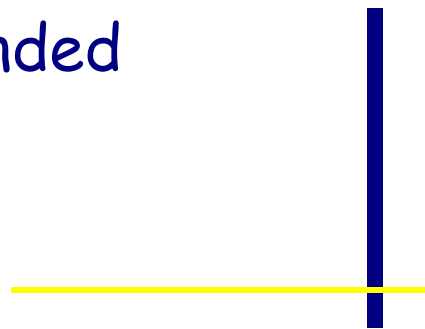


Tallmadge City School District

Tallmadge, Ohio



Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2002





**Auditor of State
Betty Montgomery**

Board of Education
Tallmadge City School District
486 East Avenue
Tallmadge, Ohio 44278

We have reviewed the Independent Auditor's Report of the Tallmadge City School District, Summit County, prepared by Lennon & Company, for the audit period July 1, 2001 to June 30, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

May 5, 2003

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TALLMADGE CITY SCHOOL DISTRICT

TALLMADGE, OHIO

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2002

Prepared By:
Billie V. Williams and
Treasurer's Office Staff

Tallmadge City School District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2002

Table of Contents

	Page
Introductory Section	
Letter of Transmittal	vii
Public Officials Roster	xx
Organizational Chart	xxi
Certificate of Achievement	xxii
Financial Section	
Independent Auditor’s Report	1
General Purpose Financial Statements	
Combined Balance Sheet – All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund	6
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) – All Governmental Fund Types and Expendable Trust Fund	8
Combined Statement of Revenues, Expenses, and Changes in Fund Equity - All Proprietary Fund Types	12
Combined Statement of Cash Flows - All Proprietary Fund Types	13
Notes to the General Purpose Financial Statements	14
Combining, Individual Fund and Account Group Statements and Schedules	
<i>General Fund:</i>	
Description of Fund	37
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)	38
<i>Special Revenue Funds:</i>	
Description of Funds	42
Combining Balance Sheet	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	50

Tallmadge City School District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2002

Table of Contents
(Continued)

	Page
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis)	
Emergency Levy Fund	55
Public School Support Fund	56
Other Grants Fund	57
Underground Storage Tanks Fund	58
Venture Capital Grant Fund	59
Athletics Fund	60
Auxiliary Services Fund	61
Career Development Fund	62
Teacher Development Fund	63
Excellence in Education Fund	64
Management Information Systems Fund	65
Entry Year Programs Fund	66
Disadvantaged Pupil Impact Aid Fund	67
Network Connectivity Fund	68
Schoolnet Professional Development Fund	69
Instructional Material Subsidy Fund	70
Ohio Reads Fund	71
Summer Intervention Fund	72
Miscellaneous State Grants Fund	73
Title II/Eisenhower Grant Fund	74
Title VI-B Program Fund	75
Vocational Education Fund	76
Title I Fund	77
Title VI Fund	78
Drug Free Schools Fund	79
Reducing Class Size	80
Miscellaneous Federal Grants Fund	81
 <i>Debt Service Fund:</i>	
Description of Fund	82

Tallmadge City School District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2002

Table of Contents
(Continued)

	Page
<i>Capital Projects Funds:</i>	
Description of Funds.....	83
Combining Balance Sheet.....	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	85
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget And Actual (Non-GAAP Budgetary Basis)	
Permanent Improvement Fund.....	86
Building Fund	87
Vocational Education Equipment Fund	88
SchoolNet Fund.....	89
 <i>Enterprise Funds:</i>	
Description of Funds.....	90
Combining Balance Sheet.....	91
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	92
Schedule of Revenues, Expenses, and Changes in Fund Equity – Budget And Actual (Non-GAAP Budgetary Basis)	
Food Service Fund	93
Uniform School Supplies Fund	94
Combining Statement of Cash Flows.....	95
 <i>Internal Service Funds:</i>	
Description of Funds.....	96
Combining Balance Sheet.....	97
Combining Statement and Revenues, Expenses, and Changes in Retained Earnings	98

**Tallmadge City School District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2002**

Table of Contents
(Continued)

	Page
<i>Internal Service Funds (continued):</i>	
Schedule of Revenues, Expenses, and Changes in Retained Earnings – Budget And Actual (Non-GAAP Budgetary Basis)	
Rotary Fund.....	99
Self Insurance Fund	100
Combining Statement of Cash Flows.....	101
 <i>Trust and Agency Funds:</i>	
Description of Funds.....	102
Combining Balance Sheet.....	103
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	
Scholarship Trust Fund	104
Statement of Changes in Assets and Liabilities - Agency Fund	105
 <i>General Fixed Assets Account Group:</i>	
Description of Account Group.....	106
Schedule of General Fixed Assets - By Source	107
Schedule of General Fixed Assets by Function and Activity	108
Schedule of Changes in General Fixed Assets by Function	109
 Statistical Section	
General Government Revenues by Source and Expenditures by Function - Last Ten Fiscal Years.....	S-1
Property Tax Levies and Collections – Last Ten Calendar Years	S-3
Assessed and Estimated Valuation of Property - Last Ten Collection Years	S-4
Property Tax Rates - All Direct and Overlapping Governments - Last Ten Calendar Years	S-5
Computation of Legal Debt Margin.....	S-6
Ratio of General Obligation Bonded Debt to Assessed Value and Net Bonded Debt per Capita- Last Ten Years.....	S-7

Tallmadge City School District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2002

Table of Contents
(Continued)

	Page
Statistical Section (continued)	
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Government Expenditures - Last Ten Years	S-8
Demographic Statistics	S-9
Property Values, Bank Deposits and Construction	S-10
Principal Taxpayers	S-11
Computation of Direct and Overlapping Bonded Debt.....	S-12
Miscellaneous Statistics	S-13
Directory of School Facilities	S-15
Transportation Statistics.....	S-16

INTRODUCTORY SECTION

Tallmadge City Schools

TRADITION • VISION • EXCELLENCE

McCOMBS EDUCATION CENTER
486 EAST AVENUE
TALLMADGE, OHIO 44278
(330) 633-3291

February 17, 2003

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

The Comprehensive Annual Financial Report (CAFR) of the Tallmadge City School District (the "School District"), for the fiscal year ended June 30, 2002, is hereby submitted. This report, prepared by the Treasurer's Office, includes financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the School District for the 2001-2002 fiscal year.

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

This CAFR, which includes an opinion from Lennon & Company, Certified Public Accountant, conforms to accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board (GASB) and is representative of the School District's commitment to provide meaningful information to the citizens of the Tallmadge City School District.

The CAFR is presented in three sections:

The Introductory Section, which is unaudited, includes a table of contents, this transmittal letter, a list of principal officials, and the School District's organizational chart.

The Financial Section includes the Report of Independent Accountants, the general purpose financial statements and explanatory notes, and combining and individual fund financial statements of which the combining and individual fund financial statements are unaudited.

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

DESCRIPTION OF THE SCHOOL DISTRICT

The City of Tallmadge is an attractive and friendly suburban residential community in northeastern Ohio, County of Summit. The School District serves an area of 17 square miles of rolling wooded terrain surrounding the city landmark – Tallmadge Circle – a four-acre park at the center of the community and the hub of its history. The Tallmadge city population in 2000 was 16,180 making it the eighth largest City in Summit County.

Tallmadge is one of the most historic communities in the area. Town 2 Range 10 of the Western Reserve was laid out in 1797. Led by the Reverend David Bacon, the first settlers arrived from Connecticut in 1807. Tallmadge was named after Colonel Benjamin Tallmadge, an outstanding scholar. Education was second only to religion as a priority with these early pioneers. The School District has its roots in a one-room school log house built in 1809. By 1836, there were 11 district schools and 736 pupils.

In the years that followed, the early settlers also established the first institution of higher learning in the area and they organized the first school in the state for deaf-mute children. They left a legacy of tradition, vision and excellence that is the hallmark of education in the Tallmadge City Schools today.

At June 30, 2002, the School District had 2,696 public students enrolled in five community schools; Overdale Primary, Dunbar Elementary, Munroe Intermediate, Middle School housing grades 6 through 8, and Tallmadge High, a comprehensive high school for grades 9 through 12. The School District also operates a variety of other facilities including a central administration building, annex, bus garage, maintenance facility, and several sports fields.

Enrollment projections predict that, for the most part, our enrollment has stabilized for the next few years. Real estate is very attractive in Tallmadge and there is always a potential for an increase in students.

ORGANIZATION OF THE SCHOOL DISTRICT

The Board of Education (the “Board”) of the School District is comprised of five members elected at large by the citizens of the School District. The Board serves as the taxing authority, contracting body, and policy initiator for the operation of the School District. The Board is responsible for the adoption of the tax budget, the annual operating budget and approves all expenditures of the School 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 code.

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations within the School District. Dr. Vincent D. Frammartino has been with the School District since August 1999. He has a contract that will end on June 30, 2004. Dr. Frammartino offers 30 years of educational experience to the school district and community of Tallmadge.

The Treasurer is the chief financial officer of the School District and is responsible directly to the Board for all financial operations, investments, custody of all school district funds and assets, and serves as Secretary to the Board. Ms. Billie V. Williams was appointed as the Treasurer on May 1, 2002. She has 18 years experience as a Treasurer.

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

ECONOMIC CONDITION AND FUTURE OUTLOOK

Being located conveniently between the cities of Akron and Cleveland, the City of Tallmadge offers a wealth of opportunity for cultural, social and economic resources for its residents. A mixed business community operating in a favorable climate is the basis Tallmadge's stable and health environment. In addition, the City is part of the Summit County Enterprise Program, the Portage County Enterprise Program and a community reinvestment area tax abatement program.

The city offers over 400 businesses through a diverse group of employers. From the small family-operated business to major commercial corporations, all business activity helps to keep the School District strong.

According to the Tallmadge City Building and Zoning Department, during calendar 2001 the value of building permits issued for residential or commercial new construction or alterations to existing property was \$24,878,721.

The following list, provided by the Summit County Auditor's Office, indicates information on the largest tangible, public utility, and real estate taxpayers:

TOP TEN TANGIBLE TAXPAYERS (2002 COLLECTION)

<u>Name</u>	<u>Taxable Valuation</u>
Summit Racing Equipment	\$ 3,921,900
Owens Corning	3,222,140
Steere Enterprises, Inc.	2,100,670
Waltco Truck Equipment Co.	2,053,930
Mark-Glen, Inc.	1,759,890
Star Chevrolet, Inc.	1,567,240
Leppo, Inc.	1,552,880
Sunoco Products Company	1,278,650
Hunt Machine & MFG, Co., Inc.	1,348,820
The Martin Wheel Co., Inc.	1,083,980

PUBLIC UTILITY, PERSONAL PROPERTY (2002 COLLECTION)

<u>Name</u>	<u>Taxable Valuation</u>
Ohio Bell Telephone	\$ 2,587,880
Ohio Edison	2,403,980
American Transmission	536,980
East Ohio Gas	382,030
Ohio Telephone & Telegraph	273,370

TOP TWELVE REAL ESTATE TAXPAYERS (2002 COLLECTION)

<u>Name</u>	<u>Taxable Valuation</u>
Tallmadge Associates	\$ 2,577,820
Tallmadge Oaks, LTD	2,113,210
Saxon Village Limited	1,694,610
Colonial Gardens, Inc.	1,628,620
Myers Family Limited Partnership	1,314,660
Eastwood Square Associates LTD	1,225,740
Schipper, David J.	1,153,360
Wolar Tallmage & Associates	1,114,940
Graines, Stuart J. Trustee	1,096,080
Tallmadge Acres Apartments, Inc.	1,020,530
Venture Akron LTD	1,016,850
Tell-Schipper Properties, Inc.	973,250

The School District and the City of Tallmadge have an excellent relationship. This strong partnership helps to strengthen all of the programs and activities provided for the students in our School District.

MAJOR INITIATIVES AND ACCOMPLISHMENTS:

Across the School District a number of major accomplishments have taken place at each of the five instructional buildings. The following are examples of those initiatives that directly impact teaching and learning.

DISTINGUISHED SCHOLARS

Thirty-two Seniors (3.7 GPA), 34 Juniors (3.75 GPA), 41 Sophomores (3.8 GPA), and 39 Freshmen (3.8 GPA) were recognized as Distinguished Scholars at a breakfast co-sponsored by Lions, Rotary, Parent Enrichment Group for Students, and Parent Teacher Student Association.

NEW MEMBERS

In the fall, 33 Juniors and Seniors were inducted into the Tallmadge High School chapter of National Honor Society, which recognizes those who excel in scholarship, leadership, character, and service.

MATH SCHOLARS

Tallmadge Middle School's 7th grade Ohio Math League team placed 7th out of 178 schools statewide and 2nd in the region. One student ranked 1st in the region and 4th in the state. Tallmadge Middle School 8th grade math team ranked 3rd in the region.

REGIONAL WINS

A Tallmadge team won second place at the regional Destination Imagination Competition.

THINKERS TOPS

Tallmadge teams won top honors in the state in the Ohio Thinking Cap Quiz Bowl. The 5th grade team from Munroe won 1st place in the state. Tallmadge Middle School 6th and 7th grade teams placed 2nd in the state, 8th grades finished in 3rd place statewide. Since Quiz Bowl started 13 years ago, Tallmadge teams have always placed among the top finishers.

STATE QUALIFIERS

Twelve members of the Tallmadge High School Forensics Team, including three district champions, qualified for the state finals. For six consecutive years, Tallmadge High School teams have placed at districts and sent an average of 12 students to the State Forensics Tournament.

DECCA ADVANCES TO NATIONALS

Two Tallmadge High School students advanced through regional and state contests to the national finals. DECCA is an organization for marketing education students.

SCIENCE OLYMPIAD

Sixteen Tallmadge High School students participated in the Science Olympiad at the University of Akron. Two students placed 1st in physics. Tallmadge High School also garnered a 2nd, two 4th and a 5th place trophy.

WRITERS WIN

Thirty-one Tallmadge Middle School 7th and 8th grade students participated in the annual Reading and Writing Conference held at Kent State University. Skill sessions are followed by hands-on activities and contests. Tallmadge captured several of the top honors, including 1st place in Logo Contest and 1st place in the prestigious Jason Sykes Essay contest.

ARTISTS WIN

Tallmadge students won 2 Best of Show, 4 first place honors, 11 second and 5 third place ribbons and 7 honorable mentions in the Summit County Art Show.

MUSICIANS SHINE

Concert band members earned 20 superior and excellent medals at the District Solo and Ensemble contest sponsored by the Ohio Music Educators Association. The jazz band received an excellent rating at the Smokey Mountain Music Festival.

HIGH NOTE

Tallmadge High School vocal music program is rapidly expanding. Tallmadge High School hosted a Festival with five area schools. The choral group received a superior at the Ohio Music Educators competition.

SOCCER FIRST

For the first time in school history, Tallmadge High School boys' soccer team won the District Championship.

DISTRICT CHAMPS

The girls' volleyball team continued its successful run, finishing the year with a 24-3 record and the Suburban League title and the District Championship. One team member earned a berth on the All-Ohio team for the second year in a row.

SUBURBAN TITLE

Under new head coach Jon Karnuth, the boys' basketball team won 18 games, lost 5 and earned the Suburban League title.

BASEBALL

As regional champions, the boys' baseball team made a return trip to Columbus and the final four. They were awarded the 2002 Division 2 State Championship title.

BUSINESS FRIEND OF EDUCATION

A new award, "Business Friend of Education," was established to recognize area businesses for their extraordinary generosity and cooperation. The first recipients were: Henry Bierce Company, Dairy Queen, Carol Martin Hair Designers, Star Chevrolet, Summit Racing and Summit Rehabilitation.

DYNAMICS COMMUNITY THEATRE

Dynamics is an intergenerational program in the Tallmadge schools. In its eighth full season, student and adult actors performed "Annie," "Christmas Story," and "Secret Garden."

CAREER FAIR

The Business Education Alliance, which is a partnership of the Chamber of Commerce and Tallmadge Schools, sponsored a Career Fair at Tallmadge High School for students and parents. Fifty area businesses and individual professionals participated. Exhibitors also included Tallmadge parents and alumni.

BUS OPEN HOUSE

"School Bus Safety – Show and Tell" was the theme for this year's National School Bus Safety week. To mark the festivities, the transportation staff hosted its sixth annual open house at the transportation garage. Visitors learned about driver requirements and training and had a close-up look at the district's two new buses. Vendors donated prizes for a Poster Contest for elementary riders.

CAN

Tallmadge CARE Community Action Network (CAN) is a volunteer organization for community members committed to helping youth to choose drug-free lifestyles. This year CAN obtained funding from the Ohio Parents for Drug Free Youth to publish a Student Directory identifying those parents who signed the SAFE HOMES, SAFE PARTIES, Parent's Pledge. Signers promise not to allow gatherings in their home when they are not present nor will they allow the use of alcohol or other illegal substances. The directory was distributed free of charge to each Tallmadge High School family.

VOLUNTEER RECOGNITION

Nearly 650 volunteers were invited to the annual district-wide Volunteer Appreciation tea in April.

OHIO READS

Dunbar and Overdale won a second round of funding from the state to train volunteers to work with at-risk students, to purchase reading materials and to provide professional development for staff. Each building received \$28,980. Munroe School won an Ohio Reads implementation grant of \$60,000. More than 100 volunteers worked in this program this past year.

ACHIEVEMENT FAIR

Overdale Primary School was tapped to represent Tallmadge as one of only 100 Ohio school districts to participate in the Student Achievement Fair at the annual Ohio School Boards Association Conference. The Fair showcases outstanding and effective academic programs and practices. Overdale featured the success of the all-day kindergarten program.

NATIONAL CERTIFICATION

Two Tallmadge Middle School teachers, Carole Walker and Julie Emch, earned National Board Certification. Participation in this comprehensive and rigorous screening process is voluntary. There are now 6 Tallmadge teachers who have won this prestigious honor.

OUTSTANDING ART TEACHER

The Northeast Region of the Ohio Art Education Association and its 550 members elected Munroe art teacher Carolyn Modugno as an Outstanding Art Teacher for 2001-02.

SCHOOL DISTRICT REPORT CARD

Tallmadge met the performance standards in 23 of 27 categories and is rated as an “effective” district. “Effective” is the 2nd of 5 tiers, with the top tier being “excellent.” This report card reflects an increase from last year, when the district met 21 of the 27 indicators.

TASK FORCE ON SCHOOL FACILITIES

More than 200 Tallmadge residents participated in focus groups during the month of February as the Board of Education has committed to seeking community input throughout a process to address the district’s facilities needs. Currently a 70-member Task Force representing staff and community members are looking at needs. The timetable calls for a proposal or proposals to recommend to the Board of Education by October 2002.

CLASS OF 2002

Of the 186 seniors earning diplomas at graduation on June 1, 79% completed a college preparatory curriculum, 6 % followed a general course of study and 15% enrolled in a vocational program. Twenty-six credits were required for graduation.

FUTURE PLANS

Following graduation, 72% enrolled in a four-year college. 17% enrolled in a two-year college or trade or technical program, 5% entered the military and 6% entered the labor market.

VALEDICTORIANS

Ten 4.0 valedictorians led the Class of 2002; Mark Bartholet, Alan Bock, Jonathan Greathouse, Abigail Ison, Alexis Joliat, Jackson Sarver, Elizabeth Stupi, Jenna Waner, Paul Wilkie and Jonathan Yee.

HONORS DIPLOMAS

Forty-four graduates earned honors diplomas. To receive an honors diploma, graduates must meet 8 of 9 academic criteria including a minimum 3.5 grade and a minimum composite score of 27 on the ACT.

WORLD WAR II GRADUATE

Many World War II veterans dropped out of high school to serve their country. A new law allows them to receive their high school diplomas. Tallmadge High School first WWII diploma winner, Richard Miller, graduated with the Tallmadge High School Class of 2002.

DISTINGUISHED SCHOLARS

Thirty-two seniors graduated as distinguished scholars, having maintained a 3.7 grade point average or better for four years of high school.

NATIONAL MERIT HONORS

One student was named a National Merit Finalist and Scholarship winner, an achievement earned by less than one percent of students across the county who participate in the PSAT qualifying exam. Two other students achieved commended status.

EDUCATIONAL EXCELLENCE

Twenty-eight graduating seniors earned the Presidential Award for Educational Excellence given to students who complete the core curriculum, maintain a 3.5 or better grade point average and score in at least the 85 percentile on a standardized reading or math test.

MERIT AWARDS

Fifty-one members of the graduating class earned the State Award of Merit. To receive this honor, students must complete the core curriculum, plus have 3 units of a foreign language, a 3.25 GPA, an average attendance of 90.8% or better and good character.

SCHOLARSHIP WINNERS

Fifty-one members of the Class of 2002 shared in more than \$45,000 in local scholarships awarded at graduation. These scholarships are funded by donations from area businesses, civic organizations, trusts and foundations.

HERITAGE FAMILIES

Each year, those students together with their parents or grandparents graduated from Tallmadge High School are recognized as Heritage Families. There were 16 Heritage Families in the Class of 2002.

The above initiatives, accomplishments, and awards are representative of the many fine programs taking place in the School District. Each building prides itself on the tradition, vision, and excellence that sets the tone for every activity within the School District. The community is very proud of all of the outstanding students, staff and volunteers making a difference in our schools.

FINANCIAL INFORMATION

The School District's accounting system is organized on a "fund" basis. Each fund (and account group) is a distinct self-balancing accounting entity. Reports for general governmental operations and expendable trust funds are presented on the modified accrual basis whereby revenue is recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the School District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expensed when incurred.

Internal Controls

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

Budgetary Controls

The School District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable. The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to interim financial statements, each administrator is furnished monthly reports showing the status of the budget accounts for which they are responsible.

General Governmental Functions

The general governmental funds encompass the General, Special Revenue, Debt Service, Capital Projects and Fiduciary Funds of the School District. Revenues for the general governmental funds totaled \$21,493,787.

The following schedule presents a summary of revenues for all general governmental funds for fiscal year ended June 30, 2002, and the amount and percentage of increases (decreases) in relation to the 2001 fiscal year.

