



**Auditor of State
Betty Montgomery**

**CUYAHOGA FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY**

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**Auditor of State
Betty Montgomery**

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

Cuyahoga Falls City School District
Summit County
431 Stow Avenue, P.O. Box 396
Cuyahoga Falls, Ohio 44222

To the Board of Education:

We have audited the financial statements of Cuyahoga Falls City School District, Summit County, Ohio, (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated March 26, 2004 wherein we noted the District adopted Governmental Accounting Standards Board Statement No. 34 and noted the District increased its capital asset threshold from \$2,500 to \$5,000. 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 District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated March 26, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2003-001.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated March 26, 2004.

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



Betty Montgomery
Auditor of State

March 26, 2004



Auditor of State Betty Montgomery

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

Cuyahoga Falls City School District
Summit County
431 Stow Avenue, P.O. Box 396
Cuyahoga Falls, Ohio 44222

To the Board of Education:

Compliance

We have audited the compliance of Cuyahoga Falls City School District, Summit County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

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

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

We noted a matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated March 26, 2004.

Schedule of Receipts and Expenditures of Federal Awards

We have audited the basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2003, and have issued our report thereon dated March 26, 2004, in which we noted the District adopted Governmental Accounting Standards Board Statement No. 34 and increased its capital asset threshold from \$2,500 to \$5,000. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Receipts and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

March 26, 2004

**CUYAHOGA FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Donation Program	N/A	10.550		\$71,288		\$71,288
School Breakfast Program	N/A	10.553	\$19,976		\$19,976	
National School Lunch Program	N/A	10.555	301,645		301,645	
Total U.S. Department of Agriculture/Child Nutrition Cluster			321,621	71,288	321,621	71,288
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States	6B-AA-02, 6B-SF-02P, 6B-SF-03P, 6B-SI-02P, 6B-SI-03P, 6B-SX-02P	84.027	2,602,589		2,403,352	
Special Education - Preschool Grant	PG-S1-02P, PG-S3-02P	84.173	62,783		79,729	
Total Special Education Cluster			2,665,372		2,483,081	
Title I Grants to Local Educational Agencies	C1-S1-03	84.010	419,246		427,437	
Innovative Education Program Strategies	C1-S1-02, C1-S1-03	84.298	63,941		71,415	
Safe and Drug Free Schools and Communities - State Grants	DR-S1-03	84.186	26,441		21,698	
Goals 2000 State and Local Education Systemic Improvement Grants	G2-SP-01	84.276			1,535	
Reading Excellence Grant	T3-S1-03	84.338	19,836		19,836	
Eisenhower Professional Development State Grants	MS-S1-02	84.281	13,476		70,186	
Education Technology State Grants	TJ-S1-03	84.318	11,441		4,670	
Improving Teacher Quality State Grant (Title II A)	TR-S1-03	84.367	168,280		168,280	
State Improvement Grant	ST-S1-00	84.323A	38,400		14,283	
Assistive Technology Infusion Project Grant (ATIP)	AT-S3-03	84.352A	12,356		1,342	
Classroom Reduction Grant	CR-S1-02	84.340			12,192	
Total U.S. Department of Education			3,438,789		3,295,955	
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Medical Assistance Program (Medicaid)	N/A	93.778	141,290		141,290	
<i>Direct:</i>						
Head Start	HS-AD-00, HS-AD-01, HS-AD-02, HS-AD-03	93.600	10,000		11,954	
Total U.S. Department of Health and Human Services			151,290		153,244	
Totals			3,911,700	71,288	3,770,820	71,288

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

**CUYAHOGA FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2003**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

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

NOTE C - MEDICAL ASSISTANCE PROGRAM

Cash receipts from the U.S. Department of Health and Human Services are commingled with local funds for the Medical Assistance Program. It is assumed federal monies are expended first.

**CUYAHOGA FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster: Special Education Grants to States CFDA #84.027 and Special Education Preschool Grants CFDA #84.173 Medical Assistance Program (Medicaid: Title XIX CFDA #93.778
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

Finding Number	2003-001
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Reportable Condition

Capital Assets

During the testing of Capital Assets, the following were noted:

- Numerous buildings, land, and land improvements in the appraisal report were listed twice, resulting in adjustments of approximately \$18,275,000.
- The appraisal report reflected a capitalization threshold of \$2,500 as opposed to \$5,000 (as approved by the District), resulting in adjustments of approximately \$160,000.
- The appraisal report inappropriately included textbooks, resulting in adjustments of approximately \$1,858,000.
- The District's fixed asset policy requires capitalization of individual assets and quantity purchases equal to or greater than the capitalization threshold amount; however, no clarification was made regarding the specific definition of quantity purchases.
- Quantity purchases of computers were not reported, resulting in necessary adjustments of approximately \$166,000.
- Building additions and improvements made in 1999 and 2000 were not included in the appraisal report, resulting in necessary adjustments of approximately \$7,300,000.
- Additions made by the District after the appraisal was done were not recorded in the District's records and therefore, not reported, resulting in necessary adjustments of approximately \$420,000.
- One item installed in the prior year (the Norstan phone system) was not recorded by the District, resulting in an necessary adjustment of approximately \$500,000.
- Accumulated depreciation was improperly calculated, resulting in necessary adjustments of approximately \$479,000.
- Copiers held by the District under capital lease agreements were not capitalized, resulting in necessary adjustments of approximately \$840,000.
- Numerous assets that the District still uses are included in the system as fully depreciated.
- The District did not allocate depreciation of buildings and land improvements by function based upon the building's estimated usage.
- Vehicles that were recorded as additions in the current period were recorded with an incorrect value. This resulted in an audit adjustment of approximately \$14,000.

Finding Number	2003-001(Continued)
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Capital Assets (Continued)

To help improve accountability and reporting of the capital assets, the District should further develop policies and procedures to:

- Review the appraisal report to ensure that no assets are duplicated.
- Ensure that the proper capitalization threshold is utilized for reporting purposes.
- Ensure that the information supplied to the generally accepted accounting principles conversion team does not include assets maintained in the system for monitoring purposes only.
- Revise the capital asset policy to include a specified listing of quantity purchase items that the District elects to capitalize.
- Ensure that quantity purchase items the District elects to capitalize are properly reported.
- Ensure that all building additions and improvements are properly recorded.
- Update the District's system for all additions in a timely manner.
- Ensure that all District owned assets are properly recorded.
- Ensure that accumulated depreciation is properly calculated.
- Ensure that items held under capital lease are properly reported.
- Assess the useful lives of the District's assets to ensure that they are properly recorded.
- Develop procedures for the allocation of depreciation of buildings and land improvements by function.
- Review additions to ensure the proper entry of the item.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.

*Cuyahoga Falls City
School District*

Cuyahoga Falls, Ohio



Comprehensive Annual Financial Report
For the Period Ended June 30, 2003

Cuyahoga Falls City School District
Cuyahoga Falls, Ohio

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2003

Prepared By:
Paul Wulff, Treasurer/CFO and
Treasurer's Office Staff

Cuyahoga Falls City School District
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2003

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Comprehensive Annual Financial Report
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Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2003

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INTRODUCTORY SECTION

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Administrative Offices
431 Stow Avenue, P.O. Box 396
Cuyahoga Falls, OH 44222-0396

PAUL L. WULFF
TREASURER/CFO

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March 31, 2004

Cuyahoga Falls Board of Education Members and
The Citizens of Cuyahoga Falls City School District

The Cuyahoga Falls City School District's (the "School District") Comprehensive Annual Financial Report (CAFR) compiled for the fiscal year July 1, 2002 through June 30, 2003 is respectfully submitted. Prepared by the Treasurer/Chief Financial Officer's office for the purpose of informing the Cuyahoga Falls City School District's taxpayers, this comprehensive report's design provides complete and accurate disclosure of the School District's material financial operations for the fiscal year ended June 30, 2003.

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

The information submitted conforms to the Generally Accepted Accounting Principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB), as is applicable to governmental entities and includes an unqualified opinion from the Auditor of State's Office. Copies of this report, on file in the Treasurer/CFO's Office, are available for review upon written request to the Treasurer/CFO.

The arrangement of the Comprehensive Annual Financial Report is divided into three sections: The Introductory Section, Financial Section, and Statistical Section. The first section, the Introductory Section, which is unaudited, includes a table of contents, this transmittal letter, a list of elected officials, and the School District's organizational chart and the Government Finance Officers' Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for fiscal year 2002. The next section, the Financial Section, includes the Independent Accountants' Report, Management's Discussion and Analysis, the Basic Financial Statements, Notes that provide an overview of the School Districts financial position and operating results, the combining statements for non-major funds, and other schedules that provide detailed information relative to the basic financial statements. The third section, the Statistical Section, which is unaudited, consists of a ten-year compilation of miscellaneous demographic statistics and pertinent financial information, representative of three years reported in the cash-basis method of accounting and the fiscal years 1997 through 2003 reported in accordance with GAAP.

SCHOOL DISTRICT ORGANIZATION

The City of Cuyahoga Falls is primarily a residential/commercial suburban community located seven miles north of Akron, Ohio in Summit County.

Cuyahoga Falls was settled in 1812 by Judge Joshua Stow of Middletown, Connecticut, and General Roger Newberry of Windsor, Connecticut. The two men were a part of a group of investors, the Connecticut Land Company, who drew lots for the land locations in the Western Reserve. The new hamlet was named Cuyahoga Falls, taken from the Indian name, "Winding Little River." The Cuyahoga River has a natural "falls" as it passes through the community.

HISTORY OF THE CUYAHOGA FALLS CITY SCHOOL DISTRICT SCHOOL BUILDINGS

A few years after Joshua Stow and Roger Newberry settled in what was to be known as the hamlet of Cuyahoga Falls in 1812, the first school was built. The three story log building was erected on the corner of what is now known as Broad Boulevard and Front Street. With the first and third floors reserved for other purposes, the second floor was used as one large classroom, filled with rows of simple benches made of split logs. The children gathered to learn reading, writing and arithmetic.

Public education in Cuyahoga Falls was preceded by the opening of a private school by J. H. Reynolds in 1834. This was apparently a school for boys, because in 1836 Sarah Carpenter opened a school for girls in a school room attached to the St. John's Episcopal Church. This school was known as the Lyceum and was also used as a town meeting place at the northeast corner of Portage Trail and Second Street. This school was later known as Central School and continued in use until 1869. In 1837, Reverend Roswell Brooks and Charles Clark established the "Cuyahoga Falls Institute", a school chartered by legislative enactment. This school was conducted in the school building later known also as the Lyceum, on the site now occupied by the Pilgrim Church. The School continued operation until 1848.

Several other one room schools were established as the city progressed. Earlier one room schools built were Stow Township School on East Portage Trail at Newberry Street, Tallmadge Township School at Williams Street and Newberry Street, Portage Township School at Second Street and Sackett Street and the Northampton School at Wadsworth Street and Front Street.

After Cuyahoga Falls Township was created in 1851, the Cuyahoga Falls School District was organized in 1854. Central School (later also known as the Lyceum) was the high school where students attended after going either to Stow, Tallmadge, Portage or Northampton Elementary Schools. The School District reported a total of 482 students in 1857. Public support was now authorized by state law and the Ohio Public School System, as we know it, was rapidly taking form and substance.

In 1868, land was donated for the Union School (later known as East School), which was to replace all of the one room schools in the City. The School was located at the corner of Germaine Street and School Street. The School opened in 1870. Construction cost was \$37,555. Following the completion of this building, many of the one room structures were sold. In 1872, Central School (the Lyceum) became an elementary school and Union School became a high school and an elementary school. A third floor was added to Union School in 1882. An auditorium and gymnasium were opened in 1919.

The building remained in use as a high school until 1922, when the first unit of the present high school was completed and placed in operation. Union School then became an elementary school and was known as East School. It remained in use until it was condemned in 1938. It later was used as a warehouse until it was closed in 1966 and subsequently razed. It is now the site of a high-rise apartment.

Broad Elementary School at 440 Broad Boulevard was built and opened in 1908 for a cost of \$34,633, and Crawford Elementary School at 2579 Third Street was built and opened in 1909 for a cost of \$25,204. Additions to Broad School were opened in 1913 and 1959. Broad School was closed and leveled in 1968. Additions to Crawford school were opened in 1917, 1950, 1953 and 1959. Crawford was closed in 1969 and sold and razed in 1972. It too has been replaced by a high-rise apartment building. The School was originally named for Ellen K. Crawford, an outstanding teacher and school board member who was killed the evening of March 2, 1916, as she crossed the railroad tracks on her way to a school board meeting.

Grant Elementary School and Lincoln Elementary School "twins" were built from the same set of architect's plans and opened in 1930. Grant is located at 1201 Grant Street. Grant School was closed in 1983 and was leased to the City to be used as a cultural center. Lincoln School is located at 3131 Bailey Road. Additions were made in 1957 and 1959.

Silver Lake Elementary School was established in 1919, one year after the Village of Silver Lake was incorporated. Classes were originally held in the Lodge Homestead. The first unit of the present school building located at 2970 Overlook was constructed in 1927. Additions were built in 1946, 1950 and 1965. The School became part of the Cuyahoga Falls School System in 1965.

The first phase of the present high school was opened in 1922 with an enrollment of 650 students. The second phase of the "original" building was opened in 1927. The building is located at 2300 Fourth Street. Cost of the first phase was \$345,616, and the second phase was added for a cost of \$276,472. An annex was added in 1949 for a cost of \$54,291. In 1961, a new \$2,747,958 addition was opened. The vocational wing, which cost \$720,000, opened in 1969. A major renovation of the high school original building was undertaken in 1977.

Edward Rowland Sill School, located at 1910 Searl Street, was opened as an elementary school in 1949 and later became a junior high school. Additions to the School came in 1952, 1955 and 1969. The School then became a middle school in 1983 housing grades 6, 7 and 8. Sill School was named in honor of Mr. Sill, the famous teacher-poet who also served as superintendent of the schools and principal of Cuyahoga Falls High School.

Bolich Junior High School, 2630 Thirteenth Street, was opened in 1954, with an addition to the library in 1963. The \$421,497 new school, the first junior high school in the Cuyahoga Falls City School System, was named in honor of Harvey O. Bolich who was first a high school teacher and later became a high school principal. Bolich became a middle school in 1983 housing grades 6, 7 and 8.

With the rapid growth of Cuyahoga Falls in the 1950's and 1960's, came the construction of other elementary and junior high school buildings. William H. Richardson Elementary School, 2226 Twenty-third Street, was opened in 1952. The School was named to honor Mr. Richardson who retired in 1932, completing forty-seven years as teacher and superintendent (twenty-four of these years as superintendent of Cuyahoga Falls City Schools). Richardson Elementary was built for \$715,687.

Elizabeth Price Elementary School, 2610 Delmore, was opened in 1954. The School was named in honor of Elizabeth Price Sackman who served as teacher and later, principal of Crawford School and Lincoln School. She also served two terms on the Board of Education. Additional space was provided to Price School in 1963. The original construction cost was \$491,471.

The Henry Newberry Elementary School, 2800 Thirteenth Street, was opened in 1956. It was named in honor of the first mayor of the town who later served as a member of the Board of Education. Newberry was built at a total cost of \$588,906. There was one addition to the building in 1957.

H.A. Preston Elementary School, 800 Tallmadge Road, was opened in 1959. It was named in honor of Henry Alfred Preston, a music teacher at the high school. Preston was constructed for the cost of \$502,073. Space was added in 1963.

The F. H. Bode Elementary School, at 420 Washington Street, was opened in 1962. The School was named in memory of Cuyahoga Falls City Schools Superintendent Fred H. Bode who served as superintendent for eleven years. Bode was constructed for a cost of \$720,490. An addition was constructed in 1969. Bode Elementary was closed in 1983 and subsequently leased to Goodyear Tire & Rubber Company. Goodyear left in 1991. The building is now occupied by the Summit County Educational Service Center and Mid-Eastern Ohio Special Education Regional Resource Center (MEO/SERRC).

Frederick Schnee Elementary School, 2222 Issaquah Street, was opened in 1963. The School was named in honor of Mr. Schnee who was superintendent of the schools for twenty years. The School was constructed for a cost of \$719,978. In 1983, the building was closed and leased to the Board of Mental Retardation. That lease ended in 1991. The building is now occupied by the YMCA.

The Gordon M. Dewitt Elementary School, 425 Falls Avenue, was built on the site of Broad School and opened in 1969. The School was named for Mr. Dewitt who served the School District for thirty years as a teacher, high school principal, supervisor and superintendent. The School was built for a cost of \$874,252.

Gilbert Roberts Junior High School, 3333 Charles Street, was opened in 1969. The School was named to honor Mr. Roberts who spent forty-one years in Cuyahoga Falls Schools as teacher, coach, high school principal and superintendent. Roberts School was built at a cost of \$1,422,774. In 1983, Roberts School became a middle school housing grades 6, 7 and 8.

Other buildings and properties of the Cuyahoga Falls Board of Education include the warehouse and Data Center. The warehouse/bus garage was purchased in 1966. It is located at 2812 Vincent Street. The Data Center was purchased in 1968 and is located across from the high school at 2261 Fourth Street. It housed the Western Reserve Educational Computer Center and now houses a Phoenix School. The Board had owned property at 3515 Hudson Drive, which was purchased for \$6,905 in 1956; this property was recently sold.

The first official body designated as the Cuyahoga Falls Board of Education was formed on April 18, 1853. Both the township of Cuyahoga Falls and the Cuyahoga Falls City School District were formalized about this time. Total school enrollment was 482. A new schoolhouse was built for the total price of \$2,000, with \$50 to be deducted if the citizens could be persuaded to “raise the roof” themselves. The yearly budget was \$3,000, and the funding for the new building was solved by making...”a demand on the recorder for a tax on every citizen whom he could find.”

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

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

The superintendent is the chief executive officer of the School District, responsible for both education and support operations. The treasurer is the chief fiscal officer of the School District, responsible for maintaining records of all financial matters, issuing warrants in payment of liabilities incurred by the School District, acting as custodian of all School District funds, and investing idle funds as specified by Ohio law.

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

THE REPORTING ENTITY

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

The City of Cuyahoga Falls and the Taylor Memorial Public Library have not been included in the accompanying financial statements. The Mid-Eastern Ohio Special Education Regional Resource Center (MEO/SERRC) has been reported as an Agency Fund. The Boards are not appointed by the School District, nor are they fiscally dependent on the School District. The Six District Educational Compact is reported as a jointly governed organization and an Agency Fund. The North-East Ohio Network for Educational Technology (NEONET) is reported as a jointly governed organization without equity interest. The School District also participates in the Ohio School Boards Association Workers' Compensation Group Rating Program, an insurance purchasing pool.

MAJOR INITIATIVES – PAST AND CURRENT

Past Projects - The 1999-2000 school year was an ambitious time for curriculum refinement, staff training and the implementation of School District improvement plans. The School District had completed a two-year curriculum redesign and alignment process in 1998-1999; thus 1999-2000 was a year to make refinements and to purchase materials to support the new design. Committees of teachers worked to make major recommendations in the area of language arts, as well as for science, social studies, and the arts. The School District's Technology Council also created new initiatives to parallel and support the curricular realignment. In the effort to promote staff awareness of curriculum redesign and materials usage, the School District's staff development program ambitiously provided training throughout the year.

