12/1/05	\$900,000	\$ 0	\$130,000	\$770,000

Short-term notes payable activity for the District at year-end was as follows:

	<u>Maturity Date</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
School Bus Acquisition Note Payable, 4.3%	7/31/01	\$294,000	\$ 0	\$294,000	\$0
School Bus Acquisition Note Payable 3.8%	07/31/02	0	294,000	0	294,000
2002 School Improvement Note Payable, 2.49%	2/13/03	0	35,000,000	0	35,000,000

Long-term notes payable activity for the District at fiscal year-end was as follows:

	<u>Maturity Date</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
1993 Energy Conservation Note Payable, 5.0%	12/1/02	\$105,000	\$ 0	\$50,000	\$55,000
State Loan Note Payable, 6.0%	6/30/02	418,441	0	418,441	0
1996 Energy Conservation Note Payable, 5.63%	7/1/06	236,375	0	46,500	189,875
1999 Energy Conservation Note Payable, 5.20%	6/1/09	505,000	0	50,000	455,000
1999 School Bus Note Payable, 5.15%	4/15/05	<u>350,000</u>	<u>0</u>	<u>80,000</u>	<u>270,000</u>
<b>Total</b>		<b><u>\$1,614,816</u></b>	<b><u>\$ 0</u></b>	<b><u>\$644,941</u></b>	<b><u>\$969,875</u></b>

**7. CAPITALIZED LEASES**

The District has entered into lease agreements for copiers and computers. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service in the Combined Financial Statements for the governmental funds. These expenditures are reflected as function expenditures on a budgetary basis.

The following is a schedule of the future minimum lease payments required under these capital leases and the present value of the net minimum lease payments at June 30, 2002:

2003	\$130,000
2004	130,000
Less: amounts representing interest	<u>(18,550)</u>
Present Value of Future Minimum Lease Payments	<u>\$241,450</u>

**8. CHANGES IN THE GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP**

During the year ended June 30, the following changes occurred in debt reported in the General Long-Term Obligations Account Group:

	Balance Beginning of Year	Increase	Decrease	Balance End of Year
Accrued Wages & Benefits	\$200,011	\$3,142	\$ 0	\$203,153
Capital Leases	233,520	371,450	(363,520)	241,450
Compensated Absences	773,490	413,802	0	1,187,292
Notes Payable	<u>1,614,816</u>	<u>0</u>	<u>(644,941)</u>	<u>969,875</u>
<b>TOTAL</b>	<b><u>\$2,821,837</u></b>	<b><u>\$788,394</u></b>	<b><u>(\$1,008,461)</u></b>	<b><u>\$2,601,770</u></b>

The notes payable will be paid through the General Fund and the Capital Projects Funds.

Compensated absences will be paid from the fund from which the person is paid if the funds are available, otherwise, from the General Fund.

The accrued wages and benefits represent the long-term portion of the pension obligations payable to the School Employees Retirement System.

Principal and interest requirements to retire the District's long-term general obligations outstanding at the year ended June 30, are as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2003	\$241,500	\$50,197
2004	191,500	37,592
2005	206,500	27,477
2006	111,500	16,591
2007	73,875	11,558
2008-2009	<u>145,000</u>	<u>11,880</u>
Total	<u>\$969,875</u>	<u>\$155,295</u>

## 9. DEFINED BENEFIT PENSION PLANS

### A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits for fiscal year 2002, 5.46% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2001, 4.20% was used to fund pension obligations. The contribution requirements of plan member and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$680,736, \$652,848, and \$569,508 respectively; 66.45 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$343,632 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds and the General Long Term Obligations Account Group.

## **B. State Teachers Retirement System**

The School District participates in the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer public employee retirement system. STRS provides basic retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issue a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing the State Teachers Retirement System, 275 E. Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2002, plan members were required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,991,448, \$1,948,476, and \$1,650,780 respectively; 86.57 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$308,872 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds.

## **10. 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-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursements of monthly Medicare premiums. Benefit provisions and the obligation to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by the 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 For the fiscal year ended June 30, 2002, the STRS Board allocated employee contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$1,864,098 for fiscal year 2002.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3.256 billion at June 30, 2001. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and 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 maximum of 75 percent of the premium.

After allocation for basic benefits, the remainder of the employer’s 14 percent contribution is allocated to providing health care benefits. For the fiscal year, employer contributions to fund health care benefits were 8.54 percent of covered payroll, a decrease from 9.80 percent for fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, 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. For the School District, the amount contributed to fund healthcare benefits, including the surcharge, during the 2002 fiscal year equaled \$684,043.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2002, were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002 SERS had net assets available for payment of health care benefits of \$335.2 million. SERS had approximately 50,000 participants currently receiving health care benefits.

**11. SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The School District maintains three enterprise funds to account for the operations of food service, uniform supplies and rotary. The table below reflects the more significant financial data relating to the enterprise funds of the District as of and for the current year ended.

	<u>Food Service</u>	<u>Uniform Supplies</u>	<u>Intercession</u>	<u>Total</u>
Operating Revenues	\$517,812	\$38,519	\$ 0	\$556,331
Operating Expenses				
less Depreciation	1,502,558	32,048	298	1,534,904
Depreciation Expense	5,315	0	0	5,315
Operating Income (Loss)	(990,061)	6,471	(298)	(983,888)
Donated Commodities	69,833	0	0	69,833
Operating Grants	923,195	0	0	923,195
Net Income (Loss)	4,680	6,471	(298)	10,853
Net Working Capital	41,660	17,425	0	59,085
Total Assets	301,639	17,425	0	319,064
Total Liabilities	189,827	0	0	189,827
Total Equity	111,812	17,425	0	129,237



## 12. 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. The main difference between the budget basis and GAAP basis are:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis).
4. Proceeds from the principal payment on bond and tax anticipation notes are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP basis).

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>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>
GAAP Basis	(\$272,442)	(\$558,860)	\$154,258
Net Adjustment for Revenue Accruals	1,818,640	22,690	34,531,614
Net Adjustment for Expenditure Accruals	(1,914,056)	452,038	352,060
Encumbrances	<u>(823,912)</u>	<u>(115,675)</u>	<u>0</u>
Budgetary Basis	<u>(\$1,191,770)</u>	<u>(\$199,807)</u>	<u>\$35,037,932</u>

### 13. COMPLIANCE AND ACCOUNTABILITY

#### Fund Deficits:

Fund balances at year-end, included the following deficits, which were created by the application of generally accepted accounting principles:

	<u>Deficit Fund Balance/ Retained Earnings</u>
Special Revenue Funds:	
Disadvantaged Pupil Impact Aid	\$314,782
Title VI	6,139
Title VI-R	71,598
Capital Projects Fund:	
Permanent Improvement Renewal	813,575
Internal Service Fund:	
Employee Benefits	74,348

At June 30, 2002, expenditures plus outstanding encumbrances exceeded appropriations at the legal level of control in the following amounts:

<u>Fund</u>	<u>Appropriations Plus Prior Year Encumbrances</u>	<u>Expenditures Plus Encumbrances</u>	<u>Expenditures Exceeding Appropriations</u>
Special Revenue Funds:			
Entry Year	\$29,496	\$55,456	(\$25,960)
DPIA	1,661,645	1,841,072	(179,427)
Ohio Schoolnet Professional Development	3,485	6,688	(3,203)
Ohio Reads	6,218	61,262	(55,044)
Alternative School District	26,606	36,209	(9,603)
Title VI-B	260,492	267,263	(6,771)
Tech Prep Awareness	0	46	(46)
Title I	1,115,227	1,120,364	(5,137)
Preschool Handicapped	6,098	6,997	(879)
Title VI-R	4,523	177,531	(173,008)
Enterprise Funds:			
Food Service	1,416,867	1,500,809	(83,942)
Intercession	163	298	(135)
Internal Service Fund:	359,355	2,532,524	(2,173,169)

#### 14. CONTINGENT LIABILITIES

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

Litigation - At year-end, the District had no pending litigation or potential liability that would have a material effect on the financial statements.

#### 15. JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Dayton Education Computer Association - The School District is a member of the Metropolitan Dayton Educational Computer Association (MDECA), which is a computer consortium of area school districts sharing computer resources. MDECA is an association of public school districts in a geographical area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative instructional functions among member districts. The Board of MDECA consists of one representative from each of the participating members. Each member pays an annual membership fee plus any other fees for services performed by the consortium.

Southwestern Ohio Instructional Technology Association - The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation formed under section 1702.01 of the Ohio Revised Code. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs.

The Board of Trustees is comprised of twenty-one representatives of SOITA member schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e., Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene, and Butler Counties shall elect two representatives per area. All others shall elect one representative per area. All superintendents except for those from educational service centers vote on the representatives after the nominating committee nominates individuals to run. One at-large non-public service representative shall be elected by the non-public school SOITA members as the State assigned SOITA service area. One at-large higher education representative shall be elected by higher education SOITA members from within the State assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state of local government for a public purpose. Payments to SOITA are made from the General Fund. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Steve Strouse, who serves as Director, at 150 East Sixth Street, Franklin, Ohio 45005.

Miami Valley Career Technology Center – The Miami Valley Career Technology Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the fifteen participating school districts' elected boards, which possesses its own budgeting and taxing authority. One member is appointed from the following city and/or exempted village school districts: Carlisle, Miamisburg, Milton-Union, Northmont, Vandalia, Versailles, Huber Heights, Eaton, Trotwood, Tipp City, and West Carrollton. Three members are appointed from the Montgomery County Educational Service Center, one is appointed from the Miami County Educational Service Center, one from the Darke County Educational Service Center, and one from the Preble County Educational Service Center. To obtain financial information, write to the Miami Valley Career Technology Center, Debby Gossett, who serves as Treasurer, at 6800 Hoke Road, Clayton, Ohio 45315.

## 16. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal year, the School District contracted with Nationwide Insurance Company for building and property insurance. This policy has a limit of insurance in the amount of \$53,503,700 for property. Property has a \$1,000 deductible. Vehicle insurance is covered by Nationwide Insurance for replacement cost with no deductible for comprehensive and a \$250 deductible for collision. General liability insurance is under Nationwide Insurance. The base policy has a \$2,000,000 per occurrence and a \$5,000,000 aggregate limit. The treasurer and business director are bonded. 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 District is a member of the Southwestern Ohio Educational Purchasing Counsel (SOEPC). The Counsel contracts with Accordia, Inc. to provide an insurance purchasing pool for workers compensation. The intent of the pool is to achieve the benefit of a reduced premium for the School District by virtue of its grouping an representation with other participants in the pool. The workers compensation experience of the participating school district is calculated as one experience and a common premium rate is applied to all school districts in the pool. Each participant pays its workers compensation premium to the State based on the rate for the pool rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the pool. A participant will then either receive money from or be required to contribute to the pool. This equity pooling arrangement insures that each participant shares equally in the overall performance of the pool. Participation in the pool is limited to school districts that can meet the pool's selection criteria. Accordia, Inc. provides administrative, cost control and actuarial services to the SOEPC.

The District has elected to provide employee dental benefits through a self-insured program. During fiscal years 1999 and 1998, the District also provided medical benefits through the program. The District currently provides medical benefits through an insurance contract with Anthem Blue Cross Blue Shield. The District maintains an Employee Benefits Internal Service Fund to account for and finance its uninsured risks of loss in this program. The District utilizes a third party administrator, Core Source, to review all claims, which are then paid by the District. Employees are required to share in the costs of the plan along with the District.