Revenue by Source	2001 Amount	2002 Amount	Percent of Total	Increase (Decrease)	Percent of Increase (Decrease)
Taxes	\$ 10,498,173	\$ 11,453,294	53.29%	\$ 955,121	9.10%
Tuition/Fees	340,100	348,646	1.62%	8,546	2.51%
Interest Income	232,419	106,516	0.50%	(125,903)	-54.17%
Extracurricular	224,426	283,452	1.32%	59,026	26.30%
Other Local	164,538	131,366	0.60%	(33,172)	-20.16%
Intergovernmental	<u>8,720,236</u>	<u>9,170,513</u>	<u>42.67%</u>	<u>450,277</u>	5.16%
Totals	<u>\$ 20,179,892</u>	<u>\$ 21,493,787</u>	<u>100.00%</u>	<u>\$ 1,313,895</u>	6.51%

Tax revenue increased slightly due to a property valuation increase with a gain on new construction and the inside millage of 5.40 mills. Categories of the top ten tangible taxpayers' valuation increased in fiscal 2002 over fiscal 2001 by \$1,355,970. The top ten real estate taxpayers' valuation was higher in fiscal 2001 over fiscal 2002 with a decrease of \$215,630. Interest revenue decreased due to lesser funds available for interim investments. Inter-governmental funds increased due to the increased number of grants, i.e. Summer Intervention, Classroom Reduction and Career Development.

Governmental fund expenditures for fiscal year 2002 totaled \$20,419,824 and are summarized by major function as follows:

Expenditures by Function	2001 Amount	2002 Amount	Percent of Total	Increase (Decrease)	Increase (Decrease)
Instruction	\$ 11,406,777	\$ 12,131,425	59.42%	\$ 724,648	6.35%
Pupil Support	1,153,766	1,179,983	5.78%	26,217	2.27%
Instructional Staff	585,774	707,317	3.46%	121,543	20.75%
Administration	1,528,258	1,723,251	8.44%	194,993	12.76%
Fiscal	506,864	554,672	2.72%	47,808	9.43%
Business	106,910	113,175	0.55%	6,265	5.86%
Plant Operation	1,466,187	1,478,445	7.24%	12,258	0.84%
Pupil Transportation	1,022,890	1,010,373	4.95%	(12,517)	-1.22%
Central	206,247	221,008	1.08%	14,761	7.16%
Extracurricular	661,859	729,322	3.57%	67,463	10.19%
Capital Outlay	322,656	302,568	1.48%	(20,088)	-6.23%
Debt Service	163,258	190,005	0.93%	26,747	16.38%
Other	<u>25,582</u>	<u>78,280</u>	<u>0.38%</u>	<u>52,698</u>	206.00%
Totals	<u>\$ 19,157,028</u>	<u>\$ 20,419,824</u>	<u>100.00%</u>	<u>\$ 1,262,796</u>	6.59%

The largest expenditure component in the governmental funds is the instruction/pupil support accounts. Over \$.66 of every dollar is spent on activities dealing directly with instruction and support of the students. Salaries of teachers, classroom aides, counselors, textbooks and classroom materials are examples of expenditures in these accounts.

The administrative function includes activities concerned with establishing and administering policy in connection with the School District. Expenditures in this category, accounting for \$.08 of every dollar spent, include salaries of the Board of Education, school building and central office administrators, and the necessary materials and equipment to perform those jobs.

The fiscal and business functions, which account for \$.03 of every dollar spent, include the functions of purchasing, contracts, accounting, budgeting, and payroll.

Plant operations accounted for just over \$.07 of every dollar spent. In addition to the salary and benefit costs of the maintenance and custodial staff, large expenditures for utilities and repair/maintenance projects are incurred on an annual basis.

Transportation and related functions account for over \$.05 of every dollar spent. In addition to salaries and benefits for the supervisor, assistant supervisor drivers and mechanics, this area covers fuel costs, maintenance, repair, and materials in connection with transportation of 3,081 students on a daily basis.

Significant activity in the major funds of each fund type and account group is highlighted below:

General Fund

The School District ended the 2001-2002 fiscal year with a General Fund unencumbered cash balance of \$2,409,646. The Board of Education had not gone to the taxpayers for additional operating dollars since 1982, but with expenditures exceeding revenue a levy was needed. The taxpayers passed a 7.5 mill levy in May 2001.

Special Revenue Funds

The Special Revenue Funds account for revenue derived primarily from grants and entitlements restricted by law to expenditures for specific purposes, or other formal actions to expend for a specific purpose. For the fiscal year ended June 30, 2002, Special Revenue Funds had combined revenues of \$1,402,027 and expenditures of \$1,432,829. Carryover funds from fiscal year 2001 contributed to the additional funds available for expenditure in fiscal year 2002.

Capital Projects Funds

The Capital Projects Funds are used to account for all transactions related to acquiring, constructing or improving of capital assets. During the year \$371,164 was expended.

Enterprise Funds

The Enterprise Funds are comprised of the Food Service Fund and Uniform School Supplies Fund. These operations are similar to activities found in the private sector and it is the management's desire to track the profit and loss of these functions. All Enterprise operations had a total net loss in 2001-2002 of \$18,923.

Internal Service Funds

The two Internal Service Funds accounted for by the School District in 2001-2002 include Rotary and Self-Insurance. During fiscal 2002 all Internal Service Funds, on a combined basis, showed a net loss of \$192,117.

Fiduciary Funds

The Fiduciary Funds account for assets held by the School District in a trustee capacity, or as an agent for individuals, other School District organizations, or other funds. The School District maintains expendable trust and agency funds. On June 30, 2002, assets held in Fiduciary Funds totaled to \$158,516.

General Fixed Asset

The General Fixed Assets of the School District are used to carry on the main educational and support functions of the School District and as such are not financial resources available for expenditure. The total General Fixed Assets at June 30, 2002 were \$20,177,955. These assets are accounted for at historical cost. Depreciation is not recognized on General Fixed Assets.

DEBT ADMINISTRATION

The School District had debt outstanding at June 30, 2002 in the amount of \$184,140. The first issue is \$124,140 Energy Conservation bonds issued under the energy conservation provisions in Ohio law for improvements in the areas of installations, modifications and remodeling of school buildings to conserve energy. Originally issued for \$520,000 in 1993, this issue will be retired in December 2003.

The second issue for \$60,000 is for School Bus Acquisition bonds for the purchase of three busses in 2000. The amount borrowed was \$115,000 with an interest rate of 5.66%. This issue will be retired in April 2003.

Cash Management

The School District's approach to the cash management program has been relatively conservative during the 2001-2002 school year. Due to lower interim cash balances available for investment over the fiscal period, rates were reviewed with several financial institutions to maximize earnings. Investments were made in three areas: repurchase sweep account for daily interim funds certificates of deposit, and STAR Ohio. Total amount of interest earned was \$128,103.

Protection of the School District's cash and investments is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the institution holding the assets.

Risk Management

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

The School District operates and manages its hospital/medical health benefits, dental benefits, prescription drug benefits, and life insurance program for employees on a self-insured basis. This internal service "self-insurance" Health Insurance fund was established in conjunction with formalized risk management programs in an effort to minimize risk exposure, control claims and premium costs. A third party administrator, Administrative Service Consultants (ASC) processes and initiates payment of claims.

The health benefits liability is limited by reinsurance that caps the individual liability at \$50,000 and an aggregate liability, for all covered employees, of \$2,005,865 for fiscal year 2002. Control of the plan rests solely with the School District. A major advantage of the self-insurance program includes the School District's holding of reserve balances as well as savings on administrative costs.

All employees of the School District are covered by workers' compensation. Effective January 1, 1995, the School District joined a group-rating program through the Ohio School Board Association in an effort to control these costs. Over 400 school districts in Ohio are participating members. The program has resulted in-group savings of nearly twelve million dollars during the 2002 year.

PENSION PLANS

The statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS) covers all School District employees. The School District's employer contribution to both systems is based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system, currently fourteen percent.

School District contributions for 2002 were \$1,398,408 as the employer portion to STRS and \$460,104 in employer contributions to SERS. Included in the SERS remittance is an annual employer surcharge. Starting in 1988-89 an additional employer charge (surcharge) was levied on salaries of lower-paid SERS members. Minimum annual compensation is determined annually by the System's actuaries and was \$12,400 for fiscal 2002. Surcharge is calculated at fourteen percent of the difference between the member's annual compensation and the minimum compensation level. For the 2001-2002 fiscal year, a surcharge of \$46,248 was incurred.

OTHER INFORMATION

Independent Audit

Provisions of State statute require the School District's financial statements to be subjected to an annual examination by the Ohio Auditor of State. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act Amendment of 1996. Lennon & Company performed the audit for the year June 30, 2002. The auditor's unqualified opinion rendered on the School 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.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Tallmadge City School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 20, 2001. This was the 5th consecutive year that the School District has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

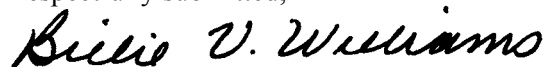
Acknowledgements

My sincere gratitude and appreciation to the Treasurer's office staff (Becky, Doris, Vickie and Eileen) for so diligently working on the sources for completion of this document. Special recognition to Nancy Wack for her endeavors in providing support information for this report.

Sincere thanks is extended to the staff at Rea & Associates, Inc. Without their on going support and efforts, this report could not have been completed.

Finally, sincere appreciation is extended to the Board of Education for its interest in and support of this project.

Respectfully submitted,



Billie V. Williams
Treasurer

Tallmadge City School District
Public Officials Roster
Year Ended June 30, 2002

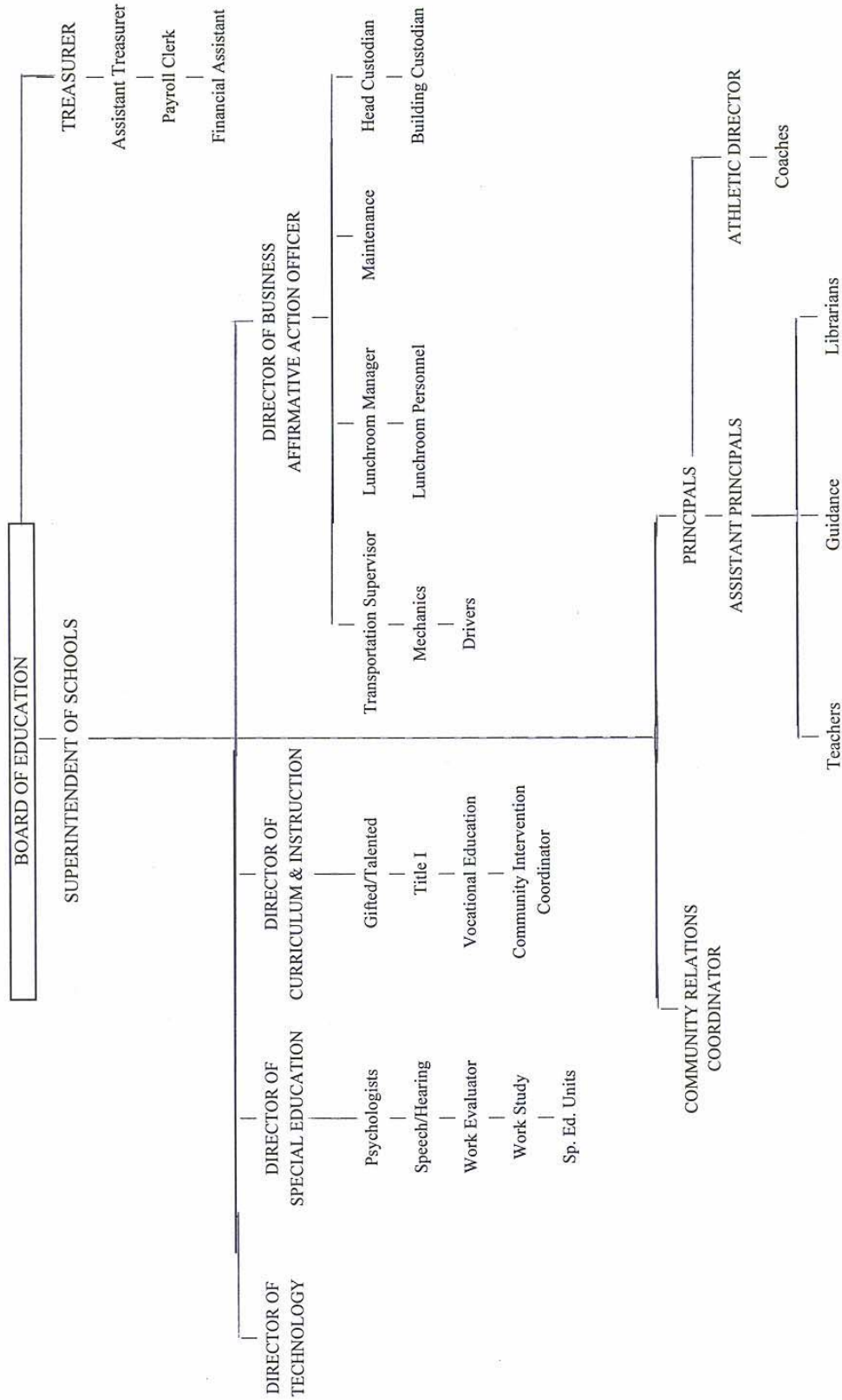
Board of Education

Mr. Thomas Craig	President 1/02 - 12/05
Mrs. Linda Jones	Vice-President 1/02 - 12/05
Mr. Dennis Loughry	Member 1/00 - 12/03
Mr. Larry Bagnoli	Member 1/00 - 12/03
Mrs. Valorie Prulhiere	Member 1/02 - 12/05

Administration

Dr. Vincent Frammartino	Superintendent 7/01 - 6/04
Mrs. Billie V. Williams	Treasurer 5/02 - 12/02
Ms. Lynn Hruschak	Director of Curriculum 3/99 - 6/04
Mr. Donald B. Johnson	Director of Business 4/98 - 6/04
Mr. Bradley Croskey	Director of Technology 7/02 - 6/05

TALLMADGE CITY SCHOOL DISTRICT
ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Tallmadge 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.



Timothy A. Auer
President

Jeffrey L. Esser
Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education
Tallmadge City School District
486 East Avenue
Tallmadge, OH 44278-2000

We have audited the accompanying general purpose financial statements of Tallmadge City School 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 Tallmadge City School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

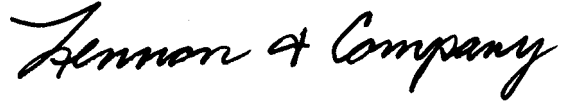
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Tallmadge City School District, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types 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 February 17, 2003 on our consideration of Tallmadge City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

The statistical section, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Tallmadge City School District. Such information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and therefore we express no opinion thereon.

A handwritten signature in black ink that reads "Lennon & Company". The signature is written in a cursive, flowing style.

LENNON & COMPANY
Certified Public Accountant
February 17, 2003

GENERAL PURPOSE FINANCIAL STATEMENT

Tallmadge City School District
 Combined Balance Sheet
 All Fund Types and Account Groups
 As of June 30, 2002

Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and other debits:</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 2,714,670	\$ 794,761	\$ 0	\$ 574,079
Cash and cash equivalents:				
In segregated accounts	0	0	0	0
Receivables:				
Taxes	13,203,824	0	69,167	346,094
Interfund	136,161	0	0	0
Intergovernmental	164,792	314,816	0	42,384
Prepaid items	13,457	0	0	0
Due from other funds	0	0	0	0
Inventory	47,134	0	0	0
Advance to other fund	783,196	0	0	0
Equity in pooled cash and cash equivalents - restricted	90,380	0	0	0
Fixed assets (net of accumulated depreciation, where applicable)	0	0	0	0
<u>Other debits:</u>				
Amount available in debt service fund for retirement of general obligations	0	0	0	0
Amount to be provided from general government resources	0	0	0	0
Total assets and other debits	<u>\$ 17,153,614</u>	<u>\$ 1,109,577</u>	<u>\$ 69,167</u>	<u>\$ 962,557</u>
<u>Liabilities, fund equity and other credits:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 90,678	\$ 28,738	\$ 0	\$ 4,068
Accrued wages and benefits	1,467,619	66,002	0	0
Compensated absences payable	90,252	0	0	0
Due to other funds	262,532	0	0	0
Interfund payable	0	136,161	0	0
Intergovernmental payable	326,383	7,165	0	0
Deferred revenue	12,879,546	65,397	67,468	379,978
Due to students	0	0	0	0
Claims payable	0	0	0	0
Advance from other fund	0	0	0	0
Energy conservation bonds payable	0	0	0	0
General obligation bonds payable	0	0	0	0
Total liabilities	<u>15,117,010</u>	<u>303,463</u>	<u>67,468</u>	<u>384,046</u>
<u>Fund equity and other credits:</u>				
Investment in general fixed assets	0	0	0	0
Contributed capital	0	0	0	0
Retained earnings:				
Unreserved	0	0	0	0
Fund balance:				
Reserved for encumbrances	1,088,527	277,514	0	202,124
Reserved for inventory	47,134	0	0	0
Reserved for prepaid items	13,457	0	0	0
Reserved for advances	783,196	0	0	0
Reserved for tax revenue unavailable for appropriation	324,278	0	1,699	8,500
Reserved for budget	90,380	0	0	0
Unreserved:				
Undesignated	(310,368)	528,600	0	367,887
Total fund equity (deficit) and other credits	<u>2,036,604</u>	<u>806,114</u>	<u>1,699</u>	<u>578,511</u>
Total liabilities, fund equity and other credits	<u>\$ 17,153,614</u>	<u>\$ 1,109,577</u>	<u>\$ 69,167</u>	<u>\$ 962,557</u>

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 287,677	\$ 3,449	\$ 158,516	\$ 0	\$ 0	\$ 4,533,152
0	788,975	0	0	0	788,975
0	0	0	0	0	13,619,085
0	0	0	0	0	136,161
0	0	0	0	0	521,992
0	0	0	0	0	13,457
0	262,532	0	0	0	262,532
15,724	0	0	0	0	62,858
0	0	0	0	0	783,196
0	0	0	0	0	90,380
77,563	0	0	20,177,955	0	20,255,518
0	0	0	0	1,699	1,699
0	0	0	0	2,087,090	2,087,090
<u>\$ 380,964</u>	<u>\$ 1,054,956</u>	<u>\$ 158,516</u>	<u>\$ 20,177,955</u>	<u>\$ 2,088,789</u>	<u>\$ 43,156,095</u>
\$ 3,640	\$ 7	\$ 0	\$ 0	\$ 0	\$ 127,131
10,940	0	0	0	0	1,544,561
17,676	0	0	0	1,741,382	1,849,310
0	0	0	0	0	262,532
0	0	0	0	0	136,161
23,642	0	0	0	163,267	520,457
4,556	0	0	0	0	13,396,945
0	0	68,945	0	0	68,945
0	268,311	0	0	0	268,311
0	783,196	0	0	0	783,196
0	0	0	0	124,140	124,140
0	0	0	0	60,000	60,000
<u>60,454</u>	<u>1,051,514</u>	<u>68,945</u>	<u>0</u>	<u>2,088,789</u>	<u>19,141,689</u>
0	0	0	20,177,955	0	20,177,955
5,179	0	0	0	0	5,179
315,331	3,442	0	0	0	318,773
0	0	0	0	0	1,568,165
0	0	0	0	0	47,134
0	0	0	0	0	13,457
0	0	0	0	0	783,196
0	0	0	0	0	334,477
0	0	0	0	0	90,380
0	0	89,571	0	0	675,690
<u>320,510</u>	<u>3,442</u>	<u>89,571</u>	<u>20,177,955</u>	<u>0</u>	<u>24,014,406</u>
<u>\$ 380,964</u>	<u>\$ 1,054,956</u>	<u>\$ 158,516</u>	<u>\$ 20,177,955</u>	<u>\$ 2,088,789</u>	<u>\$ 43,156,095</u>

Tallmadge City School District

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			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$ 10,777,628	\$ 235,863	\$ 118,497	\$ 321,306
Intergovernmental	8,248,787	881,607	0	40,119
Investment income	106,516	0	0	0
Tuition and fees	348,646	0	0	0
Extracurricular activities	0	283,452	0	0
Rentals	6,640	0	0	0
Charges for services	0	0	0	0
Miscellaneous	77,528	1,105	0	0
Total revenues	19,565,745	1,402,027	118,497	361,425
Expenditures:				
Current:				
Instruction:				
Regular	9,319,785	507,794	0	0
Special	1,590,369	114,762	0	0
Vocational	544,239	0	0	0
Adult continuing	22,701	0	0	0
Support services:				
Pupils	1,080,379	87,716	0	0
Instructional staff	379,472	327,845	0	0
Board of education	19,503	0	0	0
Administration	1,566,075	115,787	0	41,389
Fiscal	545,464	4,442	0	4,766
Business	113,175	0	0	0
Operation and maintenance of plant	1,451,938	4,066	0	22,441
Pupil transportation	944,291	66,082	0	0
Central	221,008	0	0	0
Operation of non-instructional services	0	58,777	0	0
Extracurricular activities	574,609	145,558	0	0
Capital outlay	0	0	0	302,568
Debt service:				
Principal retirement	0	0	171,881	0
Interest and fiscal charges	0	0	18,124	0
Total expenditures	18,373,008	1,432,829	190,005	371,164
Excess of revenues over (under) expenditures	1,192,737	(30,802)	(71,508)	(9,739)
Other financing sources (uses):				
Proceeds from sales of fixed assets	665	0	0	0
Operating transfers in	0	0	66,527	0
Operating transfers out	(66,527)	0	0	0
Total financing sources and (uses)	(65,862)	0	66,527	0
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,126,875	(30,802)	(4,981)	(9,739)
Fund balances (deficit) at beginning of year	933,161	836,916	6,680	588,250
Increase (decrease) in reserve for inventory	(23,432)	0	0	0
Fund balances (deficit) at end of year	\$ 2,036,604	\$ 806,114	\$ 1,699	\$ 578,511

See accompanying notes to the general purpose financial statements.