In March 2000, a Teacher Resource Center and Technology Training Lab was completed and began operation. In the spring, a major standards initiative was launched, in cooperation with two other school systems.

Current Projects - The School District's energy continues to be focused around the goals as established by our community and staff through the Strategic Planning Initiatives and the Continuous Improvement processes. It is anticipated that the School District's curriculum will continue to be refined with the addition of "benchmarks" and standards. It is also anticipated that the School District initiatives in staff training, technology and grant writing will each move forward to their next level, in step with the Continuous Improvement efforts. It is a major goal of the School District to evaluate the impact of the initiatives over the next few years, in terms of the effects on student growth and learning.

Long Term Board Objectives –

- Develop a "contract with the community" to establish a flexible five year continuous plan to confirm the desire for excellence in the educational programming and financial stability of the Cuyahoga Falls City School District.
- Develop a plan and/or operating philosophy in which the School District engages the public and improves overall (internal and external) communication.
- Develop and implement a plan for the systematic review and updating of the Board of Education policies and procedures (guidelines) as outlined in the Bylaws and Policies manual.
- Review the School District and individual building crisis plans to ensure a safe school environment for the students and staff of the Cuyahoga Falls City Schools.
- Review the personnel hiring practices, study current trends locally and review national research and make a recommendation to the Board of Education.
- Continually seek to upgrade the skills and performance level of all employees, by providing meaningful staff development and evaluations focused on individual and collective growth.
- Formulate a plan to hold regular community forums/updates on the financial condition of the School District.
- Formulate a five-year spending plan for the School District in order to effectively and efficiently utilize school dollars.
- Establish an Audit Oversight Committee for the purpose of monitoring the budget, spending plan and long range financial planning for the School District.
- Develop a solid Medicare reimbursement program to bring in all federal dollars owed to the School District.
- Review the health benefits package for the Board of Education.
- Improve the Board of Education agenda setting process with the Cabinet and Board of Education.
- Study and implement a procedure that will improve the public participation process at Board of Education meetings.

- Review with the Board of Education, their work session format, effectiveness and make any changes that will facilitate the growth and informational process for the Board and Administrative Team.
- Review the job descriptions and organizational structure of the Central Office certificated staff and make a recommendation to the Board of Education.
- Review, study and develop an administrative salary schedule and present a recommendation to the Board of Education.
- Research, study and make a recommendation to the Board of Education regarding the rehiring practice for retired teachers and/or administrators.
- Formulate a clear, accurate data entry system plan through E.M.I.S. coordinator to take advantage of all the state dollars that are due to the School District.
- Plan for a sequential educational program to update the administrative and related staffs' skills related to the financial operation, the purchase order procedures and record keeping for building budgets and activity accounts.

ECONOMIC OUTLOOK

The boundaries of the School District limit opportunities for residential property growth. Industrial enterprises do not represent a significant portion of the School District's tax duplicate, since much of the commercial property and available land for expansion is located outside of the School District. The unemployment rate for Summit County was 5.1% for December 2003, which favorably compares to the Ohio rate of 5.5%. The rate of unemployment for the United States during the same time period was 5.4%.

The School District successfully ran a five-year operating levy in November 2002. Passage of this 5 year 4.75 mill operating levy will generate \$3.4 million annually for each of the five years and put the School District in a solvent financial condition over these five years beginning in calendar year 2003.

The School District's financial condition continues to be an area of focus for the Board of Education and Administration. In litigation now referred to as the "DeRolph Case", the Perry County Court of Common Pleas in 1995 declared the State's method of funding school districts to be unconstitutional. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient. The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations. The DeRolph Case was appealed to the United States Supreme Court, which decided not to hear the case.

FINANCIAL INFORMATION

Accounting System

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

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

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

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

As determined by criteria established by GASB Statement No. 34, the School District does not report any activities that qualify as enterprise or business type activities. As part of this new reporting model, management is also responsible for preparing a discussion and analysis of the School District. This discussion follows the Independent Accountants’ Report, providing an assessment of the School District’s finances for fiscal year 2003 and the outlook for the future. Because that discussion focuses on major funds, the financial highlights provided in this letter focus on certain non-major funds of the School District.

Internal Controls

The establishment and maintenance of an internal control structure, designed for safeguarding from loss, theft or misuse of the School District’s assets, is the responsibility of management. An effective fiscal management system incorporating internal accounting controls ensures the School District’s assets, liabilities, revenues and expenditures are properly classified and accurately recorded into the School District accounting records for the appropriate fiscal period in compliance with GAAP. The design of the internal control structure provides reasonable, but not absolute, assurance that these objectives were met. The concept of reasonable assurance assumes: the costs of the controls should not exceed the benefits presumably derived from its implementation; and the estimates and judgments relative to cost and benefit valuation are determined by management. Management believes the School District’s internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

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

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

The accounting system used by the School District provides monthly financial reports which the Board approves.

The Principal at each building directs minimal site-based financial management. Each building has an annual budget for instructional support and office operation.

The School District Administrators and Principals have access to financial reports showing the status of the budget accounts for which they are responsible. The School District utilizes the State's software program allowing building level input of purchase requisitions. The Building Administrator and the Superintendent approve the requisitions, the Treasurer certifies the availability of funds, and then requisitions are electronically converted to numbered purchase orders and encumbered.

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

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

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

Single Audit Act

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

CASH MANAGEMENT

The School District historically demonstrates a conservative approach to the cash management program. Investments of the School District funds were maintained through the locally approved financial depository's utilization of a sweep account and through the STAR Ohio investments.

Protection of the School District's cash and investments is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. As required under Ohio law, pooled securities have been pledged in an amount equal to 110% of the total deposits, to secure the repayment of all public moneys deposited in a financial institution. A detailed description of the School District's investment function is described in Note 5 to the financial statements.

RISK MANAGEMENT

The School District, as a political subdivision, 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.

In prior years, the School District operated and managed its hospital, medical, health, dental, prescription, and life insurance program for its employees on a self-insured basis. The health insurance fund was established in conjunction with formalized risk management programs in an effort to minimize risk exposure, control claims and premium costs. The third party administrator processes and initiates claim payment. The advantages of the self-insurance program was to include savings on administrative costs as well as, the School District's holding of reserve balances. As of March 31, 2002, the School District ceased operating this self-funded health insurance program and beginning April 1, 2002, the School District began purchasing commercial insurance from a major independent insurance company. See Note 11 to the basic financial statements for detail on the School District's internal service fund.

A Section 125 flexible benefit program is offered to most employees. The plan allows employees to pay for eligible benefits with pre-tax dollars, rather than after-tax dollars. Therefore, employees may tax defer anticipated out of pocket medical expenditures through payroll deduction. The plans guidelines are established and regulated by the Internal Revenue Service.

All employees of the School District are covered by worker's compensation. Effective January 1, 1993, the School District joined a group-rating program through the Ohio School Board Association in an effort to control costs. Over 423 Ohio school districts are participating members. The School District receives a group premium discount rate for participation in this pooling program. The School District has realized, on an individual basis, significant savings based on School District cost without pooling, during the 2003 calendar 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 contributions to both systems are based on a percentage of employees' salaries. State law requires the School District pay the employer share as determined by each retirement system, which is currently 14%.

School District contributions to fund pension obligations for fiscal year 2003 were \$2,375,802 as the employer portion to STRS and \$482,301 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 \$14,500 for fiscal 2003. Surcharge is calculated at 14% of the difference between the member's annual compensation and the minimum compensation level. For the 2003 fiscal year, a surcharge of \$108,927 was incurred.

OTHER INFORMATION

Independent Audit

Provisions of State statute require an independent auditor subject the School District's financial statements to an annual examination. In addition to meeting the requirement set forth in state statutes, the audit was also designed to meet the requirements of the Federal Office of Management and Budget Circular A-133. The Auditor of State's office, performed the 2003 audit for the period ended June 30, 2003. Those provisions have been satisfied and the opinion of the State Auditor is included in the financial section of this CAFR.

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 Cuyahoga Falls City School District for its CAFR for the fiscal year ended June 30, 2002. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

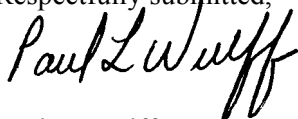
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the high standards required by the Certificate of Achievement program.

Acknowledgments

The preparation and publication of the 2003 CAFR of the Cuyahoga Falls City School District was facilitated through the assistance of many people. My sincere appreciation is extended to the staff of the Treasurer/CFO's office for their dedication, support, and encouragement throughout this process. In addition, sincere thanks are also extended to various administrators and employees of the School District, the Summit County Fiscal Officer's office staff and other outside agencies whose efforts contributed to the fair presentation of the statistical data.

Finally, sincere appreciation is expressed to the Cuyahoga Falls City Schools Board of Education for their support and commitment to continuing efforts made in improvements of financial management and reporting as we strive for continued excellence in financial reporting.

Respectfully submitted,



Paul L. Wulff
Treasurer/CFO

Cuyahoga Falls City School District
Public Officials Roster
Year Ended June 30, 2003

Board of Education

Mr. Steven Amos	President
Mr. Paul Herold	Vice President
Mr. Robert Heath	Member
Mrs. Marj Schlaepfi	Member
Mrs. Laurie Liebelt	Member

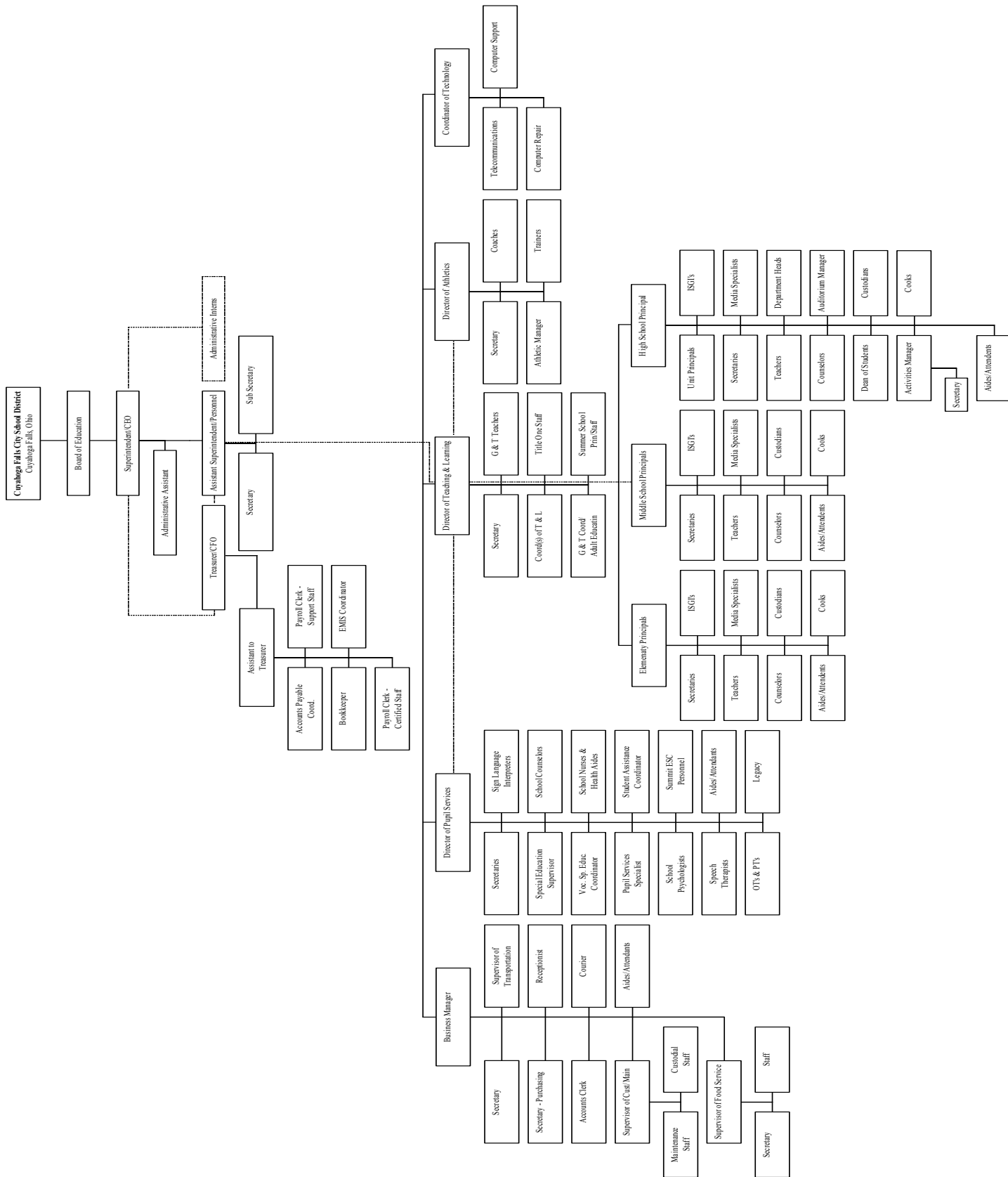
Treasurer / CFO

Mr. Paul Wulff

Executive Administration

Mr. John J. Litzel	Superintendent
Dr. Edwin Holland	Assistant Superintendent
Mr. David Rump	Business Manager
Mr. Walter Davis	Director of Teaching and Learning
Ms. Debra McCain	Coordinator of Teaching and Learning
Mr. Drew Hinkle	Director of Pupil Services

Cuyahoga Falls City School District Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cuyahoga Falls, Ohio
City School District

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

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.



A handwritten signature in black ink, appearing to read "Edward Haney".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Cuyahoga Falls City School District
Summit County
431 Stow Avenue, P.O. Box 396
Cuyahoga Falls, Ohio 44222

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Cuyahoga Falls City School District, Summit County, Ohio, (the District) as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Cuyahoga Falls City School District, Summit County, Ohio, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2003, the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. As described in Note 8, the District increased its capitalization threshold for capital assets from \$2,500 to \$5,000 during the year ended June 30, 2003.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2004, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



Betty Montgomery
Auditor of State

March 26, 2004

Cuyahoga Falls City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

This discussion and analysis of Cuyahoga Falls City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance. Since this is the first year of financial presentation under Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", some analyses with prior year data is not available. Future Management Discussion and Analyses will be comparative.

Financial Highlights

Key financial highlights for 2003 are as follows:

- General revenues accounted for \$36,796,590 in revenue or 85.4% of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions and interest, and capital grants and contributions accounted for \$6,296,940 or 14.6% of total revenues of \$43,093,530.
- The School District had \$42,140,610 in expenses related to governmental activities; program revenues offset only \$6,296,940 of these expenses. \$36,796,590 of general revenues was available to provide for these programs resulting in a increase in net assets of \$952,920.
- Of the total governmental expenses of \$42,140,610, the amount related to instruction totaled \$25,747,133 or 61.1% of this total.
- At the end of the fiscal year, fund balance for the general fund was (\$2,195,880), an increase of \$660,159 as compared to fiscal year 2002.

Using this Annual Financial Report

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

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

Cuyahoga Falls City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While these statements contain information about a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and helps answer the question, "How did we do financially during 2003?" The statement of net assets and statement of activities are designed to answer this question. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting, takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major fund begins on page 8. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant fund. The School District's major governmental fund is the general fund.

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

Cuyahoga Falls City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole. This is the School District's first year for reporting government-wide financial statements using the accrual basis of accounting; therefore a comparison with the prior year is not available. A comparative analysis will be presented in future years when prior year information is available.

Table 1 provides a summary of the School District's net assets for 2003.

Table 1
Net Assets

	<i>Governmental Activities</i>
Assets	
<i>Current and other assets</i>	\$ 24,636,557
<i>Capital assets, net of depreciation</i>	<u>11,201,244</u>
<i>Total assets</i>	<u>35,837,801</u>
Liabilities	
<i>Current and other liabilities</i>	25,822,899
<i>Long-term liabilities:</i>	
<i>Due within one year</i>	1,058,118
<i>Due in more than one year</i>	<u>9,609,218</u>
<i>Total liabilities</i>	<u>36,490,235</u>
Net Assets	
<i>Invested in capital assets, net of debt</i>	2,805,995
<i>Restricted</i>	630,161
<i>Unrestricted</i>	<u>(4,088,590)</u>
<i>Total net assets</i>	<u>\$ (652,434)</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2003, the School District's change in net assets was \$952,920.

Capital assets, net of related debt reported on the government-wide statements represents a large component of net assets. Capital assets include land and land improvements, buildings and improvements, furniture, fixtures and equipment and vehicles, and are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net assets, \$630,161, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net assets, \$214,144 is restricted for debt service payments, \$2,608 is restricted for capital projects and \$413,409, is restricted for other purposes. The remaining balance of net assets of (\$4,088,590) is unrestricted.

Cuyahoga Falls City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

Table 2 shows change in net assets for fiscal year 2003. Since this is the first year the School District has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to fiscal year 2002 are not available. In future years a comparative analysis of government-wide data will be presented.

Table 2
Change in Net Assets

	<u>Governmental</u> <u>Activities</u>
<i>Revenues</i>	
<i>Program revenues:</i>	
<i>Charges for services</i>	\$ 2,900,835
<i>Operating grants, contributions and interest</i>	3,383,447
<i>Capital grants and contributions</i>	12,658
<i>General revenues:</i>	
<i>Property taxes</i>	21,887,819
<i>Grants and entitlements</i>	14,691,711
<i>Gain on sale of capital assets</i>	7,557
<i>Investment earnings</i>	55,453
<i>Miscellaneous</i>	154,050
<i>Total revenues</i>	<u>43,093,530</u>
<i>Program Expenses</i>	
<i>Instruction:</i>	
<i>Regular</i>	19,633,453
<i>Special</i>	4,209,941
<i>Vocational</i>	911,098
<i>Adult/continuing</i>	190
<i>Other</i>	992,451
<i>Support services:</i>	
<i>Pupils</i>	2,197,462
<i>Instructional staff</i>	996,096
<i>Board of education</i>	89,650
<i>Administration</i>	2,595,660
<i>Fiscal</i>	736,987
<i>Business</i>	361,593
<i>Operation and maintenance of plant</i>	4,339,536
<i>Pupil transportation</i>	963,556
<i>Central</i>	326,720
<i>Operation of non-instructional services:</i>	
<i>Food service operations</i>	1,425,999
<i>Community services</i>	1,075,266
<i>Extracurricular activities</i>	858,810
<i>Interest and fiscal charges</i>	426,142
<i>Total expenses</i>	<u>42,140,610</u>
<i>Increase in net assets</i>	<u>\$ 952,920</u>

Cuyahoga Falls City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

Governmental Activities

Several revenue sources fund our governmental activities with property taxes and State foundation revenues being the largest contributors. Property tax levies generated over \$21.8 million in 2003. General revenues from grants and entitlements, such as the school foundation program, generated over \$14.7 million. With the combination of taxes and intergovernmental funding 84.9% of all revenues, the School District monitors both of these revenue sources very closely for fluctuations.