The claims liability of \$193,317 reported in the fund at June 30, 2002, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims be reported if information prior to issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonable estimated. Changes in the fund's claims liability amount in fiscal years 2000, 2001, and 2002 were as follows:

	Balance at <u>July 1</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>June 30</u>
1999/2000	\$36,707	\$17,882	\$36,707	\$17,882
2000/2001	17,882	277,461	17,882	277,461
2001/2002	277,461	193,317	277,461	193,317

## 17. STATE SCHOOL FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school-funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...".

The School District is currently unable to determine what effects, if any, this decision will have on its future State funding and on its financial operations.

## 18. 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, the reserve activity (cash-basis) was as follows:

	Textbooks and Instructional Materials <u>Reserve</u>	Capital Acquisition and Maintenance <u>Reserve</u>	Budget Stabilization <u>Reserve</u>	<u>Total</u>
Balance, 7/1/01	\$ 0	\$ 0	\$81,076	\$81,076
Required Set-Aside	473,779	473,779	0	947,558
Offset Credits	0	(942,773)	0	(942,773)
Qualifying Expenditures	<u>(757,792)</u>	<u>(39,134)</u>	<u>0</u>	<u>(796,926)</u>
Balance, 6/30/02	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$81,076</u>	<u>\$81,076</u>
Carry Forward Balance	<u>(284,013)</u>	<u>(508,128)</u>	<u>81,076</u>	<u>(711,065)</u>
Restricted Cash	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$81,076</u>	<u>\$81,076</u>

The District had qualifying disbursements for the Textbook and Instructional Materials Reserve that exceeded the required set-aside by \$284,013 and had current year offset credits for the Capital Acquisition and Maintenance Reserve that exceeded the required set-aside by \$508,128. These balances can be carried forward to use against future year set-asides.

## 19. INTERFUND ACTIVITY

As of June 30, 2002, receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund Type/Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$161,745	\$ 0
Special Revenue		
Title VI-B\Preschool	0	(68,855)
Title VI	0	(3,745)
Title VI-R	0	(43,228)
Capital Projects:		
Classroom Facilities	<u>0</u>	<u>(45,917)</u>
Total All Funds	<u>\$161,745</u>	<u>\$(161,745)</u>

**20. PRIOR PERIOD ADJUSTMENT**

The beginning fund balance of the following Capital Project Fund (Permanent Improvement Renewal) and the beginning notes payable balance of the General Long Term Debt Account Group have been adjusted for corrections to notes payable:

	<u>Capital Projects Fund</u>	<u>General Long Term Debt Account Group</u>
Balanced Previously		
Stated, June 30, 2001	\$814,474	\$2,514,816
Prior Period Adjustment	<u>(900,000)</u>	<u>(900,000)</u>
As Restated, July 1, 2001	<u>\$(85,526)</u>	<u>\$1,614,816</u>
	<u>Capital Projects Fund</u>	
Excess of Revenues and other financing sources over (under) expenditures and other financing uses as previously stated	\$87,504	
Restatement	<u>(900,000)</u>	
Excess of Revenues and other financing sources over (under) expenditures and other financing uses restated	<u>(\$812,496)</u>	

**21. SUBSEQUENT EVENTS**

On October 17, 2002, as part of the Regular Board of Education meeting, the Board approved Resolution 02-159 to approve providing the issuance of not to exceed \$35,000,000 of school improvement bonds.

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## **GENERAL FUND**

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The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of the State of Ohio.

Since there is only one General Fund and the level of Budgetary control is not greater than that presented in the General Purpose Financial Statements, no additional financial statements are presented here.

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## **SPECIAL REVENUE FUNDS**

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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:

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

OTHER GRANTS: To account for funds provided by the state for miscellaneous district programs.

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

AUXILIARY SERVICES: To account for state funds which provide services and materials to students attending non-public schools within the boundaries of the District as provided by state law.

CAREER DEVELOPMENT: To account for state funds, which are provided to introduce various career opportunities to students.

PROFESSIONAL DEVELOPMENT: To account for monies, which are provided, to professional development.

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

ENTRY YEAR PROGRAM: To account for state funds, which are to provide inservice for entry year teachers.

DISADVANTAGED PUPIL IMPACT AID: To account for the provision of state funds to economically deprived pupils. The funds are grants designed to help level out the economic differences between students.

SCHOOL NET PROFESSIONAL DEVELOPMENT: To account for state funds, which are provided for staff development in the area of technology.

OHIO READS: To account for state funds, which are designated reading.

SUMMER SCHOOL SUBSIDY: To account for state funds related to the District's Summer School program.

TWILIGHT SCHOOL: To account for state funds related to the District's Twilight School program.

EXTENDED LEARNING OPPORTUNITY: To account for state funds related to the District's Extended Learning program.

READING IMPROVEMENT GRANT: To account for state funds provided for the reading improvement program.

EISENHOWER GRANT: To account for federal funds used in the training of teachers in new techniques and methodologies in the areas of mathematics and science.

TITLE VIB/PRE-SCHOOL: To account for federal funds received for the purpose of assisting in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternate service patterns, and provision of full educational opportunities to handicapped children at preschool.

TECHNOLOGY PREPARATION AWARENESS GRANT: To account for funds provided for the technology preparation awareness grant.

TITLE I: To account for federal funds used to meet special educational needs of educationally deprived children.

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

DRUG FREE SCHOOLS: To account for federal funds used for establishment, operation and improvement of programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

EHA PRE-SCHOOL GRANT: To account for revenues and expenditures made in conjunction with child abuse, child neglect prevention programs and other grants.

E-RATE: To account for federal funds, which are designated for telecommunications.

CONTINUOUS IMPROVEMENT: To account for funds provided for the Continuous Improvement program.

TITLE VI-R: To account for federal funds provided for the Title VI-R program.

GOALS 2000: To provide support to meet needs of individuals in their first year of teaching and to prepare them for performance assessment.

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
**Combining Balance Sheet**  
**All Special Revenue Funds**  
**June 30, 2002**

	<b>Public School Support</b>	<b>Other Grants</b>	<b>Extracurricular Activities</b>	<b>Auxiliary Service</b>
<b>Assets</b>				
Equity in pooled cash and investments	\$31,952	\$25,841	\$15,741	\$46,117
Receivables:				
Accounts	18	0	70	0
Intergovernmental	0	0	0	0
<b>Total Assets</b>	<u>31,970</u>	<u>25,841</u>	<u>15,811</u>	<u>46,117</u>
<b>Liabilities</b>				
Accounts payable	0	0	1,664	4,266
Accrued wages and benefits	0	0	0	24,409
Compensated absences	0	0	0	7,165
Interfund payable	0	0	0	0
Deferred revenue	0	0	0	0
<b>Total liabilities</b>	<u>0</u>	<u>0</u>	<u>1,664</u>	<u>35,840</u>
<b>Fund balances:</b>				
Reserved:				
Reserved for encumbrances	5,590	0	6,684	3,846
Unreserved:				
Undesignated	26,380	25,841	7,463	6,431
<b>Total fund equity (deficit)</b>	<u>31,970</u>	<u>25,841</u>	<u>14,147</u>	<u>10,277</u>
<b>Total Liabilities and fund equity</b>	<u>\$31,970</u>	<u>\$25,841</u>	<u>\$15,811</u>	<u>\$46,117</u>

<u>Career Development</u>	<u>Professional Development</u>	<u>Management Information</u>	<u>Entry Year Program</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>School Net Professional Development</u>
\$363	\$3,268	\$33,245	\$34,040	\$0	\$939
0	0	0	0	0	0
0	0	0	0	0	3,450
<u>363</u>	<u>3,268</u>	<u>33,245</u>	<u>34,040</u>	<u>0</u>	<u>4,389</u>
0	0	0	0	0	0
0	0	0	0	293,911	0
0	0	0	0	20,871	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>314,782</u>	<u>0</u>
0	0	0	0	0	0
363	3,268	33,245	34,040	(314,782)	4,389
<u>363</u>	<u>3,268</u>	<u>33,245</u>	<u>34,040</u>	<u>(314,782)</u>	<u>4,389</u>
<u>\$363</u>	<u>\$3,268</u>	<u>\$33,245</u>	<u>\$34,040</u>	<u>\$0</u>	<u>\$4,389</u>

Continued

TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

All Special Revenue Funds

June 30, 2002

	Ohio Reads	Summer School Subsidy	Twilight School	Extended Learning Opportunity
<b>Assets</b>				
Equity in pooled cash and investments	\$21,015	\$52,633	\$16,024	\$24,848
Receivables:				
Accounts	0	0	0	0
Intergovernmental	7,481	0	0	0
<b>Total Assets</b>	<u>28,496</u>	<u>52,633</u>	<u>16,024</u>	<u>24,848</u>
<b>Liabilities</b>				
Accounts payable	0	6,604	0	0
Accrued wages and benefits	0	0	4,758	0
Compensated absences	0	0	0	0
Interfund payable	0	0	0	0
Deferred revenue	7,481	0	0	0
<b>Total liabilities</b>	<u>7,481</u>	<u>6,604</u>	<u>4,758</u>	<u>0</u>
<b>Fund balances:</b>				
Reserved:				
Reserved for encumbrances	10,053	2,129	216	102
Unreserved:				
Undesignated	10,962	43,900	11,050	24,746
<b>Total fund equity (deficit)</b>	<u>21,015</u>	<u>46,029</u>	<u>11,266</u>	<u>24,848</u>
<b>Total Liabilities and fund equity</b>	<u>\$28,496</u>	<u>\$52,633</u>	<u>\$16,024</u>	<u>\$24,848</u>



Reading Improvement Grant	Eisenhower Grant	Title VIB / Pre-School	Technology Preparation Awareness Grant	Title I	Title VI
\$9,135	\$21,607	\$10,411	\$0	\$206,551	\$89
0	0	0	0	0	0
0	8,437	174,891	0	387,400	12,285
<u>9,135</u>	<u>30,044</u>	<u>185,302</u>	<u>0</u>	<u>593,951</u>	<u>12,374</u>
2,121	0	0	0	13,459	0
0	0	18,592	0	150,277	2,483
0	0	5,733	0	190	0
0	0	68,855	0	0	3,745
0	8,437	85,937	0	387,400	12,285
<u>2,121</u>	<u>8,437</u>	<u>179,117</u>	<u>0</u>	<u>551,326</u>	<u>18,513</u>
160	5,452	10,322	0	37,445	90
6,854	16,155	(4,137)	0	5,180	(6,229)
<u>7,014</u>	<u>21,607</u>	<u>6,185</u>	<u>0</u>	<u>42,625</u>	<u>(6,139)</u>
<u>\$9,135</u>	<u>\$30,044</u>	<u>\$185,302</u>	<u>\$0</u>	<u>\$593,951</u>	<u>\$12,374</u>

Continued

TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO  
 Combining Balance Sheet  
 All Special Revenue Funds  
 June 30, 2002