<u>Fiduciary Fund Type</u> <u>Expendable Trust</u>	<u>Totals</u> <u>(Memorandum Only)</u>
\$ 0	\$ 11,453,294
0	9,170,513
0	106,516
0	348,646
0	283,452
0	6,640
11,923	11,923
34,170	112,803
<u>46,093</u>	<u>21,493,787</u>
0	9,827,579
0	1,705,131
31,775	576,014
0	22,701
11,888	1,179,983
0	707,317
0	19,503
0	1,723,251
0	554,672
0	113,175
0	1,478,445
0	1,010,373
0	221,008
0	58,777
9,155	729,322
0	302,568
0	171,881
0	18,124
<u>52,818</u>	<u>20,419,824</u>
<u>(6,725)</u>	<u>1,073,963</u>
0	665
0	66,527
0	(66,527)
<u>0</u>	<u>665</u>
(6,725)	1,074,628
96,296	2,461,303
0	(23,432)
<u>\$ 89,571</u>	<u>\$ 3,512,499</u>

Tallmadge City School District

Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 All Governmental Fund Types and Expendable Trust Fund
 For the Fiscal Year Ended June 30, 2002

	Governmental Fund Types		
	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 11,117,195	\$ 10,874,768	\$ (242,427)
Intergovernmental	8,313,317	8,248,787	(64,530)
Investment income	105,000	106,516	1,516
Tuition and fees	192,000	183,854	(8,146)
Extracurricular activities	0	0	0
Rentals	7,500	6,640	(860)
Charges for services	0	0	0
Miscellaneous	76,000	77,528	1,528
Total revenues	19,811,012	19,498,093	(312,919)
<u>Expenditures:</u>			
Current:			
Instruction	12,795,387	12,257,518	537,869
Support services:			
Pupils	1,196,752	1,057,515	139,237
Instructional staff	413,154	380,666	32,488
Board of education	31,033	20,772	10,261
Administration	1,603,170	1,563,190	39,980
Fiscal	615,438	532,984	82,454
Business	115,966	109,124	6,842
Operation and maintenance of plant	1,591,404	1,450,173	141,231
Pupil transportation	1,141,991	1,040,215	101,776
Central	255,959	223,423	32,536
Operation of non-instructional services	0	0	0
Extracurricular activities	549,733	567,717	(17,984)
Capital outlay	0	0	0
Debt service:			
Principal retirement	0	0	0
Interest and fiscal charges	9,478	9,478	0
Total expenditures	20,319,465	19,212,775	1,106,690
Excess of revenues over (under) expenditures	(508,453)	285,318	793,771
<u>Other financing sources (uses):</u>			
Proceeds from sale of assets	0	665	665
Advances in	0	0	0
Advances out	(136,161)	(136,161)	0
Operating transfers in	0	0	0
Operating transfers out	(66,527)	(66,527)	0
Total other financing sources (uses)	(202,688)	(202,023)	665
Excess of revenue and other financing sources over (under) expenditures and other financing uses	(711,141)	83,295	794,436
Fund balances (deficit) at beginning of year	1,008,343	1,008,343	0
Prior year encumbrances appropriated	1,318,008	1,318,008	0
Fund balances (deficit) at end of year	\$ 1,615,210	\$ 2,409,646	\$ 794,436

See accompanying notes to the general purpose financial statements.

Governmental Fund Types

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 236,163	\$ 242,694	\$ 6,531	\$ 0	\$ 0	\$ 0
865,264	861,060	(4,204)	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
283,452	283,452	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,105	1,105	0	0	0	0
<u>1,385,984</u>	<u>1,388,311</u>	<u>2,327</u>	<u>0</u>	<u>0</u>	<u>0</u>
738,899	696,352	42,547	0	0	0
154,763	98,675	56,088	0	0	0
424,474	370,898	53,576	0	0	0
127	0	127	0	0	0
131,887	124,087	7,800	0	0	0
4,454	4,442	12	0	0	0
0	0	0	0	0	0
4,066	4,066	0	0	0	0
187,591	187,028	563	0	0	0
0	0	0	0	0	0
83,397	59,972	23,425	0	0	0
199,046	152,538	46,508	0	0	0
0	0	0	0	0	0
0	0	0	57,881	57,881	0
0	0	0	8,646	8,646	0
<u>1,928,704</u>	<u>1,698,058</u>	<u>230,646</u>	<u>66,527</u>	<u>66,527</u>	<u>0</u>
<u>(542,720)</u>	<u>(309,747)</u>	<u>232,973</u>	<u>(66,527)</u>	<u>(66,527)</u>	<u>0</u>
0	0	0	0	0	0
136,161	136,161	0	0	0	0
0	0	0	0	0	0
0	0	0	66,527	66,527	0
0	0	0	0	0	0
<u>136,161</u>	<u>136,161</u>	<u>0</u>	<u>66,527</u>	<u>66,527</u>	<u>0</u>
(406,559)	(173,586)	232,973	0	0	0
554,008	554,008	0	0	0	0
108,742	108,742	0	0	0	0
<u>\$ 256,191</u>	<u>\$ 489,164</u>	<u>\$ 232,973</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(continued)

Tallmadge City School District

Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 All Governmental Fund Types and Expendable Trust Fund
 For the Fiscal Year Ended June 30, 2002

	Governmental Fund Types		
	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 318,995	\$ 321,775	\$ 2,780
Intergovernmental	40,989	40,119	(870)
Investment income	0	0	0
Tuition and fees	0	0	0
Extracurricular activities	0	0	0
Rentals	0	0	0
Charges for services	0	0	0
Miscellaneous	0	0	0
 Total revenues	 <u>359,984</u>	 <u>361,894</u>	 <u>1,910</u>
<u>Expenditures:</u>			
Current:			
Instruction	0	0	0
Support services:			
Pupils	0	0	0
Instructional staff	0	0	0
Board of education	0	0	0
Administration	126,464	118,640	7,824
Fiscal	6,200	4,766	1,434
Business	0	0	0
Operation and maintenance of plant	22,441	22,441	0
Pupil transportation	0	0	0
Central	0	0	0
Operation of non-instructional services	0	0	0
Extracurricular activities	0	0	0
Capital outlay	436,487	426,759	9,728
Debt service:			
Principal retirement	0	0	0
Interest and fiscal charges	0	0	0
 Total expenditures	 <u>591,592</u>	 <u>572,606</u>	 <u>18,986</u>
 Excess of revenues over (under) expenditures	 <u>(231,608)</u>	 <u>(210,712)</u>	 <u>20,896</u>
<u>Other financing sources (uses):</u>			
Proceeds from sale of assets	0	0	0
Advances in	0	0	0
Advances out	0	0	0
Operating transfers in	0	0	0
Operating transfers out	0	0	0
 Total other financing sources (uses)	 <u>0</u>	 <u>0</u>	 <u>0</u>
 Excess of revenue and other financing sources over (under) expenditures and other financing uses	 <u>(231,608)</u>	 <u>(210,712)</u>	 <u>20,896</u>
 Fund balances (deficit) at beginning of year	 376,750	 376,750	 0
 Prior year encumbrances appropriated	 <u>202,950</u>	 <u>202,950</u>	 <u>0</u>
 Fund balances (deficit) at end of year	 <u>\$ 348,092</u>	 <u>\$ 368,988</u>	 <u>\$ 20,896</u>

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type					
Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 0	\$ 0	\$ 0	\$ 11,672,353	\$ 11,439,237	\$ (233,116)
0	0	0	9,219,570	9,149,966	(69,604)
0	0	0	105,000	106,516	1,516
0	0	0	192,000	183,854	(8,146)
0	0	0	283,452	283,452	0
0	0	0	7,500	6,640	(860)
12,325	11,923	(402)	12,325	11,923	(402)
30,175	34,170	3,995	107,280	112,803	5,523
42,500	46,093	3,593	21,599,480	21,294,391	(305,089)
33,625	31,775	1,850	13,567,911	12,985,645	582,266
12,745	11,888	857	1,364,260	1,168,078	196,182
0	0	0	837,628	751,564	86,064
0	0	0	31,160	20,772	10,388
0	0	0	1,861,521	1,805,917	55,604
0	0	0	626,092	542,192	83,900
0	0	0	115,966	109,124	6,842
0	0	0	1,617,911	1,476,680	141,231
0	0	0	1,329,582	1,227,243	102,339
0	0	0	255,959	223,423	32,536
0	0	0	83,397	59,972	23,425
15,245	9,155	6,090	764,024	729,410	34,614
0	0	0	436,487	426,759	9,728
0	0	0	57,881	57,881	0
0	0	0	18,124	18,124	0
61,615	52,818	8,797	22,967,903	21,602,784	1,365,119
(19,115)	(6,725)	12,390	(1,368,423)	(308,393)	1,060,030
0	0	0	0	665	665
0	0	0	136,161	136,161	0
0	0	0	(136,161)	(136,161)	0
0	0	0	66,527	66,527	0
0	0	0	(66,527)	(66,527)	0
0	0	0	0	665	665
(19,115)	(6,725)	12,390	(1,368,423)	(307,728)	1,060,695
95,251	95,251	0	2,034,352	2,034,352	0
1,045	1,045	0	1,630,745	1,630,745	0
\$ 77,181	\$ 89,571	\$ 12,390	2,296,674	3,357,369	\$ 1,060,695

Tallmadge City School District
 Combined Statement of Revenues,
 Expenses, and Changes in Fund Equity
 All Proprietary Fund Types
 For the Fiscal Year Ended June 30, 2002

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<u>Operating revenues:</u>			
Sales	\$ 493,985	\$ 0	\$ 493,985
Charges for services	0	2,025,230	2,025,230
Other operating revenues	0	37,991	37,991
Total operating revenues	493,985	2,063,221	2,557,206
<u>Operating expenses:</u>			
Salaries	177,018	0	177,018
Fringe benefits	45,677	0	45,677
Purchased services	6,790	275,483	282,273
Materials and supplies	136,497	7	136,504
Cost of goods sold	259,553	0	259,553
Depreciation	10,039	0	10,039
Claims	0	1,996,852	1,996,852
Total operating expenses	635,574	2,272,342	2,907,916
Operating income (loss)	(141,589)	(209,121)	(350,710)
<u>Non-operating revenues:</u>			
Federal donated commodities	21,423	0	21,423
Operating grants	96,660	0	96,660
Interest	4,583	17,004	21,587
Total non-operating revenues	122,666	17,004	139,670
Net income (loss)	(18,923)	(192,117)	(211,040)
Retained earnings (deficit) at beginning of year	334,254	195,559	529,813
Retained earnings(deficit) at end of year	315,331	3,442	318,773
Contributed capital at beginning of year	5,179	0	5,179
Total retained earnings (deficit) and contributed capital at end of year	\$ 320,510	\$ 3,442	\$ 323,952

See accompanying notes to the general purpose financial statements.

Tallmadge City School District
 Combined Statement of Cash Flows
 All Proprietary Fund Types
 For the Year Ended June 30, 2002

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<u>Cash flows from operating activities:</u>			
Cash received from customers	\$ 493,985	\$ 0	\$ 493,985
Cash received from quasi-external transactions with other funds	0	1,762,698	1,762,698
Cash paid for goods and services	(361,392)	(275,483)	(636,875)
Cash paid to employees	(218,228)	0	(218,228)
Cash paid for claims	0	(1,835,026)	(1,835,026)
Other operating revenue	0	37,991	37,991
Net cash provided by (used for) operating activities	<u>(85,635)</u>	<u>(309,820)</u>	<u>(395,455)</u>
<u>Cash flows from non-capital financing activities:</u>			
Grants	109,087	0	109,087
Long term loan from general fund	0	783,196	783,196
Net cash provided by (used for) non-capital activities	<u>109,087</u>	<u>783,196</u>	<u>892,283</u>
<u>Cash flows from investing activities:</u>			
Interest on investments	4,583	17,004	21,587
Net cash provided by investing activities	<u>4,583</u>	<u>17,004</u>	<u>21,587</u>
<u>Cash flows from capital and related activities</u>			
Payment for capital acquisitions	(1,770)	0	(1,770)
Net cash provided by (used for) capital and related financing activities	<u>(1,770)</u>	<u>0</u>	<u>(1,770)</u>
Net increase (decrease) in cash and cash equivalents	26,265	490,380	516,645
Cash and cash equivalents at beginning of year	261,412	302,044	563,456
Cash and cash equivalents at end of year	<u>\$ 287,677</u>	<u>\$ 792,424</u>	<u>\$ 1,080,101</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (141,589)	\$ (209,121)	\$ (350,710)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	10,039	0	10,039
Federal donated commodities	21,423	0	21,423
(Increase) decrease in assets:			
Due from other fund	0	(262,532)	(262,532)
Inventory	6,469	0	6,469
Increase (decrease) in liabilities:			
Accounts payable	3,556	7	3,563
Accrued wages and benefits	2,606	0	2,606
Compensated absences payable	1,861	0	1,861
Intergovernmental payable	10,041	0	10,041
Deferred revenue	(41)	0	(41)
Claims payable	0	161,826	161,826
Total adjustments	<u>55,954</u>	<u>(100,699)</u>	<u>(44,745)</u>
Net cash provided by (used for) operating activities	<u>\$ (85,635)</u>	<u>\$ (309,820)</u>	<u>\$ (395,455)</u>

Noncash Activities:
 The Enterprise Funds received donated commodities
 from the federal government in the amount of \$21,383.

See accompanying notes to the general purpose financial statements.

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the School District's seven instructional/support facilities staffed by 144 non-certificated employees, 207 certificated full time teaching personnel, including eleven administrators that provide services to 2,696 students and other community members.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Within the boundaries of the School District, Tallmadge Christian Elementary School is operated as a private school. State legislation provides funding to this private school. The School District receives the money and then disburses the money as directed by the private school. The accounting for the monies is reflected in a special revenue fund of the School District. The School District is associated with the Northeast Ohio Network for Educational Technology and the Six District Educational Compact, which are defined as jointly governed organizations. Jointly governed organizations are governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility by the participating governments. Information regarding these organizations is presented in Note 14.

B. Basis of Presentation - Fund Accounting - The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

Governmental Fund Types

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

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

Special Revenue Funds: The special revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

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

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

Proprietary Fund Types

Proprietary funds are used to account for the School District's ongoing activities that are similar to those found in the private sector. The following are the School District's proprietary fund types:

Enterprise Funds: The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (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 where it has been 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: The internal service funds account for the financing of services provided by one department to other departments of the School District on a cost reimbursement basis.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the School 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 in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

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

General Fixed Assets Account Group: This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary funds.

General Long-term Obligations Account Group: This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary funds.

C. Measurement Focus And Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues, and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. The full accrual basis of accounting is followed for the proprietary funds.

Revenues – Exchange and Non-exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected

soon enough thereafter to be used to pay liabilities of the current fiscal. For the School District, available means expected to be received within 60 days of fiscal year end.

Non-exchange transactions, in which the School District received value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. (See Note 7.) Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose and expenditure requirements in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available as an advance, investment earnings, tuition, grants and entitlements, and student fees.

Deferred Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue.

Under the modified accrual basis of accounting, receivables that will not be collected within the available period have also been reported as deferred revenue

Expenditures - The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund type. Expenses are recognized at the time they are incurred. There were no unbilled service charges receivable at year end. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

**D. Budgets and
Budgetary Accounting**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the 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. Even though annual budgets are legally adopted, proprietary budgetary statements have not been presented since they are not required under GAAP. The primary level of

budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

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

Estimated Resources: Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended Certificate of Estimated Resources issued during the fiscal year.

Appropriations: Upon receipt from the County Fiscal Officer of an amended Certificate of Estimated Resources based on final assessed values and tax rates or a Certificate saying no new Certificate is necessary, the annual Appropriation Resolution must be legally enacted by the Board of Education at the fund level, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The Appropriation Resolution, 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 at the legal level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

The budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions. Under Ohio law advances are not required to be budgeted.

Encumbrances: As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the general purpose financial statements for proprietary funds.

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

E. Cash and Investments To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents" on the balance sheet. The Self Insurance internal service fund maintains separate accounts as well as an interest in pooled cash. During the fiscal year, investments were limited to overnight repurchase agreements, STAR Ohio, the State Treasurer's Investment Pool, and certificates of deposit. These investments are stated at cost, which approximates fair value. Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to certain trust funds, unless the Board specifically allows the interest to be recorded in other funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

F. Prepaid Items The School District uses the consumption method to account for prepaid expenses. Under the consumption method, the prepaid items are recorded as an expenditure when used.

G. Inventory of Supplies Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Reported materials and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased and an expense in the proprietary funds when used. Inventories of proprietary funds consist of donated food and purchased food.

**H. Interfund Assets/
Liabilities** Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables." Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources.

**I. Fixed Assets and
Depreciation** General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure.

Tallmadge City School District

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 and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Assets in the general fixed assets account group are not depreciated. Depreciation of equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life of 10 to 20 years.

J. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set-aside to establish reserves for the textbook, capital improvements, and budget set-asides. The textbook and capital improvement reserves are required by State statute. The budget set-aside is reserved for the refunds from Bureau of Workers' Compensation. Fund balance reserves have also been established.

K. Intergovernmental Revenues

In governmental funds, federal and state grants awarded on a non-reimbursement basis and federal entitlements are recorded as intergovernmental receivables and revenues when measurable and available. Federal and state reimbursable type grants are recorded as intergovernmental receivables and revenues when the related liabilities are incurred. The School District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

State Foundation Program
State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

Venture Capital
Teacher Development
Educational Management Information Systems
Instructional Material Subsidy
Title II
Title VI-B
Vocational Education
Title I
Title VI
Drug Free Schools
Auxiliary Service

Capital Projects Funds

Vocational Education Equipment
SchoolNet

Reimbursable Grants

General Fund

Driver Education Reimbursement

Enterprise Fund

National School Lunch Program
Government Donated Commodities

Grants and entitlements amounted to approximately 43% of the School District's revenue during the fiscal year.

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employee for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

Accumulated vacation and sick leave of employees paid from governmental funds has been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources. The balance of the liability is recorded in the general long-term obligations account group. Vacation and sick leave for employees paid from proprietary funds is recorded as an expense and liability of the fund.

M. Long Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Bonds and capital leases are reported as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

N. Interfund Transactions

During the course of normal operations, the School District has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Operating subsidies are also recorded as operating transfers.

O. Fund Balance Reserves

The School District records reservations for portions of fund equity reserves which are legally segregated for specific future use or which do not represent available expendable 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, advances, inventory, prepaids, budget, and property taxes.

P. Contributed Capital

Contributed capital represents resources from other funds, other governments and private sources provided to the enterprise funds that is not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year-end. Contributed capital did not change during this fiscal year.

Q. 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.

Tallmadge City School District

R. Memorandum Only – Total Columns on General Purpose Financial Statements – Total columns on the combined statements are captioned "Totals (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.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While the School District is 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 and described above, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis), All Governmental Fund Types and Expendable Trust Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

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

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for All Governmental Fund Types and Expendable Trust Fund.

	<i>Excess of Revenues and Other Financing Sources Over (Under)</i>				
	<i>Expenditures and Other Financing Uses</i>				
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
<i>GAAP Basis</i>	\$ 1,126,875	\$ (30,802)	\$ (4,981)	\$ (9,739)	\$ (6,725)
<i>Revenue Accruals</i>	(67,652)	122,445	(118,497)	469	0
<i>Expenditure Accruals</i>	202,671	41,023	123,478	3,643	0
<i>Encumbrances (Budget Basis)</i>					
<i>Outstanding at Year End</i>	<u>(1,178,599)</u>	<u>(306,252)</u>	<u>0</u>	<u>(205,085)</u>	<u>0</u>
<i>Budget Basis</i>	<u>\$ 83,295</u>	<u>\$ (173,586)</u>	<u>\$ 0</u>	<u>\$ (210,712)</u>	<u>\$ (6,725)</u>

Notes to the General Purpose Financial Statements
6/30/02

NOTE 4 – COMPLIANCE AND ACCOUNTABILITY

Compliance:

The School District had appropriations exceeding estimated resources for the following funds, which is a violation of Ohio Revised Code Section 5705.39.

Fund	Estimated Resources	Appropriations	Variance
Special Revenue:			
Title VI-B	\$ 198,686	\$ 198,696	\$ (10)
Title VI	20,092	20,582	(490)
Miscellaneous Federal Grants	593,872	629,286	(35,414)

Accountability:

As of June 30, 2002, the Drug Free Schools special revenue fund had a deficit fund balance of \$2,735. This deficit was caused by the application of generally accepted accounting principles. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur.

NOTE 5 – RESTATED BEGINNING BALANCE

During the year it was determined that the beginning budgetary fund balance was incorrect in the Scholarship Trust fund as follows:

Fund balance at June 30, 2001	\$ 145,698
Adjustment	(50,447)
Restated fund balance June 30, 2001	\$ 95,251

NOTE 6 – DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School District into three categories.

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

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current 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 are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts. Interim monies may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement:

1. United States Treasury bills, notes, bonds, or any other 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 other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of settlement;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation, 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.

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.

Deposits: The carrying value of the School District's deposits totaled \$(113,162) and the bank balance of the deposits totaled \$10,323. Of the bank balance, \$100,000 was covered by federal depository insurance. The remaining balance is uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institutions trust department or agent in the School District's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC. The School District also had \$3,030 of petty cash at June 30, 2002.

Notes to the General Purpose Financial Statements
6/30/02

Investments: GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the School District's investments be classified in categories of custodial credit risk. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the School District's name.

	<i>Category</i> <i>3</i>	<i>Fair</i> <i>Value</i>
<i>Categorized Investments</i>		
<i>Repurchase Agreements</i>	\$ 1,340,000	\$ 1,340,000
<i>Noncategorized Investments</i>		
<i>State Treasurer's Pool</i>		4,182,639
<i>Total Investments</i>		\$ 5,522,639

The District has invested funds in STAR Ohio during 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2002. The School District's investment in STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

Interest is legally required to be placed in the General Fund, the Bond Retirement Debt Service Fund, the Permanent Improvement and Building Capital Projects Funds, and the Food Service Enterprise Fund. Interest revenue credited to the General Fund during fiscal 2002 amounted to \$106,516, with \$11,274 assigned from other School District funds.