A review of Table 2 reflects the total cost of instructional services was \$25,747,133 or 61.1% of governmental program expenses. Instructional expenses include activities directly related to the teaching of pupils and the interaction between teacher and pupil. Pupil services and instructional staff include the activities involved in assisting staff and the content and process of teaching to pupils. These expenses represent \$3,193,558 of the total governmental program expenses, or 7.6%.

Board of education, administration, fiscal and business classifications reflect expenses associated with establishing and administering school operation policies, financial operations and activities concerned with purchasing, receiving and maintaining goods and services for the School District. The total cost was \$3,783,890 or 9% of governmental program expenses.

Operation and maintenance of plant expenses refer to the care and upkeep of the buildings, grounds, equipment and the safety of the School District's operations. The total cost for the operation and maintenance services was \$4,339,536 or 10.3% of the governmental program expenses.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements for fiscal year 2003. Comparisons to 2002 have not been presented since that information is not available. In future years a comparative analysis of government-wide data will be presented.

Cuyahoga Falls City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

Table 3
Governmental Activities

Program Expenses	Total Cost of Services	Net Cost of Services
<i>Instruction:</i>		
Regular	\$ 19,633,453	\$ (17,749,951)
Special	4,209,941	(3,203,809)
Vocational	911,098	(863,223)
Adult/continuing	190	1,585
Other	992,451	(964,771)
<i>Support services:</i>		
Pupils	2,197,462	(2,008,769)
Instructional staff	996,096	(949,001)
Board of education	89,650	(89,650)
Administration	2,595,660	(2,367,941)
Fiscal	736,987	(736,987)
Business	361,593	(361,593)
Operation and maintenance of plant	4,339,536	(4,032,212)
Pupil transportation	963,556	(950,898)
Central	326,720	(322,120)
<i>Operation on non-instructional services:</i>		
Food service operations	1,425,999	(15,788)
Community services	1,075,266	(193,189)
Extracurricular activities	858,810	(609,211)
Interest and fiscal charges	426,142	(426,142)
Total	\$ 42,140,610	\$ (35,843,670)

The School District's Funds

The School District's major fund is accounted for using the modified accrual basis of accounting. The total revenues for governmental funds were \$43,071,902 and total expenditures were \$42,701,636. The excess of revenues over expenditures for the year was significant in the general fund, with an increase of \$731,936. This increase was due in large part from an increase in property tax revenue generated by a tax levy approved by the voters of the School District in November 2002 and because of the \$73,883,345 increase in the assessed value which current fiscal year taxes were collected.

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. During fiscal year 2003, the School District amended its general fund budget as expenditure priorities change according to student, building and operational needs. Budget revisions are presented to the Board of Education for approval.

Cuyahoga Falls City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

For the general fund, the final budget basis revenue estimate was \$36,888,828, which was somewhat higher than the original budget estimate of \$34,122,670. The increase of \$2,766,158 is attributed to conservative tax estimates, an increase in open enrollment students, an increase in rental income and during the fiscal year the School District did some short term borrowing which increased the over all final budget basis revenue.

The original appropriation budget of \$35,072,731 was revised during the fiscal year with a final budget amount of \$38,162,550. The increase of \$3,089,819 is attributed to the short term borrowing which increased the final budget basis revenue, which in turn increased the final budget. During the year, the original appropriations also gradually increased as revenue projections were surpassed.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2003, the School District had \$11,201,244 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. Table 4 shows fiscal year 2003 balances compared to fiscal year 2002.

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

	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2002</u>
<i>Land</i>	\$ 1,278,407	\$ 1,278,407
<i>Land improvements</i>	881,746	928,257
<i>Buildings and improvements</i>	7,094,205	7,326,202
<i>Furniture, fixtures and equipment</i>	1,481,084	1,509,650
<i>Vehicles</i>	465,802	454,885
<i>Total capital assets</i>	<u>\$ 11,201,244</u>	<u>\$ 11,497,401</u>

The most significant purchase by the School District during the year was for one new school bus used primarily for the transportation of students. The total decrease in the value of assets, as compared to the prior year, is due to the current year's depreciation on the School District's assets. See Note 8 to the basic financial statements for detail on the School District's capital assets.

Debt

At June 30, 2003 the School District had \$8,542,455 in bonds and loans outstanding with \$810,364 due within one year. This balance reflected a reduction of \$797,364 from the previous year's balance of \$9,339,819. Table 5 summarizes the debt and capital lease outstanding:

Cuyahoga Falls City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

Table 5
Outstanding Debt and Capital Lease, at Fiscal Year End

	<i>Governmental Activities <u>2003</u></i>	<i>Governmental Activities <u>2002</u></i>
<i>1999 School Improvement Bonds</i>	<i>\$ 6,895,000</i>	<i>\$ 7,195,000</i>
<i>2002 School Improvement Bonds</i>	<i>532,000</i>	<i>620,000</i>
<i>1994 Energy Conservation Bonds</i>	<i>300,000</i>	<i>600,000</i>
<i>2002 IP Phone System Loan</i>	<i>565,000</i>	<i>648,000</i>
<i>1993 Asbestos Removal Loan</i>	<i>250,455</i>	<i>276,819</i>
<i>Capital leases</i>	<i>129,613</i>	<i>215,728</i>
<i>Total outstanding</i>	<i><u>\$ 8,672,068</u></i>	<i><u>\$ 9,555,547</u></i>

At June 30, 2003, the School District's overall legal debt margin was \$62,918,771 with an unvoted debt margin of \$791,591. The School District is rated Aaa by Moody's Investors Service. See Note 14 to the basic financial statements for detail on the School District's long-term obligations.

Current Issues Affecting Financial Condition

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

The State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational funding system, one that was neither 'adequate' nor 'equitable'. Since 1997, the State has directed its additional financial support toward School Districts with little property tax wealth. In May 2001, the Ohio Supreme Court again, ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes, which are inherently not 'equitable' nor 'adequate'. The court directed the Governor and the legislature to address the fundamental issue creating the inequities. See Note 17 to the basic financial statements for more on this contingent matter.

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

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

Cuyahoga Falls City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions or need additional financial information, contact Paul Wulff, Treasurer/CFO, at Cuyahoga Falls City School District, 431 Stow Ave., Cuyahoga Falls, OH, 44222-0396.

Cuyahoga Falls City School District

Statement of Net Assets

June 30, 2003

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 1,601,808
Receivables:	
Taxes	22,585,195
Intergovernmental	249,218
Prepaid items	41,490
Inventory held for resale	29,166
Materials and supplies inventory	129,680
Capital assets:	
Land	1,278,407
Depreciable capital assets, net	9,922,837
Total capital assets	<u>11,201,244</u>
Total assets	<u>35,837,801</u>
 <u>Liabilities:</u>	
Accounts payable	323,756
Accrued wages	3,587,613
Intergovernmental payable	1,278,487
Compensated absences payable	4,816
Deferred revenue	20,614,872
Accrued interest payable	13,355
Long-term liabilities:	
Due within one year	1,058,118
Due in more than one year	9,609,218
Total liabilities	<u>36,490,235</u>
 <u>Net assets:</u>	
Invested in capital assets, net of related debt	2,805,995
Restricted for:	
Capital projects	2,608
Debt service	214,144
Other purposes	413,409
Unrestricted	<u>(4,088,590)</u>
Total net assets	<u>\$ (652,434)</u>

See accompanying notes to the basic financial statements.

Cuyahoga Falls City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2003

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, and Contributions	
Governmental Activities:					
Instruction:					
Regular	\$ 19,633,453	\$ 1,195,931	\$ 687,571	\$ -	\$ (17,749,951)
Special	4,209,941	-	1,006,132	-	(3,203,809)
Vocational	911,098	46,180	1,695	-	(863,223)
Adult/continuing	190	1,775	-	-	1,585
Other	992,451	27,680	-	-	(964,771)
Support services:					
Pupils	2,197,462	-	188,693	-	(2,008,769)
Instructional staff	996,096	-	47,095	-	(949,001)
Board of education	89,650	-	-	-	(89,650)
Administration	2,595,660	80,141	147,578	-	(2,367,941)
Fiscal	736,987	-	-	-	(736,987)
Business	361,593	-	-	-	(361,593)
Operation and maintenance of plant	4,339,536	268,824	38,500	-	(4,032,212)
Pupil transportation	963,556	-	-	12,658	(950,898)
Central	326,720	-	4,600	-	(322,120)
Operation of non-instructional services:					
Food service operations	1,425,999	1,032,232	377,979	-	(15,788)
Community services	1,075,266	-	882,077	-	(193,189)
Extracurricular activities	858,810	248,072	1,527	-	(609,211)
Interest and fiscal charges	426,142	-	-	-	(426,142)
Total governmental activities	\$ 42,140,610	\$ 2,900,835	\$ 3,383,447	\$ 12,658	(35,843,670)

General Revenues:

Property taxes levied for:

General purposes	20,751,321
Debt service	1,136,498
Grants and entitlements not restricted to specific programs	14,691,711
Gain on Sale of Capital Asset	7,557
Investment earnings	55,453
Miscellaneous	154,050
Total general revenues	36,796,590

Change in net assets	952,920
Net assets beginning of year - restated (See Note 3)	(1,605,354)
Net assets end of year	\$ (652,434)

See accompanying notes to the basic financial statements.

Cuyahoga Falls City School District

Balance Sheet

Governmental Funds

June 30, 2003

	General	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 543,057	\$ 839,280	\$ 1,382,337
Receivables:			
Taxes	21,473,925	1,111,270	22,585,195
Intergovernmental	145,049	104,169	249,218
Interfund receivable	44,223	-	44,223
Prepaid items	41,490	-	41,490
Inventory held for resale	-	29,166	29,166
Materials and supplies inventory	104,756	24,924	129,680
Equity in pooled cash and cash equivalents (restricted)	216,837	-	216,837
Total assets	<u>\$ 22,569,337</u>	<u>\$ 2,108,809</u>	<u>\$ 24,678,146</u>
<u>Liabilities and fund balances</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 241,802	\$ 81,954	\$ 323,756
Accrued wages	3,484,368	103,245	3,587,613
Matured compensated absences payable	3,651	1,165	4,816
Interfund payable	-	44,223	44,223
Intergovernmental payable	928,265	22,756	951,021
Deferred revenue	20,107,131	1,078,315	21,185,446
Total liabilities	<u>24,765,217</u>	<u>1,331,658</u>	<u>26,096,875</u>
<u>Fund balances:</u>			
Reserved for encumbrances	-	186,191	186,191
Reserved for capital maintenance	26,772	-	26,772
Reserved for budget stabilization	190,065	-	190,065
Reserved for unclaimed monies	18,933	-	18,933
Unreserved, undesignated,			
Reported in:			
General fund	(2,431,650)	-	(2,431,650)
Special revenue funds	-	370,305	370,305
Debt service fund	-	218,047	218,047
Capital projects funds	-	2,608	2,608
Total fund balances	<u>(2,195,880)</u>	<u>777,151</u>	<u>(1,418,729)</u>
Total liabilities and fund balances	<u>\$ 22,569,337</u>	<u>\$ 2,108,809</u>	<u>\$ 24,678,146</u>

See accompanying notes to the basic financial statements.

Cuyahoga Falls City School District
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2003

Total governmental funds balances		\$ (1,418,729)
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		11,201,244
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes	\$ 410,956	
Charges for services	145,049	
Intergovernmental	14,569	
Total	570,574	570,574
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		2,634
Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and are therefore not reported in the funds.		(327,466)
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:		
Bonds and loans	\$ (8,542,455)	
Compensated absences	(1,995,268)	
Capital leases	(129,613)	
Accrued interest payable	(13,355)	
Total	(10,680,691)	(10,680,691)
Net assets of governmental activities		\$ (652,434)

See accompanying notes to the basic financial statements.

Cuyahoga Falls City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2003

	General	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>			
Taxes	\$ 20,756,514	\$ 1,135,065	\$ 21,891,579
Intergovernmental	15,049,425	3,057,906	18,107,331
Interest	55,238	4,467	59,705
Tuition and fees	952,308	59,198	1,011,506
Extracurricular activities	2,833	430,200	433,033
Gifts and donations	-	4,613	4,613
Charges for services	81,271	1,060,003	1,141,274
Rent	268,824	-	268,824
Miscellaneous	131,126	22,911	154,037
Total revenues	<u>37,297,539</u>	<u>5,774,363</u>	<u>43,071,902</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	18,674,265	500,063	19,174,328
Special	3,282,856	904,273	4,187,129
Vocational	900,456	27,590	928,046
Adult/continuing	-	530	530
Other	987,814	4,637	992,451
Support services:			
Pupils	1,942,048	225,817	2,167,865
Instructional staff	773,720	265,176	1,038,896
Board of education	75,828	-	75,828
Administration	2,392,299	218,534	2,610,833
Fiscal	712,704	15,658	728,362
Business	364,084	-	364,084
Operation and maintenance of plant	4,508,140	34,165	4,542,305
Pupil transportation	935,823	-	935,823
Central	353,403	8,592	361,995
Operation of non-instructional services:			
Food service operations	-	1,377,704	1,377,704
Community services	-	1,075,618	1,075,618
Extracurricular activities	549,365	268,754	818,119
Capital outlay	-	11,011	11,011
Debt service:			
Principal retirement	86,115	797,364	883,479
Interest and fiscal charges	26,683	400,547	427,230
Total expenditures	<u>36,565,603</u>	<u>6,136,033</u>	<u>42,701,636</u>
Excess of revenues over (under) expenditures	<u>731,936</u>	<u>(361,670)</u>	<u>370,266</u>
<u>Other financing sources (uses):</u>			
Proceeds from sale of capital assets	-	7,557	7,557
Transfers in	1,818	-	1,818
Transfers out	(73,595)	(1,818)	(75,413)
Total other financing sources (uses)	<u>(71,777)</u>	<u>5,739</u>	<u>(66,038)</u>
Net change in fund balances	660,159	(355,931)	304,228
Fund balances beginning of year, as restated (Note 3)	<u>(2,856,039)</u>	<u>1,133,082</u>	<u>(1,722,957)</u>
Fund balances end of year	<u>\$ (2,195,880)</u>	<u>\$ 777,151</u>	<u>\$ (1,418,729)</u>

See accompanying notes to the basic financial statements.

Cuyahoga Falls City School District
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2003

Net change in fund balances - total governmental funds	\$	304,228
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital asset additions	\$	524,989
Depreciation expense		<u>(821,146)</u>
Excess of depreciation expense over capital outlay		(296,157)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:		
Property taxes	\$	(3,759)
Intergovernmental		(71,769)
Charges for services		<u>46,206</u>
Net change in deferred revenues during the year		(29,322)
Repayment of debt and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		883,479
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Decrease in compensated absences	\$	34,921
Increase in pension obligation		(20,171)
Decrease in accrued interest		<u>1,088</u>
Total reduced expenditures		15,838
The internal service fund used by management to charge the costs of medical, prescription drug, dental and vision claims to individual funds are not reported in the statement of activities. The net revenue (expense) of the internal service fund is reported with in the government-wide statements.		<u>74,854</u>
Change in net assets of governmental activities	<u>\$</u>	<u>952,920</u>

See accompanying notes to the basic financial statements.

Cuyahoga Falls City School District
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 17,977,168	\$ 19,733,762	\$ 19,703,693	\$ (30,069)
Intergovernmental	15,149,773	14,853,446	15,015,399	161,953
Interest	10,580	82,838	55,238	(27,600)
Tuition and fees	177,114	947,964	956,108	8,144
Extracurricular activities	359	2,833	2,833	-
Charges for services	8,189	64,102	81,271	17,169
Rent	34,110	267,287	270,719	3,432
Miscellaneous	25,025	196,253	157,436	(38,817)
Total revenues	<u>33,382,317</u>	<u>36,148,485</u>	<u>36,242,697</u>	<u>94,212</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	17,773,520	19,339,323	18,913,038	426,285
Special	2,969,791	3,231,422	3,298,507	(67,085)
Vocational	823,685	896,250	891,361	4,889
Other	973,515	1,059,279	1,001,995	57,284
Support services:				
Pupils	1,689,513	1,838,355	1,834,364	3,991
Instructional staff	760,440	827,433	871,828	(44,395)
Board of education	118,075	128,477	117,283	11,194
Administration	2,266,867	2,466,572	2,461,852	4,720
Fiscal	699,250	760,852	753,140	7,712
Business	366,710	399,016	368,406	30,610
Operation and maintenance of plant	4,068,488	4,426,911	4,596,960	(170,049)
Pupil transportation	799,856	870,321	911,923	(41,602)
Central	361,844	393,722	380,354	13,368
Extracurricular activities	475,994	517,928	551,443	(33,515)
Debt service:				
Principal retirement	919,035	1,000,000	1,000,000	-
Interest and fiscal charges	6,147	6,689	6,689	-
Total expenditures	<u>35,072,731</u>	<u>38,162,550</u>	<u>37,959,143</u>	<u>203,407</u>
Excess of revenues over (under) expenditures	<u>(1,690,414)</u>	<u>(2,014,065)</u>	<u>(1,716,446)</u>	<u>297,619</u>
<u>Other financing sources (uses):</u>				
Proceeds from the sale of notes	696,665	696,655	1,000,000	303,345
Refund of prior year expenditures	34,026	34,026	34,026	-
Advances in	9,662	9,662	-	(9,662)
Advances out	-	-	(44,223)	(44,223)
Transfers in	-	-	1,818	1,818
Transfers out	-	-	(73,595)	(73,595)
Total other financing sources (uses)	<u>740,353</u>	<u>740,343</u>	<u>918,026</u>	<u>177,683</u>
Net change in fund balance	(950,061)	(1,273,722)	(798,420)	475,302
Fund balances at beginning of year	1,047,990	1,047,990	1,047,990	-
Prior year encumbrances appropriated	273,674	273,674	273,674	-
Fund balances at end of year	<u>\$ 371,603</u>	<u>\$ 47,942</u>	<u>\$ 523,244</u>	<u>\$ 475,302</u>

See accompanying notes to the basic financial statements.

Cuyahoga Falls City School District
Statement of Fund Net Assets
Internal Service Fund
June 30, 2003

	<u>Self Insurance</u>
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	<u>\$ 2,634</u>
<u>Net assets:</u>	
Unrestricted	<u>\$ 2,634</u>

See accompanying notes to the basic financial statements.

Cuyahoga Falls City School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Fund
For the Fiscal Year Ended June 30, 2003

	Self Insurance
<u>Operating revenues:</u>	
Charges for services	<u>\$ 20,819</u>
<u>Operating expenses:</u>	
Purchased services	3,170
Claims	<u>16,390</u>
Total operating expenses	<u>19,560</u>
Income before transfers	<u>1,259</u>
Transfers in	<u>73,595</u>
Change in net assets	74,854
Net assets beginning of year	<u>(72,220)</u>
Net assets end of year	<u><u>\$ 2,634</u></u>

See accompanying notes to the basic financial statements.