	Drug Free Schools	EHA Pre-School Grant	E-Rate	Continuous Improvement
<b>Assets</b>				
Equity in pooled cash and investments	\$26,591	\$7	\$34,586	\$16,967
Receivables:				
Accounts	0	0	0	0
Intergovernmental	17,786	0	0	0
<b>Total Assets</b>	<u>44,377</u>	<u>7</u>	<u>34,586</u>	<u>16,967</u>
<b>Liabilities</b>				
Accounts payable	0	0	0	0
Accrued wages and benefits	12,952	0	0	0
Compensated absences	0	0	0	0
Interfund payable	0	0	0	0
Deferred revenue	5,610	0	0	0
<b>Total liabilities</b>	<u>18,562</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balances:</b>				
Reserved:				
Reserved for encumbrances	2,204	0	0	580
Unreserved:				
Undesignated	23,611	7	34,586	16,387
<b>Total fund equity (deficit)</b>	<u>25,815</u>	<u>7</u>	<u>34,586</u>	<u>16,967</u>
<b>Total Liabilities and fund equity</b>	<u>\$44,377</u>	<u>\$7</u>	<u>\$34,586</u>	<u>\$16,967</u>

<u>Title VI - R</u>	<u>Goals 2000</u>	<u>Totals</u>
\$482	\$19,138	\$651,590
0	0	88
73,148	0	684,878
<u>73,630</u>	<u>19,138</u>	<u>1,336,556</u>
0	0	28,114
28,852	0	536,234
0	0	33,959
43,228	0	115,828
73,148	0	580,298
<u>145,228</u>	<u>0</u>	<u>1,294,433</u>
419	2,271	87,563
(72,017)	16,867	(45,440)
<u>(71,598)</u>	<u>19,138</u>	<u>42,123</u>
<u>\$73,630</u>	<u>\$19,138</u>	<u>\$1,336,556</u>

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
**Combining Statement of Revenues, Expenditures**  
**And Changes in Fund Balances**  
**All Special Revenue Funds**  
**For The Fiscal Year Ended June 30, 2002**

	<u>Public School Support</u>	<u>Other Grants</u>	<u>Extracurricular Activities</u>	<u>Auxiliary Service</u>
<b>Revenues:</b>				
Intergovernmental	\$0	\$4,922	\$0	\$165,657
Extracurricular activities	24,158	0	106,132	0
Other revenues	2,132	7,296	0	0
<b>Total revenues</b>	<u>26,290</u>	<u>12,218</u>	<u>106,132</u>	<u>165,657</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	0	8,341	0	30,423
Special	1,016	116	0	34,385
Other	0	0	0	0
<b>Support services:</b>				
Pupil	0	54	0	63,034
Instructional Staff	0	5,713	0	0
Administration	0	0	25,493	21,571
Business	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	18	0	0
<b>Operation of non-instructional services</b>				
Extracurricular activities	0	0	0	26,480
	43,803	0	99,969	0
<b>Debt service:</b>				
Principal	0	0	0	0
Interest	0	0	0	0
<b>Total Expenditures</b>	<u>44,819</u>	<u>14,242</u>	<u>125,462</u>	<u>175,893</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(18,529)</u>	<u>(2,024)</u>	<u>(19,330)</u>	<u>(10,236)</u>
<b>Other financing sources (uses):</b>				
Proceeds on sale of fixed assets	0	0	600	0
Operating transfers in	0	0	0	0
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>0</u>	<u>600</u>	<u>0</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>(18,529)</u>	<u>(2,024)</u>	<u>(18,730)</u>	<u>(10,236)</u>
<b>Fund balance (deficit), July 1</b>	50,499	27,865	32,877	20,513
	<u>\$31,970</u>	<u>\$25,841</u>	<u>\$14,147</u>	<u>\$10,277</u>

<u>Career Development</u>	<u>Professional Development Grant</u>	<u>Management Information</u>	<u>Entry Year Program</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>School Net Professional Development</u>
\$4,020	\$0	\$14,364	\$60,000	\$1,841,072	\$7,592
0	0	0	0	0	0
0	0	0	0	0	0
<u>4,020</u>	<u>0</u>	<u>14,364</u>	<u>60,000</u>	<u>1,841,072</u>	<u>7,592</u>
0	0	0	51,161	1,483,929	0
0	0	0	0	110,824	0
0	0	0	0	0	0
7,399	0	0	0	146,530	0
0	4,178	0	4,295	263,124	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	3,230	0	0	6,688
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	233,518	0
0	0	0	0	6,045	0
<u>7,399</u>	<u>4,178</u>	<u>3,230</u>	<u>55,456</u>	<u>2,243,970</u>	<u>6,688</u>
<u>(3,379)</u>	<u>(4,178)</u>	<u>11,134</u>	<u>4,544</u>	<u>(402,898)</u>	<u>904</u>
0	0	0	0	0	0
0	0	0	0	239,563	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>239,563</u>	<u>0</u>
(3,379)	(4,178)	11,134	4,544	(163,335)	904
3,742	7,446	22,111	29,496	(151,447)	3,485
<u>\$363</u>	<u>\$3,268</u>	<u>\$33,245</u>	<u>\$34,040</u>	<u>(\$314,782)</u>	<u>\$4,389</u>

Continued

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
**Combining Statement of Revenues, Expenditures**  
**And Changes in Fund Balances**  
**All Special Revenue Funds**  
**For The Fiscal Year Ended June 30, 2002**

	Ohio Reads	Summer School Subsidy	Twilight School	Extended Learning Opportunity
<b>Revenues:</b>				
Intergovernmental	\$66,005	\$0	\$25,411	\$0
Extracurricular activities	0	0	0	0
Other revenues	0	0	0	0
<b>Total revenues</b>	<u>66,005</u>	<u>0</u>	<u>25,411</u>	<u>0</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	41,309	0	40,751	0
Special	0	0	0	0
Other	0	18,891	0	84,652
<b>Support services:</b>				
Pupil	0	0	0	0
Instructional Staff	4,400	0	0	0
Administration	4,000	0	0	0
Business	0	0	0	0
Pupil Transportation	0	0	0	150
Central	0	0	0	0
<b>Operation of non-instructional services</b>				
Extracurricular activities	0	0	0	0
<b>Debt service:</b>				
Principal	0	0	0	0
Interest	0	0	0	0
<b>Total Expenditures</b>	<u>49,709</u>	<u>18,891</u>	<u>40,751</u>	<u>84,802</u>
<b>Excess of revenues over (under) expenditures</b>	<u>16,296</u>	<u>(18,891)</u>	<u>(15,340)</u>	<u>(84,802)</u>
<b>Other financing sources (uses):</b>				
Proceeds on sale of fixed assets	0	0	0	0
Operating transfers in	0	0	0	0
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	16,296	(18,891)	(15,340)	(84,802)
<b>Fund balance (deficit), July 1</b>	4,719	64,920	26,606	109,650
	<u>\$21,015</u>	<u>\$46,029</u>	<u>\$11,266</u>	<u>\$24,848</u>

Reading Improvement Grant	Eisenhower Grant	Title VI-B Pre-School	Technology Preparation Awareness Grant	Title I	Title VI
\$7,497	\$21,633	\$244,165	\$0	\$1,000,995	\$17,677
0	0	0	0	0	0
0	0	0	0	0	0
<u>7,497</u>	<u>21,633</u>	<u>244,165</u>	<u>0</u>	<u>1,000,995</u>	<u>17,677</u>
32,078	0	0	46	0	15,111
0	0	32,120	0	868,326	0
0	0	0	0	0	0
0	1,392	125,611	0	13,634	0
4,000	13,567	0	0	197,246	0
0	0	98,721	0	(1,077)	0
3,085	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	2,262
0	0	0	0	0	0
0	0	0	0	0	0
<u>39,163</u>	<u>14,959</u>	<u>256,452</u>	<u>46</u>	<u>1,078,129</u>	<u>17,373</u>
(31,666)	6,674	(12,287)	(46)	(77,134)	304
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(31,666)	6,674	(12,287)	(46)	(77,134)	304
38,680	14,933	18,472	46	119,759	(6,443)
<u>\$7,014</u>	<u>\$21,607</u>	<u>\$6,185</u>	<u>\$0</u>	<u>\$42,625</u>	<u>(\$6,139)</u>

Continued

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
**Combining Statement of Revenues, Expenditures**  
**And Changes in Fund Balances**  
**All Special Revenue Funds**  
**For The Fiscal Year Ended June 30, 2002**

	<u>Drug Free Schools</u>	<u>EHA Pre-School Grant</u>	<u>E Rate</u>	<u>Continuous Improvement</u>
<b>Revenues:</b>				
Intergovernmental	\$31,447	\$6,984	\$0	\$5,000
Extracurricular activities	0	0	0	0
Other revenues	0	0	0	0
<b>Total revenues</b>	<u>31,447</u>	<u>6,984</u>	<u>0</u>	<u>5,000</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	8,394	0	0	8,165
Special	0	0	0	0
Other	0	0	0	0
<b>Support services:</b>				
Pupil	43,635	6,977	0	0
Instructional Staff	0	0	0	1,087
Administration	0	0	0	0
Business	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	1,436	0
Operation of non-instructional services	0	0	0	0
Extracurricular activities	0	0	0	0
<b>Debt service:</b>				
Principal	0	0	0	0
Interest	0	0	0	0
<b>Total Expenditures</b>	<u>52,029</u>	<u>6,977</u>	<u>1,436</u>	<u>9,252</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(20,582)</u>	<u>7</u>	<u>(1,436)</u>	<u>(4,252)</u>
<b>Other financing sources (uses):</b>				
Proceeds on sale of fixed assets	0	0	0	0
Operating transfers in	0	0	0	0
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>(20,582)</u>	<u>7</u>	<u>(1,436)</u>	<u>(4,252)</u>
<b>Fund balance (deficit), July 1</b>	46,397	0	36,022	21,219
	<u>\$25,815</u>	<u>\$7</u>	<u>\$34,586</u>	<u>\$16,967</u>



<u>Title VI - R</u>	<u>Goals 2000</u>	<u>Totals</u>
\$101,146	\$0	\$3,625,587
0	0	130,290
0	0	9,428
<u>101,146</u>	<u>0</u>	<u>3,765,305</u>

187,751	23,228	1,930,687
0	0	1,046,787
0	0	103,543
0	0	408,266
0	2,043	499,653
0	0	148,708
0	0	3,085
0	0	150
0	0	11,372
0	0	28,742
0	0	143,772
0	0	233,518
0	0	6,045
<u>187,751</u>	<u>25,271</u>	<u>4,564,328</u>

<u>(86,605)</u>	<u>(25,271)</u>	<u>(799,023)</u>
-----------------	-----------------	------------------

0	0	600
0	0	239,563
<u>0</u>	<u>0</u>	<u>240,163</u>

(86,605)	(25,271)	(558,860)
15,007	44,409	600,983
<u>(\$71,598)</u>	<u>\$19,138</u>	<u>\$42,123</u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Public School Support Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Extracurricular activities	\$11,334	\$24,140	\$12,806
Other revenues	1,001	2,132	1,131
Total revenues	<u>12,335</u>	<u>26,272</u>	<u>13,937</u>
Expenditures:			
Current:			
Instruction:			
Special	1,016	1,016	0
Extracurricular activities	117,986	50,676	67,310
Total expenditures	<u>119,002</u>	<u>51,692</u>	<u>67,310</u>
Excess of revenues over (under) expenditures	<u>(106,667)</u>	<u>(25,420)</u>	<u>81,247</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	51,783	51,783	0
Fund balance, June 30	<u><u>(\$54,884)</u></u>	<u><u>\$26,363</u></u>	<u><u>\$81,247</u></u>

TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Other Grants Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$2,311	\$4,922	\$2,611
Other revenues	4,466	9,513	5,047
Total revenues	<u>6,777</u>	<u>14,435</u>	<u>7,658</u>
Expenditures:			
Current:			
Instruction:			
Regular	24,194	8,845	15,349
Special	116	116	0
Support services:			
Pupil	104	54	50
Instructional staff	10,752	5,713	5,039
Central	18	18	0
Total expenditures	<u>35,184</u>	<u>14,746</u>	<u>20,438</u>
Excess of revenues over (under) expenditures	<u>(28,407)</u>	<u>(311)</u>	<u>28,096</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	26,153	26,153	0
Fund balance, June 30	<u><u>(\$2,254)</u></u>	<u><u>\$25,842</u></u>	<u><u>\$28,096</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*

Schedule of Revenues, Expenditures

And Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Extracurricular Activities Special Revenue Fund

For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Extracurricular activities	\$49,478	\$106,062	\$56,584
Total revenues	<u>49,478</u>	<u>106,062</u>	<u>56,584</u>
Expenditures:			
Current:			
Support services:			
Administration	27,955	26,430	1,525
Extracurricular activities	123,770	105,717	18,053
Total expenditures	<u>151,725</u>	<u>132,147</u>	<u>19,578</u>
Excess of revenues over (under) expenditures	<u>(102,247)</u>	<u>(26,085)</u>	<u>76,162</u>
Other financing sources (uses):			
Proceeds of sale of fixed assets	600	600	0
Total other financing sources (uses)	<u>600</u>	<u>600</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(101,647)</u>	<u>(25,485)</u>	<u>76,162</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	32,876	32,876	0
Fund balance, June 30	<u><u>(\$68,771)</u></u>	<u><u>\$7,391</u></u>	<u><u>\$76,162</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*

Schedule of Revenues, Expenditures

And Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Auxiliary Services Special Revenue Fund

For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$77,776	\$165,657	\$87,881
Total revenues	<u>77,776</u>	<u>165,657</u>	<u>87,881</u>
Expenditures:			
Current:			
Instruction:			
Regular	35,771	30,378	5,393
Special	40,519	34,410	6,109
Support services:			
Pupil	60,672	51,524	9,148
Administration	25,223	21,420	3,803
Operation of non-instructional services	47,836	34,943	12,893
Total expenditures	<u>210,021</u>	<u>172,675</u>	<u>37,346</u>
Excess of revenues over (under) expenditures	<u>(132,245)</u>	<u>(7,018)</u>	<u>125,227</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	45,021	45,021	0
Fund balance, June 30	<u><u>(\$87,224)</u></u>	<u><u>\$38,003</u></u>	<u><u>\$125,227</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Career Development Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$1,887	\$4,020	\$2,133
Total revenues	<u>1,887</u>	<u>4,020</u>	<u>2,133</u>
Expenditures:			
Current:			
Support services:			
Pupil	13,227	7,719	5,508
Total expenditures	<u>13,227</u>	<u>7,719</u>	<u>5,508</u>
Excess of revenues over (under) expenditures	<u>(11,340)</u>	<u>(3,699)</u>	<u>7,641</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	4,062	4,062	0
Fund balance, June 30	<u><u>(\$7,278)</u></u>	<u><u>\$363</u></u>	<u><u>\$7,641</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Professional Development Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	27,773	4,178	23,595
Total expenditures	<u>27,773</u>	<u>4,178</u>	<u>23,595</u>
Excess of revenues over (under) expenditures	<u>(27,773)</u>	<u>(4,178)</u>	<u>23,595</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	7,447	7,447	0
Fund balance, June 30	<u><u>(\$20,326)</u></u>	<u><u>\$3,269</u></u>	<u><u>\$23,595</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Management Information Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$6,744	\$14,364	\$7,620
Total revenues	<u>6,744</u>	<u>14,364</u>	<u>7,620</u>
Expenditures:			
Current:			
Support services:			
Central	33,612	3,230	30,382
Total expenditures	<u>33,612</u>	<u>3,230</u>	<u>30,382</u>
Excess of revenues over (under) expenditures	<u>(26,868)</u>	<u>11,134</u>	<u>38,002</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	22,111	22,111	0
Fund balance, June 30	<u><u>(\$4,757)</u></u>	<u><u>\$33,245</u></u>	<u><u>\$38,002</u></u>



*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Entry Year Program Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$28,170	\$60,000	\$31,830
Total revenues	<u>28,170</u>	<u>60,000</u>	<u>31,830</u>
Expenditures:			
Current:			
Instruction:			
Regular	24,201	51,161	(26,960)
Support services:			
Instructional staff	5,295	4,295	1,000
Total expenditures	<u>29,496</u>	<u>55,456</u>	<u>(25,960)</u>
Excess of revenues over (under) expenditures	<u>(1,326)</u>	<u>4,544</u>	<u>5,870</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	29,496	29,496	0
Fund balance, June 30	<u><u>\$28,170</u></u>	<u><u>\$34,040</u></u>	<u><u>\$5,870</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Disadvantaged Pupil Impact Aid Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$864,383	\$1,841,072	\$976,689
Total revenues	<u>864,383</u>	<u>1,841,072</u>	<u>976,689</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,143,852	1,323,279	(179,427)
Special	110,824	110,824	0
Support services:			
Pupil	143,707	143,707	0
Instructional staff	263,262	263,262	0
Total expenditures	<u>1,661,645</u>	<u>1,841,072</u>	<u>(179,427)</u>
Excess of revenues over (under) expenditures	<u>(797,262)</u>	<u>0</u>	<u>797,262</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	0	0	0
Fund balance, June 30	<u><u>(\$797,262)</u></u>	<u><u>\$0</u></u>	<u><u>\$797,262</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 School Net Professional Development Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$1,945	\$4,142	\$2,197
Total revenues	<u>1,945</u>	<u>4,142</u>	<u>2,197</u>
Expenditures:			
Current:			
Support services:			
Central	3,485	6,688	(3,203)
Total expenditures	<u>3,485</u>	<u>6,688</u>	<u>(3,203)</u>
Excess of revenues over (under) expenditures	<u>(1,540)</u>	<u>(2,546)</u>	<u>(1,006)</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	3,485	3,485	0
Fund balance, June 30	<u><u>\$1,945</u></u>	<u><u>\$939</u></u>	<u><u>(\$1,006)</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Ohio Reads Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$30,989	\$66,005	\$35,016
Total revenues	<u>30,989</u>	<u>66,005</u>	<u>35,016</u>
Expenditures:			
Current:			
Instruction:			
Regular	5,289	44,609	(39,320)
Support services:			
Instructional staff	580	10,390	(9,810)
Administration	349	6,263	(5,914)
Total expenditures	<u>6,218</u>	<u>61,262</u>	<u>(55,044)</u>
Excess of revenues over (under) expenditures	<u>24,771</u>	<u>4,743</u>	<u>(20,028)</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	6,218	6,218	0
Fund balance, June 30	<u><u>\$30,989</u></u>	<u><u>\$10,961</u></u>	<u><u>(\$20,028)</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Summer School Subsidy Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Other	64,920	21,020	43,900
Total expenditures	<u>64,920</u>	<u>21,020</u>	<u>43,900</u>
Excess of revenues over (under) expenditures	<u>(64,920)</u>	<u>(21,020)</u>	<u>43,900</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	64,920	64,920	0
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$43,900</u></u>	<u><u>\$43,900</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Twilight School Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$11,930	\$25,411	\$13,481
Total revenues	<u>11,930</u>	<u>25,411</u>	<u>13,481</u>
Expenditures:			
Current:			
Instruction:			
Regular	26,606	36,209	(9,603)
Total expenditures	<u>26,606</u>	<u>36,209</u>	<u>(9,603)</u>
Excess of revenues over (under) expenditures	<u>(14,676)</u>	<u>(10,798)</u>	<u>3,878</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	26,606	26,606	0
Fund balance, June 30	<u><u>\$11,930</u></u>	<u><u>\$15,808</u></u>	<u><u>\$3,878</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Extended Learning Opportunity Special Revenue Fund  
For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Other	109,399	84,652	24,747
Support services:			
Pupil transportation	251	251	0
Total expenditures	<u>109,650</u>	<u>84,903</u>	<u>24,747</u>
Excess of revenues over (under) expenditures	<u>(109,650)</u>	<u>(84,903)</u>	<u>24,747</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	109,650	109,650	0
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$24,747</u></u>	<u><u>\$24,747</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*

Schedule of Revenues, Expenditures

And Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Reading Improvement Grant Special Revenue Fund

For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$3,520	\$7,497	\$3,977
Total revenues	<u>3,520</u>	<u>7,497</u>	<u>3,977</u>
Expenditures:			
Current:			
Instruction:			
Regular	78,585	33,227	45,358
Support services:			
Instructional staff	4,000	4,000	0
Business	3,085	3,085	0
Total expenditures	<u>85,670</u>	<u>40,312</u>	<u>45,358</u>
Excess of revenues over (under) expenditures	<u>(82,150)</u>	<u>(32,815)</u>	<u>49,335</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	39,670	39,670	0
Fund balance, June 30	<u><u>(\$42,480)</u></u>	<u><u>\$6,855</u></u>	<u><u>\$49,335</u></u>



*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Eisenhower Grant Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$10,157	\$21,633	\$11,476
Total revenues	<u>10,157</u>	<u>21,633</u>	<u>11,476</u>
Expenditures:			
Current:			
Support services:			
Pupil	2,867	2,867	0
Instructional staff	38,918	18,050	20,868
Total expenditures	<u>41,785</u>	<u>20,917</u>	<u>20,868</u>
Excess of revenues over (under) expenditures	<u>(31,628)</u>	<u>716</u>	<u>32,344</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	15,439	15,439	0
Fund balance, June 30	<u><u>(\$16,189)</u></u>	<u><u>\$16,155</u></u>	<u><u>\$32,344</u></u>

TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Title VIB / Pre-School Special Revenue Fund  
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$36,344	\$155,211	\$118,867
Total revenues	<u>36,344</u>	<u>155,211</u>	<u>118,867</u>
Expenditures:			
Current:			
Instruction:			
Special	42,846	41,100	1,746
Support services:			
Pupil	130,212	135,308	(5,096)
Administration	87,434	90,855	(3,421)
Total expenditures	<u>260,492</u>	<u>267,263</u>	<u>(6,771)</u>
Excess of revenues over (under) expenditures	<u>(224,148)</u>	<u>(112,052)</u>	<u>112,096</u>
Other financing sources (uses):			
Advances in	68,855	68,855	0
Total other financing sources (uses)	<u>68,855</u>	<u>68,855</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(155,293)	(43,197)	112,096
Fund balance, July 1 (includes prior year encumbrances appropriated)	43,289	43,289	0
Fund balance, June 30	<u><u>(\$112,004)</u></u>	<u><u>\$92</u></u>	<u><u>\$112,096</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Technology Preparation Awareness Grant Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	0	46	(46)
Total expenditures	<u>0</u>	<u>46</u>	<u>(46)</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>(46)</u>	<u>(46)</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	46	46	0
Fund balance, June 30	<u>\$46</u>	<u>\$0</u>	<u>(\$46)</u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title I Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$573,341	\$1,221,174	\$647,833
Total revenues	<u>573,341</u>	<u>1,221,174</u>	<u>647,833</u>
Expenditures:			
Current:			
Instruction:			
Special	882,583	889,346	(6,763)
Support services:			
Pupil	14,033	14,033	0
Instructional staff	206,695	206,695	0
Administration	11,915	10,290	1,625
Total expenditures	<u>1,115,226</u>	<u>1,120,364</u>	<u>(5,138)</u>
Excess of revenues over (under) expenditures	<u>(541,885)</u>	<u>100,810</u>	<u>642,695</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	54,838	54,838	0
Fund balance, June 30	<u><u>(\$487,047)</u></u>	<u><u>\$155,648</u></u>	<u><u>\$642,695</u></u>

TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Title VI Special Revenue Fund  
For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$6,313	\$17,677	\$11,364
Total revenues	<u>6,313</u>	<u>17,677</u>	<u>11,364</u>
Expenditures:			
Current:			
Instruction:			
Regular	27,384	19,160	8,224
Operation of non-instructional services	2,262	2,262	0
Total expenditures	<u>29,646</u>	<u>21,422</u>	<u>8,224</u>
Excess of revenues over (under) expenditures	<u>(23,333)</u>	<u>(3,745)</u>	<u>19,588</u>
Other financing sources (uses):			
Advances in	3,745	3,745	0
Total other financing sources (uses)	<u>3,745</u>	<u>3,745</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(19,588)	0	19,588
Fund balance, July 1 (includes prior year encumbrances appropriated)	0	0	0
Fund balance, June 30	<u><u>(\$19,588)</u></u>	<u><u>\$0</u></u>	<u><u>\$19,588</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*

Schedule of Revenues, Expenditures

And Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Drug Free Schools Special Revenue Fund

For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$9,048	\$19,271	\$10,223
Total revenues	<u>9,048</u>	<u>19,271</u>	<u>10,223</u>
Expenditures:			
Current:			
Instruction:			
Regular	11,342	9,307	2,035
Support services:			
Pupil	76,761	32,022	44,739
Total expenditures	<u>88,103</u>	<u>41,329</u>	<u>46,774</u>
Excess of revenues over (under) expenditures	<u>(79,055)</u>	<u>(22,058)</u>	<u>56,997</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	46,445	46,445	0
Fund balance, June 30	<u><u>(\$32,610)</u></u>	<u><u>\$24,387</u></u>	<u><u>\$56,997</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 EHA Pre-School Grant Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$3,279	\$6,984	\$3,705
Total revenues	<u>3,279</u>	<u>6,984</u>	<u>3,705</u>
Expenditures:			
Current:			
Support services:			
Pupil	6,098	6,977	(879)
Total expenditures	<u>6,098</u>	<u>6,977</u>	<u>(879)</u>
Excess of revenues over (under) expenditures	<u>(2,819)</u>	<u>7</u>	<u>2,826</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	0	0	0
Fund balance, June 30	<u><u>(\$2,819)</u></u>	<u><u>\$7</u></u>	<u><u>\$2,826</u></u>

TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 E-Rate Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	1,000	0	1,000
Operations and maintenance	240	0	240
Central	34,782	1,436	33,346
Total expenditures	<u>36,022</u>	<u>1,436</u>	<u>34,586</u>
Excess of revenues over (under) expenditures	<u>(36,022)</u>	<u>(1,436)</u>	<u>34,586</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	36,023	36,023	0
Fund balance, June 30	<u><u>\$1</u></u>	<u><u>\$34,587</u></u>	<u><u>\$34,586</u></u>



*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Continuous Improvement Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$2,348	\$5,000	\$2,652
Total revenues	<u>2,348</u>	<u>5,000</u>	<u>2,652</u>
Expenditures:			
Current:			
Instruction:			
Regular	20,132	8,745	11,387
Support services:			
Instructional staff	1,087	1,087	0
Total expenditures	<u>21,219</u>	<u>9,832</u>	<u>11,387</u>
Excess of revenues over (under) expenditures	<u>(18,871)</u>	<u>(4,832)</u>	<u>14,039</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	21,219	21,219	0
Fund balance, June 30	<u><u>\$2,348</u></u>	<u><u>\$16,387</u></u>	<u><u>\$14,039</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Title VI-R Special Revenue Fund  
For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$38,029	\$129,844	\$91,815
Total revenues	<u>38,029</u>	<u>129,844</u>	<u>91,815</u>
Expenditures:			
Current:			
Instruction:			
Regular	4,523	177,531	(173,008)
Total expenditures	<u>4,523</u>	<u>177,531</u>	<u>(173,008)</u>
Excess of revenues over (under) expenditures	<u>33,506</u>	<u>(47,687)</u>	<u>(81,193)</u>
Other financing sources (uses):			
Advances in	43,228	43,228	0
Total other financing sources (uses)	<u>43,228</u>	<u>43,228</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	76,734	(4,459)	(81,193)
Fund balance, July 1 (includes prior year encumbrances appropriated)	4,523	4,523	0
Fund balance, June 30	<u>\$81,257</u>	<u>\$64</u>	<u>(\$81,193)</u>

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Goals 2000 Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2002**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Taxes	\$0	\$0	\$0
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	246,222	25,499	220,723
<b>Support services:</b>			
Instructional staff	2,043	2,043	0
<b>Total expenditures</b>	<u>248,265</u>	<u>27,542</u>	<u>220,723</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(248,265)</u>	<u>(27,542)</u>	<u>220,723</u>
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	44,408	44,408	0
<b>Fund balance, June 30</b>	<u><u>(\$203,857)</u></u>	<u><u>\$16,866</u></u>	<u><u>\$220,723</u></u>

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## CAPITAL PROJECTS FUNDS

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The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects, including equipment purchases other than those financed by Proprietary or Nonexpendable Trust Fund. The following are descriptions of each Capital Projects Fund:

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CLASSROOM FACILITIES ADA: To account for transactions related to the repair or improvement of classroom facilities.

PERMANENT IMPROVEMENT: To account for transactions related to acquiring, constructing or improving such permanent improvements as are authorized by Chapter 5705, Ohio Revised Code.

PERMANENT IMPROVEMENT RENEWAL: To account for transactions related to permanent improvement renewals.

SCHOOL NET PLUS: To account for revenues and expenditures related to the development and implementation of the School Net network within the district.

SCHOOL NET SUBSIDY: To account for programs designed to help school districts obtain computers, related technology equipment and/or the necessary infrastructure for educational technology. Because there were no anticipated revenues/expenditures in this fund and none occurred, no budgetary information was presented.

TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

All Capital Projects Funds

June 30, 2002

	Classroom Facilities ADA	Permanent Improvement	Permanent Improvement Renewal	School Net Plus	School Net Subsidy	Totals
<b>Assets:</b>						
Equity in pooled cash and investments	\$45,917	\$696,199	\$35,000,000	\$127,928	\$0	\$35,870,044
<b>Receivables:</b>						
Taxes	0	778,146	0	0	0	778,146
Intergovernmental	0	0	0	0	8,700	8,700
<b>Total Assets</b>	<u>45,917</u>	<u>1,474,345</u>	<u>35,000,000</u>	<u>127,928</u>	<u>8,700</u>	<u>36,656,890</u>
<b>Liabilities:</b>						
Interfund payable	45,917	0	0	0	0	45,917
Deferred revenue	0	728,666	0	0	0	728,666
Interest payable	0	0	43,575	0	0	43,575
Note payable	0	0	35,770,000	0	0	35,770,000
<b>Total liabilities</b>	<u>45,917</u>	<u>728,666</u>	<u>35,813,575</u>	<u>0</u>	<u>0</u>	<u>36,588,158</u>
<b>Fund balances:</b>						
<b>Reserved:</b>						
Reserved for property taxes	0	49,480	0	0	0	49,480
<b>Unreserved:</b>						
Undesignated	0	696,199	(813,575)	127,928	8,700	19,252
<b>Total fund equity</b>	<u>0</u>	<u>745,679</u>	<u>(813,575)</u>	<u>127,928</u>	<u>8,700</u>	<u>68,732</u>
<b>Total Liabilities and fund equity</b>	<u>\$45,917</u>	<u>\$1,474,345</u>	<u>\$35,000,000</u>	<u>\$127,928</u>	<u>\$8,700</u>	<u>\$36,656,890</u>

TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures

And Changes in Fund Balances

All Capital Projects Funds

For The Fiscal Year Ended June 30, 2002

	Classroom Facilities ADA	Permanent Improvement	Permanent Improvement Renewal	School Net Plus	School Net Subsidy	Totals
<b>Revenues:</b>						
Taxes	\$0	\$661,645	\$0	\$0	\$0	\$661,645
Intergovernmental	0	84,375	0	118,560	8,700	211,635
Investment Revenue	0	17,868	0	0	0	17,868
Other Revenues	0	24,465	0	0	0	24,465
<b>Total revenues</b>	<b>0</b>	<b>788,353</b>	<b>0</b>	<b>118,560</b>	<b>8,700</b>	<b>915,613</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Support services:</b>						
Administration	0	6,522	0	0	0	6,522
Fiscal	0	10,990	0	0	0	10,990
Central	0	38,236	0	23,818	0	62,054
Capital outlay	0	132,216	0	371,450	0	503,666
<b>Debt Service:</b>						
Principal retirement	0	80,000	0	130,000	0	210,000
Interest and fiscal charges	0	18,025	81,985	0	0	100,010
<b>Total Expenditures</b>	<b>0</b>	<b>285,989</b>	<b>81,985</b>	<b>525,268</b>	<b>0</b>	<b>893,242</b>
<b>Excess of revenues over (under) expenditures</b>	<b>0</b>	<b>502,364</b>	<b>(81,985)</b>	<b>(406,708)</b>	<b>8,700</b>	<b>22,371</b>
<b>Other financing sources (uses):</b>						
Proceeds of capital leases	0	0	0	371,450	0	371,450
Operating transfers in	0	0	76,087	0	0	76,087
Operating transfers (out)	0	(315,650)	0	0	0	(315,650)
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>(315,650)</b>	<b>76,087</b>	<b>371,450</b>	<b>0</b>	<b>131,887</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>0</b>	<b>186,714</b>	<b>(5,898)</b>	<b>(35,258)</b>	<b>8,700</b>	<b>154,258</b>
<b>Fund balance, July 1 (restated)</b>	<b>0</b>	<b>558,965</b>	<b>(807,677)</b>	<b>163,186</b>	<b>0</b>	<b>(85,526)</b>
<b>Fund balance, June 30</b>	<b>\$0</b>	<b>\$745,679</b>	<b>(\$813,575)</b>	<b>\$127,928</b>	<b>\$8,700</b>	<b>\$68,732</b>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Classroom Facilities ADA Capital Projects Fund  
For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	45,917	0	45,917
Total expenditures	<u>45,917</u>	<u>0</u>	<u>45,917</u>
Excess of revenues over (under) expenditures	<u>(45,917)</u>	<u>0</u>	<u>45,917</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	45,917	45,917	0
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$45,917</u></u>	<u><u>\$45,917</u></u>