NOTE 7 – PROPERTY TAX

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

Tallmadge City School District

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternative payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, tangible personal property and public utility taxes which became measurable as of year end. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at year end is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at year end was \$324,278 in the General fund, \$8,500 in the Permanent Improvement capital projects fund, and \$1,699 in the Bond Retirement debt service fund and is recognized as revenue.

There were no new levies passed during the current fiscal year. The assessed values upon which the current fiscal year taxes were collected are:

<u>Property Category</u>	<u>2001 Assessed Value</u>	<u>2000 Assessed Value</u>
<i>Real Property</i>		
<i>Residential and Agricultural</i>	\$ 249,238,970	\$ 241,465,270
<i>Commerical and Industrial</i>	57,665,500	56,694,740
<i>Public Utilities</i>	50,930	52,060
<i>Tangible Personal Property</i>		
<i>General</i>	44,086,684	42,918,492
<i>Public Utilities</i>	<u>7,215,470</u>	<u>8,091,530</u>
<i>Total</i>	<u>\$ 358,257,554</u>	<u>\$ 349,222,092</u>

NOTE 8 – RECEIVABLES

Receivables at year end consisted of taxes, accounts (tuition and excess costs), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

Notes to the General Purpose Financial Statements
6/30/02

NOTE 9 – FIXED ASSETS

Enterprise Fund: A summary of the enterprise funds' fixed assets at year end follows:

<i>Classification</i>	<i>Balance at June 30, 2002</i>
<i>Equipment</i>	\$ 277,352
<i>Less: accumulated depreciation</i>	<u>(199,789)</u>
<i>Net Fixed Assets</i>	<u><u>\$ 77,563</u></u>

General Fixed Assets: Changes in general fixed assets during the current year were as follows:

<i>Classification</i>	<i>Balance July 1</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30</i>
<i>Land and Land Improvements</i>	\$ 3,354,650	\$ 4,974	\$ 0	\$ 3,359,624
<i>Buildings</i>	9,900,740	0	0	9,900,740
<i>Furniture, Fixtures and Equipment</i>	4,910,584	119,914	(1,609)	5,028,889
<i>Vehicles</i>	<u>1,921,365</u>	<u>34,015</u>	<u>(66,678)</u>	<u>1,888,702</u>
<i>Total</i>	<u><u>\$ 20,087,339</u></u>	<u><u>\$ 158,903</u></u>	<u><u>\$ (68,287)</u></u>	<u><u>\$ 20,177,955</u></u>

NOTE 10 – RISK MANAGEMENT

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

The School District uses an internal service fund to record and report their self funded health care insurance program. The claims liability of \$268,311 as reported in the internal service fund at year end was estimated by third party administrators and is based on the requirements of GASB Statement 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The School District purchases stop-loss coverage of \$50,000 per employee.

Tallmadge City School District

Changes in the fund's claims liability during 2001 and 2002 were:

	<i>Balance at beginning of year</i>	<i>Current year claims</i>	<i>Claim payments</i>	<i>Balance at end of year</i>
2001	\$ 168,660	\$ 1,521,820	\$ 1,583,995	\$ 106,485
2002	\$ 106,485	\$ 1,996,852	\$ 1,835,026	\$ 268,311

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

NOTE 11 – DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer 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 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9% of their annual covered salary and the School District is required to contribute an actuarially determined rate of 14% of annual covered payroll, 5.46% was the portion to fund pension obligation. The contribution requirements of plan members and employers are established and may be amended, up to the statutory maximum amounts, by the SERS Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$161,404, \$110,500, and \$134,340, respectively; 45% has been contributed for fiscal year 2002 and 100% for the fiscal years 2001 and 2000. \$98,739 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 contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer defined benefit pension plan. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3307 of the Ohio Revised Code. STRS 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 State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3% of their annual covered salary and the School District is required to contribute an actuarially determined rate of 14% of annual covered payroll, 9.5% was the portion used to fund pension obligation. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The School District's required contributions

for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$948,920, \$932,650, and \$562,721, respectively; 83% has been contributed for fiscal year 2002 and 100% for the fiscal years 2001 and 2000. \$159,801 representing the unpaid contribution for fiscal year 2002 is recorded as a liability within the respective funds.

NOTE 12 – POST-EMPLOYMENT BENEFITS

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

By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. The retirement board currently allocates employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the School District this amount equaled \$449,488. The balance in the Health Care Reserve Fund for the STRS was \$3.011 billion at June 30, 2002. For the year ended June 30, 2002, the net health care costs paid by the STRS were \$354,697,000 and eligible benefit recipients totaled 105,300.

For the School Employees Retirement System (SERS), coverage is made available to service retirees with 10 or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. For this fiscal year, employer contributions to fund health care benefits were 8.54% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay was established at \$12,400. The surcharge, added to the unallocated portion of the 14% contribution rate, provides for maintenance of the asset target level for the health care fund. For the School District, the amount of employer contributions used to fund health care equaled \$298,700, which includes a surcharge of \$46,248 during the 2002 fiscal year.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2002, were \$182,946,777 and the target level was \$274.4 million. At June 30, 2001, the SERS's net assets available for payment of health care benefits was \$315.7 million, at cost. The number of participants receiving health care benefits was approximately 50,000 statewide.

Tallmadge City School District

NOTE 13 – BONDED DEBT AND OTHER LONG TERM OBLIGATIONS

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

<i>General Long-Term Obligations</i>	<i>Balance July 1</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30</i>
<i>BONDS</i>				
<i>Energy Conservation Bonds, 4.75% maturing on December 1, 2003</i>	\$ 182,021	\$ 0	\$ (57,881)	\$ 124,140
<i>SCHOOL BUS BONDS</i>				
<i>School Bus Acquisition Bonds, 5.00% maturing on April 15, 2002</i>	59,000	0	(59,000)	0
<i>School Bus Acquisition Bonds, 5.66% maturing on April 15, 2003</i>	115,000	0	(55,000)	60,000
	174,000	0	(114,000)	60,000
<i>OTHER OBLIGATIONS</i>				
<i>Compensated Absences</i>	1,665,271	86,941	(10,830)	1,741,382
<i>Employer Pension Obligations</i>	160,903	163,267	(160,903)	163,267
<i>Total</i>	\$ 2,182,195	\$ 250,208	\$ (343,614)	\$ 2,088,789

General Obligation Bonds: General obligation bonds are direct obligations of the School District for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from voted and unvoted general property taxes. Property tax monies will be received in and the debt will be repaid from the Bond Retirement Fund.

Compensated Absences: Sick leave benefits will be paid from the fund from which the person is paid. Additions and deletions of accrued vacation and sick leave are shown net since it is impractical for the School District to determine these amounts separately.

Employer Pension Obligations: Employer pension due to the School Employees Retirement System will be paid from the fund from which the person is paid.

Notes to the General Purpose Financial Statements
6/30/02

The annual requirements to amortize all bonds outstanding as of the end of this fiscal period, including interest payments of \$12,344, are as follows:

	<i>General Obligation</i>
	<u><i>Bonds</i></u>
2003	\$ 129,947
2004	<u>66,527</u>
Total	<u>\$ 196,474</u>

NOTE 14 – JOINTLY GOVERNED ORGANIZATIONS

Northeast Ohio Network for Educational Technology (NEONET) is the computer service organization or Data Acquisition Site (DAS) used by the School District. NEONET is an association of public school districts in a geographic area determined by the Ohio Department of Education. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The purpose of the consortium is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All Districts in the consortium are required to pay fees, charges, and assessments as charged. NEONET is governed by a board made up of superintendents from all of the participating districts. An elected Executive Board consisting of five members of the governing board is the managerial body of the consortium and meets on a monthly basis. The School District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments to NEONET are made from the General Fund. During fiscal year 2002, the School District contributed \$31,754 to NEONET.

The Six District Educational Compact is a jointly governed organization to provide for the vocational and special education needs of the students of six participating school districts. The six member board consists of the superintendent from each of the participating school districts. Students may attend any vocational or special education class offered by any of the six districts. If a student elects to attend a class offered by a school district other than the school district in which the student resides, the school district of residence pays an instructional fee to the school district that offered the class. Cuyahoga Falls City School District serves as the fiscal agent for this agreement, collecting and distributing payments. The committee exercises total control over the operation of the compact, including budgeting, appropriating, contracting and designating management. All revenues are generated from charges for services.

Tallmadge City School District

NOTE 15 – SEGMENT INFORMATION – ENTERPRISE FUNDS

Financial segment information as of and for the year ended June 30, 2002 for the enterprise funds is presented as follows:

<i>Description</i>	<i>Food Service</i>	<i>Uniform School Supplies</i>	<i>Total</i>
<i>Operating Revenues</i>	\$ 370,780	\$ 123,205	\$ 493,985
<i>Depreciation Expense</i>	10,039	0	10,039
<i>Operating Income (Loss)</i>	(145,055)	3,466	(141,589)
<i>Operating Grants</i>	96,660	0	96,660
<i>Donated Commodities</i>	21,423	0	21,423
<i>Net Income (Loss)</i>	(22,389)	3,466	(18,923)
<i>Fixed Asset Additions</i>	1,770	0	1,770
<i>Net Working Capital</i>	204,008	56,615	260,623
<i>Total Assets</i>	323,773	57,191	380,964
<i>Compensated Absences Payable</i>	17,676	0	17,676
<i>Total Equity</i>	263,895	56,615	320,510
<i>Encumbrances Outstanding (Budget Basis) at June 30, 2002</i>	18,191	288	18,479

NOTE 16 – INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivable and payable balances as of June 30, 2002 are as follows:

	<u>Receivable</u>	<u>Payable</u>
INTERFUND		
General Fund	\$ 136,161	\$ 0
Special Revenue:		
Miscellaneous Federal Grants	<u>0</u>	<u>136,161</u>
	<u>\$ 136,161</u>	<u>\$ 136,161</u>
DUE TO/FROM		
General Fund	\$ 0	\$ 262,532
Self Insurance Fund	<u>262,532</u>	<u>0</u>
	<u>\$ 262,532</u>	<u>\$ 262,532</u>
ADVANCE TO/FROM		
General Fund	\$ 783,196	\$ 0
Self Insurance Fund	<u>0</u>	<u>783,196</u>
	<u>\$ 783,196</u>	<u>\$ 783,196</u>

NOTE 17 – CONTINGENCIES

Several claims and lawsuits are pending against the School District. It is management's opinion that the ultimate liability will be covered by insurance, and/or will not have a material effect on the financial statements.

The School District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the School District's management believes such disallowances, if any will be immaterial.

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

The Supreme Court relinquished jurisdiction over the case and directed "... the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

Tallmadge City School District

NOTE 18 – STATUTORY RESERVES

Substitute House Bill 412, as amended, requires the School District to “set aside” certain percentages of defined revenues for (1) textbook and instructional materials purchases and (2) capital and maintenance expenditures. As of April 10, 2001, any money on hand in a School District’s budget reserve set-aside account may at the discretion of the Board be left in the account and used by the Board to offset any budget deficit the School District may experience in future years. The amendment places special conditions on any refunds or rebates from the Bureau of Workers’ Compensation. These monies are to be used to offset a budget deficit; for school facility construction, renovation or repair; for textbooks or instructional materials; for purchases of school buses; or for teachers’ professional development. It also requires five-year budget projections, amended the fiscal watch and fiscal emergency statutes, created a state school district solvency fund, and amended “spending reserve” provisions. During the fiscal year June 30, 2002, the reserve activity was as follows:

	<i>Textbook Reserve</i>	<i>Capital Maintenance Reserve</i>	<i>Budget Reserve</i>	<i>Total</i>
<i>Set-Aside Cash Balance as of June 30, 2001</i>	\$ 0	\$ 0	\$ 90,380	\$ 90,380
<i>Current Year Set-Aside Requirements</i>	340,869	340,869	0	681,738
<i>Qualifying Disbursements</i>	(250,879)	(340,869)	0	(591,748)
<i>Carry Forward from Prior Year</i>	(279,130)	0	0	(279,130)
<i>Total</i>	<u>\$ (189,140)</u>	<u>\$ -</u>	<u>\$ 90,380</u>	<u>\$ (98,760)</u>
<i>Balance to Carry Forward to 2003</i>	<u>\$ (189,140)</u>		<u>\$ 90,380</u>	
<i>Amount of Restricted Cash</i>			<u>\$ 90,380</u>	

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Combining, Individual Fund &

Account Group

Financial Statements & Schedules

GENERAL FUND

The General Fund is used to account for resources traditionally associated with a school district which are not required to legally or by sound financial management be accounted for in another fund. These activities include, but are not limited to, general instruction, pupil services, operation, and maintenance of facilities, student transportation, and the administration.

Tallmadge City School District

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 11,117,195	\$ 10,874,768	\$ (242,427)
Intergovernmental	8,313,317	8,248,787	(64,530)
Investment Income	105,000	106,516	1,516
Tuition and Fees	192,000	183,854	(8,146)
Rentals	7,500	6,640	(860)
Miscellaneous	76,000	77,528	1,528
Total Revenues	19,811,012	19,498,093	(312,919)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	6,498,309	6,473,664	24,645
Fringe Benefits	2,238,721	1,878,472	360,249
Purchased Services	1,594,055	1,545,189	48,866
Materials and Supplies	211,636	150,420	61,216
Capital Outlay - New	99,544	95,384	4,160
Capital Outlay - Replacement	8,020	8,012	8
Total Regular	10,650,285	10,151,141	499,144
Special:			
Salaries and Wages	1,198,100	1,194,401	3,699
Fringe Benefits	367,784	348,591	19,193
Purchased Services	2,050	1,979	71
Materials and Supplies	17,137	17,011	126
Capital Outlay - New	106	0	106
Total Special	1,585,177	1,561,982	23,195
Vocational:			
Salaries and Wages	400,820	397,635	3,185
Fringe Benefits	117,763	111,756	6,007
Purchased Services	10,252	5,910	4,342
Materials and Supplies	6,090	4,751	1,339
Capital Outlay - Replacement	0	1,642	(1,642)
Total Vocational	534,925	521,694	13,231
Adult/Continuing:			
Purchased Services	25,000	22,701	2,299
Total Adult/Continuing	25,000	22,701	2,299
Total Instruction	12,795,387	12,257,518	537,869

(continued)

Tallmadge City School District

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund (continued)
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	831,662	767,421	64,241
Fringe Benefits	260,611	219,407	41,204
Purchased Services	51,109	18,228	32,881
Materials and Supplies	52,706	51,835	871
Capital Outlay - New	354	354	0
Capital Outlay - Replacement	310	270	40
Total Pupils	<u>1,196,752</u>	<u>1,057,515</u>	<u>139,237</u>
Instructional Staff:			
Salaries and Wages	280,487	265,883	14,604
Fringe Benefits	67,685	62,468	5,217
Purchased Services	36,166	26,846	9,320
Materials and Supplies	26,207	23,138	3,069
Capital Outlay - New	1,609	1,912	(303)
Other	1,000	419	581
Total Instructional Staff	<u>413,154</u>	<u>380,666</u>	<u>32,488</u>
Board of Education:			
Salaries and Wages	16,000	7,120	8,880
Fringe Benefits	2,337	1,432	905
Purchased Services	7,500	7,740	(240)
Materials and Supplies	400	284	116
Other	4,796	4,196	600
Total Board of Education	<u>31,033</u>	<u>20,772</u>	<u>10,261</u>
Administration:			
Salaries and Wages	957,900	947,737	10,163
Fringe Benefits	301,345	280,767	20,578
Purchased Services	261,900	245,283	16,617
Materials and Supplies	23,029	17,622	5,407
Other	58,996	71,781	(12,785)
Total Administration	<u>1,603,170</u>	<u>1,563,190</u>	<u>39,980</u>
Fiscal:			
Salaries and Wages	190,300	175,736	14,564
Fringe Benefits	73,430	62,374	11,056
Purchased Services	39,774	34,455	5,319
Materials and Supplies	8,009	7,879	130
Capital Outlay - New	532	532	0
Capital Outlay - Replacement	1,375	1,478	(103)
Other	302,018	250,530	51,488
Total Fiscal	<u>615,438</u>	<u>532,984</u>	<u>82,454</u>

(continued)

Tallmadge City School District

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund (continued)
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Business:			
Salaries and Wages	82,000	82,716	(716)
Fringe Benefits	29,640	22,779	6,861
Purchased Services	4,226	3,529	697
Materials and Supplies	100	100	0
Total Business	115,966	109,124	6,842
Operation and Maintenance of Plant:			
Salaries and Wages	640,950	596,002	44,948
Fringe Benefits	217,066	198,323	18,743
Purchased Services	642,170	563,267	78,903
Materials and Supplies	87,158	92,341	(5,183)
Capital Outlay - New	200	180	20
Capital Outlay - Replacement	3,860	60	3,800
Total Operation and Maintenance of Plant	1,591,404	1,450,173	141,231
Pupil Transportation:			
Salaries and Wages	649,200	594,000	55,200
Fringe Benefits	190,400	181,280	9,120
Purchased Services	33,735	31,506	2,229
Materials and Supplies	153,656	118,985	34,671
Capital Outlay - New	1,000	444	556
Capital Outlay - Replacement	114,000	114,000	0
Total Pupil Transportation	1,141,991	1,040,215	101,776
Central:			
Salaries and Wages	43,000	45,218	(2,218)
Fringe Benefits	15,915	15,887	28
Purchased Services	196,594	162,152	34,442
Materials and Supplies	450	166	284
Total Central	255,959	223,423	32,536
Total Support Services	6,964,867	6,378,062	586,805
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	134,592	155,081	(20,489)
Fringe Benefits	20,276	22,378	(2,102)
Purchased Services	1,200	1,200	0
Other	3,490	3,342	148
Total Academic and Subject Oriented Activities	159,558	182,001	(22,443)

(continued)

Tallmadge City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund (continued)
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Sports Oriented Activities:			
Salaries and Wages	274,800	280,290	(5,490)
Fringe Benefits	64,065	56,953	7,112
Purchased Services	30,535	29,385	1,150
Materials and Supplies	15,315	14,338	977
Capital Outlay - Replacement	3,000	2,984	16
Total Sports Oriented Activities	387,715	383,950	3,765
School and Public Service Co-Curricular Activities:			
Purchased Services	2,060	1,766	294
Materials and Supplies	400	0	400
Total School and Public Service Co-Curricular Activities	2,460	1,766	694
Total Extracurricular Activities	549,733	567,717	(17,984)
Debt Service:			
Interest and Fiscal Charges	9,478	9,478	0
Total Debt Service	9,478	9,478	0
Total Expenditures	20,319,465	19,212,775	1,106,690
Excess of Revenues Over (Under) Expenditures	(508,453)	285,318	793,771
Other Financing Sources (Uses):			
Proceeds from Sale of Assets	0	665	665
Advances Out	(136,161)	(136,161)	0
Operating Transfers Out	(66,527)	(66,527)	0
Total Other Financing Sources (Uses)	(202,688)	(202,023)	665
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(711,141)	83,295	794,436
Fund Balance (Deficit) at Beginning of Year	1,008,343	1,008,343	0
Prior Year Encumbrances Appropriated	1,318,008	1,318,008	0
Fund Balance (Deficit) at End of Year	\$ 1,615,210	\$ 2,409,646	\$ 794,436

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

Emergency Levy: to account for the proceeds of an emergency operating levy. Originally passed in 1978 and renewed for five-year terms 1981, 1986, 1991, 1996, and 2001. Expenditures in this fund are not restricted to specific purposes.

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 State Grants: To account for various monies received from state agencies and other entities which are not classified elsewhere.

Underground Storage Tanks: To account for the financial responsibility rules of the State Fire Marshall to cover deductible.

Venture Capital Grant: To account for state funds received by individual school buildings that are to be used to implement school improvement models, research-based instructional programs, and staff development activities.

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

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

Career Development: A fund provided to account for monies received and expended in conjunction with Vocational Education Career Development projects funded by the State of Ohio, Ohio Department of Education, and Division of Vocational Education.

Teacher Development: To account for state revenues used to assist teachers in gaining new skills and becoming familiar with new teaching methodologies. Also, to account for monies received and expended in conjunction with Vocational Education Career Development projects funded by the State of Ohio, Ohio Department of Education, Division of Vocational Education.

Excellence in Education: To account for state revenues used for pupil competency assessment and instructional development in English Composition, Mathematics, and Reading as required by the minimum standards for Ohio Schools.

SPECIAL REVENUE FUNDS (continued)

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

Entry Year Programs: To implement entry-year programs pursuant to division (T) of section 3317.024 of the Revised Code.

Disadvantaged Pupil Impact Aid (DPIA): To account for state funds which provide instructional programs and materials for disadvantaged students

Network Connectivity: A fund provided to account for money appropriated for Ohio Educational Computer Network Connections.

Schoolnet Professional Development: A fund provided to account for a limited number of professional development subsidy grants.

Instructional Material Subsidy: To account for monies received from the state for textbooks, instructional software, instructional materials, and any other materials the district deems to be helpful in providing appropriate instruction to students in the following subject areas: reading, writing, mathematics, science and citizenship.

Ohio Reads: A fund intended 1) to improve reading outcomes, especially on the fourth grade reading proficiency test and 2) for volunteer coordinators in public school buildings, for educational service centers for costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

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

Miscellaneous State Grants: A fund used to account for various monies received from state agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

SPECIAL REVENUE FUNDS (continued)

Title II/Eisenhower Grant: To account for federal funds issued for use in the training of teachers in new techniques and methodologies in the areas of mathematics and science.

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

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

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

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

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

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

Miscellaneous Federal Grants: To account for various monies received through state agencies from the federal government or directly from the federal government, which are not classified elsewhere.