Cuyahoga Falls City School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2003

	Self Insurance
<u>Cash flows from operating activities:</u>	
Cash received for charges for services	\$ 20,819
Cash payments to suppliers for goods and services	(3,170)
Cash payments for claims	(88,610)
Net cash used for operating activities	<u>(70,961)</u>
 <u>Cash flows from noncapital financing activities:</u>	
Transfer in	73,595
Net cash provided by noncapital financing activities	<u>73,595</u>
 Net increase in cash and cash equivalents	 2,634
 Cash and cash equivalents at beginning of year	 -
Cash and cash equivalents at end of year	<u>\$ 2,634</u>
 <u>Reconciliation of operating income to net cash used for operating activities:</u>	
Operating income	<u>\$ 1,259</u>
 Adjustments to reconcile operating income to net cash used for operating activities:	
Increase (decrease) in liabilities:	
Claims payable	(72,220)
Net cash used for operating activities	<u>\$ (70,961)</u>

See accompanying notes to the basic financial statements.

Cuyahoga Falls City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2003

	Private Purpose Trust	
	Scholarships	Agency
<u>Assets:</u>		
Equity in pooled cash and cash equivalents	\$ 34,956	\$ 530,017
<u>Liabilities:</u>		
Accounts payable	\$ 2,000	\$ 59,126
Accrued wages	-	89,360
Intergovernmental payable	-	21,177
Undistributed monies	-	331,586
Due to students	-	28,768
Total liabilities	2,000	\$ 530,017
<u>Net assets:</u>		
Held in trust for scholarships	\$ 32,956	

See accompanying notes to the basic financial statements.

Cuyahoga Falls City School District
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2003

	<u>Scholarships</u>
<u>Additions:</u>	
Interest	\$ 520
Gifts and donations	<u>200</u>
Total additions	<u>720</u>
 <u>Deductions:</u>	
Payments in accordance with trust agreements	<u>5,559</u>
Change in net assets	(4,839)
Net assets beginning of year	<u>37,795</u>
Net assets end of year	<u><u>\$ 32,956</u></u>

See accompanying notes to the basic financial statements.

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Cuyahoga Falls City School District (the "School District") is located in the greater metropolitan Akron area of Summit County in northeastern Ohio. The first official body designated as the Cuyahoga Falls Board of Education was formed on April 18, 1853. Both the township of Cuyahoga Falls and Cuyahoga Falls School District were formalized at that time with a school enrollment of 482. A new schoolhouse was built for the total price of \$2,000 (fifty dollars was to be deducted if the citizens could be persuaded to "raise the roof" themselves). The yearly budget was \$3,000; the issue of financing a new building was addressed by making "...a demand on the recorder for a tax on every citizen whom he could find".

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

The School District currently operates 7 elementary schools, 3 middle schools, and 1 comprehensive high school. The School District employs 262 non-certified and 401 certified full-time and part-time employees to provide services to approximately 5,123 students in grades K through 12 and various community groups.

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 organizations' governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organizations' resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization.

Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt or the levying of their taxes. Based on the above criteria, the School District had no component units at June 30, 2003.

Fiscal Agent

Mid - Eastern Ohio Special Education Regional Resource Center (MEO/SERRC)

MEO/SERRC is a special education service center, which selects its own board, adopts its own budget and receives direct Federal and State grants for its operation. The School District serves as fiscal agent for MEO/SERRC which is accounted for in an agency fund.

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Jointly Governed Organizations:

Northeast Ohio Network for Educational Technology (NEONET)

NEONET is a jointly governed organization among sixteen school districts and the Summit County Educational Service Center that was formed July 1, 1995. NEONET was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to improve administrative and instructional functions of member districts. The seven-member board of directors consists of four superintendents, two members of the treasurers' committee and one member of the student services subcommittee. The degree of control exercised by any participating school district is limited to its representation on the assembly, which elects the board of directors, who exercises total control over the operation of NEONET including budgeting, appropriating, contracting and designating management. All revenues are generated from State funding and an annual fee per student to participating districts. The Summit County Educational Service Center is the fiscal agent of NEONET. Financial information is available from the Treasurer of the Summit County Educational Service Center, 420 Washington Avenue, Suite 200, Cuyahoga Falls, Ohio, 44221. During the current fiscal year, the School District contributed \$30,184 to NEONET.

Six District Educational Compact (Compact)

The Six District Educational Compact is a jointly governed organization consisting of six participating school districts, to provide for the vocational and special education needs of their students. 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 school 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, which offers the class. During the fiscal year, the School District served as the fiscal agent for the Compact 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. Effective July 1, 2003, the School District ceased acting as the fiscal agent for the Six District Educational Compact. All financial inquiries should now be addressed to the Treasurer of the Hudson City School District, 2386 Hudson-Aurora Road, Hudson, Ohio 44236.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation - Fund Accounting

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

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” of revenues and expenses on the government-wide level.

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Fund Types:

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

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.

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Proprietary Fund Type

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

Internal Service Fund: The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for revenue received from other funds and the settlement of medical expenses of School District employees.

Fiduciary Fund Types

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

C. Measurement Focus and Basis of Accounting

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

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

The private purpose trust fund is reporting using the economic resources measurement focus.

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

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenue - Exchange and Non-exchange Transactions

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

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

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

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

The fair value of donated commodities used during the year is reported on the statement of activities as an expense with a like amount reported within the "Operating Grants, Contributions and Interest" program revenue account.

D. Budgets and Budgetary Accounting

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The primary level of budgetary control is at the fund level for all funds except the general fund. For the general fund, legal level of control is the first digit of the function level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The amounts reported as the original budget revenue on the budgetary statement reflects the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted revenue amounts on the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2003. The amounts reported as the original budgeted expenditure amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. With the approval of the School District's management these amounts were allocated proportionally across the individual line items based on the final budget. The amounts reported as the final budgeted expenditure amounts represent the final appropriation amounts passed by the Board during the year.

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

E. Cash and Investments

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents". During the fiscal year, investments were limited to overnight repurchase agreements and interest in Star Ohio, the State Treasurer's Investment Pool. All investments of the School District had a maturity of two years or less. These investments are stated at cost, which approximates market value (fair value). Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to certain trust funds; required by a grant agreement; or when approved by the Board of Education to be recorded in another fund. The Board of Education has passed a resolution to allow interest to also be recorded in other funds as indicated in Note 5.

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

The School District invested funds in STAR Ohio during fiscal year 2003. 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 Securities Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2003.

For presentation on the basic financial statements, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

G. Interfund Balances

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

H. Inventory

Within the basic financial statements, inventories are presented at cost on a first-in, first out basis and are expensed when used. Inventories of the general fund and uniform school supplies special revenue fund consist of expendable supplies held for consumption and resale respectively. Inventories of the food service special revenue fund consist of donated food, purchased food, and expendable supplies held for resale.

I. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are imposed by creditors, contributors, grantors, and laws of other governments or by enabling legislation. Restricted assets may include unexpended revenues restricted for the purchase of school buses, and amounts required to be set aside by the School District for the purchase of textbooks or for the acquisition or construction of capital assets. Restricted assets may also include amounts set aside as a reserve for budget stabilization, which is now optional as determined by the School District. The School District did not spend all restricted assets in accordance with specific restrictions during the fiscal year. See Note 18 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

J. Capital Assets

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

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District increased its capitalization threshold from \$2,500 to \$5,000 for its general capital assets during fiscal year 2003. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. The School District's policy is not to capitalize interest costs incurred as part of construction.

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

<u>Description</u>	<u>Estimated Lives</u>
<i>Land improvements</i>	<i>20 years</i>
<i>Buildings and improvements</i>	<i>20-50 years</i>
<i>Furniture, fixtures and equipment</i>	<i>5-20 years</i>
<i>Vehicles</i>	<i>8 years</i>

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments. The entire compensated absences liability is reported on the government-wide financial statements.

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

L. Accrued Liabilities and Long-term Obligations

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

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

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

M. Net Assets

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

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

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for the self-insurance program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

O. Interfund Transactions

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

P. Estimates

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

Q. Fund Balance Reserves

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

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCES

A. Changes in Accounting Principles

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

For fiscal year 2003, the School District has implemented GASB Statement No. 34, “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments”; GASB Statement No. 37, “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments: Omnibus”, GASB Statement No. 38, “Certain Financial Statement Note Disclosures”, GASB Statement No. 41, “Budgetary Comparison Schedules – Perspective Differences” and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements”. At June 30, 2003, there was no effect on fund balance as a result of implementing GASB Statements 37 and 38.

GASB Statement No. 34 creates new basic financial statements for reporting on the School District’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements split the School District’s programs between governmental and business-type activities. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at June 30, 2002, caused by the conversion to the accrual basis of accounting and the reclassification of funds based on the guidance provided in Statement No. 34. Due to these fund reclassifications, there are no business-type activities reported.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice. The School District restated the fund liability of compensated absences that had not matured during fiscal year 2002 and has reported prepaid amounts for services not yet consumed.

B. Restatement of Fund Balances

It was determined that enterprise funds should be reclassified to special revenue funds. The restatements for GASB Statement No. 34 and GASB Interpretation No. 6 had the following effects on fund balance of the major and nonmajor funds of the School District as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<i>Fund balances, June 30, 2002</i>	\$ (3,021,972)	\$ 1,025,781	\$ (1,996,191)
<i>Fund reclassification</i>	73,081	85,612	158,693
<i>Interpretation No. 6</i>			
<i>Compensated absences</i>	<u>92,852</u>	<u>21,689</u>	<u>114,541</u>
<i>Adjusted fund balances, June 30, 2002</i>	<u>\$ (2,856,039)</u>	<u>\$ 1,133,082</u>	<u>(1,722,957)</u>
 <i><u>GASB Statement No. 34 Adjustments:</u></i>			
<i>Capital assets</i>			11,497,401
<i>Internal service fund</i>			(72,220)
<i>Long-term liabilities</i>			(11,585,736)
<i>Employer pension obligation</i>			(307,295)
<i>Accrued interest</i>			(14,443)
<i>Long-term (deferred) assets</i>			<u>599,896</u>
<i>Governmental activities net assets, June 30, 2002</i>			<u>\$ (1,605,354)</u>

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

Net Change in Fund Balance

	<u>General</u>
<i>GAAP Basis</i>	\$ 660,159
<i>Revenue Accruals</i>	(20,816)
<i>Expenditure Accruals</i>	(1,667,854)
<i>Encumbrances (Budget Basis)</i>	
<i>Outstanding at year end</i>	<u>230,091</u>
<i>Budget Basis</i>	<u><u>\$ (798,420)</u></u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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For the Fiscal Year Ended June 30, 2003

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

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

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

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

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 (\$276,857) and the bank balances of the deposits totaled \$11,616. The entire bank balance of \$11,616 was covered by federal depository insurance. The School District maintains a "zero balance" account for their payroll checking account and a similar low balance account for the general checking account. Money is credited to their checking account from a repurchase account that is linked to those accounts as checks are presented.

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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 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.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during the fiscal year 2003 amounted to \$55,238, which included \$18,210 assigned from other School District funds.

	<u>Category 3</u>	<u>Fair Value</u>
<u>Categorized Investments</u>		
Repurchase Agreements	\$ 1,305,000	\$ 1,305,000
<u>Noncategorized Investments</u>		
State Treasurer's Pool		1,138,638
Total Investments		<u>\$ 2,443,638</u>

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.

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statements No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting". A reconciliation between the classifications of cash investments on the financial statements and the classification per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/</u>	
	<u>Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$ 2,166,781	\$ -
Investment which are part of a cash management pool:		
Repurchase Agreement	(1,305,000)	1,305,000
STAR Ohio	(1,138,638)	1,138,638
GASB Statement No. 3	<u>\$ (276,857)</u>	<u>\$ 2,443,638</u>

NOTE 6 - PROPERTY TAX

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

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

All property is required to be revalued every six years. Public utility property taxes are assessed at 35% of true value and public utility tangible personal property currently is assessed at varying percentages of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25% of true value.

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

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 County. The County Fiscal Officer 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 \$1,511,843 in the general fund and \$47,524 in the bond retirement debt service fund and is recognized as revenue on the fund financial statements.

On the accrual basis, collectible delinquent property taxes have been recorded as revenue on the statement of activities.

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

<u>Property Category</u>	<u>2002 Assessed Value</u>	<u>2001 Assessed Value</u>
<u>Real Property</u>		
Residential and agricultural	\$ 575,793,850	\$ 516,247,760
Commercial and Industrial	161,859,810	144,421,410
Public utilities	11,221,300	10,687,260
<u>Tangible Personal Property</u>		
General	<u>42,715,916</u>	<u>46,351,101</u>
Total	<u>\$ 791,590,876</u>	<u>\$ 717,707,531</u>

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 7 - RECEIVABLES

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

	<u>Amount</u>
<i>General fund</i>	\$ 145,049
<u><i>Special revenue funds:</i></u>	
<i>Vocational Education Enhancement</i>	8,109
<i>Title I</i>	6,460
<i>Miscellaneous Federal Grants</i>	<u>89,600</u>
<i>Total intergovernmental receivable</i>	<u>\$ 249,218</u>

NOTE 8 - CAPITAL ASSETS

The capital asset balances of the governmental activities have been restated due to fund reclassifications (See Note 3 for details), a change in the School District's capital asset policy (See Note 2.J. for details) and due to errors and omissions in the amounts previously reported.

<u><i>Governmental Activities</i></u>	<u><i>Balance</i></u> <u><i>June 30, 2002</i></u>	<u><i>Adjustments</i></u>	<u><i>Restated Balance</i></u> <u><i>June 30, 2002</i></u>
<i>Land and land improvements</i>	\$ 1,337,462	\$ 2,150,019	\$ 3,487,481
<i>Buildings and improvements</i>	22,414,794	(275,541)	22,139,253
<i>Furniture, fixtures and equipment</i>	11,569,948	(8,326,958)	3,242,990
<i>Vehicles</i>	1,597,023	(351,118)	1,245,905
<i>Less: Accumulated depreciation</i>	<u>-</u>	<u>(18,618,228)</u>	<u>(18,618,228)</u>
<i>Total</i>	<u>\$ 36,919,227</u>	<u>\$ (25,421,826)</u>	<u>\$ 11,497,401</u>

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Capital asset activity for the fiscal year ended June 30, 2003 was as follows:

<u>Governmental activities</u>	<i>Restated Balance June 30, 2002</i>	<i>Additions</i>	<i>Disposals</i>	<i>Balance June 30, 2003</i>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,278,407	\$ -	\$ -	\$ 1,278,407
<i>Total capital assets, not being depreciated</i>	<u>1,278,407</u>	<u>-</u>	<u>-</u>	<u>1,278,407</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	2,209,074	-	-	2,209,074
Buildings	22,139,253	150,860	-	22,290,113
Furniture and equipment	3,242,990	261,913	-	3,504,903
Vehicles	<u>1,245,905</u>	<u>112,216</u>	<u>-</u>	<u>1,358,121</u>
<i>Total capital assets, being depreciated</i>	<u>28,837,222</u>	<u>524,989</u>	<u>-</u>	<u>29,362,211</u>
<i>Less: Accumulated depreciation</i>				
Land improvements	(1,280,817)	(46,511)	-	(1,327,328)
Buildings	(14,813,051)	(382,857)	-	(15,195,908)
Furniture and equipment	(1,733,340)	(290,479)	-	(2,023,819)
Vehicles	<u>(791,020)</u>	<u>(101,299)</u>	<u>-</u>	<u>(892,319)</u>
<i>Total accumulated depreciation</i>	<u>(18,618,228)</u>	<u>(821,146)</u>	<u>-</u>	<u>(19,439,374)</u>
<i>Total capital assets being depreciated, net</i>	<u>10,218,994</u>	<u>(296,157)</u>	<u>-</u>	<u>9,922,837</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 11,497,401</u>	<u>\$ (296,157)</u>	<u>\$ -</u>	<u>\$ 11,201,244</u>

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$ 485,620
Vocational	5,084
<i>Support services:</i>	
Pupils	17,806
Instructional staff	53,886
Board of education	13,707
Administration	14,292
Operation and maintenance of plant	11,105
Pupil transportation	101,419
Central	63,511
Food service operations	14,115
Extracurricular activities	<u>40,601</u>
	<u>\$ 821,146</u>

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 9 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at June 30, 2003 consisted of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<i>General fund</i>	\$ 44,223	\$ -
<i>Nonmajor governmental funds</i>	-	44,223
<i>Totals</i>	<u>\$ 44,223</u>	<u>\$ 44,223</u>

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2003, all interfund loans outstanding are anticipated to be repaid in fiscal year 2004.

Interfund transfers for the year ended June 30, 2003, consisted of the following:

	<u>Transfer Out:</u>		
	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<u>Transfer In:</u>			
<i>General fund</i>	\$ -	\$ 1,818	\$ 1,818
<i>Internal Service fund</i>	73,595	-	73,595
<i>Total</i>	<u>\$ 73,595</u>	<u>\$ 1,818</u>	<u>\$ 75,413</u>

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

NOTE 10 – ACCOUNTABILITY AND COMPLIANCE

A. Accountability

As of June 30, 2003, several funds had deficit fund balances. These deficits were caused by the application of GAAP. The deficit fund balances in the General fund, Management Information System, Disadvantaged Pupil Impact Aid, Vocational Education Enhancement, Title VI-B, EHA Preschool Grant for Handicapped and Improving Teacher Quality special revenue funds are caused by the application of GAAP, namely in the reporting of various liabilities attributable to the fiscal year. These deficit balances will be eliminated by anticipated future intergovernmental revenues or other subsidies not recognized and recorded at June 30. The following funds had deficit balances:

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

<u>Fund</u>	<u>Amount</u>
General	\$ 2,195,880
<u>Special revenue:</u>	
Management Information System	1,066
Disadvantaged Pupil Impact Aid	151
Vocational Education Enhancement	7,242
Title VI-B	84,217
EHA Preschool Grant for Handicapped	236
Improving Teacher Quality	28,209

The School District is in the process of reviewing expenditures in an effort to bring them in line with revenues and reduce the general fund deficit.

B. Compliance

Contrary to the Ohio Revised Code (ORC) 5705.41, five funds of the School District reported final expenditures, plus outstanding encumbrances, in excess of appropriations at the legal level of control. To prevent future violations, the School District has implemented procedures, which increase the monitoring of expenditures and obligations as compared to appropriations. The general fund is presented at the first digit of the function level and all other funds are presented at the fund level, which is the legal level of budgetary control.

The funds reporting these violations are as follows:

<u>Fund</u>	<u>Amount</u>
General:	
Support Services	\$ 184,451
Extracurricular activities	33,515
Other financing sources (uses)	73,595
Special Revenue:	
School Improvement Models	4,795
Disadvantaged Pupil Impact Aid	1,818
Uniform School Supplies	8,458
Capital Projects:	
Permanent Improvement	6,559

NOTE 11 - RISK MANAGEMENT

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

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

As of March 31, 2002, the School District ceased operating a self-funded health insurance program. Beginning April 1, 2002, the School District began purchasing commercial insurance from a major independent insurance company. An internal service fund continues to be reported for the current year's activities. As required by GASB Statement No. 10, a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. A claims liability is not reported for the year ending 2003 as all outstanding claims have been paid in full. Changes in the fund's claims liability during 2002 and 2003 were:

	<i>Balance at</i>	<i>Current</i>	<i>Claim</i>	<i>Balance at</i>
	<i>beginning of year</i>	<i>year claims</i>	<i>payments</i>	<i>end of year</i>
2002 \$	516,285	3,361,624	3,805,689	72,220
2003 \$	72,220	16,390	88,610	-

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 12 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Plan members are required to contribute 9% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17% of annual covered salary was the portion used to fund pension obligations. For the fiscal year 2002, 5.46% was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS Retirement Board.