*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Permanent Improvement Capital Projects Fund  
For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$13,689	\$648,773	\$635,084
Intergovernmental	1,780	84,375	82,595
Investment revenue	392	18,591	18,199
Other revenues	517	24,465	23,948
Total revenues	<u>16,378</u>	<u>776,204</u>	<u>759,826</u>
Expenditures:			
Current:			
Support services:			
Administration	13,139	6,574	6,565
Fiscal	21,415	10,990	10,425
Central	553,565	277,799	275,766
Capital outlay	351,700	132,216	219,484
Debt service:			
Principal retirement	229,305	117,677	111,628
Interest and fiscal charges	109,970	56,435	53,535
Total expenditures	<u>1,279,094</u>	<u>601,691</u>	<u>677,403</u>
Excess of revenues over (under) expenditures	<u>(1,262,716)</u>	<u>174,513</u>	<u>1,437,229</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	521,686	521,686	0
Fund balance, June 30	<u><u>(\$741,030)</u></u>	<u><u>\$696,199</u></u>	<u><u>\$1,437,229</u></u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Permanent Improvement Renewal Capital Projects Fund  
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Debt service:			
Principal retirement	92,323	92,323	0
Total expenditures	<u>92,323</u>	<u>92,323</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>(92,323)</u>	<u>(92,323)</u>	<u>0</u>
Other financing sources (uses):			
Proceeds of notes	738,527	35,000,000	34,261,473
Total other financing sources (uses)	<u>738,527</u>	<u>35,000,000</u>	<u>34,261,473</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	646,204	34,907,677	34,261,473
Fund balance, July 1 (includes prior year encumbrances appropriated)	92,323	92,323	0
Fund balance, June 30	<u>\$738,527</u>	<u>\$35,000,000</u>	<u>\$34,261,473</u>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*

Schedule of Revenues, Expenditures

And Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

School Net Plus Capital Projects Fund

For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$2,502	\$118,560	\$116,058
Total revenues	<u>2,502</u>	<u>118,560</u>	<u>116,058</u>
Expenditures:			
Current:			
Support services:			
Central	172,186	162,818	9,368
Total expenditures	<u>172,186</u>	<u>162,818</u>	<u>9,368</u>
Excess of revenues over (under) expenditures	<u>(169,684)</u>	<u>(44,258)</u>	<u>125,426</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	172,186	172,186	0
Fund balance, June 30	<u>\$2,502</u>	<u>\$127,928</u>	<u>\$125,426</u>

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## **ENTERPRISE FUNDS**

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Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises 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. The following are descriptions of each of the District's Enterprise Funds:

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

UNIFORM SCHOOL SUPPLY: To account for the purchase and sale of school supplies as adopted by the Board of Education for use in all schools of the District.

INTERCESSION: To account for monies received and expended in connection with the intercession program which is intended to be self-sustaining.

TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

All Enterprise Funds

June 30, 2002

	Food Service	Uniform School Supply	Intercession	Total
<b>Assets</b>				
<b>Current Assets:</b>				
Equity in pooled cash and investments	\$87,159	\$17,060	\$0	\$104,219
<b>Receivables:</b>				
Accounts	0	365	0	365
Intergovernmental	99,492	0	0	99,492
Inventory held for resale	31,895	0	0	31,895
Materials and supplies inventory	12,941	0	0	12,941
<b>Total Current Assets</b>	<b>231,487</b>	<b>17,425</b>	<b>0</b>	<b>248,912</b>
<b>Non-current assets:</b>				
Fixed assets (net of accumulated depreciation)	70,152	0	0	70,152
<b>Total Assets</b>	<b>301,639</b>	<b>17,425</b>	<b>0</b>	<b>319,064</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable	36,296	0	0	36,296
Accrued wages	103,075	0	0	103,075
Compensated absences payable	50,456	0	0	50,456
<b>Total current liabilities</b>	<b>189,827</b>	<b>0</b>	<b>0</b>	<b>189,827</b>
<b>Total Liabilities</b>	<b>189,827</b>	<b>0</b>	<b>0</b>	<b>189,827</b>
<b>Retained Earnings:</b>				
Unreserved	111,812	17,425	0	129,237
<b>Total retained earnings</b>	<b>111,812</b>	<b>17,425</b>	<b>0</b>	<b>129,237</b>
<b>Total Liabilities and fund equity</b>	<b>\$301,639</b>	<b>\$17,425</b>	<b>\$0</b>	<b>\$319,064</b>

*TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO*  
Combining Statement of Revenues, Expenses  
And Changes in Retained Earnings  
All Enterprise Funds  
For The Fiscal Year Ended June 30, 2002

	Food Service	Uniform School Supply	Intercession	Total
Operating revenues:				
Charges for services	\$517,812	\$38,519	\$0	\$556,331
Total revenues	<u>517,812</u>	<u>38,519</u>	<u>0</u>	<u>556,331</u>
Operating expenses:				
Salaries and wages	608,678	0	0	608,678
Fringe benefits	103,741	0	0	103,741
Purchased services	73,582	0	0	73,582
Materials and supplies	714,500	32,048	298	746,846
Depreciation	5,315	0	0	5,315
Other operating expenses	2,057	0	0	2,057
Total operating expenses	<u>1,507,873</u>	<u>32,048</u>	<u>298</u>	<u>1,540,219</u>
Operating income (loss)	<u>(990,061)</u>	<u>6,471</u>	<u>(298)</u>	<u>(983,888)</u>
Non-operating revenues:				
Federal donated commodities	69,833	0	0	69,833
Operating grants	923,195	0	0	923,195
Interest revenue	1,713	0	0	1,713
Total non-operating revenues	<u>994,741</u>	<u>0</u>	<u>0</u>	<u>994,741</u>
Net income (loss)	4,680	6,471	(298)	10,853
Retained earnings, July 1	107,132	10,954	298	118,384
Retained earnings, June 30	<u>\$111,812</u>	<u>\$17,425</u>	<u>\$0</u>	<u>\$129,237</u>

TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO

Combining Statement of Cash Flows

All Enterprise Funds

For The Fiscal Year Ended June 30, 2002

	Food Service	Uniform School Supply	Intercession	Totals
<b>Cash flows from operating activities:</b>				
Cash received from charges of services	\$517,812	\$39,279	\$0	\$557,091
Cash payments to suppliers for goods and services	(715,897)	(32,177)	(298)	(748,372)
Cash payments to employees for services	(705,828)	0	0	(705,828)
Cash payments for other operating expenses	(2,057)	0	0	(2,057)
<b>Net cash provided by (used for) operating activities</b>	<b>(905,970)</b>	<b>7,102</b>	<b>(298)</b>	<b>(899,166)</b>
<b>Cash flows from noncapital financing activities:</b>				
Cash received from miscellaneous revenues	2,988	0	0	2,988
Operating grants received	855,526	0	0	855,526
<b>Net cash provided by noncapital financing activities</b>	<b>858,514</b>	<b>0</b>	<b>0</b>	<b>858,514</b>
<b>Cash flows from investing activities:</b>				
Interest on investments	1,713	0	0	1,713
<b>Net increase in cash and cash equivalents</b>	<b>(45,743)</b>	<b>7,102</b>	<b>(298)</b>	<b>(38,939)</b>
Cash and cash equivalents, July 1	132,902	9,958	298	143,158
Cash and cash equivalents, June 30	87,159	17,060	0	104,219
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	(990,061)	6,471	(298)	(983,888)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>				
Depreciation	5,315	0	0	5,315
Donated commodities used	69,833	0	0	69,833
<b>Changes in assets and liabilities:</b>				
(Increase) decrease in accounts receivable	0	760	0	760
(Increase) decrease in inventory held for resale	(502)	0	0	(502)
(Increase) decrease in materials and supplies inventory	(8,034)	0	0	(8,034)
Increase (decrease) in accounts payable	17,218	(129)	0	17,089
Increase (decrease) in accrued wages and benefits	2,475	0	0	2,475
Increase (decrease) in compensated absences	4,116	0	0	4,116
Increase (decrease) in deferred revenue	(6,330)	0	0	(6,330)
<b>Total adjustments</b>	<b>84,091</b>	<b>631</b>	<b>0</b>	<b>84,722</b>
<b>Net cash provided by (used for) operating activities</b>	<b>(\$905,970)</b>	<b>\$7,102</b>	<b>(\$298)</b>	<b>(\$899,166)</b>
<b>Non cash transactions-enterprise fund</b>				
<b>Non cash donation of inventory held for resale-food service</b>	<b>\$69,833</b>			



## **INTERNAL SERVICE FUNDS**

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Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to another department or agency of the District on a cost reimbursement basis.

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

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## **FIDUCIARY FUNDS**

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Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The District's fiduciary funds include an Expendable Trust Fund, Nonexpendable Trust Fund and Agency Funds. The following are descriptions of each of the District's Fiduciary Funds:

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### **EXPENDABLE TRUST FUND**

EXPENDABLE TRUST: To account for donations received by the District in a trustee capacity. (Since there is only one Expendable Trust Fund, the only financial statement presented here is the combining balance sheet).

### **NON-EXPENDABLE TRUST FUND**

NON-EXPENDABLE TRUST: To account for nonexpendable donations received by the District in a trustee capacity. (Since there is only one Nonexpendable Trust Fund, the only financial statement presented here is the combining balance sheet).

### **AGENCY FUNDS**

EDUCATIONAL FOUNDATION: To account for the resources that belong to the Educational Foundation.

STUDENT ACTIVITIES: To account for the resources that belong to the various student groups in the District. The funds account for sales and other revenue generating activities by student activity programs, which have students involved in the management of the program.

TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

All Fiduciary Fund Types

June 30, 2002

	Agency Funds				Totals
	Expendable Trust	Non-Expendable Trust	Educational Foundation	Student Activities	
<b>Assets</b>					
Equity in pooled cash and investments	\$19,875	\$64,304	\$8,779	\$12,632	\$105,590
Receivables:					
Accounts	0	0	0	115	115
<b>Total Assets</b>	<u>19,875</u>	<u>64,304</u>	<u>8,779</u>	<u>12,747</u>	<u>105,705</u>
<b>Liabilities</b>					
Due to students	0	0	8,779	12,747	21,526
<b>Total liabilities</b>	<u>0</u>	<u>0</u>	<u>8,779</u>	<u>12,747</u>	<u>21,526</u>
<b>Fund balances:</b>					
Reserved:					
Reserved for endowments	0	62,909	0	0	62,909
Unreserved:					
Undesignated	19,875	1,395	0	0	21,270
<b>Total fund equity (deficit)</b>	<u>19,875</u>	<u>64,304</u>	<u>0</u>	<u>0</u>	<u>84,179</u>
<b>Total Liabilities and fund equity</b>	<u>\$19,875</u>	<u>\$64,304</u>	<u>\$8,779</u>	<u>\$12,747</u>	<u>\$105,705</u>

TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO

Combining Statement of Changes In Assets and Liabilities

All Agency Funds

For The Fiscal Year Ended June 30, 2002

Student Activities Fund

	Beginning Balance	Additions	Deductions	Ending Balance
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$8,891	\$22,284	\$18,543	\$12,632
Accounts receivable	0	115	0	115
<b>Total Assets</b>	<b>8,891</b>	<b>22,399</b>	<b>18,543</b>	<b>12,747</b>
<b>Liabilities</b>				
Due to students	8,891	22,399	18,543	12,747
<b>Total liabilities</b>	<b>8,891</b>	<b>22,399</b>	<b>18,543</b>	<b>12,747</b>

Educational Foundation

	Beginning Balance	Additions	Deductions	Ending Balance
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$6,076	\$4,184	\$1,481	\$8,779
<b>Total Assets</b>	<b>6,076</b>	<b>4,184</b>	<b>1,481</b>	<b>8,779</b>
<b>Liabilities</b>				
Due to students	6,076	4,184	1,481	8,779
<b>Total liabilities</b>	<b>6,076</b>	<b>4,184</b>	<b>1,481</b>	<b>8,779</b>

Total

	Beginning Balance	Additions	Deductions	Ending Balance
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$14,967	\$26,468	\$20,024	\$21,411
Accounts receivable	0	115	0	115
<b>Total Assets</b>	<b>14,967</b>	<b>26,583</b>	<b>20,024</b>	<b>21,526</b>
<b>Liabilities</b>				
Due to students	14,967	26,583	20,024	21,526
<b>Total liabilities</b>	<b>14,967</b>	<b>26,583</b>	<b>20,024</b>	<b>21,526</b>

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## **GENERAL FIXED ASSETS ACCOUNT GROUP**

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This account group is used to account for all land and land improvements, building and building improvements, furniture and equipment not used in the operations of the Proprietary Funds. The majority of the District's assets are reflected in the General Fixed Assets Account Group.