Tallmadge City School District

Combining Balance Sheet

All Special Revenue Funds

June 30, 2002

	Emergency Levy	Public School Support	Other Grants	Underground Storage Tanks	Venture Capital Grant
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 267,209	\$ 64,154	\$ 446	\$ 34,279	\$ 80
Receivables:					
Intergovernmental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Assets	 <u>\$ 267,209</u>	 <u>\$ 64,154</u>	 <u>\$ 446</u>	 <u>\$ 34,279</u>	 <u>\$ 80</u>
 <u>Liabilities and Fund Equity:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 0	\$ 163	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
Total Liabilities	<u>0</u>	<u>163</u>	<u>0</u>	<u>0</u>	<u>0</u>
 <u>Fund Equity (Deficit):</u>					
<u>Fund Balance:</u>					
Reserved for Encumbrances	120,000	5,820	0	0	0
Unreserved:					
Undesignated	<u>147,209</u>	<u>58,171</u>	<u>446</u>	<u>34,279</u>	<u>80</u>
Total Fund Equity	<u>267,209</u>	<u>63,991</u>	<u>446</u>	<u>34,279</u>	<u>80</u>
 Total Liabilities and Fund Equity (Deficit)	 <u>\$ 267,209</u>	 <u>\$ 64,154</u>	 <u>\$ 446</u>	 <u>\$ 34,279</u>	 <u>\$ 80</u>

(continued)

Tallmadge City School District
 Combining Balance Sheet
 All Special Revenue Funds (continued)
 June 30, 2002

	Athletics	Auxiliary Services	Career Development	Teacher Development	Excellence in Education
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 53,332	\$ 5,024	\$ 1,000	\$ 54	\$ 20,254
Receivables:					
Intergovernmental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Assets	 <u>\$ 53,332</u>	 <u>\$ 5,024</u>	 <u>\$ 1,000</u>	 <u>\$ 54</u>	 <u>\$ 20,254</u>
<u>Liabilities and Fund Equity:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	51	0	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>51</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fund Equity (Deficit):</u>					
Fund Balance:					
Reserved for Encumbrances	5,279	1,218	0	0	0
Unreserved:					
Undesignated	<u>48,053</u>	<u>3,755</u>	<u>1,000</u>	<u>54</u>	<u>20,254</u>
Total Fund Equity	<u>53,332</u>	<u>4,973</u>	<u>1,000</u>	<u>54</u>	<u>20,254</u>
 Total Liabilities and Fund Equity (Deficit)	 <u>\$ 53,332</u>	 <u>\$ 5,024</u>	 <u>\$ 1,000</u>	 <u>\$ 54</u>	 <u>\$ 20,254</u>

Management Information Systems	Entry Year Programs	Disadvantaged Pupil Impact Aid	Network Connectivity	Schoolnet Professional Development	Instructional Material Subsidy	Ohio Reads
\$ 0	\$ 6,972	\$ 36,343	\$ 945	\$ 513	\$ 0	\$ 35,974
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>58,420</u>
<u>\$ 0</u>	<u>\$ 6,972</u>	<u>\$ 36,343</u>	<u>\$ 945</u>	<u>\$ 513</u>	<u>\$ 0</u>	<u>\$ 94,394</u>

\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	854	0	0	0	0	364
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>854</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>364</u>

0	0	0	0	438	0	35,906
<u>0</u>	<u>6,118</u>	<u>36,343</u>	<u>945</u>	<u>75</u>	<u>0</u>	<u>58,124</u>
<u>0</u>	<u>6,118</u>	<u>36,343</u>	<u>945</u>	<u>513</u>	<u>0</u>	<u>94,030</u>
<u>\$ 0</u>	<u>\$ 6,972</u>	<u>\$ 36,343</u>	<u>\$ 945</u>	<u>\$ 513</u>	<u>\$ 0</u>	<u>\$ 94,394</u>

(continued)

Tallmadge City School District
 Combining Balance Sheet
 All Special Revenue Funds (continued)
 June 30, 2002

	Summer Intervention	Miscellaneous State Grants	Title II/ Eisenhower Grant	Title VI-B Program	Vocational Education
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 1,923	\$ 3,285	\$ 11,773	\$ 83,774	\$ 7,615
Receivables:					
Intergovernmental	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,874</u>	<u>0</u>
 Total Assets	 <u>\$ 1,923</u>	 <u>\$ 3,285</u>	 <u>\$ 11,773</u>	 <u>\$ 101,648</u>	 <u>\$ 7,615</u>
<u>Liabilities and Fund Equity:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 1,499	\$ 0
Accrued Wages and Benefits	0	0	0	11,091	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	0	593	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,874</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>31,057</u>	<u>0</u>
<u>Fund Equity (Deficit):</u>					
<u>Fund Balance:</u>					
Reserved for Encumbrances	0	3,267	153	8,704	0
Unreserved:					
Undesignated	<u>1,923</u>	<u>18</u>	<u>11,620</u>	<u>61,887</u>	<u>7,615</u>
Total Fund Equity	<u>1,923</u>	<u>3,285</u>	<u>11,773</u>	<u>70,591</u>	<u>7,615</u>
 Total Liabilities and Fund Equity (Deficit)	 <u>\$ 1,923</u>	 <u>\$ 3,285</u>	 <u>\$ 11,773</u>	 <u>\$ 101,648</u>	 <u>\$ 7,615</u>

Title I	Title VI	Drug Free Schools	Reducing Class Size	Miscellaneous Federal Grants	Totals
\$ 24,758	\$ 3,408	\$ 1	\$ 7,402	\$ 124,243	\$ 794,761
<u>28,223</u>	<u>1,596</u>	<u>1,871</u>	<u>15,833</u>	<u>190,999</u>	<u>314,816</u>
<u>\$ 52,981</u>	<u>\$ 5,004</u>	<u>\$ 1,872</u>	<u>\$ 23,235</u>	<u>\$ 315,242</u>	<u>\$ 1,109,577</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,076	\$ 28,738
22,392	2,088	2,736	4,783	22,912	66,002
0	0	0	0	136,161	136,161
0	930	0	0	4,373	7,165
<u>28,223</u>	<u>1,596</u>	<u>1,871</u>	<u>15,833</u>	<u>0</u>	<u>65,397</u>
<u>50,615</u>	<u>4,614</u>	<u>4,607</u>	<u>20,616</u>	<u>190,522</u>	<u>303,463</u>
0	0	0	0	96,729	277,514
<u>2,366</u>	<u>390</u>	<u>(2,735)</u>	<u>2,619</u>	<u>27,991</u>	<u>528,600</u>
<u>2,366</u>	<u>390</u>	<u>(2,735)</u>	<u>2,619</u>	<u>124,720</u>	<u>806,114</u>
<u>\$ 52,981</u>	<u>\$ 5,004</u>	<u>\$ 1,872</u>	<u>\$ 23,235</u>	<u>\$ 315,242</u>	<u>\$ 1,109,577</u>

Tallmadge City School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
All Special Revenue Funds
For the Year Ended June 30, 2002

	Emergency Levy	Public School Support	Other Grants	Underground Storage Tanks	Venture Capital Grant
<u>Revenues:</u>					
Taxes	\$ 235,863	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	25,400	0	0	0	0
Extracurricular Activities	0	132,582	0	0	0
Miscellaneous	0	1,105	0	0	0
Total Revenues	<u>261,263</u>	<u>133,687</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	0	235	484	0	29,364
Special	0	0	0	0	0
Support Services:					
Pupils	0	1,949	0	0	0
Instructional Staff	0	0	0	0	0
Administration	0	62,048	0	0	0
Fiscal	4,442	0	0	0	0
Operation and Maintenance of Plant	0	0	0	1,200	0
Pupil Transportation	0	63,429	0	0	0
Operation of Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	0	399	0	0	0
Total Expenditures	<u>4,442</u>	<u>128,060</u>	<u>484</u>	<u>1,200</u>	<u>29,364</u>
Excess of Revenues Over (Under) Expenditures	256,821	5,627	(484)	(1,200)	(29,364)
Fund Balance (Deficit) at Beginning of Year	<u>10,388</u>	<u>58,364</u>	<u>930</u>	<u>35,479</u>	<u>29,444</u>
Fund Balance (Deficit) at End of Year	<u>\$ 267,209</u>	<u>\$ 63,991</u>	<u>\$ 446</u>	<u>\$ 34,279</u>	<u>\$ 80</u>

Athletics	Auxiliary Services	Career Development	Teacher Development	Excellence in Education	Management Information Systems	Entry Year Programs
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	25,446	0	0	0	10,207	0
150,870	0	0	0	0	0	0
0	0	0	0	0	0	0
150,870	25,446	0	0	0	10,207	0
0	0	0	0	514	0	21,423
0	0	0	0	0	0	0
0	0	0	0	0	21,189	0
0	0	0	24,541	0	0	2,861
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	34,469	0	0	0	0	0
145,159	0	0	0	0	0	0
145,159	34,469	0	24,541	514	21,189	24,284
5,711	(9,023)	0	(24,541)	(514)	(10,982)	(24,284)
47,621	13,996	1,000	24,595	20,768	10,982	30,402
\$ 53,332	\$ 4,973	\$ 1,000	\$ 54	\$ 20,254	\$ 0	\$ 6,118

(continued)

Tallmadge City School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
All Special Revenue Funds (continued)
For the Year Ended June 30, 2002

	Disadvantaged Pupil Impact Aid	Network Connectivity	Schoolnet Professional Development	Instructional Material Subsidy	Ohio Reads
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	71,812	32,500	0	0	122,840
Extracurricular Activities	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total Revenues	71,812	32,500	0	0	122,840
Expenditures:					
Current:					
Instruction:					
Regular	40,093	0	0	972	22,811
Special	0	0	0	0	0
Support Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	0	7,423	0	55,461
Administration	0	17,500	0	0	2,000
Fiscal	0	0	0	0	0
Operation and Maintenance of Plant	0	148	0	0	0
Pupil Transportation	0	0	0	0	0
Operation of Non-Instructional Services	0	14,055	0	0	0
Extracurricular Activities	0	0	0	0	0
Total Expenditures	40,093	31,703	7,423	972	80,272
Excess of Revenues Over (Under) Expenditures	31,719	797	(7,423)	(972)	42,568
Fund Balance (Deficit) at Beginning of Year	4,624	148	7,936	972	51,462
Fund Balance (Deficit) at End of Year	\$ 36,343	\$ 945	\$ 513	\$ 0	\$ 94,030

Summer Intervention	Miscellaneous State Grants	Title II/ Eisenhower Grant	Title VI-B Program	Vocational Education	Title I	Title VI
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	6,696	9,382	172,507	4,215	119,386	17,331
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	6,696	9,382	172,507	4,215	119,386	17,331
0	0	0	0	0	0	19,702
0	0	0	6,898	0	107,864	0
0	1,450	0	58,433	0	0	0
0	0	6,909	50,071	13,229	0	0
0	2,073	0	14,236	0	0	0
0	0	0	0	0	0	0
0	2,718	0	0	0	0	0
0	0	0	0	0	0	0
9,034	0	0	0	0	1,064	0
0	0	0	0	0	0	0
9,034	6,241	6,909	129,638	13,229	108,928	19,702
(9,034)	455	2,473	42,869	(9,014)	10,458	(2,371)
10,957	2,830	9,300	27,722	16,629	(8,092)	2,761
\$ 1,923	\$ 3,285	\$ 11,773	\$ 70,591	\$ 7,615	\$ 2,366	\$ 390

(continued)

Tallmadge City School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
All Special Revenue Funds (continued)
For the Year Ended June 30, 2002

	Drug Free Schools	Reducing Class Size	Miscellaneous Federal Grants	Totals
<u>Revenues:</u>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 235,863
Intergovernmental	9,140	28,990	225,755	881,607
Extracurricular Activities	0	0	0	283,452
Miscellaneous	0	0	0	1,105
 Total Revenues	 9,140	 28,990	 225,755	 1,402,027
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	30,965	341,231	507,794
Special	0	0	0	114,762
Support Services:				
Pupils	4,695	0	0	87,716
Instructional Staff	0	0	167,350	327,845
Administration	7,488	0	10,442	115,787
Fiscal	0	0	0	4,442
Operation and Maintenance of Plant	0	0	0	4,066
Pupil Transportation	0	0	2,653	66,082
Operation of Non-Instructional Services	155	0	0	58,777
Extracurricular Activities	0	0	0	145,558
 Total Expenditures	 12,338	 30,965	 521,676	 1,432,829
Excess of Revenues Over (Under) Expenditures	(3,198)	(1,975)	(295,921)	(30,802)
Fund Balance (Deficit) at Beginning of Year	463	4,594	420,641	836,916
Fund Balance (Deficit) at End of Year	<u>\$ (2,735)</u>	<u>\$ 2,619</u>	<u>\$ 124,720</u>	<u>\$ 806,114</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

	Emergency Levy		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 236,163	\$ 242,694	\$ 6,531
Intergovernmental	28,102	25,400	(2,702)
Total Revenues	<u>264,265</u>	<u>268,094</u>	<u>3,829</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Fiscal:			
Capital Outlay - Replacement	4,394	4,394	0
Other	60	48	12
Total Fiscal	<u>4,454</u>	<u>4,442</u>	<u>12</u>
Pupil Transportation:			
Capital Outlay - New	120,000	120,000	0
Total Pupil Transportation	<u>120,000</u>	<u>120,000</u>	<u>0</u>
Total Support Services	<u>124,454</u>	<u>124,442</u>	<u>12</u>
Total Expenditures	<u>124,454</u>	<u>124,442</u>	<u>12</u>
Excess of Revenues Over (Under) Expenditures	139,811	143,652	3,841
Fund Balance (Deficit) at Beginning of Year	<u>3,557</u>	<u>3,557</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 143,368</u>	<u>\$ 147,209</u>	<u>\$ 3,841</u>

Tallmadge City School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Public School Support

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Extracurricular Activities	\$ 132,582	\$ 132,582	\$ 0
Miscellaneous	1,105	1,105	0
Total Revenues	133,687	133,687	0
<u>Expenditures:</u>			
Current:			
Instruction			
Regular:			
Salaries and Wages	77	77	0
Materials and Supplies	1,125	158	967
Total Regular	1,202	235	967
Total Instruction	1,202	235	967
Support Services:			
Pupils			
Salaries and Wages	231	231	0
Materials and Supplies	1,718	1,718	0
Total Pupils	1,949	1,949	0
Board of Education:			
Materials and Supplies	127	0	127
Total Board of Education	127	0	127
Administration:			
Purchased Services	2,176	1,995	181
Materials and Supplies	66,574	64,159	2,415
Other	1,714	1,714	0
Total Administration	70,464	67,868	2,596
Pupil Transportation:			
Purchased Services	63,991	63,429	562
Total Pupil Transportation	63,991	63,429	562
Total Support Services	136,531	133,246	3,285
Sports Oriented Activities:			
Purchased Services	500	399	101
Total Sports Oriented Activities	500	399	101
Total Extracurricular Activities	500	399	101
Total Expenditures	138,233	133,880	4,353
Excess of Revenues Over (Under) Expenditures	(4,546)	(193)	4,353
Fund Balance (Deficit) at Beginning of Year	58,067	58,067	0
Prior Year Encumbrances Appropriated	296	296	0
Fund Balance (Deficit) at End of Year	\$ 53,817	\$ 58,170	\$ 4,353

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

	Other Grants		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures:</u>			
Current:			
Instruction			
Regular:			
Other	488	484	4
Total Regular	488	484	4
Total Instruction	488	484	4
Total Expenditures	488	484	4
Excess of Revenues Over (Under) Expenditures	(488)	(484)	4
Fund Balance (Deficit) at Beginning of Year	931	931	0
Fund Balance (Deficit) at End of Year	\$ 443	\$ 447	\$ 4

Tallmadge City School District

Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2002

Underground Storage Tanks

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures:</u>			
Current:			
Operation and Maintenance of Plant:			
Purchased Services	1,200	1,200	0
	<u>1,200</u>	<u>1,200</u>	<u>0</u>
Total Operation of Non-Instructional Services	<u>1,200</u>	<u>1,200</u>	<u>0</u>
Total Expenditures	<u>1,200</u>	<u>1,200</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(1,200)	(1,200)	0
Fund Balance (Deficit) at Beginning of Year	<u>35,479</u>	<u>35,479</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>\$ 34,279</u></u>	<u><u>\$ 34,279</u></u>	<u><u>\$ 0</u></u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Venture Capital Grant

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures:</u>			
Current:			
Instruction			
Regular:			
Purchased Services	26,361	26,361	0
Materials and Supplies	2,353	2,353	0
Capital Outlay - New	1,000	1,000	0
Total Regular	<u>29,714</u>	<u>29,714</u>	<u>0</u>
Total Instruction	<u>29,714</u>	<u>29,714</u>	<u>0</u>
Total Expenditures	<u>29,714</u>	<u>29,714</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(29,714)	(29,714)	0
Fund Balance (Deficit) at Beginning of Year	28,929	28,929	0
Prior Year Encumbrances Appropriated	<u>865</u>	<u>865</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 80</u>	<u>\$ 80</u>	<u>\$ 0</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Athletics

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Extracurricular Activities	\$ 150,870	\$ 150,870	\$ 0
Total Revenues	150,870	150,870	0
<u>Expenditures:</u>			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	200	200	0
Purchased Services	7,795	7,761	34
Materials and Supplies	8,913	7,865	1,048
Capital Outlay - New	1,139	0	1,139
Other	1,260	1,260	0
Total Academic and Subject Oriented Activities	19,307	17,086	2,221
Sports Oriented Activities:			
Salaries and Wages	4,855	4,110	745
Fringe Benefits	775	572	203
Materials and Supplies	157,809	115,572	42,237
Other	3,458	3,458	0
Total Sports Oriented Activities	166,897	123,712	43,185
School and Public Service Co-Curricular Activities:			
Purchased Services	2,542	1,940	602
Materials and Supplies	9,800	9,401	399
Total School and Public Service Co-Curricular Activities	12,342	11,341	1,001
Total Extracurricular Activities	198,546	152,139	46,407
Total Expenditures	198,546	152,139	46,407
Excess of Revenues Over (Under) Expenditures	(47,676)	(1,269)	46,407
Fund Balance (Deficit) at Beginning of Year	46,244	46,244	0
Prior Year Encumbrances Appropriated	3,077	3,077	0
Fund Balance (Deficit) at End of Year	\$ 1,645	\$ 48,052	\$ 46,407

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Auxiliary Services

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 25,446	\$ 25,446	\$ 0
Total Revenues	<u>25,446</u>	<u>25,446</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	19,070	19,070	0
Fringe Benefits	3,328	3,321	7
Purchased Services	5,294	4,975	319
Materials and Supplies	4,771	1,292	3,479
Capital Outlay - New	6,978	6,978	0
Total Community Services	<u>39,441</u>	<u>35,636</u>	<u>3,805</u>
Total Operation of Non-Instructional Services	<u>39,441</u>	<u>35,636</u>	<u>3,805</u>
Total Expenditures	<u>39,441</u>	<u>35,636</u>	<u>3,805</u>
Excess of Revenues Over (Under) Expenditures	(13,995)	(10,190)	3,805
Fund Balance (Deficit) at Beginning of Year	129	129	0
Prior Year Encumbrances Appropriated	<u>13,869</u>	<u>13,869</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 3</u>	<u>\$ 3,808</u>	<u>\$ 0</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Career Development

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures:</u>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at Beginning of Year	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 0</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Teacher Development

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	5,728	5,718	10
Purchased Services	4,038	3,994	44
Materials and Supplies	14,829	14,829	0
Total Instructional Staff	<u>24,595</u>	<u>24,541</u>	<u>54</u>
Total Support Services	<u>24,595</u>	<u>24,541</u>	<u>54</u>
Total Expenditures	<u>24,595</u>	<u>24,541</u>	<u>54</u>
Excess of Revenues Over (Under) Expenditures	(24,595)	(24,541)	54
Fund Balance (Deficit) at Beginning of Year	24,565	24,565	0
Prior Year Encumbrances Appropriated	<u>30</u>	<u>30</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 0</u>	<u>\$ 54</u>	<u>\$ 54</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Excellence in Education

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures:</u>			
Current:			
Instruction			
Regular:			
Purchased Services	500	300	200
Materials and Supplies	214	214	0
Total Regular	714	514	200
Total Instruction	714	514	200
Total Expenditures	714	514	200
Excess of Revenues Over (Under) Expenditures	(714)	(514)	200
Fund Balance (Deficit) at Beginning of Year	20,768	20,768	0
Fund Balance (Deficit) at End of Year	\$ 20,054	\$ 20,254	\$ 0

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Management Information Systems

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 10,207	\$ 10,207	\$ 0
Total Revenues	<u>10,207</u>	<u>10,207</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Pupils			
Salaries and Wages	20,165	20,165	0
Purchased Services	1,024	1,024	0
Total Pupils	<u>21,189</u>	<u>21,189</u>	<u>0</u>
Total Support Services	<u>21,189</u>	<u>21,189</u>	<u>0</u>
Total Expenditures	<u>21,189</u>	<u>21,189</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(10,982)	(10,982)	0
Fund Balance (Deficit) at Beginning of Year	<u>10,982</u>	<u>10,982</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Tallmadge City School District
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2002

Entry Year Programs

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures:</u>			
Current:			
Instruction			
Regular:			
Salaries and Wages	17,100	11,050	6,050
Fringe Benefits	2,394	1,547	847
Purchased Services	8,040	7,972	68
Total Regular	<u>27,534</u>	<u>20,569</u>	<u>6,965</u>
Total Instruction	<u>27,534</u>	<u>20,569</u>	<u>6,965</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	<u>2,867</u>	<u>2,861</u>	<u>6</u>
Total Instructional Staff	<u>2,867</u>	<u>2,861</u>	<u>6</u>
Total Support Services	<u>2,867</u>	<u>2,861</u>	<u>6</u>
Total Expenditures	<u>30,401</u>	<u>23,430</u>	<u>6</u>
Excess of Revenues Over (Under) Expenditures	(30,401)	(23,430)	6
Fund Balance (Deficit) at Beginning of Year	29,100	29,100	0
Prior Year Encumbrances Appropriated	<u>1,302</u>	<u>1,302</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1</u>	<u>\$ 6,972</u>	<u>\$ 6,971</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

	DPIA		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 71,812	\$ 71,812	\$ 0
Total Revenues	71,812	71,812	0
<u>Expenditures:</u>			
Current:			
Instruction			
Regular:			
Salaries and Wages	38,574	34,125	4,449
Purchased Services	8,649	5,968	2,681
Total Regular	47,223	40,093	7,130
Total Instruction	47,223	40,093	7,130
Total Expenditures	47,223	40,093	7,130
Excess of Revenues Over (Under) Expenditures	24,589	31,719	7,130
Fund Balance (Deficit) at Beginning of Year	4,624	4,624	0
Fund Balance (Deficit) at End of Year	\$ 29,213	\$ 36,343	\$ 7,130