The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$482,301, \$257,583, and \$197,597, respectively; 37% has been contributed for fiscal year 2003 and 100% for the fiscal years 2002 and 2001. \$304,717, representing the unpaid contribution for fiscal year 2003, is recorded as an intergovernmental payable.

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple-employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, disability, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3746.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor.

The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001.

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

For the fiscal year ended June 30, 2003 plan members were required to contribute 9.3% of their annual covered salaries. The School District was required to contribute 14%; 13% was the portion used to fund pension obligations. For fiscal year 2002, 9.5% was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to the DB plan for the fiscal years ended June 30, 2003, 2002, and 2001 were \$2,375,802, \$1,858,268, and \$1,694,594, respectively; 84% has been contributed for fiscal year 2003 and 100% for the fiscal years 2002 and 2001. \$381,502, representing the unpaid contribution for fiscal year 2003, is recorded as an intergovernmental payable. Contributions to the DC and Combined plans for fiscal year 2003 were \$55,935 made by the School District and \$23,924 made by the plan members.

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 13 - POST-EMPLOYMENT BENEFITS

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

By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. The retirement board currently allocates employer contributions equal to 1% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the School District this amount equaled \$182,754 during the 2003 fiscal year. The balance in the Health Care Reserve Fund for the STRS was \$2.8 billion at June 30, 2003. For the year ended June 30, 2003, the net health care costs paid by the STRS were \$352,301,000 and eligible benefit recipients totaled 108,294.

For the School Employees Retirement System (SERS), coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. For this fiscal year, employer contributions to fund health care benefits were 5.83% 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 2003, the minimum pay has been established at \$14,500. 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 \$453,090, which includes a surcharge of \$108,927 during the 2003 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, 2003 were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003, the SERS's net assets available for payment of health care benefits was \$303.6 million, at cost. The number of participants receiving health care benefits was approximately 50,000.

CUYAHOGA FALLS CITY SCHOOL DISTRICTNotes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003**NOTE 14 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS**

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

	<i>Balance</i> <i>July 1</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <i>June 30</i>	<i>Due within</i> <i>one year</i>
<u>Governmental Long-term Obligations</u>					
<u>General Obligation Bonds</u>					
1999 School Improvement Bonds, 4.25%	\$ 7,195,000	\$ -	\$ (300,000)	\$ 6,895,000	\$ 310,000
2002 School Improvement Bonds, 4.19%	620,000	-	(88,000)	532,000	88,000
1994 Energy Conservation Bonds, 5.2%	600,000	-	(300,000)	300,000	300,000
Total general obligation bonds	<u>8,415,000</u>	<u>-</u>	<u>(688,000)</u>	<u>7,727,000</u>	<u>698,000</u>
<u>Long-term Loans</u>					
2002 IP Phone System Loan, 4.19%	648,000	-	(83,000)	565,000	86,000
1993 Asbestos Removal Loan, 0.00%	276,819	-	(26,364)	250,455	26,364
	<u>924,819</u>	<u>-</u>	<u>(109,364)</u>	<u>815,455</u>	<u>112,364</u>
<u>Other Long-term Obligations</u>					
Long-term compensated absences	2,030,189	162,348	(197,269)	1,995,268	152,290
Capital lease payable	215,728	-	(86,115)	129,613	95,464
Total other long-term obligations	<u>2,245,917</u>	<u>162,348</u>	<u>(283,384)</u>	<u>2,124,881</u>	<u>247,754</u>
Total governmental long-term obligations	<u>\$ 11,585,736</u>	<u>\$ 162,348</u>	<u>\$ (1,080,748)</u>	<u>\$ 10,667,336</u>	<u>\$ 1,058,118</u>

General Obligation Bonds: In 1999 and 2002, the School District issued School Improvement bonds, in the amount of \$8,000,000 and \$620,000 respectively, to finance the improvement and furnishing of school facilities and their sites. The School Improvement bonds will be repaid with voted property tax receipts of the bond retirement debt service fund, and will mature in December 2018 and December 2008, respectively. In 1994, the School District issued Energy Conservation bonds in the amount of \$2,627,686. The bonds were used to pay the costs of installations, modifications and remodeling of school buildings to conserve energy. These bonds will also be paid with voted property tax receipts of the bond retirement debt service fund and are schedule to mature in June 2004.

Long-term Loans: In 1993, the School District received a loan from the U.S. Environmental Protection Agency for an asbestos abatement project. The loan, scheduled to mature in April 2013, is interest free as long as the School District continues to remain current on repayment. Principal payments will be made with the general property tax operating levy receipted into the bond retirement debt service fund. In March 2002, the School District entered into an IP Phone System loan agreement to finance the installation of a modern phone system throughout the School District. The loan, scheduled to mature in December 2008, will be repaid with the general property tax operating levy receipted into the bond retirement debt service fund.

All bonds and loans are direct obligations of the School District for which its full faith and credit are pledged for repayment.

Compensated absences: Vacation and sick leave benefits will be paid from the fund from which the person is paid. In prior years, this fund has primarily been the general fund.

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Capital Leases: Capital lease obligations will be paid from the general fund.

Principal and interest requirements to amortize all bonds outstanding at June 30, 2003 are as follows:

<i>Fiscal</i> <u>Year</u>	<u>General Obligation Bonds</u>			<u>Long-term Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 698,000	\$ 344,510	\$ 1,042,510	\$ 112,364	\$ 22,090	\$ 134,454
2005	408,000	313,258	721,258	114,364	18,419	132,783
2006	419,000	297,117	716,117	118,364	14,600	132,964
2007	434,000	280,308	714,308	121,364	10,633	131,997
2008	449,000	262,742	711,742	126,364	6,498	132,862
2009-2013	2,134,000	1,024,873	3,158,873	222,635	2,194	224,829
2014-2018	2,590,000	458,010	3,048,010	-	-	-
2019	595,000	14,280	609,280	-	-	-
<i>Total</i>	<u>\$ 7,727,000</u>	<u>\$ 2,995,098</u>	<u>\$ 10,722,098</u>	<u>\$ 815,455</u>	<u>\$ 74,434</u>	<u>\$ 889,889</u>

NOTE 15 - NOTES PAYABLE

During the fiscal year, the School District issued tax anticipation notes in advance of property tax collections, depositing the proceeds in the general fund. These notes were necessary for short-term borrowing by the School District.

Short-term debt activity for the year ended June 30, 2003, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
<i>Tax Anticipation Notes</i>	\$ -	\$ 1,000,000	\$ (1,000,000)	\$ -

NOTE 16 - CAPITALIZED LEASES - LESSEE DISCLOSURE

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

Capital assets acquired by lease have been capitalized as equipment in the amount of \$403,393 equal to the present value of the future minimum lease payments at the time of acquisition. Principal payments in the current fiscal year, from the existing and new lease agreements, totaled \$86,115.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments at year-end.

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

<i>Fiscal Year</i>	<i>Lease Payments</i>
2004	\$ 105,267
2005	<u>34,959</u>
<i>Total minimum lease payments</i>	140,226
<i>Less: amount representing interest</i>	<u>(10,613)</u>
<i>Total</i>	<u>\$ 129,613</u>

NOTE 17 - CONTINGENCIES

The School District is party to legal proceedings. However, the School District's management is of the opinion that the ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2003.

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "... the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

NOTE 18 - STATUTORY RESERVES

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

Effective April 10, 2001, Senate Bill 345 amended Ohio Revised Code 5705.29 effectively eliminating the requirement for the School District to establish and maintain a budget stabilization reserve. As of June 30, 2003, the Board had not acted on the Senate Bill to eliminate the reserve balance.

During the fiscal year ended June 30, 2003, the reserve activity was as follows:

CUYAHOGA FALLS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
 For the Fiscal Year Ended June 30, 2003

	<u>Textbook Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Budget Stabilization Reserve</u>	<u>Total</u>
<i>Set-aside cash balance as of</i>				
<i>June 30, 2002</i>	\$ (694,914)	\$ -	\$ 190,065	\$ (504,849)
<i>Current year set-aside requirement</i>	733,785	733,785	-	1,467,570
<i>Current year offset</i>	-	-	-	-
<i>Qualifying disbursements</i>	<u>(799,464)</u>	<u>(707,013)</u>	<u>-</u>	<u>(1,506,477)</u>
<i>Total</i>	<u>\$ (760,593)</u>	<u>\$ 26,772</u>	<u>\$ 190,065</u>	<u>\$ (543,756)</u>
<i>Balance carried forward to future years</i>	<u>\$ (760,593)</u>	<u>\$ 26,772</u>	<u>\$ 190,065</u>	<u>\$ (543,756)</u>
<i>Restricted cash</i>		<u>\$ 26,772</u>	<u>\$ 190,065</u>	<u>\$ 216,837</u>

NOTE 19 - OPERATING LEASE

The School District (the “Lessor”) has entered into an operating lease, for a 10-year period commencing on July 1, 2002. The lease is with the Summit County Educational Service Center (the “Lessee”) for facilities to house the offices and functions of the Service Center. The annual sum of lease payments will total \$98,247, which will be made in monthly installments of \$8,187. Either party upon one year’s advance written notice, with the termination date being June 30, can initiate the early termination of this lease. However, the School District agrees that it shall not have the right to terminate the lease until the beginning of the third year of the lease.

The cost of the facilities being leased was \$1,231,677 with a current book value of \$313,801. Depreciation on the facilities for fiscal year ending June 30, 2003 was \$23,200 with accumulated depreciation of \$917,876.

Each July 1, the annual rent is increased by the same percentage as the Consumer Price Index over the previous twelve-month period (July 1 – June 30).

Combining Statements and Individual Fund Schedules

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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. The title of each special revenue fund is descriptive of the activities accounted for therein. A description of the School District's special revenue funds follows:

Food Service

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

Uniform School Supplies

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

Consumer Services

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

Adult Education

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

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.

Outdoor Education

To account revenue and expenditures related to providing outdoor education programs.

Miscellaneous Local Grants

To account for funds received from private organizations that are restricted for specific purposes.

Underground Storage Tanks

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

School Improvement Models

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.

District Managed Student Activity

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

Auxiliary Services

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

Career Development

To account for state funds 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.

Teacher Development

To account for state revenues used to assist teachers in gaining new skills and becoming familiar with new teaching methodologies.

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.

Head Start

To account for funds distributed to Head Start agencies to expand their programs to serve more eligible children, including leasing additional classroom space, to acquire materials, to pay license fees, and to hire and train Head Start agency staff.

Disadvantaged Pupil Impact Aid (DPIA)

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

Data Communications

To account for revenues received from the State to be used to install and provide support costs for data communication links to connect any school to the local A-site (data communication site).

SchoolNet Professional Development

To account for a limited number of professional development subsidy grants.

Ohio Reads

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

Summer Intervention

To account for summer intervention services.

Vocational Education Enhancement

To account for Vocational Education Enhancement that expand the number of students enrolled in tech prep programs, enable students to develop career plans and to replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program.

Extended Learning Opportunity

To account for monies that are used to provide intervention services to those elementary students that are “at risk” of not passing the 4th grade reading proficiency test.

Miscellaneous State Grants

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

Eisenhower Math and Science

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

Title VI-B

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

Title III

To account for federal funds received to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Title I

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

Title V

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

Drug Free Schools Grant

To account for federal funds provided to establish, operate and improve programs for drug abuse prevention, early intervention, rehabilitation referral and education in schools.

EHA Preschool Grant for Handicapped

To account for federal funds used for the improvement and expansion of services for handicapped children ages three through five years.

Goals 2000

To account for monies to support a broad range of education improvement goals.

Improving Teacher Quality

To account for monies to hire additional classroom teachers in grades one through three, 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 governments which are not classified elsewhere.

Nonmajor Debt Service Fund

The debt service fund is used to account for the accumulation of resources and the 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 the payment of general obligation notes payable, as required by Ohio Law.

Nonmajor 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.

Vocational Education Equipment

To account for receipts and expenditures involved in the replacement or the updating of equipment essential for the instruction of students in job skills.

SchoolNet

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

Combining Statements – Fiduciary Funds

Agency funds are used to account for those assets held by the School District as an agent for individual, private organizations, other governmental units, and/or other funds. The agency funds are:

Kent State University Aviation

To account for the financial activity of a compact class that teaches the students to learn to fly airplanes.

Sunshine and Staff

To account for resources that belong to the teachers of the various schools, accounting for the purchase of flowers for various reasons.

Vocational Compact

To account for the financial activity of a cooperative agreement to provide for the vocational and special education needs of the students of the six participating school district.

Student Managed Activity

To account for those student activity programs which have student participation in the activity and have students involved in the management of the program.

Mid-Eastern Ohio Special Educational Regional Resource Center (MEO/SERRC)

To account for resources used to provide local school district with resources designed to improve the quality of instruction for handicapped children through the delivery of instruction materials and methodologies.

Cuyahoga Falls City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 666,149	\$ 170,523	\$ 2,608	\$ 839,280
Receivables:				
Taxes	-	1,111,270	-	1,111,270
Intergovernmental	104,169	-	-	104,169
Inventory held for resale	29,166	-	-	29,166
Materials and supplies inventory	24,924	-	-	24,924
Total assets	<u>\$ 824,408</u>	<u>\$ 1,281,793</u>	<u>\$ 2,608</u>	<u>\$ 2,108,809</u>
 <u>Liabilities and fund equity :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 81,954	\$ -	\$ -	\$ 81,954
Accrued wages	103,245	-	-	103,245
Compensated absences payable	1,165	-	-	1,165
Interfund payable	44,223	-	-	44,223
Intergovernmental payable	22,756	-	-	22,756
Deferred revenue	14,569	1,063,746	-	1,078,315
Total liabilities	<u>267,912</u>	<u>1,063,746</u>	<u>-</u>	<u>1,331,658</u>
 <u>Fund balances:</u>				
Reserved for encumbrances	186,191	-	-	186,191
Unreserved, undesignated, Reported in:				
Special revenue funds	370,305	-	-	370,305
Debt service fund	-	218,047	-	218,047
Capital projects funds	-	-	2,608	2,608
Total fund balances	<u>556,496</u>	<u>218,047</u>	<u>2,608</u>	<u>777,151</u>
Total liabilities and fund balances	<u>\$ 824,408</u>	<u>\$ 1,281,793</u>	<u>\$ 2,608</u>	<u>\$ 2,108,809</u>

Cuyahoga Falls City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Taxes	\$ -	\$ 1,135,065	\$ -	\$ 1,135,065
Intergovernmental	2,984,925	71,286	1,695	3,057,906
Interest	4,251	68	148	4,467
Tuition and fees	59,198	-	-	59,198
Extracurricular activities	430,200	-	-	430,200
Gifts and donations	4,613	-	-	4,613
Customer services	1,060,003	-	-	1,060,003
Miscellaneous	8,070	14,841	-	22,911
Total revenues	<u>4,551,260</u>	<u>1,221,260</u>	<u>1,843</u>	<u>5,774,363</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	499,994	-	69	500,063
Special	904,273	-	-	904,273
Vocational	27,590	-	-	27,590
Adult/continuing	530	-	-	530
Other	4,637	-	-	4,637
Support services:				
Pupils	225,817	-	-	225,817
Instructional staff	182,997	-	82,179	265,176
Administration	218,534	-	-	218,534
Fiscal	8,059	7,599	-	15,658
Operation and maintenance of plant	34,165	-	-	34,165
Central	8,592	-	-	8,592
Operation of non-instructional services:				
Food service operations	1,377,704	-	-	1,377,704
Community services	1,075,618	-	-	1,075,618
Extracurricular activities	268,754	-	-	268,754
Capital outlay	-	-	11,011	11,011
Debt service:				
Principal retirement	-	797,364	-	797,364
Interest and fiscal charges	-	400,547	-	400,547
Total expenditures	<u>4,837,264</u>	<u>1,205,510</u>	<u>93,259</u>	<u>6,136,033</u>
Excess of revenues over (under) expenditures	<u>(286,004)</u>	<u>15,750</u>	<u>(91,416)</u>	<u>(361,670)</u>
<u>Other financing sources (uses):</u>				
Proceeds from sale of capital assets	-	-	7,557	7,557
Transfers out	(1,818)	-	-	(1,818)
Total other financing sources (uses)	<u>(1,818)</u>	<u>-</u>	<u>7,557</u>	<u>5,739</u>
Net change in fund balance	(287,822)	15,750	(83,859)	(355,931)
Fund balances at beginning of year, as restated	844,318	202,297	86,467	1,133,082
Fund balances at end of year	<u>\$ 556,496</u>	<u>\$ 218,047</u>	<u>\$ 2,608</u>	<u>\$ 777,151</u>

Cuyahoga Falls City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003

	Food Service	Uniform School Supplies	Consumer Services	Adult Education	Public School Support
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 239	\$ 36,271	\$ 8,577	\$ 4,008	\$ 185,314
Receivables:					
Intergovernmental	-	-	-	-	-
Inventory held for resale	29,166	-	-	-	-
Materials and supplies inventory	10,607	14,317	-	-	-
Total assets	<u>\$ 40,012</u>	<u>\$ 50,588</u>	<u>\$ 8,577</u>	<u>\$ 4,008</u>	<u>\$ 185,314</u>
<u>Liabilities and fund balances:</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 2,780	\$ -	\$ -	\$ -	\$ 7,358
Accrued wages	29,780	-	-	-	-
Compensated absences payable	-	-	-	-	-
Interfund payable	-	-	-	-	-
Intergovernmental payable	3,605	-	-	25	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>36,165</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>7,358</u>
<u>Fund balances:</u>					
Reserved for encumbrances	-	16,073	2,414	-	16,086
Unreserved, undesignated, Reported in special revenue funds	3,847	34,515	6,163	3,983	161,870
Total fund balances	<u>3,847</u>	<u>50,588</u>	<u>8,577</u>	<u>3,983</u>	<u>177,956</u>
Total liabilities and fund balances	<u>\$ 40,012</u>	<u>\$ 50,588</u>	<u>\$ 8,577</u>	<u>\$ 4,008</u>	<u>\$ 185,314</u>

<u>Outdoor Education</u>	<u>Miscellaneous Local Grants</u>	<u>Underground Storage Tanks</u>	<u>School Improvement Models</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Career Development</u>	<u>Teacher Development</u>
\$ 10,479	\$ 25,030	\$ 11,000	\$ 1,079	\$ 88,368	\$ 113,723	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 10,479</u>	<u>\$ 25,030</u>	<u>\$ 11,000</u>	<u>\$ 1,079</u>	<u>\$ 88,368</u>	<u>\$ 113,723</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 24	\$ -	\$ -	\$ 5,625	\$ 48,862	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	168	76	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>5,793</u>	<u>48,938</u>	<u>-</u>	<u>-</u>
-	6,732	-	-	27,569	64,790	-	-
<u>10,479</u>	<u>18,274</u>	<u>11,000</u>	<u>1,079</u>	<u>55,006</u>	<u>(5)</u>	<u>-</u>	<u>-</u>
<u>10,479</u>	<u>25,006</u>	<u>11,000</u>	<u>1,079</u>	<u>82,575</u>	<u>64,785</u>	<u>-</u>	<u>-</u>
<u>\$ 10,479</u>	<u>\$ 25,030</u>	<u>\$ 11,000</u>	<u>\$ 1,079</u>	<u>\$ 88,368</u>	<u>\$ 113,723</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