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**TROTWOOD-MADISON CITY SCHOOL DISTRICT**

Schedule of General Fixed Assets by Source

June 30, 2002

General fixed assets:

Land and land improvements	\$1,156,779
Buildings and building improvements	13,177,107
Furniture and equipment	<u>7,076,573</u>

Total General Fixed Assets \$21,410,459

Investment in general fixed assets by source:

General Fund	\$6,789,721
Special Revenue Funds	1,461,908
Capital Projects Funds	<u>13,158,830</u>

Total General Fixed Assets \$21,410,459



**TROTWOOD-MADISON CITY SCHOOL DISTRICT**

## Schedule of General Fixed Assets

By Function and Type

June 30, 2002

<u>Function</u>	<u>Land and land Improvements</u>	<u>Buildings and building Improvements</u>	<u>Furniture and Equipment</u>	<u>Total</u>
Instruction:				
Regular	\$1,156,779	\$13,177,107	\$2,417,891	\$16,751,777
Special	0	0	39,985	39,985
Other	0	0	55,525	55,525
Total instruction	<u>1,156,779</u>	<u>13,177,107</u>	<u>2,513,401</u>	<u>16,847,287</u>
Support services:				
Pupil	0	0	83,852	83,852
Instructional staff	0	0	793,874	793,874
Administration	0	0	31,324	31,324
Fiscal	0	0	13,779	13,779
Business	0	0	7,399	7,399
Operations and maintenance	0	0	107,048	107,048
Pupil transportation	0	0	2,084,616	2,084,616
Central	0	0	976,067	976,067
Total support services	<u>0</u>	<u>0</u>	<u>4,097,959</u>	<u>4,097,959</u>
Extracurricular activities	0	0	53,456	53,456
Capital Outlay	<u>0</u>	<u>0</u>	<u>411,757</u>	<u>411,757</u>
Total General Fixed Assets	<u>\$1,156,779</u>	<u>\$13,177,107</u>	<u>\$7,076,573</u>	<u>\$21,410,459</u>

**TROTWOOD-MADISON CITY SCHOOL DISTRICT**

## Schedule of Changes in General Fixed

## Assets by Function

For the Fiscal Year Ended June 30, 2002

<u>Function</u>	<u>Balance at July 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2002</u>
Instruction:				
Regular	\$16,659,501	\$103,846	\$11,570	\$16,751,777
Special	39,985	0	0	39,985
Other	725	54,800	0	55,525
Total Instruction	<u>16,700,211</u>	<u>158,646</u>	<u>11,570</u>	<u>16,847,287</u>
Support services:				
Pupil	83,852	0	0	83,852
Instructional staff	781,148	12,726	0	793,874
Administration	7,853	23,471	0	31,324
Fiscal	12,836	943	0	13,779
Business	2,314	5,085	0	7,399
Operations and maintenance	104,388	2,660	0	107,048
Pupil transportation	1,796,751	287,865	0	2,084,616
Central	832,629	143,438	0	976,067
Total Support services	<u>3,621,771</u>	<u>476,188</u>	<u>0</u>	<u>4,097,959</u>
Extracurricular activities	38,080	15,376	0	53,456
Capital Outlay	<u>397,718</u>	<u>14,039</u>	<u>0</u>	<u>411,757</u>
Total General Fixed Assets	<u>\$20,757,780</u>	<u>\$664,249</u>	<u>\$11,570</u>	<u>\$21,410,459</u>

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# Statistical Section

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**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
 General Fund Operating Revenues By Source  
 Last Ten Fiscal Years

TABLE 1

Fiscal Year	1993	1994	1995	1996 (1)	1997	1998	1999	2000	2001	2002
Taxes	\$6,544,434	\$6,810,038	\$7,000,775	\$7,676,845	\$5,963,756	\$5,538,561	\$5,099,339	\$5,311,396	\$9,077,722	\$8,864,122
Intergovernmental	9,509,350	9,582,968	9,924,262	11,354,629	11,683,258	12,218,819	13,283,116	13,715,827	14,495,417	16,251,109
Investment Revenue	106,354	72,813	95,641	167,644	192,250	312,856	318,853	340,076	372,367	156,446
Tuition and Fees	132,849	71,612	85,807	58,935	64,699	129,836	460,982	646,067	656,545	642,918
Other Revenues	22,424	12,251	69,053	0	22,978	258,972	87,916	327,877	457,087	184,880
<b>Total Revenues</b>	<b>\$16,315,411</b>	<b>\$16,549,682</b>	<b>\$17,175,538</b>	<b>\$19,258,053</b>	<b>\$17,926,941</b>	<b>\$18,459,044</b>	<b>\$19,250,206</b>	<b>\$20,341,243</b>	<b>\$25,059,138</b>	<b>\$26,099,475</b>

Source: Trotwood-Madison City School District records.

(1) The first fiscal year reported on the GAAP basis. All prior fiscal years are reported on a cash basis.

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
 General Fund Operating Expenditures by Function  
 Last Ten Fiscal Years

**TABLE 2**

Fiscal Year	1993 (2)	1994 (2)	1995 (2)	1996 (1)	1997	1998	1999	2000	2001	2002
Regular Instruction	\$7,650,501	\$7,930,357	\$7,930,798	\$8,453,340	\$5,704,222	\$8,726,414	\$9,481,224	\$9,983,932	\$10,027,319	\$9,477,878
Special Instruction	1,923,432	2,080,777	2,000,570	2,147,031	2,466,625	2,472,859	3,562,931	3,796,175	4,127,053	4,857,606
Vocational Instruction	746,723	576,600	552,823	498,631	385,705	323,446	180,911	261,864	183,376	114,182
Other Instruction	20,958	17,659	19,126	23,549	24,373	23,763	20,667	18,035	8,075	22,723
Pupil	863,724	886,473	916,552	670,820	859,243	846,743	908,920	1,350,895	910,883	987,849
Instructional Staff	419,688	407,379	439,578	377,662	440,936	682,438	1,030,673	919,742	1,338,813	1,689,784
Board of Education	57,570	67,470	46,776	83,555	65,680	99,456	77,614	63,990	91,779	60,718
Administration	1,430,785	1,534,190	1,506,289	1,647,723	1,630,385	1,789,846	1,905,479	1,890,673	1,727,905	2,566,961
Fiscal	418,446	717,826	465,946	528,580	428,038	398,222	454,710	690,116	374,863	510,849
Business	150,503	150,924	75,642	157,570	165,432	174,367	205,826	394,057	3,380	237,175
Operations and Maintenance	1,927,870	1,909,195	1,881,897	1,940,084	1,909,346	2,036,533	2,661,465	3,537,079	1,327,161	2,308,202
Pupil Transportation	798,984	961,416	1,007,548	1,002,091	1,019,479	1,175,911	1,062,835	1,354,838	1,205,404	1,505,013
Central	314,574	325,396	312,908	575,625	493,667	636,459	392,603	526,251	566,068	802,876
Operation of Non-Instructional Services	0	0	0	367	1,132	264	1,892	0	0	0
Extracurricular Activities	240,497	235,018	257,269	235,727	228,771	276,877	294,110	256,803	288,441	272,239
Capital Outlay	0	0	0	24,360	0	0	0	0	0	0
Debt Service:										
Principal	0	801,753	1,229,110	311,955	336,559	437,639	515,460	687,814	711,652	564,941
Interest	0	0	0	230,310	143,309	102,809	191,817	131,715	99,397	73,204
<b>Total Expenditures</b>	<b>\$16,964,255</b>	<b>\$18,602,433</b>	<b>\$18,642,832</b>	<b>\$18,908,980</b>	<b>\$16,302,902</b>	<b>\$20,204,046</b>	<b>\$22,949,137</b>	<b>\$25,863,979</b>	<b>\$22,991,569</b>	<b>\$26,052,200</b>

Source: Trotwood-Madison City School District records.

(1) The first fiscal year reported on the GAAP basis. All prior fiscal years are reported on a cash basis.

(2) Information was not available to break out principal and interest

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
 Property Tax Levies and Collections - Real, Public Utility and Tangible Property  
 Last Eight Collection (Calendar) Years (1)

**TABLE 3**

Collection Year	Tax Levied (2)	Current Tax Collections (3)	Percent Collected	Delinquent Collection	Total Tax Collections	Percent Of Total Collections To Levy	Outstanding Delinquent Taxes (4)	Percent of Outstanding Delinquent Taxes To Tax Levied
1995	\$7,966,549	\$7,873,683	98.83%	\$351,614	\$8,225,297	103.25%	\$1,705,757	21.41%
1996	10,311,102	10,020,717	97.18%	328,854	10,349,571	100.37%	1,081,476	10.49%
1997	10,664,345	10,325,481	96.82%	620,449	10,945,930	102.64%	1,221,403	11.45%
1998	10,790,396	10,191,363	94.45%	615,175	10,806,538	100.15%	1,316,843	12.20%
1999	10,820,181	10,104,071	93.38%	496,692	10,600,763	97.97%	1,365,967	12.62%
2000	10,906,926	10,331,796	94.73%	596,923	10,928,719	100.20%	1,807,811	16.57%
2001	10,973,806	10,107,623	92.11%	443,833	10,551,456	96.15%	1,776,524	16.19%
2002	10,960,059	9,845,736	89.83%	452,314	10,298,050	94.00%	1,774,060	16.19%

Source: Montgomery County Auditor.

(1) Information for tax collection years 1991 through 1994 are not available from the Montgomery County Auditor.

(2) Taxes levied and collected are presented on a cash basis.

(3) State reimbursements of rollback and homestead exemptions are included.