Tallmadge City School District
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2002

Network Connectivity

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 32,500	\$ 32,500	\$ 0
Total Revenues	<u>32,500</u>	<u>32,500</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Administration:			
Purchased Services	17,500	17,500	0
Total Administration	<u>17,500</u>	<u>17,500</u>	<u>0</u>
Operation and Maintenance of Plant:			
Purchased Services	148	148	0
Total Operation and Maintenance of Plant	<u>148</u>	<u>148</u>	<u>0</u>
Total Support Services	<u>17,648</u>	<u>17,648</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services:			
Capital Outlay - New	15,000	14,055	945
Total Community Services	<u>15,000</u>	<u>14,055</u>	<u>945</u>
Total Operation of Non-Instructional Services	<u>15,000</u>	<u>14,055</u>	<u>945</u>
Total Expenditures	<u>32,648</u>	<u>31,703</u>	<u>945</u>
Excess of Revenues Over (Under) Expenditures	(148)	797	945
Fund Balance (Deficit) at Beginning of Year	<u>148</u>	<u>148</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 0</u>	<u>\$ 945</u>	<u>\$ 945</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Schoolnet Professional Development

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	1,632	1,632	0
Purchased Services	768	693	75
Materials and Supplies	3,536	3,536	0
Total Instructional Staff	<u>5,936</u>	<u>5,861</u>	<u>75</u>
Total Support Services	<u>5,936</u>	<u>5,861</u>	<u>75</u>
Total Expenditures	<u>5,936</u>	<u>5,861</u>	<u>75</u>
Excess of Revenues Over (Under) Expenditures	(5,936)	(5,861)	75
Fund Balance (Deficit) at Beginning of Year	5,861	5,861	0
Prior Year Encumbrances Appropriated	<u>75</u>	<u>75</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 0</u>	<u>\$ 75</u>	<u>\$ 75</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Instructional Materials Subsidy

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures:</u>			
Current:			
Instruction			
Regular:			
Materials and Supplies	972	972	0
Total Regular	972	972	0
Total Instruction	972	972	0
Total Expenditures	972	972	0
Excess of Revenues Over (Under) Expenditures	(972)	(972)	0
Fund Balance (Deficit) at Beginning of Year	972	972	0
Fund Balance (Deficit) at End of Year	\$ 0	\$ 0	\$ 0

Tallmadge City School District

Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2002

Ohio Reads

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 64,420	\$ 64,420	\$ 0
Total Revenues	<u>64,420</u>	<u>64,420</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Instruction			
Regular:			
Salaries and Wages	28,214	28,215	(1)
Fringe Benefits	570	570	0
Purchased Services	5,026	5,015	11
Materials and Supplies	29,981	29,925	56
Other	629	629	0
Total Regular	<u>64,420</u>	<u>64,354</u>	<u>66</u>
Total Instruction	<u>64,420</u>	<u>64,354</u>	<u>66</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	4,000	4,000	0
Purchased Services	5,791	5,791	0
Materials and Supplies	45,770	45,770	0
Total Instructional Staff	<u>55,561</u>	<u>55,561</u>	<u>0</u>
Administration:			
Salaries and Wages	5,500	5,500	0
Total Administration	<u>5,500</u>	<u>5,500</u>	<u>0</u>
Total Support Services	<u>61,061</u>	<u>61,061</u>	<u>0</u>
Total Expenditures	<u>125,481</u>	<u>125,415</u>	<u>66</u>
Excess of Revenues Over (Under) Expenditures	(61,061)	(60,995)	66
Fund Balance (Deficit) at Beginning of Year	1	1	0
Prior Year Encumbrances Appropriated	<u>61,062</u>	<u>61,062</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 2</u>	<u>\$ 68</u>	<u>\$ 66</u>

Tallmadge City School District
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2002

Summer Intervention

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures:</u>			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	9,226	7,303	1,923
Materials and Supplies	1,731	1,731	0
Total Community Services	<u>10,957</u>	<u>9,034</u>	<u>1,923</u>
Total Operation of Non-Instructional Services	<u>10,957</u>	<u>9,034</u>	<u>1,923</u>
Total Expenditures	<u>10,957</u>	<u>9,034</u>	<u>1,923</u>
Excess of Revenues Over (Under) Expenditures	(10,957)	(9,034)	1,923
Fund Balance (Deficit) at Beginning of Year	<u>10,957</u>	<u>10,957</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 0</u>	<u>\$ 1,923</u>	<u>\$ 1,923</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Miscellaneous State Grants

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 6,696	\$ 6,696	\$ 0
Total Revenues	6,696	6,696	0
<u>Expenditures:</u>			
Current:			
Support Services:			
Pupils			
Materials and Supplies	2,833	2,827	6
Other	94	94	0
Total Pupils	2,927	2,921	6
Administration:			
Purchased Services	3,881	3,869	12
Total Administration	3,881	3,869	12
Operation and Maintenance of Plant:			
Purchased Services	2,718	2,718	0
Total Operation and Maintenance of Plant	2,718	2,718	0
Total Support Services	9,526	9,508	18
Total Expenditures	9,526	9,508	18
Excess of Revenues Over (Under) Expenditures	(2,830)	(2,812)	(18)
Fund Balance (Deficit) at Beginning of Year	600	600	0
Prior Year Encumbrances Appropriated	2,808	2,808	0
Fund Balance (Deficit) at End of Year	\$ 578	\$ 596	\$ (18)

Tallmadge City School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Title II/Eisenhower Grant

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 10,278	\$ 10,278	\$ 0
Total Revenues	<u>10,278</u>	<u>10,278</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	800	800	0
Purchased Services	5,019	2,201	2,818
Materials and Supplies	12,814	4,061	8,753
Total Instructional Staff	<u>18,633</u>	<u>7,062</u>	<u>11,571</u>
Total Support Services	<u>18,633</u>	<u>7,062</u>	<u>11,571</u>
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	48	0	48
Total Community Services	<u>48</u>	<u>0</u>	<u>48</u>
Total Operation of Non-Instructional Services	<u>48</u>	<u>0</u>	<u>48</u>
Total Expenditures	<u>18,681</u>	<u>7,062</u>	<u>11,619</u>
Excess of Revenues Over (Under) Expenditures	(8,403)	3,216	11,619
Fund Balance (Deficit) at Beginning of Year	<u>8,404</u>	<u>8,404</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1</u>	<u>\$ 11,620</u>	<u>\$ 11,619</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Title VI-B Program

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 172,507	\$ 172,507	\$ 0
Total Revenues	172,507	172,507	0
<u>Expenditures:</u>			
Current:			
Instruction			
Special:			
Materials and Supplies	6,986	4,569	2,417
Capital Outlay - New	2,500	1,781	719
Total Special	9,486	6,350	3,136
Total Instruction	9,486	6,350	3,136
Support Services:			
Pupils			
Salaries and Wages	38,962	29,075	9,887
Purchased Services	84,673	38,478	46,195
Materials and Supplies	337	337	0
Total Pupils	123,972	67,890	56,082
Instructional Staff:			
Salaries and Wages	56,809	47,636	9,173
Fringe Benefits	1,919	1,919	0
Total Instructional Staff	58,728	49,555	9,173
Administration:			
Salaries and Wages	19,428	14,236	5,192
Total Administration	19,428	14,236	5,192
Total Support Services	202,128	131,681	70,447
Total Expenditures	211,614	138,031	73,583
Excess of Revenues Over (Under) Expenditures	(39,107)	34,476	73,583
Fund Balance (Deficit) at Beginning of Year	26,179	26,179	0
Prior Year Encumbrances Appropriated	12,918	12,918	0
Fund Balance (Deficit) at End of Year	\$ (10)	\$ 73,573	\$ 73,583

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Vocational Education

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	\$ 4,215	\$ 4,215	\$ 0
Total Revenues	<u>4,215</u>	<u>4,215</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	13,299	13,229	70
Total Instructional Staff	<u>13,299</u>	<u>13,229</u>	<u>70</u>
Total Support Services	<u>13,299</u>	<u>13,229</u>	<u>70</u>
Total Expenditures	<u>13,299</u>	<u>13,229</u>	<u>70</u>
Excess of Revenues Over (Under) Expenditures	(9,084)	(9,014)	70
Fund Balance (Deficit) at Beginning of Year	<u>16,629</u>	<u>16,629</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 7,545</u>	<u>\$ 7,615</u>	<u>\$ 70</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

	Title I		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 136,868	\$ 136,868	\$ 0
Total Revenues	<u>136,868</u>	<u>136,868</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Instruction			
Special:			
Salaries and Wages	120,355	112,302	8,053
Total Special	<u>120,355</u>	<u>112,302</u>	<u>8,053</u>
Total Instruction	<u>120,355</u>	<u>112,302</u>	<u>8,053</u>
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	6,091	933	5,158
Fringe Benefits	2,413	131	2,282
Materials and Supplies	9,264	0	9,264
Total Community Services	<u>17,768</u>	<u>1,064</u>	<u>16,704</u>
Total Operation of Non-Instructional Services	<u>17,768</u>	<u>1,064</u>	<u>16,704</u>
Total Expenditures	<u>138,123</u>	<u>113,366</u>	<u>24,757</u>
Excess of Revenues Over (Under) Expenditures	(1,255)	23,502	24,757
Fund Balance (Deficit) at Beginning of Year	<u>1,255</u>	<u>1,255</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 0</u>	<u>\$ 24,757</u>	<u>\$ 24,757</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

	Title VI		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	\$ 17,331	\$ 17,331	\$ 0
Total Revenues	<u>17,331</u>	<u>17,331</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Instruction			
Regular:			
Salaries and Wages	18,447	14,971	3,476
Fringe Benefits	2,135	1,713	422
Total Regular	<u>20,582</u>	<u>16,684</u>	<u>3,898</u>
Total Instruction	<u>20,582</u>	<u>16,684</u>	<u>3,898</u>
Total Expenditures	<u>20,582</u>	<u>16,684</u>	<u>3,898</u>
Excess of Revenues Over (Under) Expenditures	(3,251)	647	3,898
Fund Balance (Deficit) at Beginning of Year	<u>2,761</u>	<u>2,761</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ (490)</u>	<u>\$ 3,408</u>	<u>\$ 3,898</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Drug Free Schools

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 9,140	\$ 9,140	\$ 0
Total Revenues	9,140	9,140	0
<u>Expenditures:</u>			
Current:			
Support Services:			
Pupils			
Salaries and Wages	535	535	0
Purchased Services	4,147	4,147	0
Materials and Supplies	44	44	0
Total Pupils	4,726	4,726	0
Administration:			
Salaries and Wages	4,752	4,752	0
Total Administration	4,752	4,752	0
Total Support Services	9,478	9,478	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	83	83	0
Materials and Supplies	100	100	0
Total Community Services	183	183	0
Total Operation of Non-Instructional Services	183	183	0
Total Expenditures	9,661	9,661	0
Excess of Revenues Over (Under) Expenditures	(521)	(521)	0
Fund Balance (Deficit) at Beginning of Year	313	313	0
Prior Year Encumbrances Appropriated	208	208	0
Fund Balance (Deficit) at End of Year	\$ 0	\$ 0	\$ 0

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Reducing Class Size

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 28,990	\$ 28,990	\$ 0
Total Revenues	<u>28,990</u>	<u>28,990</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Instruction			
Regular:			
Salaries and Wages	25,930	25,930	0
Purchased Services	7,653	252	7,401
Total Regular	<u>33,583</u>	<u>26,182</u>	<u>7,401</u>
Total Instruction	<u>33,583</u>	<u>26,182</u>	<u>7,401</u>
Total Expenditures	<u>33,583</u>	<u>26,182</u>	<u>7,401</u>
Excess of Revenues Over (Under) Expenditures	(4,593)	2,808	7,401
Fund Balance (Deficit) at Beginning of Year	<u>4,594</u>	<u>4,594</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1</u>	<u>\$ 7,402</u>	<u>\$ 7,401</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2002

Miscellaneous Federal Grants

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 246,752	\$ 245,250	\$ (1,502)
Total Revenues	<u>246,752</u>	<u>245,250</u>	<u>(1,502)</u>
<u>Expenditures:</u>			
Current:			
Instruction			
Regular:			
Salaries and Wages	272,805	272,805	0
Fringe Benefits	42,679	42,680	(1)
Purchased Services	26,218	24,013	2,205
Materials and Supplies	32,848	32,848	0
Other	8,076	5,553	2,523
Total Regular	<u>382,626</u>	<u>377,899</u>	<u>4,727</u>
Total Instruction	<u>382,626</u>	<u>377,899</u>	<u>4,727</u>
Support Services:			
Instructional Staff:			
Purchased Services	131,491	116,989	14,502
Materials and Supplies	110,435	93,306	17,129
Capital Outlay - New	419	0	419
Other	2,510	1,933	577
Total Instructional Staff	<u>244,855</u>	<u>212,228</u>	<u>32,627</u>
Administration:			
Salaries and Wages	9,076	9,076	0
Fringe Benefits	1,286	1,286	0
Total Administration	<u>10,362</u>	<u>10,362</u>	<u>0</u>
Pupil Transportation:			
Salaries and Wages	2,500	2,499	1
Fringe Benefits	400	400	0
Materials and Supplies	700	700	0
Total Pupil Transportation	<u>3,600</u>	<u>3,599</u>	<u>1</u>
Total Support Services	<u>258,817</u>	<u>226,189</u>	<u>32,628</u>
Total Expenditures	<u>641,443</u>	<u>604,088</u>	<u>37,355</u>
Excess of Revenues Over (Under) Expenditures	<u>(394,691)</u>	<u>(358,838)</u>	<u>35,853</u>
<u>Other Financing Sources (Uses):</u>			
Advances In	136,161	136,161	0
Total Other Financing Sources (Uses)	<u>136,161</u>	<u>136,161</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(258,530)	(222,677)	35,853
Fund Balance (Deficit) at Beginning of Year	210,959	210,959	0
Prior Year Encumbrances Appropriated	12,157	12,157	0
Fund Balance (Deficit) at End of Year	<u>\$ (35,414)</u>	<u>\$ 439</u>	<u>\$ 35,853</u>

DEBT SERVICE FUND

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

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

CAPITAL PROJECTS FUNDS

Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The capital projects funds are:

Permanent Improvement: - To account for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

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

Vocational Education Equipment: To account for receipts and expenditures involved in upgrading and retaining out-of-school youths and adults for the purpose of improving their skills and knowledge in their occupations or planned occupations.

SchoolNet: To account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

Tallmadge City School District
Combining Balance Sheet
All Capital Projects Funds
June 30, 2002

	Permanent Improvement	Building	Vocational Education Equipment	SchoolNet	Totals
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 563,715	\$ 4,465	\$ 5,899	\$ 0	\$ 574,079
Receivables:					
Taxes	346,094	0	0	0	346,094
Intergovernmental	0	0	0	42,384	42,384
Total Assets	\$ 909,809	\$ 4,465	\$ 5,899	\$ 42,384	\$ 962,557
Liabilities and Fund Equity					
<u>Liabilities:</u>					
Accounts Payable	\$ 4,068	\$ 0	\$ 0	\$ 0	\$ 4,068
Deferred Revenue	337,594	0	0	42,384	379,978
Total Liabilities	341,662	0	0	42,384	384,046
<u>Fund Equity:</u>					
Fund Balance:					
Reserved for Encumbrances	202,124	0	0	0	202,124
Reserved for Tax Revenue	8,500	0	0	0	8,500
Unreserved:					
Undesignated	357,523	4,465	5,899	0	367,887
Total Fund Equity	568,147	4,465	5,899	0	578,511
Total Liabilities and Fund Equity	\$ 909,809	\$ 4,465	\$ 5,899	\$ 42,384	\$ 962,557

Tallmadge City School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2002

	Permanent Improvement	Building	Vocational Education Equipment	SchoolNet	Total All Funds
<u>Revenues:</u>					
Taxes	\$ 321,306	\$ 0	\$ 0	\$ 0	\$ 321,306
Intergovernmental	35,928	0	2,191	2,000	40,119
Total Revenues	<u>357,234</u>	<u>0</u>	<u>2,191</u>	<u>2,000</u>	<u>361,425</u>
<u>Expenditures:</u>					
Current:					
Support Services:					
Administration	41,389	0	0	0	41,389
Fiscal	4,766	0	0	0	4,766
Operation and Maintenance of Plant	0	0	0	22,441	22,441
Capital Outlay	302,568	0	0	0	302,568
Total Expenditures	<u>348,723</u>	<u>0</u>	<u>0</u>	<u>22,441</u>	<u>371,164</u>
Excess of Revenues Over (Under) Expenditures	8,511	0	2,191	(20,441)	(9,739)
Fund Balance (Deficit) at Beginning of Year	<u>559,636</u>	<u>4,465</u>	<u>3,708</u>	<u>20,441</u>	<u>588,250</u>
Fund Balance (Deficit) at End of Year	<u>\$ 568,147</u>	<u>\$ 4,465</u>	<u>\$ 5,899</u>	<u>\$ 0</u>	<u>\$ 578,511</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Permanent Improvement

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 318,995	\$ 321,775	\$ 2,780
Intergovernmental	38,989	35,928	(3,061)
Total Revenues	<u>357,984</u>	<u>357,703</u>	<u>(281)</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Administration:			
Capital Outlay - New	126,464	118,640	7,824
Total Administration	<u>126,464</u>	<u>118,640</u>	<u>7,824</u>
Fiscal:			
Capital Outlay - New	6,200	4,766	1,434
Total Fiscal	<u>6,200</u>	<u>4,766</u>	<u>1,434</u>
Total Support Services	<u>132,664</u>	<u>123,406</u>	<u>9,258</u>
Capital Outlay:			
Site Improvement Services:			
Purchased Services	320,160	313,117	7,043
Capital Outlay - New	47,487	47,487	0
Total Site Improvements Services	<u>367,647</u>	<u>360,604</u>	<u>7,043</u>
Building Acquisitions and Construction Services:			
Materials and Supplies	68,840	66,155	2,685
Total Building Acquisitions and Construction Services	<u>68,840</u>	<u>66,155</u>	<u>2,685</u>
Total Capital Outlay	<u>436,487</u>	<u>426,759</u>	<u>9,728</u>
Total Expenditures	<u>569,151</u>	<u>550,165</u>	<u>18,986</u>
Excess of Revenues Over (Under) Expenditures	(211,167)	(192,462)	18,705
Fund Balance (Deficit) at Beginning of Year	348,137	348,137	0
Prior Year Encumbrances Appropriated	<u>202,950</u>	<u>202,950</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 339,920</u>	<u>\$ 358,625</u>	<u>\$ 18,705</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Building Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$ 0	\$ 0	\$ 0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Fund Balance (Deficit) at Beginning of Year	4,464	4,464	0
Fund Balance (Deficit) at End of Year	<u>\$ 4,464</u>	<u>\$ 4,464</u>	<u>\$ 0</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

Vocational Education Equipment

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	\$ 0	\$ 2,191	\$ 2,191
Total Revenues	<u>0</u>	<u>2,191</u>	<u>2,191</u>
<u>Expenditures:</u>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	0	2,191	2,191
Fund Balance (Deficit) at Beginning of Year	<u>3,708</u>	<u>3,708</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 3,708</u>	<u>\$ 5,899</u>	<u>\$ 2,191</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

	SchoolNet		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 2,000	\$ 2,000	\$ 0
Total Revenues	2,000	2,000	0
<u>Expenditures:</u>			
Current:			
Operation and Maintenance of Plant:			
Salaries and Wages	9,237	9,237	0
Materials and Supplies	12,441	12,441	0
Capital Outlay - New	763	763	0
Total Operation and Maintenance of Plant	22,441	22,441	0
Total Support Services	22,441	22,441	0
Total Expenditures	22,441	22,441	0
Excess of Revenues Over (Under) Expenditures	(20,441)	(20,441)	0
Fund Balance (Deficit) at Beginning of Year	20,441	20,441	0
Fund Balance (Deficit) at End of Year	\$ 0	\$ 0	\$ 0

ENTERPRISE FUNDS

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

Food Service Fund - this Fund accounts for the provision of food service for the School District.

Uniform School Supplies - this Fund accounts for the operation of a bookstore facility at the Senior High School.