Cuyahoga Falls City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003

	<u>Management Information Systems</u>	<u>Head Start</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ -	\$ 9,970	\$ -	\$ 21,336	\$ 4,600
Receivables:					
Intergovernmental	-	-	-	-	-
Inventory held for resale	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 9,970</u>	<u>\$ -</u>	<u>\$ 21,336</u>	<u>\$ 4,600</u>
<u>Liabilities and fund balances:</u>					
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-	-
Compensated absences payable	-	-	-	-	-
Interfund payable	-	-	-	-	-
Intergovernmental payable	1,066	-	151	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>1,066</u>	<u>-</u>	<u>151</u>	<u>-</u>	<u>-</u>
<u>Fund balances:</u>					
Reserved for encumbrances	-	-	-	-	-
Unreserved, undesignated, Reported in special revenue funds	<u>(1,066)</u>	<u>9,970</u>	<u>(151)</u>	<u>21,336</u>	<u>4,600</u>
Total fund balances	<u>(1,066)</u>	<u>9,970</u>	<u>(151)</u>	<u>21,336</u>	<u>4,600</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 9,970</u>	<u>\$ -</u>	<u>\$ 21,336</u>	<u>\$ 4,600</u>

<u>Ohio Reads</u>	<u>Summer Intervention</u>	<u>Vocational Education Enhancement</u>	<u>Extended Learning Opportunity</u>	<u>Miscellaneous State Grants</u>	<u>Eisenhower Math and Science</u>	<u>Title VI-B</u>	<u>Title III</u>
\$ 3,747	\$ -	\$ 6,998	\$ -	\$ 28,427	\$ 6,347	\$ -	\$ -
-	-	8,109	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 3,747</u>	<u>\$ -</u>	<u>\$ 15,107</u>	<u>\$ -</u>	<u>\$ 28,427</u>	<u>\$ 6,347</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 11,300	\$ -	\$ -	\$ -	\$ 2,423	\$ -
-	-	-	-	-	-	31,546	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	44,223	-
-	-	2,940	-	-	-	6,025	-
-	-	8,109	-	-	-	-	-
-	-	<u>22,349</u>	-	-	-	<u>84,217</u>	-
700	-	-	-	-	-	720	-
<u>3,047</u>	-	<u>(7,242)</u>	-	<u>28,427</u>	<u>6,347</u>	<u>(84,937)</u>	-
<u>3,747</u>	-	<u>(7,242)</u>	-	<u>28,427</u>	<u>6,347</u>	<u>(84,217)</u>	-
<u>\$ 3,747</u>	<u>\$ -</u>	<u>\$ 15,107</u>	<u>\$ -</u>	<u>\$ 28,427</u>	<u>\$ 6,347</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

Cuyahoga Falls City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003

	Title I	Title V	Drug Free Schools Grant	EHA Preschool Grant for Handicapped	Goals 2000
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 46,043	\$ 7,359	\$ 5,240	\$ 2	\$ 90
Receivables:					
Intergovernmental	6,460	-	-	-	-
Inventory held for resale	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-
Total assets	<u>\$ 52,503</u>	<u>\$ 7,359</u>	<u>\$ 5,240</u>	<u>\$ 2</u>	<u>\$ 90</u>
<u>Liabilities and fund balances:</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 830	\$ 612	\$ 432	\$ 238	\$ -
Accrued wages	19,636	-	-	-	-
Compensated absences payable	1,165	-	-	-	-
Interfund payable	-	-	-	-	-
Intergovernmental payable	2,774	-	-	-	-
Deferred revenue	6,460	-	-	-	-
Total liabilities	<u>30,865</u>	<u>612</u>	<u>432</u>	<u>238</u>	<u>-</u>
<u>Fund balances:</u>					
Reserved for encumbrances	2,448	3,418	4,808	-	-
Unreserved, undesignated, Reported in special revenue funds	19,190	3,329	-	(236)	90
Total fund balances	<u>21,638</u>	<u>6,747</u>	<u>4,808</u>	<u>(236)</u>	<u>90</u>
Total liabilities and fund balances	<u>\$ 52,503</u>	<u>\$ 7,359</u>	<u>\$ 5,240</u>	<u>\$ 2</u>	<u>\$ 90</u>

Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ 41,902	\$ 666,149
-	89,600	104,169
-	-	29,166
-	-	24,924
<u>\$ -</u>	<u>\$ 131,502</u>	<u>\$ 824,408</u>

\$ -	\$ 1,470	\$ 81,954
22,283	-	103,245
-	-	1,165
-	-	44,223
5,926	-	22,756
-	-	14,569
<u>28,209</u>	<u>1,470</u>	<u>267,912</u>

-	40,433	186,191
<u>(28,209)</u>	<u>89,599</u>	<u>370,305</u>
<u>(28,209)</u>	<u>130,032</u>	<u>556,496</u>
<u>\$ -</u>	<u>\$ 131,502</u>	<u>\$ 824,408</u>

Cuyahoga Falls City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Food Service	Uniform School Supplies	Consumer Services	Adult Education	Public School Support
<u>Revenues:</u>					
Intergovernmental	\$ 336,098	\$ -	\$ -	\$ -	\$ -
Interest	239	-	-	-	-
Tuition and fees	-	44,775	-	1,775	12,648
Extracurricular activities	-	249	-	-	182,126
Gifts and donations	-	-	-	-	3,280
Customer services	1,032,232	-	27,771	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>1,368,569</u>	<u>45,024</u>	<u>27,771</u>	<u>1,775</u>	<u>198,054</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	-	26,448	-	-	170,264
Special	-	-	-	-	-
Vocational	-	3,205	24,385	-	-
Adult/continuing	-	-	-	530	-
Other	-	-	-	-	-
Support services:					
Pupils	-	-	-	-	-
Instructional staff	-	-	-	-	-
Administration	-	-	-	-	-
Fiscal	1,126	6,933	-	-	-
Operation and maintenance of plant	17,001	-	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services					
Food service operations	1,377,704	-	-	-	-
Community services	-	-	-	-	-
Extracurricular activities	-	-	-	-	8,000
Total expenditures	<u>1,395,831</u>	<u>36,586</u>	<u>24,385</u>	<u>530</u>	<u>178,264</u>
Excess of revenues over (under) expenditures	<u>(27,262)</u>	<u>8,438</u>	<u>3,386</u>	<u>1,245</u>	<u>19,790</u>
<u>Other financing sources (uses):</u>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(27,262)	8,438	3,386	1,245	19,790
Fund balances (deficit) at beginning of year, as restated	31,109	42,150	5,191	2,738	158,166
Fund balances (deficit) at end of year	<u>\$ 3,847</u>	<u>\$ 50,588</u>	<u>\$ 8,577</u>	<u>\$ 3,983</u>	<u>\$ 177,956</u>

Outdoor Education	Miscellaneous Local Grants	Underground Storage Tanks	School Improvement Models	District Managed Student Activity	Auxiliary Services	Career Development	Teacher Development
\$ -	\$ 8,951	\$ -	\$ -	\$ -	\$ 757,387	\$ -	\$ -
-	-	-	-	-	4,012	-	-
-	-	-	-	-	-	-	-
-	-	-	-	247,825	-	-	-
-	1,333	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	8,070	-	-	-	-	-	-
-	18,354	-	-	247,825	761,399	-	-
-	3,449	-	-	1,369	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	4,150	-	-	-	-	-	-
-	20,921	-	16,215	-	-	830	929
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	886,373	1,964	-
-	2,000	-	-	258,754	-	-	-
-	30,520	-	16,215	260,123	886,373	2,794	929
-	(12,166)	-	(16,215)	(12,298)	(124,974)	(2,794)	(929)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(12,166)	-	(16,215)	(12,298)	(124,974)	(2,794)	(929)
10,479	37,172	11,000	17,294	94,873	189,759	2,794	929
<u>\$ 10,479</u>	<u>\$ 25,006</u>	<u>\$ 11,000</u>	<u>\$ 1,079</u>	<u>\$ 82,575</u>	<u>\$ 64,785</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

Cuyahoga Falls City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Management Information Systems	Head Start	Disadvantaged Pupil Impact Aid	Data Communications	SchoolNet Professional Development
<u>Revenues:</u>					
Intergovernmental	\$ 19,552	\$ 10,000	\$ 45,446	\$ 38,500	\$ 4,600
Interest	-	-	-	-	-
Tuition and fees	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Gifts and donations	-	-	-	-	-
Customer services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>19,552</u>	<u>10,000</u>	<u>45,446</u>	<u>38,500</u>	<u>4,600</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	-	-	33,273	-	-
Special	-	-	-	-	-
Vocational	-	-	-	-	-
Adult/continuing	-	-	-	-	-
Other	-	-	-	-	-
Support services:					
Pupils	40,214	2,039	-	-	-
Instructional staff	-	15	10,506	-	-
Administration	-	9,900	-	-	-
Fiscal	-	-	-	-	-
Operation and maintenance of plant	-	-	-	17,164	-
Central	-	-	-	-	8,592
Operation of non-instructional services					
Food service operations	-	-	-	-	-
Community services	-	-	-	18,447	-
Extracurricular activities	-	-	-	-	-
Total expenditures	<u>40,214</u>	<u>11,954</u>	<u>43,779</u>	<u>35,611</u>	<u>8,592</u>
Excess of revenues over (under) expenditures	<u>(20,662)</u>	<u>(1,954)</u>	<u>1,667</u>	<u>2,889</u>	<u>(3,992)</u>
<u>Other financing sources (uses):</u>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(1,818)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,818)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(20,662)	(1,954)	(151)	2,889	(3,992)
Fund balances (deficit) at beginning of year, as restated	19,596	11,924	-	18,447	8,592
Fund balances (deficit) at end of year	<u>\$ (1,066)</u>	<u>\$ 9,970</u>	<u>\$ (151)</u>	<u>\$ 21,336</u>	<u>\$ 4,600</u>

Ohio Reads	Summer Intervention	Vocational Education Enhancement	Extended Learning Opportunity	Miscellaneous State Grants	Eisenhower Math and Science	Title VI-B	Title III
\$ 10,000	\$ -	\$ 46,036	\$ -	\$ 500	\$ 13,476	\$ 793,964	\$ 19,836
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,000	-	46,036	-	500	13,476	793,964	19,836
-	-	-	-	1,611	6,744	-	-
-	-	-	-	-	-	504,643	19,836
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	4,637	-	-	-	-	-	-
-	-	-	2,773	4,080	-	129,587	-
10,579	-	-	-	1,843	62,467	31,098	-
-	-	-	-	3,820	-	139,898	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	53,278	-	-	975	74,773	-
-	-	-	-	-	-	-	-
10,579	4,637	53,278	2,773	11,354	70,186	879,999	19,836
(579)	(4,637)	(7,242)	(2,773)	(10,854)	(56,710)	(86,035)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(579)	(4,637)	(7,242)	(2,773)	(10,854)	(56,710)	(86,035)	-
4,326	4,637	-	2,773	39,281	63,057	1,818	-
\$ 3,747	\$ -	\$ (7,242)	\$ -	\$ 28,427	\$ 6,347	\$ (84,217)	\$ -

(Continued)

Cuyahoga Falls City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Title I	Title V	Drug Free Schools Grant	EHA Preschool Grant for Handicapped	Goals 2000
<u>Revenues:</u>					
Intergovernmental	\$ 419,246	\$ 63,941	\$ 26,441	\$ 50,873	\$ -
Interest	-	-	-	-	-
Tuition and fees	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Gifts and donations	-	-	-	-	-
Customer services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>419,246</u>	<u>63,941</u>	<u>26,441</u>	<u>50,873</u>	<u>-</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	-	58,970	10,366	19,562	1,525
Special	379,794	-	-	-	-
Vocational	-	-	-	-	-
Adult/continuing	-	-	-	-	-
Other	-	-	-	-	-
Support services:					
Pupils	-	-	8,631	18,590	-
Instructional staff	25,237	-	-	-	-
Administration	2,026	-	-	34,681	-
Fiscal	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services					
Food service operations	-	-	-	-	-
Community services	18,151	13,057	2,983	5,617	-
Extracurricular activities	-	-	-	-	-
Total expenditures	<u>425,208</u>	<u>72,027</u>	<u>21,980</u>	<u>78,450</u>	<u>1,525</u>
Excess of revenues over (under) expenditures	<u>(5,962)</u>	<u>(8,086)</u>	<u>4,461</u>	<u>(27,577)</u>	<u>(1,525)</u>
<u>Other financing sources (uses):</u>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(5,962)	(8,086)	4,461	(27,577)	(1,525)
Fund balances (deficit) at beginning of year, as restated	27,600	14,833	347	27,341	1,615
Fund balances (deficit) at end of year	<u>\$ 21,638</u>	<u>\$ 6,747</u>	<u>\$ 4,808</u>	<u>\$ (236)</u>	<u>\$ 90</u>

Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 168,280	\$ 151,798	\$ 2,984,925
-	-	4,251
-	-	59,198
-	-	430,200
-	-	4,613
-	-	1,060,003
-	-	8,070
<u>168,280</u>	<u>151,798</u>	<u>4,551,260</u>
162,018	4,395	499,994
-	-	904,273
-	-	27,590
-	-	530
-	-	4,637
-	15,753	225,817
739	1,618	182,997
28,209	-	218,534
-	-	8,059
-	-	34,165
-	-	8,592
-	-	1,377,704
-	-	1,075,618
-	-	268,754
<u>190,966</u>	<u>21,766</u>	<u>4,837,264</u>
<u>(22,686)</u>	<u>130,032</u>	<u>(286,004)</u>
-	-	-
-	-	(1,818)
-	-	(1,818)
(22,686)	130,032	(287,822)
(5,523)	-	844,318
<u>\$ (28,209)</u>	<u>\$ 130,032</u>	<u>\$ 556,496</u>

Cuyahoga Falls City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2003

	<u>Permanent Improvement</u>	<u>Vocational Education Equipment</u>	<u>SchoolNet</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ -	\$ 1,695	\$ 913	\$ 2,608
<u>Fund balances:</u>				
Unreserved, undesignated, Reported in capital projects funds	\$ -	\$ 1,695	\$ 913	\$ 2,608

Cuyahoga Falls City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2003

	Permanent Improvement	Vocational Education Equipment	SchoolNet	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 1,695	\$ -	\$ 1,695
Interest	148	-	-	148
Total revenues	<u>148</u>	<u>1,695</u>	<u>-</u>	<u>1,843</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	-	69	69
Support services:				
Instructional staff	-	-	82,179	82,179
Capital outlay	<u>11,011</u>	<u>-</u>	<u>-</u>	<u>11,011</u>
Total expenditures	<u>11,011</u>	<u>-</u>	<u>82,248</u>	<u>93,259</u>
Excess of revenues over (under) expenditures	<u>(10,863)</u>	<u>1,695</u>	<u>(82,248)</u>	<u>(91,416)</u>
<u>Other financing sources (uses):</u>				
Proceeds from sale of capital assets	<u>7,557</u>	<u>-</u>	<u>-</u>	<u>7,557</u>
Net change in fund balance	(3,306)	1,695	(82,248)	(83,859)
Fund balances at beginning of year	<u>3,306</u>	<u>-</u>	<u>83,161</u>	<u>86,467</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ 1,695</u>	<u>\$ 913</u>	<u>\$ 2,608</u>

Cuyahoga Falls City School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2003

	Beginning Balance July 1, 2002	Additions	Deductions	Ending Balance June 30, 2003
<u>Kent State University Aviation Fund</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 1,800	\$ -	\$ -	\$ 1,800
<u>Liabilities:</u>				
Undistributed monies	\$ 1,800	\$ -	\$ -	\$ 1,800
 <u>Sunshine & Staff Fund</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 10,851	\$ -	\$ 3,968	\$ 6,883
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 217	\$ -	\$ 217
Undistributed monies	10,851	-	4,185	6,666
Total liabilities	\$ 10,851	\$ 217	\$ 4,185	\$ 6,883
 <u>Vocational Compact Fund</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 53,657	\$ -	\$ 13,877	\$ 39,780
<u>Liabilities:</u>				
Accounts payable	\$ 32,710	\$ 32,885	\$ 32,710	\$ 32,885
Accrued wages	5,470	5,890	5,470	5,890
Intergovernmental payable	79	4,895	79	4,895
Undistributed monies	15,398	38,259	57,547	(3,890)
Total liabilities	\$ 53,657	\$ 81,929	\$ 95,806	\$ 39,780
 <u>Student Managed Activity Fund</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 57,307	\$ -	\$ 25,504	\$ 31,803
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 3,035	\$ -	\$ 3,035
Due to students	57,307	-	28,539	28,768
Total liabilities	\$ 57,307	\$ 3,035	\$ 28,539	\$ 31,803

Cuyahoga Falls City School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2003

	Beginning Balance July 1, 2002	Additions	Deductions	Ending Balance June 30, 2003
<u>MEO/SERRC Fund</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 80,549	\$ 369,202	\$ -	\$ 449,751
Intergovernmental receivable	454,469	-	454,469	-
Total assets	<u>\$ 535,018</u>	<u>\$ 369,202</u>	<u>\$ 454,469</u>	<u>\$ 449,751</u>
<u>Liabilities:</u>				
Accounts payable	\$ 16,533	\$ 22,989	\$ 16,533	\$ 22,989
Accrued wages	72,579	83,470	72,579	83,470
Intergovernmental payable	18,279	16,282	18,279	16,282
Compensated absences payable	4,684	-	4,684	-
Undistributed monies	422,943	369,202	465,135	327,010
Total liabilities	<u>\$ 535,018</u>	<u>\$ 491,943</u>	<u>\$ 577,210</u>	<u>\$ 449,751</u>
<u>Total All Agency Funds</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 204,164	\$ 369,202	\$ 43,349	\$ 530,017
Intergovernmental receivable	454,469	-	454,469	-
Total assets	<u>\$ 57,773</u>	<u>\$ 369,202</u>	<u>\$ 497,818</u>	<u>\$ 530,017</u>
<u>Liabilities:</u>				
Accounts payable	\$ 49,243	\$ 59,126	\$ 49,243	\$ 59,126
Accrued wages	78,049	89,360	78,049	89,360
Intergovernmental payable	18,358	21,177	18,358	21,177
Undistributed monies	450,992	407,461	526,867	331,586
Due to students	57,307	-	28,539	28,768
Total liabilities	<u>\$ 653,949</u>	<u>\$ 577,124</u>	<u>\$ 701,056</u>	<u>\$ 530,017</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Food Service Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 320,119	\$ 336,098	\$ 15,979
Interest	573	239	(334)
Charges for services	1,379,308	1,032,643	(346,665)
Total revenues	<u>1,700,000</u>	<u>1,368,980</u>	<u>(331,020)</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Operation and maintenance of plant	22,000	18,662	3,338
Operation of non-instructional services	1,704,786	1,377,105	327,681
Total expenditures	<u>1,726,786</u>	<u>1,395,767</u>	<u>331,019</u>
Net change in fund balance	(26,786)	(26,787)	(1)
Fund balances at beginning of year	19,037	19,037	-
Prior year encumbrances appropriated	7,750	7,750	-
Fund balances at end of year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