(4) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
 Assessed and Estimated Actual Value of Taxable Property  
 Last Eight Collection (Calendar) Years (1)

**TABLE 4**

Collection Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total		
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1995	\$174,901,090	\$499,717,400	\$22,891,756	\$91,567,024	\$19,897,650	\$22,610,966	\$217,690,496	\$613,895,390	35.46%
1996	180,379,660	515,370,457	24,736,239	98,944,956	17,538,130	19,929,693	222,654,029	634,245,106	35.11%
1997	204,600,340	584,572,400	26,392,499	105,569,996	17,268,210	19,622,966	248,261,049	709,765,362	34.98%
1998	205,800,690	588,001,971	28,652,050	114,608,200	16,721,950	19,002,216	251,174,690	721,612,387	34.81%
1999	208,856,650	596,733,286	27,039,712	108,158,848	16,267,380	18,485,659	252,163,742	723,377,793	34.86%
2000	220,632,420	630,378,343	26,275,809	105,103,236	14,815,900	16,886,250	261,724,129	752,367,829	34.79%
2001	220,430,720	629,802,057	24,947,808	99,791,232	13,390,910	15,216,943	258,769,438	744,810,232	34.74%
2002	220,961,430	631,318,371	22,837,365	91,349,460	10,706,700	27,470,773	254,505,495	750,138,604	33.93%

Source: Montgomery County Auditor.

(1) Montgomery County Auditor property tax records are maintained on a calendar year basis. Property tax records prior to 1995 are not available.

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

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
 Property Tax Rates (Per \$1,000 of Assessed Valuation)  
 Direct and Overlapping Governments  
 Last Eight Collection (Calendar) Years (1)

TABLE 5

	2002	2001	2000	1999	1998	1997	1996	1995
Trotwood-Madison City School District	\$53	\$53	\$53	\$54	\$54	\$54	\$56	\$46
Montgomery County	17	17	17	17	17	17	17	17
City of Trotwood	17	12	5	15	15	15	15	12
Joint Vocational School	3	3	3	3	3	3	3	3
Library	0	0	0	0	0	1	1	1

Source: Montgomery County Auditor.

(1) Property tax rates prior to 1995 are not available.



**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**

Ratio of Net General Bonded Debt to Assessed Value  
And Net Bonded Debt Per Capita  
Last Ten Fiscal Years

**TABLE 6**

Year	Population (1)	Total Assessed Value (2)	Gross Bonded Debt	Less		Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (%)	Estimated Net Bonded Debt Per Capita
				Debt Service Fund	Debt			
1993	29,358	(3)	\$850,000	\$65,805		\$784,195	(3)	\$27
1994	29,358	(3)	625,000	32,466		592,534	(3)	20
1995	29,358	217,690,496	625,000	16,659		608,341	0.28%	21
1996 (4)	29,358	222,654,029	200,000	(8,452)		200,000	0.09%	7
1997	29,358	248,261,049	0	153,251		0	0.00%	0
1998	29,358	251,174,690	0	134,339		0	0.00%	0
1999	29,358	252,163,742	0	92,259		0	0.00%	0
2000	27,420	261,724,129	0	92,259		0	0.00%	0
2001	27,420	258,769,438	0	0		0	0.00%	0
2002	27,420	254,505,495	0	0		0	0.00%	0

Sources:

- (1) City of Trotwood
- (2) Montgomery County Auditor, calendar year basis.
- (3) Information was not available.
- (4) The first fiscal year reported on the GAAP basis. All prior fiscal years are reported on a cash basis.

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
**Computation of Legal Debt Margin**  
**June 30, 2001**

*Table 7*

Assessed Valuation of District \$254,505,495

Overall Direct Debt Limitation

Direct debt limitation		
9% of assessed valuation		\$22,905,495
Amount available in Debt Service Fund		\$0
Gross indebtedness	\$969,875	
Less: Debt exempt from limitation	<u>0</u>	
Debt subject to 9% limitation		<u>\$969,875</u>
 Legal debt margin within 9% limitation		 <u><u>\$21,935,620</u></u>

Unvoted Direct Debt Limitation

Unvoted debt limitation		
0.1% of assessed valuation		\$254,505
Amount available in Debt Service Fund related to unvoted debt		0
Gross indebtedness authorized by the Board	0	
Less: Debt exempt from limitation	<u>0</u>	
Debt subject to 0.1% limitation		<u>0</u>
 Legal debt margin within 0.1% limitation		 <u><u>\$254,505</u></u>

Energy Conservation Bond Limitation

Ohio Revised Code Section 133.042

Debt limitation		
0.9% of assessed valuation		\$2,290,549
Energy conservation notes authorized by the Board		<u>699,875</u>
Legal debt margin within 0.9% limitation		<u><u>\$1,590,674</u></u>

Source: Trotwood-Madison City School District records.

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2002**

**TABLE 8**

<u>Governmental Unit</u>	<u>Gross General Obligation</u>	<u>Percent Applicable to District (1)</u>	<u>Amount Applicable to District</u>
<b>Direct:</b>			
Trotwood-Madison City School District	<u>\$35,641,000</u>	100.00%	<u>\$35,641,000</u>
<b>Overlapping:</b>			
Montgomery County	\$39,996,910	2.79%	\$1,115,914
City of Clayton	650,000	3.16%	20,540
City of Dayton	74,305,000	0.30%	222,915
City of Trotwood	2,645,000	82.54%	2,183,183
Miami Valley Regional T/A	<u>14,725,000</u>	2.79%	<u>410,828</u>
<b>Total overlapping:</b>	<u>\$132,321,910</u>		<u>\$3,953,379</u>
<b>Total direct and overlapping debt:</b>	<u>\$167,962,910</u>		<u>\$39,594,379</u>

Source: Ohio Municipal Advisory Council

(1) Calculated by the Ohio Municipal Advisory Council

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
**Ratio of Annual Debt Service Expenditures**  
**For General Bonded Debt to Total General Fund Expenditures**  
**Last Ten Fiscal Years**

**TABLE 9**

<u>Fiscal Year</u>	<u>Principal (2)</u>	<u>Interest (2)</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures (%)</u>
1993	\$3,281,209	\$0	\$3,281,209	\$19,964,255	16.44%
1994	2,494,854	0	2,494,854	18,602,433	13.41%
1995	414,336	0	414,336	18,642,832	2.22%
1996 (1)	357,207	71,778	428,985	18,908,980	2.27%
1997	947,360	245,796	1,193,156	16,302,902	7.32%
1998	87,284	42,915	130,199	20,204,046	0.64%
1999	707,700	141,540	849,240	22,949,137	3.70%
2000	687,814	131,715	819,529	25,863,979	3.17%
2001	1,009,382	132,010	1,141,392	22,991,569	4.96%
2002	1,008,459	179,259	1,187,718	26,052,200	4.56%

Source: Trotwood-Madison City School District records.

(1) The first fiscal year reported on the GAAP basis.  
 All prior fiscal years are reported on a cash basis.

(2) Information was not available to break out principal and interest from 1993 - 1995.

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

**TABLE 10**

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Montgomery County (3)</u>
1993	29,358	4,092	5.4%
1994	29,358	4,118	4.8%
1995	29,358	4,030	4.0%
1996	29,358	4,129	4.4%
1997	29,358	4,312	4.0%
1998	29,358	4,200	4.1%
1999	29,358	4,217	3.9%
2000	27,420	3,811	4.0%
2001	27,420	4,385	4.0%
2002	27,420	3,854	4.3%

- Sources:**
- (1) Census data provided by the City of Trotwood
  - (2) Trotwood - Madison City School District records
  - (3) State of Ohio Bureau of Employment Services.  
Rates are for Montgomery County.

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
**Construction, Bank Deposits and Property Values**  
**Last Ten Calendar Years**

**TABLE 11**

<u>Calendar Year</u>	<u>Construction (1)</u>	<u>Bank Deposits (2) (in Thousands)</u>	<u>Property Values (3)</u>
1993	\$2,234,292	\$3,834,335	n/a
1994	29,847,175	4,034,766	n/a
1995	2,326,428	3,995,114	174,901,090
1996	12,480,803	3,899,114	180,379,660
1997	4,307,023	3,530,314	204,600,340
1998	8,171,750	3,264,705	205,800,690
1999	5,767,193	2,994,378	208,856,650
2000	18,556,363	191,473 (4)	220,632,420
2001	7,529,441	208,298	220,430,720
2002	n/a	224,099	220,961,430

**Sources:**

- (1) City of Trotwood, Department of Planning and Development information was not available for 2002.
- (2) Total deposits of all banks headquartered in Montgomery County, Ohio. (includes national and state chartered banks.) Data was not available for the District only. [Federal Reserve Bank, Cleveland.]
- (3) Montgomery County Auditor, calendar year basis - real property assessed values.
- (4) In 2000, the County's largest bank, Fifth Third of Western Ohio, moved its headquarters to Hamilton County. [Federal Reserve Bank, Cleveland.]

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
**Real Property**  
**Top Ten Principal Taxpayers**  
**June 30, 2001 (1)**

**TABLE 12**

<u>Name of Taxpayer</u>	<u>Real Property</u>	<u>% of Total Assessed Valuation</u>
Dayton Power & Light Company	\$5,390,740	2.12%
Bradley Operating	\$4,285,970	1.68%
Verizon North Inc.	\$3,329,760	1.31%
Castlebrook Capital	\$2,940,000	1.15%
Kmart Corporation	\$2,520,650	0.99%
Lowe's Home Center	\$2,281,510	0.90%
Wal-Mart Stores	\$1,883,530	0.74%
Sears Roebuck & Co.	\$1,596,610	0.63%
Graoch Associates, LTD.	\$1,578,180	0.62%
Belle Meadows	<u>\$1,421,360</u>	<u>0.56%</u>
	<u><u>\$27,228,310</u></u>	<u><u>10.70%</u></u>

Source: Montgomery County Auditor.

(1) Based on information available as of June 30, 2002.

**TROTWOOD-MADISON CITY SCHOOL DISTRICT, OHIO**  
 Miscellaneous Statistical Data  
 June 30, 2002

**TABLE 13**

Enrollment by Grade																
	K	1	2	3	4	5	6	7	8	9	10	11	12	U	CTC	Total
2001-02	326	298	273	343	300	309	286	346	332	297	260	186	177	3	118	3,854
The following are projections:																
2002-03	331	326	320	295	375	310	324	331	333	326	312	258	230	0	101	4172
2003-04	339	336	331	325	300	377	315	328	332	336	320	300	242	0	103	4284
2004-05	347	344	341	336	330	305	380	319	331	329	330	315	290	0	106	4403
2005-06	356	352	349	346	341	335	310	382	323	332	326	320	305	0	107	4484
2006-07	365	361	357	354	351	346	340	315	384	327	324	318	313	0	108	4563
2007-08	374	370	366	362	359	356	351	345	320	385	329	314	311	0	109	4651
2008-09	383	379	375	371	367	364	361	356	350	325	370	319	307	0	108	4735
2009-10	392	388	384	380	376	372	369	366	361	340	315	360	312	0	109	4824
2010-11	383	379	375	371	367	363	360	357	352	331	306	348	303	0	110	4705
2011-12	381	370	371	370	360	362	351	350	350	325	305	347	302	12	108	4664

(Figures include MVCTC Students)

Source: Trotwood-Madison City School District records.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

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**TROTWOOD-MADISON CITY SCHOOL DISTRICT**

**MONTGOMERY 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  
JANUARY 30, 2003**