Tallmadge City School District

Combining Balance Sheet

All Enterprise Funds

June 30, 2002

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total All Funds</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 230,486	\$ 57,191	\$ 287,677
Inventory	15,724	0	15,724
Fixed Assets Net of Accumulated Depreciation	<u>77,563</u>	<u>0</u>	<u>77,563</u>
Total Assets	<u>\$ 323,773</u>	<u>\$ 57,191</u>	<u>\$ 380,964</u>
<u>Liabilities and Fund Equity:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ 3,064	\$ 576	\$ 3,640
Accrued Wages and Benefits	10,940	0	10,940
Compensated Absences Payable	17,676	0	17,676
Intergovernmental Payable	23,642	0	23,642
Deferred Revenue	4,556	0	4,556
Total Liabilities	<u>59,878</u>	<u>576</u>	<u>60,454</u>
<u>Fund Equity:</u>			
Contributed Capital	5,179	0	5,179
Retained Earnings:			
Unreserved	<u>258,716</u>	<u>56,615</u>	<u>315,331</u>
Total Retained Earnings	<u>263,895</u>	<u>56,615</u>	<u>320,510</u>
Total Liabilities and Fund Equity	<u>\$ 323,773</u>	<u>\$ 57,191</u>	<u>\$ 380,964</u>

Tallmadge City School District
Combining Statement of Revenues,
Expenses, and Changes in Fund Equity
All Enterprise Funds
For the Fiscal Year Ended June 30, 2002

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total All Funds</u>
<u>Operating Revenues:</u>			
Sales	\$ 370,780	\$ 123,205	\$ 493,985
Total Operating Revenues	<u>370,780</u>	<u>123,205</u>	<u>493,985</u>
<u>Operating Expenses:</u>			
Salaries	177,018	0	177,018
Fringe Benefits	45,677	0	45,677
Purchased Services	6,790	0	6,790
Materials and Supplies	16,758	119,739	136,497
Cost of Goods Sold	259,553	0	259,553
Depreciation	10,039	0	10,039
Total Operating Expenses	<u>515,835</u>	<u>119,739</u>	<u>635,574</u>
Operating Income (Loss)	<u>(145,055)</u>	<u>3,466</u>	<u>(141,589)</u>
<u>Non-Operating Revenues:</u>			
Federal Donated Commodities	21,423	0	21,423
Operating Grants	96,660	0	96,660
Interest	4,583	0	4,583
Total Non-Operating Revenues	<u>122,666</u>	<u>0</u>	<u>122,666</u>
Net Income (Loss)	(22,389)	3,466	(18,923)
Retained Earnings (Deficit) at Beginning of Year	<u>281,105</u>	<u>53,149</u>	<u>334,254</u>
Retained Earnings (Deficit) at End of Year	258,716	56,615	315,331
Contributed Capital at Beginning of Year	<u>5,179</u>	<u>0</u>	<u>5,179</u>
Total Retained Earnings and Contributed Capital at End of Year	<u>\$ 263,895</u>	<u>\$ 56,615</u>	<u>\$ 320,510</u>

Tallmadge City School District
Schedule of Revenues, Expenses and
Changes in Fund Equity - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2002

	Food Service		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 371,797	\$ 370,780	\$ (1,017)
Total Revenues	<u>371,797</u>	<u>370,780</u>	<u>(1,017)</u>
<u>Expenses:</u>			
Salaries	183,145	174,271	8,874
Fringe Benefits	40,079	33,916	6,163
Purchased Services	13,996	8,795	5,201
Materials and Supplies	260,113	260,113	0
Capital Outlay - New	4,700	2,804	1,896
Capital Outlay - Replacement	1,800	519	1,281
Total Expenses	<u>503,833</u>	<u>480,418</u>	<u>23,415</u>
Excess of Revenues Over (Under) Expenses	(132,036)	(109,638)	22,398
<u>Non Operating Revenues:</u>			
Operating Grants	117,203	109,087	(8,116)
Interest Income	11,000	4,583	(6,417)
Total Non-Operating Revenues	<u>128,203</u>	<u>113,670</u>	<u>(14,533)</u>
Net Income (Loss)	(3,833)	4,032	7,865
Fund Equity (Deficit) at Beginning of Year	205,750	205,750	0
Prior Year Encumbrances Appropriated	2,508	2,508	0
Fund Equity (Deficit) at End of Year	<u>\$ 204,425</u>	<u>\$ 212,290</u>	<u>\$ 7,865</u>

Tallmadge City School District
 Schedule of Revenues, Expenses and
 Changes in Fund Equity - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2002

Uniform School Supplies

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 122,000	\$ 123,205	\$ 1,205
Total Revenues	<u>122,000</u>	<u>123,205</u>	<u>1,205</u>
<u>Expenses:</u>			
Materials and Supplies	<u>164,817</u>	<u>119,451</u>	<u>45,366</u>
Total Expenses	<u>164,817</u>	<u>119,451</u>	<u>45,366</u>
Net Income (Loss)	(42,817)	3,754	46,571
Fund Equity (Deficit) at Beginning of Year	49,589	49,589	0
Prior Year Encumbrances Appropriated	<u>3,559</u>	<u>3,559</u>	<u>0</u>
Fund Equity (Deficit) at End of Year	<u>\$ 10,331</u>	<u>\$ 56,902</u>	<u>\$ 46,571</u>

Tallmadge City School District

Combining Statement of Cash Flows

All Proprietary Fund Types

For the Year Ended June 30, 2002

	Food Service	Uniform School Supplies	Totals (Memorandum Only)
<u>Cash Flows From Operating Activities:</u>			
Cash Received from Customers	\$ 370,780	\$ 123,205	\$ 493,985
Cash Paid for Goods and Services	(242,229)	(119,163)	(361,392)
Cash Paid to Employees	(218,228)	0	(218,228)
Net Cash Provided By (Used For) Operating Activities	<u>(89,677)</u>	<u>4,042</u>	<u>(85,635)</u>
<u>Cash Flows From Non-Capital Financing Activities:</u>			
Grants	109,087	0	109,087
Net Cash Provided By (Used For) Non-Capital Activities	<u>109,087</u>	<u>0</u>	<u>109,087</u>
<u>Cash Flows From Investing Activities:</u>			
Interest on Investments	4,583	0	4,583
Net Cash Provided By Investing Activities	<u>4,583</u>	<u>0</u>	<u>4,583</u>
<u>Cash Flows From Capital and Related Activities:</u>			
Payment for Capital Acquisitions	(1,770)	0	(1,770)
Net Cash Provided By (Used For) Capital and Related Financing Activities	<u>(1,770)</u>	<u>0</u>	<u>(1,770)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	22,223	4,042	26,265
Cash and Cash Equivalents at Beginning of Year	208,263	53,149	261,412
Cash and Cash Equivalents at End of Year	<u>\$ 230,486</u>	<u>\$ 57,191</u>	<u>\$ 287,677</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:			
Operating Income (Loss)	\$ (145,055)	\$ 3,466	\$ (141,589)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:			
Depreciation	10,039	0	10,039
Federal Donated Commodities	21,423	0	21,423
(Increase) Decrease in Assets:			
Inventory	6,469	0	6,469
Increase (Decrease) in Liabilities:			
Accounts Payable	2,980	576	3,556
Accrued Wages and Benefits	2,606	0	2,606
Compensated Absences Payable	1,861	0	1,861
Intergovernmental Payable	10,041	0	10,041
Deferred Revenue	(41)	0	(41)
Total Adjustments	<u>55,378</u>	<u>576</u>	<u>55,954</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (89,677)</u>	<u>\$ 4,042</u>	<u>\$ (85,635)</u>

Noncash Activities:

The Enterprise Funds received donated commodities from the federal government in the amount of \$21,383.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the School District, or to other governments, in a cost-reimbursement basis. A description of the School District's Internal Service Funds follows:

Self Insurance - this fund accounts for monies received from other funds as payment for providing medical, hospitalization, life, dental, vision, or any similar employee benefits.

Rotary - this fund accounts for income and expenses made in connection with goods and services provided by the School District. Some activities using this fund are curricular in nature.

Tallmadge City School District
Combining Balance Sheet
All Internal Service Funds
June 30, 2002

	Self Insurance	Rotary	Total All Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 3,449	\$ 3,449
Cash and Cash Equivalents in Segregated Accounts	788,975	0	788,975
Due From Other Funds	262,532	0	262,532
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 1,051,507	\$ 3,449	\$ 1,054,956
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities and Fund Equity:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ 0	\$ 7	\$ 7
Claims Payable	268,311	0	268,311
Advance From Other Fund	783,196	0	783,196
Total Liabilities	1,051,507	7	1,051,514
	<hr/>	<hr/>	<hr/>
<u>Fund Equity:</u>			
Retained Earnings:			
Unreserved	0	3,442	3,442
Total Retained Earnings	0	3,442	3,442
	<hr/>	<hr/>	<hr/>
Total Liabilities and Retained Earnings	\$ 1,051,507	\$ 3,449	\$ 1,054,956
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Tallmadge City School District
Combining Statement of Revenues,
Expenses, and Changes in Retained Earnings
All Internal Service Funds
For the Fiscal Year Ended June 30, 2002

	Self Insurance	Rotary	Total All Funds
<u>Operating Revenues:</u>			
Charges for Services	\$ 2,025,230	\$ 0	\$ 2,025,230
Other Operating Revenues	0	37,991	37,991
Total Operating Revenues	<u>2,025,230</u>	<u>37,991</u>	<u>2,063,221</u>
<u>Operating Expenses:</u>			
Purchased Services	236,866	38,617	275,483
Materials and Supplies	0	7	7
Claims	1,996,852	0	1,996,852
Total Operating Expenses	<u>2,233,718</u>	<u>38,624</u>	<u>2,272,342</u>
Operating Income (Loss)	<u>(208,488)</u>	<u>(633)</u>	<u>(209,121)</u>
<u>Non-Operating Revenues:</u>			
Interest	17,004	0	17,004
Total Non-Operating Revenues	<u>17,004</u>	<u>0</u>	<u>17,004</u>
Net Income (Loss)	(191,484)	(633)	(192,117)
Retained Earnings (Deficit) at Beginning of Year	<u>191,484</u>	<u>4,075</u>	<u>195,559</u>
Total Retained Earnings at End of Year	<u>\$ 0</u>	<u>\$ 3,442</u>	<u>\$ 3,442</u>

Tallmadge City School District
 Schedule of Revenues, Expenses and
 Changes in Fund Equity - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Rotary Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Other Revenues	\$ 38,000	\$ 37,991	\$ (9)
Total Revenues	<u>38,000</u>	<u>37,991</u>	<u>(9)</u>
<u>Expenses:</u>			
Purchased Services	41,901	38,646	3,255
Total Expenses	<u>41,901</u>	<u>38,646</u>	<u>3,255</u>
Net Income(Loss)	(3,901)	(655)	3,246
Fund Equity (Deficit) at Beginning of Year	3,844	3,844	0
Prior Year Encumbrances Appropriated	<u>231</u>	<u>231</u>	<u>0</u>
Fund Equity (Deficit) at End of Year	<u>\$ 174</u>	<u>\$ 3,420</u>	<u>\$ 3,246</u>

Tallmadge City School District
 Schedule of Revenues, Expenses and
 Changes in Fund Equity - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Self Insurance Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$ 1,760,058	\$ 1,762,698	\$ 2,640
Total Revenues	<u>1,760,058</u>	<u>1,762,698</u>	<u>2,640</u>
<u>Expenses:</u>			
Other	<u>2,072,468</u>	<u>2,071,892</u>	<u>576</u>
Total Expenses	<u>2,072,468</u>	<u>2,071,892</u>	<u>576</u>
Excess of Revenues Over (Under) Expenses	(312,410)	(309,194)	3,216
<u>Non Operating Revenues:</u>			
Interest Income	<u>16,045</u>	<u>17,004</u>	<u>959</u>
Total Non-Operating Revenues	<u>16,045</u>	<u>17,004</u>	<u>959</u>
Net Income (Loss)	(296,365)	(292,190)	4,175
Fund Equity (Deficit) at Beginning of Year	<u>297,438</u>	<u>297,438</u>	<u>0</u>
Fund Equity (Deficit) at End of Year	<u><u>\$ 1,073</u></u>	<u><u>\$ 5,248</u></u>	<u><u>\$ 4,175</u></u>

Tallmadge City School District
Combining Statement of Cash Flows
All Internal Service Funds
For the Fiscal Year Ended June 30, 2002

	Self Insurance	Rotary	Total All Funds
<u>Cash Flows From Operating Activities</u>			
Cash Received from Quasi-External Transactions with Other Funds	\$ 1,762,698	\$ 0	\$ 1,762,698
Cash Paid for Goods and Services	(236,866)	(38,617)	(275,483)
Cash Paid for Claims	(1,835,026)	0	(1,835,026)
Other Operating Revenue	0	37,991	37,991
Net Cash Provided By (Used For) Operating Activities	<u>(309,194)</u>	<u>(626)</u>	<u>(309,820)</u>
<u>Cash Flows From Non-Capital Financing Activities:</u>			
Long Term Loan From General Fund	783,196	0	783,196
Net Cash Provided By (Used For) Non-Capital Activities	<u>783,196</u>	<u>0</u>	<u>783,196</u>
<u>Cash Flows From Investing Activities</u>			
Interest on Investments	17,004	0	17,004
Net Cash Provided By Investing Activities	<u>17,004</u>	<u>0</u>	<u>17,004</u>
Net Increase (Decrease) in Cash and Cash Equivalents	491,006	(626)	490,380
Cash and Cash Equivalents at Beginning of Year	297,969	4,075	302,044
Cash and Cash Equivalents at End of Year	<u>\$ 788,975</u>	<u>\$ 3,449</u>	<u>\$ 792,424</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities			
Operating Income (Loss)	\$ (208,488)	\$ (633)	\$ (209,121)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:			
Increase (Decrease) in Assets:			
Due From Other Fund	(262,532)	0	(262,532)
Increase (Decrease) in Liabilities:			
Accounts Payable	0	7	7
Claims Payable	161,826	0	161,826
Total Adjustments	<u>(100,706)</u>	<u>7</u>	<u>(100,699)</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (309,194)</u>	<u>\$ (626)</u>	<u>\$ (309,820)</u>

TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the School District in a trustee capacity. Agency funds are used to account for assets held by the School District as an agent for individuals, private organizations, and other governments and/or other funds.

EXPENDABLE TRUST

Scholarship Trust - this Fund accounts for assets held by the School District in a trustee capacity for individuals and/or private organizations which benefit the student body or the local community.

AGENCY

Student Managed Activities - this Fund accounts for resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Tallmadge City School District
Combining Balance Sheet
All Trust and Agency Funds
June 30, 2002

	<u>Expendable Trust</u>	<u>Agency Student Managed</u>	
	<u>Scholarship Trust Fund</u>	<u>Activities Fund</u>	<u>Totals</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 89,571	\$ 68,945	\$ 158,516
Total Assets	<u>\$ 89,571</u>	<u>\$ 68,945</u>	<u>\$ 158,516</u>
<u>Liabilities and Fund Equity:</u>			
<u>Liabilities:</u>			
Due to Students	\$ 0	\$ 68,945	\$ 68,945
Total Liabilities	<u>0</u>	<u>68,945</u>	<u>68,945</u>
<u>Fund Equity:</u>			
Fund Balance:			
Unreserved:			
Undesignated	89,571	0	89,571
Total Fund Equity	<u>89,571</u>	<u>0</u>	<u>89,571</u>
Total Liabilities and Fund Equity	<u>\$ 89,571</u>	<u>\$ 68,945</u>	<u>\$ 158,516</u>

Tallmadge City School District

Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2002

Scholarship Trust Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$ 12,325	\$ 11,923	\$ (402)
Miscellaneous	30,175	34,170	3,995
Total Revenues	42,500	46,093	3,593
<u>Expenditures:</u>			
Current:			
Instruction			
Vocational:			
Purchased Services	33,625	31,775	1,850
Total Vocational	33,625	31,775	1,850
Total Instruction	33,625	31,775	1,850
Support Services:			
Pupils			
Salaries and Wages	825	825	0
Purchased Services	11,000	10,380	620
Materials and Supplies	920	683	237
Total Pupils	12,745	11,888	857
Total Support Services	12,745	11,888	857
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Other	1,000	1,000	0
Total Academic and Subject Oriented Activities	1,000	1,000	0
School and Public Service Co-Curricular Activities:			
Salaries and Wages	1,750	1,750	0
Purchased Services	9,400	4,520	4,880
Materials and Supplies	3,095	1,885	1,210
Total School and Public Service Co-Curricular Activities	14,245	8,155	6,090
Total Extracurricular Activities	15,245	9,155	6,090
Total Expenditures	61,615	52,818	8,797
Excess of Revenues Over (Under) Expenditures	(19,115)	(6,725)	12,390
Fund Balance (Deficit) at Beginning of Year	95,251	95,251	0
Prior Year Encumbrances Appropriated	1,045	1,045	0
Fund Balance (Deficit) at End of Year	\$ 77,181	\$ 89,571	\$ 12,390

Tallmadge City School District

Statement of Changes in Assets and Liabilities

Student Managed Activities - Agency Fund

For the Fiscal Year Ended June 30, 2002

	Beginning Balance 6/30/01	Additions	Deductions	Ending Balance 6/30/02
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 54,239</u>	<u>\$ 90,934</u>	<u>\$ 76,228</u>	<u>\$ 68,945</u>
<u>Liabilities:</u>				
Due to Students	<u>\$ 54,239</u>	<u>\$ 14,706</u>	<u>\$ 0</u>	<u>\$ 68,945</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is used to account for all sites, buildings, equipment, and vehicles not used in the operations of the proprietary funds. (The majority of School District's assets are reflected here).

Tallmadge City School District
Schedule of General Fixed Assets By Source
June 30, 2002

General Fixed Assets:

Land and Improvements	\$	3,359,624
Buildings and Improvements		9,900,740
Machinery, Equipment, and Fixtures		5,022,559
Vehicles		<u>1,895,032</u>
Total General Fixed Assets	\$	<u><u>20,177,955</u></u>

Investment in General Fixed Assets:

Assets acquired prior to July 1, 1996	\$	5,255,477
General Fund Revenues		12,890,993
Special Revenue Funds		79,109
Capital Projects		<u>1,952,376</u>
	\$	<u><u>20,177,955</u></u>

Tallmadge City School District

Schedule of General Fixed Assets By Function and Activity

June 30, 2002

<u>Function</u>	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Furniture, Fixtures and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Instruction:					
Regular			\$ 4,423,249		\$ 4,423,249
Special			3,867		3,867
Vocational			4,191		4,191
Support Services:					
Pupils			32,211		32,211
Instructional Staff			49,658		49,658
Administrative			184,047	21,500	205,547
Fiscal			14,298		14,298
Operation and maintenance of plant			127,863	46,584	174,447
Pupil Transportation			69,767	1,820,618	1,890,385
Central			4,990		4,990
Operation of non-instructional		24,997	13,927		38,924
Extracurricular			100,821		100,821
Capital Outlay	<u>3,359,624</u>	<u>9,875,743</u>			<u>13,235,367</u>
 Total General Fixed Assets	 <u>\$ 3,359,624</u>	 <u>\$ 9,900,740</u>	 <u>\$ 5,028,889</u>	 <u>\$ 1,888,702</u>	 <u>\$ 20,177,955</u>

Tallmadge City School District
 Schedule of General Fixed Assets By Function
 For the Year Ended June 30, 2002

Function	Balance 6/30/2001	Additions	Disposals	Balance 6/30/2002
Instruction:				
Regular	\$ 4,347,765	\$ 77,093	\$ 1,609	\$ 4,423,249
Special	3,867			3,867
Vocational	4,191			4,191
Support Services:				
Pupils	31,416	795		32,211
Instructional Staff	49,658			49,658
Administrative	179,251	26,296		205,547
Fiscal	9,905	4,393		14,298
Operation and maintenance of plant	145,431	29,016		174,447
Pupil Transportation	1,952,065	4,998	66,678	1,890,385
Central	4,990			4,990
Operation of non-instructional	29,429	9,495		38,924
Extracurricular	98,978	1,843		100,821
Capital Outlay	13,230,393	4,974		13,235,367
Total General Fixed Assets	\$ 20,087,339	\$ 158,903	\$ 68,287	\$ 20,177,955

Note - Additions and deletions include adjustments and reclassifications among functions.

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Tallmadge City School District
 General Governmental Revenues by Source and Expenditures by Function
 Last Ten Fiscal Years (1)

	Fiscal Year Year Ended June 30, 2002	Fiscal Year Year Ended June 30, 2001	Fiscal Year Year Ended June 30, 2000	Fiscal Year Year Ended June 30, 1999
<u>Revenues:</u>				
Taxes	\$ 11,453,294	\$ 10,498,173	\$ 10,116,262	\$ 9,950,201
Intergovernmental	9,170,513	8,720,236	7,146,881	6,637,221
Interest	106,516	232,419	285,376	348,898
Tuition and Fees	348,646	340,100	208,669	158,616
Extracurricular Activities	283,452	224,426	378,799	146,228
Miscellaneous	131,366	164,538	1,635,443	213,989
Total Revenues	<u>\$ 21,493,787</u>	<u>\$ 20,179,892</u>	<u>\$ 19,771,430</u>	<u>\$ 17,455,153</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	9,827,579	9,560,418	9,238,580	8,733,413
Special	1,705,131	1,295,525	1,533,428	1,330,185
Vocational	576,014	504,930	504,212	499,019
Adult/Continuing	22,701	45,904	21,125	17,100
Support Services:				
Pupils	1,179,983	1,153,766	1,021,363	972,557
Instructional Staff	707,317	585,774	518,022	477,689
Board of Education	19,503	20,467	20,812	26,779
Administration	1,723,251	1,507,791	1,501,231	1,559,738
Fiscal	554,672	506,864	479,098	416,391
Business	113,175	106,910	102,914	130,953
Operation and Maintenance of Plant	1,478,445	1,466,187	1,621,507	1,521,713
Pupil Transportation	1,010,373	1,022,890	1,247,304	1,012,203
Central	221,008	178,372	62,111	55,156
Operation of Non-Instructional				
Services	58,777	27,875	34,959	28,178
Extracurricular	729,322	661,859	592,328	525,596
Capital Outlay	302,568	322,656	188,089	2,090,272
Debt Service	190,005	188,840	184,807	185,695
Total Expenditures	<u>\$ 20,419,824</u>	<u>\$ 19,157,028</u>	<u>\$ 18,871,890</u>	<u>\$ 19,582,637</u>

Source: 2002 School District financial records, 1993-2001 School District Audit Reports
 Note: General Governmental includes all governmental funds and expendable trust funds.
 (1) 1993 reported on a cash basis, remaining years on a GAAP basis.