Uniform School Supplies Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 71,704	\$ 44,775	\$ (26,929)
Extracurricular activities	200	249	49
Total revenues	<u>71,904</u>	<u>45,024</u>	<u>(26,880)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	29,605	38,062	(8,457)
Vocational	7,676	7,677	(1)
Total expenditures	<u>37,281</u>	<u>45,739</u>	<u>(8,458)</u>
Excess of revenues over (under) expenditures	<u>34,623</u>	<u>(715)</u>	<u>(35,338)</u>
<u>Other financing sources (uses):</u>			
Transfers out	(55,539)	-	55,539
Net change in fund balance	(20,916)	(715)	20,201
Fund balances at beginning of year	20,900	20,900	-
Prior year encumbrances appropriated	16	16	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ 20,201</u>	<u>\$ 20,201</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Consumer Services Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Customer services	\$ 22,000	\$ 27,771	\$ 5,771
<u>Expenditures:</u>			
Current:			
Instruction:			
Vocational	27,249	26,858	391
Net change in fund balance	(5,249)	913	6,162
Fund balances at beginning of year	4,722	4,722	-
Prior year encumbrances appropriated	527	527	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ 6,162</u>	<u>\$ 6,162</u>

Adult Education Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 12,544	\$ -	\$ (12,544)
Tuition and fees	2,456	1,775	(681)
Total revenues	15,000	1,775	(13,225)
<u>Expenditures:</u>			
Current:			
Instruction:			
Adult/continuing	19,714	2,481	17,233
Net change in fund balance	(4,714)	(706)	4,008
Fund balances at beginning of year	4,714	4,714	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ 4,008</u>	<u>\$ 4,008</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Public School Support Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 147,784	\$ 182,126	\$ 34,342
Gifts and donations	7,594	3,280	(4,314)
Tuition and fees	2,963	12,648	9,685
Total revenues	<u>158,341</u>	<u>198,054</u>	<u>39,713</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	247,105	190,713	56,392
Special	26,023	-	26,023
Operation of non-instructional services	3,412	-	3,412
Extracurricular activities	8,000	8,000	-
Total expenditures	<u>284,540</u>	<u>198,713</u>	<u>85,827</u>
Net change in fund balance	(126,199)	(659)	125,540
Fund balances at beginning of year	149,010	149,010	-
Prior year encumbrances appropriated	13,520	13,520	-
Fund balances at end of year	<u>\$ 36,331</u>	<u>\$ 161,871</u>	<u>\$ 125,540</u>

Outdoor Education Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services	10,479	-	10,479
Net change in fund balance	(10,479)	-	10,479
Fund balances at beginning of year	10,479	10,479	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ 10,479</u>	<u>\$ 10,479</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Miscellaneous Local Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 18,589	\$ 8,951	\$ (9,638)
Gifts and donations	1,733	1,333	(400)
Miscellaneous	8,070	8,070	-
Total revenues	<u>28,392</u>	<u>18,354</u>	<u>(10,038)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	5,439	3,425	2,014
Support services:			
Pupils	14,532	4,275	10,257
Instructional staff	15,308	27,578	(12,270)
Extracurricular activities	2,000	2,000	-
Total expenditures	<u>37,279</u>	<u>37,278</u>	<u>1</u>
Net change in fund balance	(8,887)	(18,924)	(10,037)
Fund balance at beginning of year	37,166	37,166	-
Prior year encumbrances appropriated	31	31	-
Fund balance at end of year	<u>\$ 28,310</u>	<u>\$ 18,273</u>	<u>\$ (10,037)</u>

Underground Storage Tanks Fund

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

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

School Improvement Models Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	11,846	16,641	(4,795)
Net change in fund balance	(11,846)	(16,641)	(4,795)
Fund balance at beginning of year	16,878	16,878	-
Prior year encumbrances appropriated	843	843	-
Fund balance at end of year	<u>\$ 5,875</u>	<u>\$ 1,080</u>	<u>\$ (4,795)</u>

District Managed Student Activity Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 244,706	\$ 247,825	\$ 3,119
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,845	1,530	315
Extracurricular activities	298,903	289,861	9,042
Total expenditures	300,748	291,391	9,357
Net change in fund balance	(56,042)	(43,566)	12,476
Fund balance at beginning of year	76,892	76,892	-
Prior year encumbrances appropriated	21,846	21,846	-
Fund balance at end of year	<u>\$ 42,696</u>	<u>\$ 55,172</u>	<u>\$ 12,476</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Auxiliary Services Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 806,978	\$ 757,387	\$ (49,591)
Interest	2,876	4,012	1,136
Total revenues	<u>809,854</u>	<u>761,399</u>	<u>(48,455)</u>
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services	<u>999,979</u>	<u>999,747</u>	<u>232</u>
Net change in fund balance	(190,125)	(238,348)	(48,223)
Fund balances at beginning of year	189,187	189,187	-
Prior year encumbrances appropriated	49,161	49,161	-
Fund balances at end of year	<u>\$ 48,223</u>	<u>\$ -</u>	<u>\$ (48,223)</u>

Career Development Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 4,809	\$ -	\$ (4,809)
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	830	830	-
Operation of non-instructional services	4,740	2,740	2,000
Total expenditures	<u>5,570</u>	<u>3,570</u>	<u>2,000</u>
Net change in fund balance	(761)	(3,570)	(2,809)
Fund balances at beginning of year	2,794	2,794	-
Prior year encumbrances appropriated	776	776	-
Fund balances at end of year	<u>\$ 2,809</u>	<u>\$ -</u>	<u>\$ (2,809)</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Teacher Development Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	1,193	1,193	-
Net change in fund balance	(1,193)	(1,193)	-
Fund balances at beginning of year	1,193	1,193	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Management Information System Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 32,729	\$ 19,552	\$ (13,177)
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	52,305	39,148	13,157
Central	19	-	19
Total expenditures	52,324	39,148	13,176
Net change in fund balance	(19,595)	(19,596)	(1)
Fund balances at beginning of year	19,596	19,596	-
Fund balances at end of year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Head Start Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 10,000	\$ 10,000	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	12,009	2,039	9,970
Instructional staff	15	15	-
Administration	9,900	9,900	-
Total expenditures	21,924	11,954	9,970
Net change in fund balance	(11,924)	(1,954)	9,970
Fund balance at beginning of year	11,924	11,924	-
Fund balance at end of year	\$ -	\$ 9,970	\$ 9,970

Disadvantaged Pupil Impact Aid Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 43,628	\$ 45,446	\$ 1,818
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	41,810	33,273	8,537
Support services:			
Instructional staff	-	10,355	(10,355)
Total expenditures	41,810	43,628	(1,818)
Excess of revenues over (under) expenditures	1,818	1,818	-
<u>Other financing sources (uses):</u>			
Transfers out	(1,818)	(1,818)	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Data Communications Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 38,500	\$ 38,500	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Operation and maintenance of plant	38,500	17,164	21,336
Operation of non-instructional services	22,360	22,360	-
Total expenditures	60,860	39,524	21,336
Net change in fund balance	(22,360)	(1,024)	21,336
Fund balances at beginning of year	22,360	22,360	-
Fund balances at end of year	\$ -	\$ 21,336	\$ 21,336

SchoolNet Professional Development Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ -	\$ 4,600	\$ 4,600
<u>Expenditures:</u>			
Current:			
Support services:			
Central	8,592	8,592	-
Net change in fund balance	(8,592)	(3,992)	4,600
Fund balances at beginning of year	8,592	8,592	-
Fund balances at end of year	\$ -	\$ 4,600	\$ 4,600

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Ohio Reads Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 10,000	\$ 10,000	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	14,369	11,322	3,047
Net change in fund balance	(4,369)	(1,322)	3,047
Fund balances at beginning of year	4,369	4,369	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ 3,047</u>	<u>\$ 3,047</u>

Summer Intervention Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Other	4,638	4,638	-
Net change in fund balance	(4,638)	(4,638)	-
Fund balances at beginning of year	4,637	4,637	-
Prior year encumbrances appropriated	1	1	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Vocational Education Enhancement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 54,160	\$ 46,036	\$ (8,124)
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services	54,160	46,036	8,124
Net change in fund balance	-	-	-
Fund balances at beginning of year	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Extended Learning Opportunity Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	2,905	2,905	-
Net change in fund balance	(2,905)	(2,905)	-
Fund balances at beginning of year	2,690	2,690	-
Prior year encumbrances appropriated	215	215	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Miscellaneous State Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 88,846	\$ 500	\$ (88,346)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,596	1,613	(17)
Vocational	4	-	4
Support services:			
Pupils	119,767	4,127	115,640
Instructional staff	2,989	1,843	1,146
Administration	3,875	3,875	-
Total expenditures	128,231	11,458	116,773
Net change in fund balance	(39,385)	(10,958)	28,427
Fund balances at beginning of year	38,907	38,907	-
Prior year encumbrances appropriated	478	478	-
Fund balances at end of year	\$ -	\$ 28,427	\$ 28,427

Eisenhower Math and Science Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 13,476	\$ 13,476	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	6,744	6,744	-
Support services:			
Instructional staff	62,467	62,467	-
Operation of non-instructional services	975	975	-
Total expenditures	70,186	70,186	-
Net change in fund balance	(56,710)	(56,710)	-
Fund balances at beginning of year	63,057	63,057	-
Fund balances at end of year	\$ 6,347	\$ 6,347	\$ -

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

	Title VI-B Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 841,329	\$ 793,964	\$ (47,365)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	504,351	504,351	-
Support services:			
Pupils	132,643	132,643	-
Instructional staff	31,098	31,098	-
Administration	138,725	138,725	-
Operation of non-instructional services	75,553	75,553	-
Total expenditures	882,370	882,370	-
Excess of revenues over (under) expenditures	(41,041)	(88,406)	(47,365)
<u>Other financing sources (uses):</u>			
Advances in	-	44,223	44,223
Net change in fund balance	(41,041)	(44,183)	(3,142)
Fund balances at beginning of year	39,112	39,112	-
Prior year encumbrances appropriated	1,929	1,929	-
Fund balances at end of year	\$ -	\$ (3,142)	\$ (3,142)

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Title III Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 19,836	\$ 19,836	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	19,836	19,836	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Title I Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 421,244	\$ 419,246	\$ (1,998)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	407,824	385,899	21,925
Support services:			
Instructional staff	41,861	26,491	15,370
Operation of non-instructional services	25,794	18,325	7,469
Total expenditures	475,479	430,715	44,764
Net change in fund balance	(54,235)	(11,469)	42,766
Fund balance at beginning of year	49,754	49,754	-
Prior year encumbrances appropriated	4,481	4,481	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 42,766</u>	<u>\$ 42,766</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

	Title V Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 63,603	\$ 63,941	\$ 338
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	59,100	62,208	(3,108)
Support services:			
Instructional staff	5,992	-	5,992
Operation of non-instructional services	13,249	13,237	12
Total expenditures	78,341	75,445	2,896
Net change in fund balance	(14,738)	(11,504)	3,234
Fund balances at beginning of year	13,888	13,888	-
Prior year encumbrances appropriated	946	946	-
Fund balances at end of year	\$ 96	\$ 3,330	\$ 3,234

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Drug Free Schools Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 30,962	\$ 26,441	\$ (4,521)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	16,760	15,175	1,585
Support services:			
Pupils	10,000	8,781	1,219
Operation and maintenance of plant	1,260	-	1,260
Operation of non-instructional services	3,440	2,983	457
Total expenditures	<u>31,460</u>	<u>26,939</u>	<u>4,521</u>
Net change in fund balance	(498)	(498)	-
Fund balances at beginning of year	37	37	-
Prior year encumbrances appropriated	461	461	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

EHA Preschool Grant for Handicapped Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 139,336	\$ 62,784	\$ (76,552)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	19,562	19,562	-
Support services:			
Pupils	39,736	19,723	20,013
Administration	35,465	35,021	444
Operation of non-instructional services	5,423	5,423	-
Total expenditures	<u>100,186</u>	<u>79,729</u>	<u>20,457</u>
Net change in fund balance	39,150	(16,945)	(56,095)
Fund balances at beginning of year	16,891	16,891	-
Prior year encumbrances appropriated	57	57	-
Fund balances at end of year	<u>\$ 56,098</u>	<u>\$ 3</u>	<u>\$ (56,095)</u>

Goals 2000 Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	<u>1,625</u>	<u>1,535</u>	<u>90</u>
Net change in fund balance	(1,625)	(1,535)	90
Fund balances at beginning of year	701	701	-
Prior year encumbrances appropriated	924	924	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ 90</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Improving Teacher Quality Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 268,341	\$ 168,280	\$ (100,061)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	12,191	179,733	(167,542)
Support services:			
Instructional staff	268,342	739	267,603
Total expenditures	280,533	180,472	100,061
Net change in fund balance	(12,192)	(12,192)	-
Fund balances at beginning of year	12,192	12,192	-
Fund balances at end of year	\$ -	\$ -	\$ -

Miscellaneous Federal Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 140,733	\$ 62,198	\$ (78,535)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	7,798	5,590	2,208
Vocational	156	-	156
Support services:			
Pupils	63,094	31,922	31,172
Instructional staff	69,685	24,686	44,999
Total expenditures	140,733	62,198	78,535
Net change in fund balance	-	-	-
Fund balances at beginning of year	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Bond Retirement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 1,151,073	\$ 1,099,637	\$ (51,436)
Intergovernmental	33,005	71,286	38,281
Interest	68	68	-
Miscellaneous	518	14,841	14,323
Total revenues	<u>1,184,664</u>	<u>1,185,832</u>	<u>1,168</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Fiscal	7,688	7,599	89
Debt service:			
Principal retirement	797,364	797,364	-
Interest and fiscal charges	552,474	400,547	151,927
Total expenditures	<u>1,357,526</u>	<u>1,205,510</u>	<u>152,016</u>
Net change in fund balance	(172,862)	(19,678)	153,184
Fund balance at beginning of year	27,777	27,777	-
Prior year encumbrances appropriated	162,424	162,424	-
Fund balance at end of year	<u>\$ 17,339</u>	<u>\$ 170,523</u>	<u>\$ 153,184</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Permanent Improvement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 293	\$ 148	\$ (145)
<u>Expenditures:</u>			
Capital outlay	4,452	11,011	(6,559)
Excess of revenues over (under) expenditures	(4,159)	(10,863)	(6,704)
<u>Other financing sources (uses):</u>			
Proceeds from sale of fixed assets	854	7,557	6,703
Net change in fund balance	(3,305)	(3,306)	(1)
Fund balance at beginning of year	3,305	3,305	-
Prior year encumbrances appropriated	1	1	-
Fund balance at end of year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

Vocational Education Equipment Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 7,990	\$ 1,695	\$ (6,295)
<u>Expenditures:</u>			
Current:			
Instruction:			
Vocational	7,990	-	7,990
Net change in fund balance	-	1,695	1,695
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,695</u>	<u>\$ 1,695</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

	SchoolNet Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 86,586	\$ 82,240	\$ (4,346)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	-	69	(69)
Support services:			
Instructional staff	87,507	82,179	5,328
Total expenditures	87,507	82,248	5,259
Net change in fund balance	(921)	(8)	913
Fund balance at beginning of year	921	921	-
Fund balance at end of year	\$ -	\$ 913	\$ 913

Cuyahoga Falls City School District
Schedule of Revenues, Expenses
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Self Insurance Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Charges for services	\$ 30,057	\$ 20,819	\$ (9,238)
<u>Expenses:</u>			
Fringe benefits	96,687	91,099	5,588
Purchased services	3,315	3,316	(1)
Total expenses	100,002	94,415	5,587
Excess of revenues over (under) expenses	(69,945)	(73,596)	(3,651)
Transfers in	69,944	73,595	3,651
Net change in fund balance	(1)	(1)	-
Fund balance at beginning of year	1	1	-
Fund balance at end of year	\$ -	\$ -	\$ -

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Private Purpose Trust Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 781	\$ 520	\$ (261)
Gifts and donations	910	200	(710)
Total revenues	<u>1,691</u>	<u>720</u>	<u>(971)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	34,132	5,259	28,873
Support services:			
Pupils	1,671	-	1,671
Instructional staff	54	-	54
Operation of non-instructional services	1,937	500	1,437
Total expenditures	<u>37,794</u>	<u>5,759</u>	<u>32,035</u>
Net change in fund balance	(36,103)	(5,039)	31,064
Fund balance at beginning of year, as restated	37,794	37,794	-
Fund balance at end of year	<u>\$ 1,691</u>	<u>\$ 32,755</u>	<u>\$ 31,064</u>

STATISTICAL SECTION



Cuyahoga Falls City School District

General Government Revenues by Source and Expenditures by Function

Last Ten Fiscal Years (1) (2) (3)

	Fiscal Year Ended June 30, 2003	Fiscal Year Ended June 30, 2002	Fiscal Year Ended June 30, 2001	Fiscal Year Ended June 30, 2000
<u>Revenues:</u>				
Taxes	\$ 21,891,579	\$ 18,884,448	\$ 19,106,743	\$ 19,191,065
Intergovernmental	18,107,331	17,377,734	16,983,378	15,726,888
Interest	59,705	132,114	408,779	526,833
Tuition and fees	1,011,506	347,363	195,439	81,739
Extracurricular activities	433,033	438,856	408,715	412,680
Gifts and donations	4,613	3,387	8,583	13,505
Charges for services	1,141,274	6,983	-	-
Rent	268,824	210,323	652,605	405,306
Other local revenues		-	-	-
Miscellaneous	154,037	361,968	57,966	48,911
Total revenues	\$ 43,071,902	\$ 37,763,176	\$ 37,822,208	\$ 36,406,927
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	\$ 19,174,328	\$ 16,717,773	\$ 16,807,515	\$ 16,306,916
Special	4,187,129	3,428,085	3,437,950	3,173,893
Vocational	928,046	816,575	1,013,433	875,238
Adult/continuing	530	-	708,442	692,426
Other	992,451	850,338	-	-
Support services:				
Pupils	2,167,865	2,251,109	2,250,133	2,367,633
Instructional staff	1,038,896	1,564,191	1,229,113	1,336,142
Board of education	75,828	81,490	55,151	57,137
Administration	2,610,833	2,471,204	2,408,862	2,223,622
Fiscal	728,362	625,361	637,162	611,042
Business	364,084	262,146	351,163	328,624
Operation and maintenance of plant	4,542,305	4,359,580	4,349,479	4,134,215
Pupil transportation	935,823	903,710	949,049	1,206,671
Central	361,995	236,026	290,061	135,751
Operation of non-instructional services:				
Food service operations	1,377,704	-	-	-
Community services	1,075,618	868,726	860,607	697,069
Extracurricular activities	818,119	775,024	784,762	726,443
Capital outlay	11,011	1,298,585	1,598,983	6,262,793
Debt service:	1,310,709	1,136,602	1,412,864	1,342,453
Total expenditures	\$ 42,701,636	\$ 38,646,525	\$ 39,144,729	\$ 42,478,068

Source: School District financial records.