Fiscal Year Year Ended June 30, 1998	Fiscal Year Year Ended June 30, 1997	Fiscal Year Year Ended June 30, 1996	Fiscal Year Year Ended June 30, 1995	Fiscal Year Year Ended June 30, 1994	Fiscal Year Year Ended June 30, 1993
\$ 9,969,830	\$ 9,684,023	\$ 9,055,314	\$ 8,592,155	\$ 9,123,331	\$ 7,310,452
6,074,350	5,769,133	5,569,970	4,869,498	4,829,431	4,464,658
440,621	411,463	374,169	306,234	204,225	165,135
148,550	87,153	418,772	204,953	41,115	201,547
141,070	130,018	120,637	117,339	104,770	108,052
158,223	83,260	101,713	147,645	103,704	60,007
<u>\$ 16,932,644</u>	<u>\$ 16,165,050</u>	<u>\$ 15,640,575</u>	<u>\$ 14,237,824</u>	<u>\$ 14,406,576</u>	<u>\$ 12,309,851</u>
8,094,885	7,912,858	6,552,053	6,268,890	5,980,123	5,768,303
1,371,671	1,577,316	1,186,322	1,222,891	1,237,311	1,102,707
490,668	477,300	419,827	422,987	437,554	382,446
29,475	52,121	39,307	1,125	31,025	12,875
833,741	790,121	742,238	759,659	733,913	664,869
490,062	514,868	427,082	387,852	363,538	310,328
26,464	32,568	31,343	20,858	18,584	18,395
1,448,507	1,498,279	1,213,969	1,014,272	905,428	932,844
399,808	377,906	364,511	321,700	350,825	334,287
134,844	129,907	131,506	120,253	116,449	135,538
1,442,208	1,469,307	1,519,481	1,564,179	1,180,710	1,141,633
1,066,229	892,866	829,944	824,343	739,376	600,349
47,947	46,095	22,420	22,916	24,209	20,947
40,819	14,374	30,587	782	3,710	6,852
481,388	480,194	402,443	337,909	357,028	332,423
206,721	254,995	181,854	405,179	572,127	391,627
121,375	66,527	66,527	66,527	12,693	578,927
<u>\$ 16,726,812</u>	<u>\$ 16,587,602</u>	<u>\$ 14,161,414</u>	<u>\$ 13,762,322</u>	<u>\$ 13,064,603</u>	<u>\$ 12,735,350</u>

Tallmadge City School District
Property Tax Levies and Collections, Real, Public Utility Tax and Tangible Personal Property (1)
Last Ten Calendar Years

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As A Percent Of	
								Current Levy	Delinquent Taxes Receivable
2001	\$ 11,658,022	\$ 828,929	\$ 12,486,951	\$ 11,210,882	96.16%	\$ 396,619	\$ 11,607,501	99.57%	\$ 879,450
2000	11,406,141	666,231	12,072,372	10,830,219	94.95%	316,303	11,146,522	97.72%	924,850
1999	11,057,772	486,730	11,544,502	10,761,091	97.32%	296,483	11,057,574	100.00%	486,928
1998	10,991,685	396,116	11,387,801	10,708,977	97.43%	228,128	10,937,105	99.50%	450,696
1997	10,815,596	414,570	11,230,166	10,544,090	97.49%	278,010	10,822,100	100.00%	408,426
1996	10,516,109	372,346	10,888,455	10,233,626	97.31%	247,783	10,481,409	99.67%	407,046
1995	10,135,023	471,277	10,606,300	9,936,036	98.04%	228,788	10,164,824	100.00%	441,476
1994	9,823,779	429,129	10,252,908	9,628,016	98.01%	194,560	9,822,576	99.99%	430,332
1993	9,252,763	473,203	9,725,966	9,100,531	98.35%	210,067	9,310,598	100.00%	415,368
1992	7,045,515	775,333	7,820,848	6,893,318	97.84%	358,102	7,251,420	100.00%	569,428

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

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

(2) Represents collection year. 2002 information cannot be presented because all collections have not been made by June 30.

(3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

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

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2002	\$ 306,955,400	\$ 861,256,000	\$ 7,215,470	\$ 8,199,398	\$ 44,086,684	\$ 176,230,576	\$ 1,045,685,974
2001	298,212,070	837,090,057	8,091,530	9,194,920	42,918,492	171,576,968	1,017,861,946
2000	289,906,000	815,585,829	9,023,950	10,254,489	40,578,022	162,218,728	988,059,046
1999	258,091,360	737,403,886	9,032,600	10,264,318	41,411,446	165,645,784	913,313,988
1998	255,717,300	730,620,857	9,009,210	10,237,739	39,680,411	158,721,644	899,580,240
1997	249,382,500	712,521,429	9,236,970	10,496,557	40,878,578	163,514,312	886,532,298
1996	213,451,620	609,861,771	9,673,020	10,992,068	40,878,578	163,514,312	784,368,151
1995	205,228,170	586,366,200	11,375,430	12,926,625	35,340,828	141,363,312	740,656,137
1994	200,171,010	571,917,171	11,066,130	12,575,148	33,463,960	133,855,840	718,348,159
1993	171,714,130	490,611,800	10,395,280	11,812,818	30,833,919	123,335,676	625,760,294

Source: Summit County Fiscal Officer & Portage County Auditor - Data is presented on a calendar year basis as this is the manner in which Information is maintained by the County.

- (1) Real estate value is assessed at 35% of actual value.
- (2) Public utility personal is assessed at 88% of actual value, prior to 1991 it was assessed at 100% of actual value.
- (3) Tangible personal property is assessed at 25% of actual value.

Tallmadge City School District
Property Rates - All Direct and Overlapping Governments
Last Ten Calendar Years

<u>Collection Year</u>	<u>School Levy</u>	<u>County Levy</u>	<u>Tallmadge City Levy</u>	<u>Munroe Falls City Levy</u>	<u>Akron Summit Library</u>	<u>Total</u>
2002	\$ 59.73	\$ 13.07	\$ 6.15	\$ 8.10	\$ 1.35	\$ 88.40
2001	53.63	13.07	6.15	7.70	1.39	81.94
2000	53.68	12.27	6.15	8.10	1.39	81.59
1999	53.83	12.27	6.15	8.45	1.79	82.49
1998	53.83	11.65	6.15	8.45	1.87	81.95
1997	53.83	11.39	7.66	7.05	0.89	80.82
1996	54.03	13.99	7.66	6.55	0.89	83.12
1995	54.23	14.16	7.66	9.75	0.89	86.69
1994	54.33	12.31	7.66	5.15	0.89	80.34
1993	54.53	12.59	7.66	5.15	0.89	80.82

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

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

Tallmadge City School District
Computation of Legal Debt Margin
June 30, 2002

Assessed Valuation (2002)	<u>\$ 358,257,554</u>
Bonded Debt Limit - 9% of Assessed Value (1)	32,243,180
Outstanding debt:	
Energy Conservation Bonds	124,140
School Bus Acquisition Bonds	60,000
Less: Amount available in debt service fund	(1,699)
Total outstanding debt	<u>\$ 182,441</u>
Amount of Debt Applicable to Debt Limit:	<u>182,441</u>
Voted Debt Margin	<u>\$ 32,060,739</u>
Bonded Debt Limit - .1% of Assessed Value (1)	358,258
Outstanding debt:	
Energy Conservation Bonds	124,140
School Bus Acquisition Bonds	60,000
Less: Amount available in debt service fund	(1,699)
Total outstanding debt	<u>\$ 182,441</u>
Less exemptions:	
Energy Conservation Bonds	124,140
School Bus Acquisition Bonds	60,000
	<u>184,140</u>
Amount of Debt Applicable	-
Unvoted Debt Margin	<u>\$ 358,258</u>

Source: Summit County Fiscal Officer, Portage County Auditor, and School District Financial Records

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

Tallmadge City School District
Ratio of Net General Obligation Bonded Debt to Assessed Value
and Net General Obligation Bonded Debt Per Capita
Last Ten Years

Collection Year	Net General Obligation Bonded Debt (1)	Assessed Value	Population (2)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2002	\$ 358,258	\$ 358,257,554	15,300	0.10%	23.42
2001	349,222	349,222,092	15,300	0.10%	22.82
2000	335,034	339,507,972	15,300	0.10%	21.90
1999	507,982	308,536,406	15,300	0.16%	33.20
1998	662,012	304,406,921	15,300	0.22%	43.27
1997	538,464	299,498,048	15,300	0.18%	35.19
1996	434,359	264,003,218	15,300	0.16%	28.39
1995	478,173	251,944,428	15,220	0.19%	31.42
1994	520,000	244,701,100	15,470	0.21%	33.61
1993	0	212,943,329	15,370	0.00%	0

Source: Summit County Fiscal Officer, School District records, City of Tallmadge, and School District Audit Reports

(1) No Debt is applicable to Enterprise Funds

(2) Population data for 1993 through 1999 were assumed to be the same as the 1990 census, respectively, as interim data was not available.

Tallmadge City School District
Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total Governmental Expenditures
Last Ten Years

Year	Net General Obligation Principal	Assessed Interest	Total Debt Service	Total Governmental Expenditures	Ratio of Debt Service to Governmental Expenditures (Percentage)
2002	\$ 171,881	\$ 18,124	\$ 190,005	\$ 20,419,824	0.93%
2001	163,257	25,233	188,490	19,157,028	0.98%
2000	298,022	37,580	335,602	20,902,828	1.61%
1999	154,359	31,336	185,695	19,582,637	0.95%
1998	96,075	25,300	121,375	16,726,812	0.73%
1997	45,895	20,632	66,527	16,587,602	0.40%
1996	43,814	22,713	66,527	14,161,414	0.47%
1995	41,827	24,700	66,527	13,762,322	0.48%
1994	0	12,693	12,693	13,064,703	0.10%
1993	0	0	0	12,735,350	0.00%

Source: School District records and Audit Reports

Tallmadge City School District
Demographic Statistics

Selected Population Characteristic	2000		1990
<u>Gender</u>			
Males	7,901		7,138
Females	8,489		7,732
<u>Age Distribution</u>			
Under 5 years	879	Under 5 years	825
5 to 9 years	1,114	5 to 9 years	950
10 to 14 years	1,200	10 to 19 years	1,967
15 to 19 years	1,140	20 to 29 years	1,889
20 to 24 years	681	30 to 39 years	2,286
25 to 34 years	1,526	40 to 49 years	2,006
35 to 44 years	2,733	50 to 59 years	1,836
45 to 54 years	2,493	60 to 69 years	1,806
55 to 59 years	850	70 to 79 years	855
60 to 64 years	818	80 years and older	450
65 to 74 years	1,632		
75 to 84 years	1,054		
85 years and older	270		
Percent of population under 19	26.50%		25.16%
Percent of population 60 and older	23.00%		20.92%
<u>Median Age</u>	41.4		37.9
<u>Income</u>			
Median Family Income	**	\$	41,315
Per capita income	**	\$	15,576

Source: U.S. Bureau of the Census
 ** Not available for 2000

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

Year	Total Assessed Values	Certified Bank Deposits	Value of Building Permits Issued
2001	\$ 358,257,554	\$ 7,870,201,000	\$ 24,878,721
2000	349,222,092	7,452,307,000	24,466,996
1999	335,033,672	4,201,262,000	18,475,644
1998	304,406,921	5,749,282,000	25,243,549
1997	299,498,048	5,153,519,000	18,582,451
1996	264,003,218	4,342,660,000	19,771,078
1995	251,944,428	4,267,009,000	18,703,936
1994	244,701,100	4,199,905,000	19,780,607
1993	212,943,329	3,792,255,000	14,650,293
1992	207,808,330	3,737,694,000	16,626,307

Sources:

Total Assessed Value - Summit County Fiscal Officer and Portage County Auditor

Financing Institution Deposits - Federal Reserve Board - Cleveland

Building Permits - City of Tallmadge

**Tallmadge City School District
Principal Taxpayers**

Top Taxpayers	Assessed Valuations			Estimated Actual Valuations					
	Real Property	Tangible Property	Public Utility	Total	Percent of Total	Real Property	Tangible Personal	Public Utility	Total
Summit Racing Equipment		\$ 3,921,900		\$ 3,921,900	1.11%	\$ 0	\$ 15,687,600	\$ 0	\$ 15,687,600
Owens Corning		3,222,140		3,222,140	0.91%	0	12,888,560	0	12,888,560
Waltco Truck Equipment Co.	828,740	2,053,930		2,882,670	0.82%	2,367,829	8,215,720	0	10,583,549
Ohio Bell Telephone	157,630		2,587,880	2,745,510	0.78%	450,371	0	2,940,773	3,391,144
Steere Enterprises, Inc.	541,800	2,100,670		2,642,470	0.75%	1,548,000	8,402,680	0	9,950,680
Tallmadge Associates	2,577,820	14,940		2,592,760	0.74%	7,365,200	59,760	0	7,424,960
Ohio Edison Co.	35,060		2,403,980	2,439,040	0.69%	100,171	0	2,731,795	2,831,967
Tallmadge Oakes LTD	2,113,210	8,480		2,121,690	0.60%	6,037,743	33,920	0	6,071,663
Mark-Glen, Inc.		1,759,890		1,759,890	0.50%	0	7,039,560	0	7,039,560
Saxon Village Limited	1,694,610	3,790		1,698,400	0.48%	4,841,743	15,160	0	4,856,903
Total Top Ten Taxpayers	\$ 7,948,870	\$ 13,085,740	\$ 4,991,860	\$ 26,026,470	7.38%	\$ 22,711,057	\$ 52,342,960	\$ 5,672,568	\$ 80,726,585

Total All Assessed Values (1) \$ 301,439,600 44,057,644 7,215,470 352,712,714 100.00% 861,256,000 176,230,578 8,199,398 1,045,685,976

Source: Summit County Fiscal Officer

(1) Summit County Valuations Only

Tallmadge City School District
Computation of Direct & Overlapping Bonded Debt
As of December 31, 2001

	<u>Assessed Valuation (2)</u>	<u>Net General Tax Supported Debt</u>	<u>Percent Overlapping (1)</u>	<u>Amount Applicable Tallmadge City School District</u>
<u>Direct</u>				
Tallmadge City School District	\$ 352,712,714	<u>\$ 183,141</u>	100.00%	<u>\$ 183,141</u>
<u>Overlapping</u>				
City of Tallmadge	351,930,904	6,224,292	99.60%	6,199,395
City of Munroe Falls	100,474,913	3,200,000	2.18%	69,760
Summit County	10,686,054,179	61,560,073	3.30%	2,031,482
METRO Transit	10,686,054,179	<u>1,765,000</u>	3.30%	<u>58,245</u>
Total Overlapping		<u>72,749,365</u>		<u>8,358,882</u>
Total		<u><u>\$ 72,932,506</u></u>		<u><u>\$ 8,542,023</u></u>

Sources: School District Records, City of Tallmadge, Summit County Fiscal Officer
 Data is presented on a calendar year basis consistent with the county and
 city methods of presentation

(1) Percentages are determined by dividing the assessed valuation of the jurisdiction by the total
 assessed valuation which includes all overlapping value. The 2001 collection year was used.

(2) Summit County valuation only

*Tallmadge City School District
Miscellaneous Statistics
Last Ten Fiscal Years Ended (1)*

	Fiscal Year Ended June 30, 2001	Fiscal Year Ended June 30, 2000	Fiscal Year Ended June 30, 1999	Fiscal Year Ended June 30, 1998
Fall Enrollment	2,659	2,655	2,635	2,662
Average Teacher Salary	\$ 43,172	\$ 43,388	\$ 40,548	\$ 39,248
Percent of Teachers With No Degree	0.00%	0.00%	0.00%	0.00%
Percent of Teachers With Bachelor Degree	100.00%	100.00%	15.76%	19.84%
Percent of Teachers With Masters Degree	47.00%	47.00%	39.60%	33.58%
Average Teacher Experience (yrs.)	14.50	14.50	16.10	15.40
Pupil Attendance Rate	95.60%	95.60%	95.60%	95.33%
Graduation Rate	89.60%	90.50%	89.80%	92.27%
Percent of College Preparatory Graduates	80.00%	75.00%	69.00%	75.39%

Source: Ohio Department of Education and School District Records

(1) Information not available for 2002

	<u>Fiscal Year Ended June 30, 1997</u>	<u>Fiscal Year Ended June 30, 1996</u>	<u>Fiscal Year Ended June 30, 1995</u>	<u>Fiscal Year Ended June 30, 1994</u>	<u>Fiscal Year Ended June 30, 1993</u>	<u>Fiscal Year Ended June 30, 1992</u>
	2,720	2,671	2,589	2,511	2,418	2,363
\$	38,553	\$ 38,421	\$ 37,322	\$ 36,926	\$ 34,755	\$ 33,565
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	19.37%	17.33%	15.08%	15.36%	17.48%	19.31%
	36.03%	37.51%	38.68%	40.02%	38.20%	37.25%
	16.10	16.60	15.90	16.10	16.10	15.50
	95.84%	96.47%	95.44%	95.15%	95.41%	95.85%
	93.77%	86.41%	81.03%	83.43%	88.51%	10.00%
	58.13%	85.39%	69.62%	88.08%	96.10%	85.10%

Tallmadge City School District
Directory of School Facilities
June 30, 2002

FACILITY	ADDRESS	PRINCIPAL	GRADES	ENROLLMENT
Overdale Primary	90 W. Overdale Drive	Mr. Frances Martin	K-1	321
Dunbar Elementary	731 Dunbar Road	Mrs. Esther Aronson	2-3	407
Munroe Intermediate	230 N. Munroe Road	Mr. Richard Banig	4-5	441
Tallmadge Middle School	76 North Avenue	Mr. Gregory Misch	6-8	658
Tallmadge High School	484 East Avenue	Mr. Robert Hardesty	9-12	869

Source: Tallmadge City School District records
Enrollment calculations from June, 2001 year-end report

Tallmadge City School District
Transportation Statistics
June 30, 2002

Number of Assigned School Buses in Fleet:		38
Average Age of School Buses in Fleet:		8 years
	(Oldest: 19 years Most Recent: 1 year)	
Number of Bus Drivers:		40
	(28 residents of Tallmadge) (12% male; 88% female)	
Average Number of Years Experience:		9
	(Most Service: 23 years Least Service: less than 1 year)	
Number of Miles Driven Annually:		337,286
Annual Gallons of Fuel Consumed:	Diesel	50,859
	Gasoline	0
Number of Students Eligible for Transportation:		
	Public School Students	2,696
	Non-Public School Students (19 private schools)	320
	Special Needs Students (1 out of district schools)	35
	Preschool (Intown preschool)	<u>30</u>
	Total:	3,081

Source: School District records

Tallmadge City School District
Compliance Section
For the fiscal year ended June 30, 2002

Table of Contents

Compliance Section	Page
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	1
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	2
Schedule of Federal Awards Expenditures	4
Notes to the Schedule of Federal Awards Expenditures	5
Schedule of Findings and Questioned Costs	6
Schedule of Prior Audit Findings and Questioned Costs	7

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

Members of the Board of Education
Tallmadge City School District
486 East Avenue
Tallmadge, OH 44278-2000

We have audited the general purpose financial statements of Tallmadge City School District as of and for the year ended June 30, 2002, and have issued our report thereon dated February 17, 2003. 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.

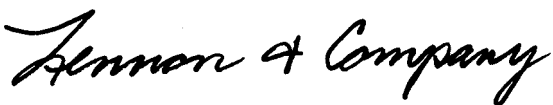
Compliance

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

Internal Control Over Financial Reporting

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

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



LENNON & COMPANY
Certified Public Accountant
February 17, 2003

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

Members of the Board of Education
Tallmadge City School District
486 East Avenue
Tallmadge, OH 44278-2000

Compliance

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

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

In our opinion, Tallmadge City School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

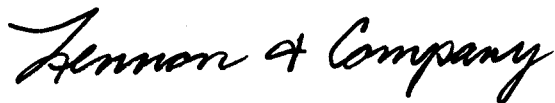
The management of Tallmadge City School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Tallmadge City School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

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

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of Tallmadge City School District as of and for the year ended June 30, 2002, and have issued our report thereon dated February 17, 2003. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of Tallmadge City School District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of management 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.



LENNON & COMPANY
Certified Public Accountant
February 17, 2003

TALLMADGE CITY SCHOOL DISTRICT

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
JUNE 30, 2002**

<u>Federal Grantor/ Pass Through Grantor Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$ -	\$ 21,382	-	\$ 21,423
National School Lunch Program	N/A	10.555	105,256	-	105,256	-
Total U.S. Department of Agriculture - Nutrition Cluster			105,256	21,382	105,256	21,423
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed Through Ohio Department of Education:						
Title VI-B Educationally Handicapped	6B-SF-01	84.027	-	-	39,096	-
	6B-SF-02		172,507	-	88,732	-
			172,507	-	127,828	-
Title VI-R Class Size Reduction	CR-S1-01	84.340	-	-	3,315	-
	CR-S1-02		28,990	-	22,867	-
			28,990	-	26,182	-
Title I ESEA	C1-S1-01	84.010	17,482	-	18,738	-
	C1-S1-02		119,386	-	94,628	-
			136,868	-	113,366	-
Drug Free Schools	DR-S1-01	84.186	-	-	522	-
	DR-S1-02		9,140	-	9,140	-
			9,140	-	9,662	-
Title II IASA Eisenhower Grant	MS-S1-00	84.281	-	-	339	-
	MS-S1-01		-	-	6,570	-
	MS-S1-02		10,278	-	-	-
			10,278	-	6,909	-
Title VI Innovative Programs	C2-S1-01	84.298	4,417	-	7,178	-
	C2-S1-02		12,914	-	9,506	-
			17,331	-	16,684	-
Reading Excellence Act	RN-S1-00	84.338	245,250	-	424,247	-
	RN-S2-00		-	-	57,538	-
			245,250	-	481,785	-
Passed Through Six District Educational Compact:						
Vocational Education - Basic Grants to States	CD-97-01	84.048	4,215	-	13,229	-
Total U.S. Department of Education			624,579	-	795,645	-
TOTAL FEDERAL ASSISTANCE			\$ 729,835	\$ 21,382	900,901	\$ 21,423

See accompanying notes to the Schedule of Federal Awards Expenditures.

Tallmadge City School District
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2002

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the School District had no significant food commodities in inventory.

NOTE C – MATCHING REQUIREMENTS

Certain federal programs require that the School District contribute non-federal (matching) funds to support the federally funded programs. The School District has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the Schedule.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .505**

**TALLMADGE CITY SCHOOL DISTRICT
JUNE 30, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Reading Excellence Act CFDA 84.338
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .315(b)**

**TALLMADGE CITY SCHOOL DISTRICT
JUNE 30, 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2001-10977-001	The School District was maintaining excess cash for the Reading Excellence Act Grant.	Yes	This was corrected during the audit period. The School District used advances from the general fund and repaid the advances from the reimbursements. Excess funds were not requested. The program closed at the end of this fiscal year.



**Auditor of State
Betty Montgomery**

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800-282-0370

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TALLMADGE CITY SCHOOL DISTRICT

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 20, 2003**