(1) 1994 through 1996 reported on a cash basis, 1997-2003 on a GAAP basis.

(2) Data is presented on the modified accrual basis of accounting. The full accrual basis will be reported when there are enough years of information available to make comparisons.

(3) Includes only the general fund for fiscal years 1994-1998.

Includes general, special revenue, debt service, capital projects and expendable trust funds for fiscal years 1999-2002.

Includes general, special revenue, debt service and capital projects funds for fiscal year 2003.

<u>Fiscal Year Ended June 30, 1999</u>	<u>Fiscal Year Ended June 30, 1998</u>	<u>Fiscal Year Ended June 30, 1997</u>	<u>Fiscal Year Ended June 30, 1996</u>	<u>Fiscal Year Ended June 30, 1995</u>	<u>Fiscal Year Ended June 30, 1994</u>
\$ 17,513,911	\$ 11,923,109	\$ 11,684,188	\$ 15,014,352	\$ 15,096,784	\$ 15,118,235
15,298,987	12,183,501	12,045,837	11,306,567	11,096,557	11,435,306
757,861	444,400	445,832	386,029	407,001	354,486
17,114	38,079	72,439	276,239	259,103	188,456
408,499	-	-	-	-	-
11,484	-	-	-	-	-
-	-	-	-	-	-
321,324	-	-	-	-	-
-	353,518	293,383	286,086	304,382	266,465
49,231	221,082	-	-	-	-
<u>\$ 34,378,411</u>	<u>\$ 25,163,689</u>	<u>\$ 24,541,679</u>	<u>\$ 27,269,273</u>	<u>\$ 27,163,827</u>	<u>\$ 27,362,948</u>
\$ 15,384,335	\$ 15,066,498	\$ 14,527,596	\$ 15,002,594	\$ 14,581,054	\$ 14,731,823
2,967,400	2,133,763	2,059,630	1,658,588	1,517,949	1,404,806
987,582	681,887	716,722	712,614	695,258	730,408
-	394,114	721,847	-	-	-
1,002,204	-	-	-	-	-
1,994,948	1,696,088	1,704,154	1,660,739	1,575,412	1,743,077
1,177,889	703,618	834,509	727,143	883,923	716,863
43,525	51,608	59,939	56,861	52,961	58,158
2,058,100	2,054,541	1,994,000	1,960,796	2,052,263	1,982,765
612,567	583,109	584,959	559,534	545,587	497,473
315,454	310,427	313,735	327,276	289,268	306,973
3,988,302	3,507,620	3,382,186	3,011,090	3,436,236	3,257,529
908,438	763,278	614,169	709,783	513,535	716,141
127,383	81,121	55,193	149,570	153,176	168,966
728,210	-	-	-	-	-
722,911	414,648	381,808	383,921	391,629	398,719
1,496,550	-	-	-	-	-
1,082,001	263,836	265,879	574,192	536,389	149,194
<u>\$ 35,597,799</u>	<u>\$ 28,706,156</u>	<u>\$ 28,216,326</u>	<u>\$ 27,494,701</u>	<u>\$ 27,224,640</u>	<u>\$ 26,862,895</u>

Cuyahoga Falls 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 Collections	Percent of		Delinquent Collection	Total Collection	Total Collection as a Percent of	
					Current Levy Collected	Current Levy Collected			Total Levy	Taxes Receivable
2002	\$ 21,124,565	\$ 1,141,246	\$ 22,265,811	\$ 20,487,780	96.99%	\$ 672,094	\$ 21,159,874	95.03%	\$ 1,105,937	
2001	21,412,147	996,921	22,409,068	20,694,434	96.65%	557,193	21,251,627	94.83%	1,157,441	
2000	21,594,068	685,311	22,279,379	21,015,902	97.32%	482,718	21,498,620	96.50%	780,759	
1999	14,548,079	649,816	15,197,895	14,201,964	97.62%	456,187	14,658,151	96.45%	539,744	
1998	21,128,490	800,923	21,929,413	20,675,011	97.85%	379,287	21,054,298	96.01%	875,115	
1997	18,208,159	847,866	19,056,025	17,794,050	97.73%	531,888	18,325,938	96.17%	730,087	
1996	17,202,997	846,785	18,049,782	16,803,090	97.68%	463,401	17,266,491	95.66%	783,291	
1995	17,397,317	1,024,862	18,422,179	17,043,220	97.96%	493,889	17,537,109	95.20%	885,070	
1994	15,193,231	542,339	15,735,570	14,869,268	97.87%	269,463	15,138,731	96.21%	596,839	
1993	15,193,231	542,339	15,735,570	14,869,268	97.87%	269,463	15,138,731	96.21%	596,839	

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 Summit County Fiscal Officer.

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

(2) Represents collection year. 2003 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.

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

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2003	\$ 737,624,380	\$ 2,107,498,229	\$ 11,250,580	\$ 12,784,750	\$ 42,715,916	\$ 170,863,664	\$ 791,590,876	\$ 2,291,146,643
2002	660,669,170	1,887,626,200	10,687,260	12,144,614	46,351,101	185,404,404	717,707,531	2,085,175,218
2001	655,857,840	1,873,879,543	14,381,440	16,342,545	46,876,653	187,506,612	717,115,933	2,077,728,700
2000	651,512,170	1,861,463,343	15,258,960	17,339,727	45,314,624	181,258,496	712,085,754	2,060,061,566
1999	581,353,600	1,661,010,286	16,453,600	18,697,273	42,509,623	170,038,492	640,316,823	1,849,746,050
1998	569,064,070	1,625,897,343	16,587,610	18,849,557	37,434,678	149,738,712	623,086,358	1,794,485,612
1997	566,965,030	1,619,900,086	16,985,740	19,301,977	37,265,346	149,061,384	621,216,116	1,788,263,447
1996	451,203,450	1,289,152,714	17,977,390	20,428,852	37,265,346	149,061,384	506,446,186	1,458,642,951
1995	449,237,970	1,283,537,057	21,708,860	24,669,159	37,852,754	151,411,016	508,799,584	1,459,617,232
1994	445,573,610	1,273,067,457	19,076,440	21,677,773	34,180,868	136,723,472	498,830,918	1,431,468,702

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 Summit County Fiscal Officer.

- (1) Real estate value is assessed at 35% of actual value.
- (2) Public utility personal is assessed at 88% of actual value.
- (3) Tangible personal property is assessed at 25% of actual value.

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

Collection Year		School Levy	County Levy	City Levy	Total Levy
2003	City of Cuyahoga Falls	\$ 61.96	\$ 13.07	\$ 11.00	\$ 86.03
	Village of Silver Lake	61.96	13.07	13.75	88.78
2002	City of Cuyahoga Falls	57.23	13.07	11.00	81.30
	Village of Silver Lake	57.23	13.07	13.75	84.05
2001	City of Cuyahoga Falls	57.23	13.07	11.00	81.30
	Village of Silver Lake	57.23	13.07	13.75	84.05
2000	City of Cuyahoga Falls	57.63	12.27	11.00	80.90
	Village of Silver Lake	57.63	12.27	13.75	83.65
1999	City of Cuyahoga Falls	57.87	12.27	11.00	81.14
	Village of Silver Lake	57.87	12.27	13.75	83.89
1998	City of Cuyahoga Falls	53.83	11.65	12.00	77.48
	Village of Silver Lake	53.83	11.65	13.75	79.23
1997	City of Cuyahoga Falls	53.93	11.39	12.00	77.32
	Village of Silver Lake	53.93	11.39	13.75	79.07
1996	City of Cuyahoga Falls	53.98	13.99	12.00	79.97
	Village of Silver Lake	53.98	13.99	13.75	81.72
1995	City of Cuyahoga Falls	53.98	14.16	12.00	80.14
	Village of Silver Lake	53.98	14.16	13.75	81.89
1994	City of Cuyahoga Falls	54.10	12.31	12.00	78.41
	Village of Silver Lake	54.10	12.31	13.75	80.16

Source: Summit County Fiscal Officer - Data is presented on a collection year basis (not fiscal year) because that is the manner in which the information is maintained by the Summit County Fiscal Officer.

Note: Property tax rates are per \$1,000 of assessed valuation.

Cuyahoga Falls City School District
Computation of Legal Debt Margin
June 30, 2003

Assessed Valuation (2003)		<u>\$ 791,590,876</u>
Bonded Debt Limit - 9% of Assessed Value (1)		71,243,179
Outstanding debt:		
School Improvement Bonds	7,427,000	
Energy Conservation Bonds	300,000	
Asbestos Removal Loan	250,455	
IP Phone System Loan	565,000	
Less: Amount available in debt service fund	<u>(218,047)</u>	
Total outstanding debt	<u>\$ 8,324,408</u>	
Amount of debt applicable to debt limit		<u>8,324,408</u>
Voted Debt Margin		<u>\$ 62,918,771</u>
Bonded Debt Limit - .10% of Assessed Value (1)		\$ 791,591
Outstanding debt:		
School Improvement Bonds		7,427,000
Energy Conservation Bonds		300,000
Asbestos Removal Loan		250,455
IP Phone System Loan		565,000
Less: Amount available in debt service fund		<u>(218,047)</u>
Total outstanding debt		<u>\$ 8,324,408</u>
Less exemptions:		
School Improvement Bonds		7,427,000
Energy Conservation Bonds		300,000
Asbestos Removal Loan		250,455
IP Phone System Loan		565,000
Less: Amount available in debt service fund		<u>(218,047)</u>
Total exemptions		<u>\$ 8,324,408</u>
Amount of debt applicable to debt limit		-
Unvoted Debt Margin		<u>\$ 791,591</u>

Source: Summit County Fiscal Officer and School District financial records.

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

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

<u>Collection Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value</u>	<u>Population (2)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2003	\$ 8,324,408	\$ 791,590,876	52,393	1.05%	158.88
2002	9,137,522	717,707,531	52,393	1.27%	174.40
2001	8,110,457	717,115,933	52,393	1.13%	154.80
2000	8,781,518	712,085,754	52,393	1.23%	167.61
1999	9,598,382	640,316,823	52,002	1.50%	184.58
1998	2,362,332	623,086,358	52,002	0.38%	45.43
1997	2,784,547	621,216,116	52,002	0.45%	53.55
1996	3,222,171	506,446,186	52,002	0.64%	61.96
1995	3,624,774	508,799,584	52,002	0.71%	69.70
1994	1,447,141	498,830,918	52,002	0.29%	27.83

Source: Summit County Fiscal Officer and School District financial records.

(1) No debt is applicable to enterprise funds.

(2) Population data for 1994 through 1999 was assumed to be the same as the 1990 census as interim data was not available, 2000 through 2003 was assumed to be same as the 2000 census.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Governmental Expenditures (Percentages)</u>
2003	\$ 797,364	\$ 400,547	\$ 1,197,911	\$ 42,701,636	2.81%
2002	616,364	391,135	1,007,499	38,646,525	2.61%
2001	810,000	408,310	1,218,310	39,144,729	3.11%
2000	765,000	444,166	1,209,166	42,478,068	2.85%
1999	530,000	339,704	869,704	35,597,799	2.44%
1998	430,000	147,419	577,419	28,706,156	2.01%
1997	430,000	170,181	600,181	28,216,326	2.13%
1996	430,000	192,744	622,744	27,494,701	2.26%
1995	457,686	182,627	640,313	27,224,640	2.35%
1994	230,000	92,719	322,719	26,862,895	1.20%

Source: School District financial records.

Cuyahoga Falls City School District
Demographic Statistics

<u>Selected Population Characteristic</u>	<u>2000</u>	<u>1990</u>
<u>Gender</u>		
Male	24,856	24,618
Female	27,537	27,384
 <u>Age Distribution</u>		
Under 5 years	3,374	3,510
5 to 20 years	9,412	9,968
21 to 24 years	2,993	2,765
25 to 44 years	16,381	17,496
45 to 54 years	7,003	4,899
55 to 64 years	4,448	5,187
65 to 74 years	4,419	4,967
75 years and older	4,363	3,210
Percent of population under 20	24.40%	25.92%
Percent of population 65 and older	16.76%	15.72%
 <u>Race</u>		
White	50,266	51,034
Black	927	520
Other	1,200	448

Source: U.S. Bureau of the Census
 Data used for City of Cuyahoga Falls and Silver Lake Village

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

<u>Year</u>	<u>Total Assessed Values</u>	<u>Certified Bank Deposits</u>	<u>Value of New Construction</u>
2002	\$ 791,590,876	\$ 8,097,304,000	\$ 21,135,748
2001	717,707,531	7,870,201,000	3,686,880
2000	717,115,933	7,920,486,000	3,715,270
1999	712,085,754	7,133,568,000	5,061,500
1998	640,316,823	4,486,230,000	8,732,730
1997	623,086,358	4,421,560,000	2,492,910
1996	621,216,116	4,342,660,000	5,092,340
1995	506,446,186	4,267,009,000	4,679,850
1994	508,799,584	4,199,905,000	4,392,410
1993	498,830,918	3,792,255,000	8,918,250

Source: Summit County Fiscal Officer, Federal Reserve Bank of Cleveland and the City of Cuyahoga Falls
 Data is presented on a calendar year basis because that is the manner in which the data is maintained.

Cuyahoga Falls City School District
Principal Taxpayers

Top Taxpayers	Assessed Valuations				Percent of Total	Estimated Actual Valuations			
	Real Property	Tangible Personal	Public Utility	Total		Real Property	Tangible Personal	Public Utility	Total
Newpart Limited Partnership	\$ 7,945,370	\$ -	\$ -	\$ 7,945,370	1.00%	\$ 22,701,057	\$ -	\$ -	\$ 22,701,057
Yorkshire Woods Apartments	7,040,240	-	-	7,040,240	0.89%	20,114,971	-	-	20,114,971
Ohio Bell Telephone	-	-	5,698,830	5,698,830	0.72%	-	-	6,475,943	6,475,943
Portage Towers Apartments Inc.	4,564,580	-	-	4,564,580	0.58%	13,041,657	-	-	13,041,657
State Road Associates Et al	4,305,000	-	-	4,305,000	0.54%	12,300,000	-	-	12,300,000
Heslop Inc	3,991,720	-	-	3,991,720	0.50%	11,404,914	-	-	11,404,914
HD Development of Mayland	3,824,790	-	-	3,824,790	0.48%	10,927,971	-	-	10,927,971
Brookledge II	3,370,630	-	-	3,370,630	0.43%	9,630,371	-	-	9,630,371
Plaza Chapel Hill Co.	3,296,580	-	-	3,296,580	0.42%	9,418,800	-	-	9,418,800
SGS Tool Company	-	2,923,620	-	2,923,620	0.37%	-	11,694,480	-	11,694,480
Total Top Ten Taxpayers	\$ 38,338,910	\$ 2,923,620	\$ 5,698,830	\$ 46,961,360	5.93%	\$ 109,539,741	\$ 11,694,480	\$ 6,475,943	\$ 127,710,164
Total All Assessed Valuations	\$ 737,624,380	\$ 42,715,916	\$ 11,250,580	\$ 791,590,876	100.00%				

Sources: Summit County Fiscal Officer

Cuyahoga Falls City School District
Computation of Direct and Overlapping Bonded Debt
June 30, 2003

<u>Jurisdiction</u>	<u>Assessed Valuation (1)</u>	<u>Net General Tax Supported Debt (2)</u>	<u>Percent Overlapping</u>	<u>Amount Applicable Cuyahoga Falls City School District</u>
Direct:				
Cuyahoga Falls City School District	\$ 791,590,876	<u>\$ 8,324,408</u>	100.00%	<u>\$ 8,324,408</u>
Overlapping:				
Summit County	11,922,128,807	72,400,000	6.64%	4,807,126
Metro Regional Transit Authority	11,922,128,807	1,515,000	6.64%	100,591
Cuyahoga Falls City	903,020,873	<u>39,823,045</u>	71.19%	<u>28,351,754</u>
Total overlapping:		<u>113,738,045</u>		<u>33,259,471</u>
Total direct and overlapping debt:		<u><u>\$ 122,062,453</u></u>		<u><u>\$ 41,583,879</u></u>

Sources: Summit County Fiscal Officer

(1) Assessed values are reported as of December 31, 2002.

(2) All debt reported as of December 31, 2002, except Cuyahoga Falls City School District which is reported at June 30, 2003.

Cuyahoga Falls City School District

Enrollment Statistics

Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Membership</u>	<u>Per Pupil Cost</u>
2003	\$ 36,565,603	5,123	\$ 7,138
2002	33,402,931	5,244	6,370
2001	33,124,984	5,463	6,064
2000	32,134,773	5,315	6,046
1999	30,328,390	5,597	5,419
1998	28,706,156	5,777	4,969
1997	28,216,326	5,826	4,843
1996	27,494,701	5,924	4,641
1995	27,224,640	5,862	4,644
1994	26,862,895	5,875	4,572

Source: School District Financial Records

Cuyahoga Falls City School District

Teacher Education and Experience

June 30, 2003

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total Teachers</u>
Bachelor's Degree	44	10.65%
Bachelor's Degree plus 15 hours	8	1.94%
Bachelor's Degree plus 150 hours	158	38.26%
Master's Degree	111	26.88%
Master's Degree plus 15 hours	55	13.32%
Master's Degree plus 30 hours	35	8.47%
Ph.D.	2	0.48%
Total number of teachers	<u>413</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total Teachers</u>
0 to 5	134	32.45%
6 to 10	83	20.09%
11 and over	196	47.46%
Total number of teachers	<u>413</u>	<u>100.00%</u>

Source: School District Personnel Records

Cuyahoga Falls City School District

School District Report Card Data

2002-2003 Academic Year

<u>Performance Standard</u>	<u>The School District</u>	<u>Minimum State Performance Standard</u>
<u>Grade 4</u>		
Citizenship	68.3%	75.0%
Mathematics	57.9%	75.0%
Reading	74.0%	75.0%
Writing	84.9%	75.0%
Science	66.2%	75.0%
<u>Grade 6</u>		
Citizenship	72.0%	75.0%
Mathematics	52.3%	75.0%
Reading	63.5%	75.0%
Writing	90.2%	75.0%
Science	62.1%	75.0%
<u>Grade 9 (9th Grade)</u>		
Citizenship	82.2%	75.0%
Mathematics	71.3%	75.0%
Reading	90.9%	75.0%
Writing	85.7%	75.0%
Science	74.2%	75.0%
<u>Grade 9 (10th Grade)</u>		
Citizenship	92.5%	85.0%
Mathematics	86.5%	85.0%
Reading	96.3%	85.0%
Writing	95.5%	85.0%
Science	91.5%	85.0%
Student Attendance Rate	94.9%	93.0%
Graduation Rate	89.8%	90.0%

Source: Ohio Department of Education, Division of Information Management Services.

Cuyahoga Falls City School District

Directory of School Facilities

June 30, 2003

<u>FACILITY</u>	<u>ADDRESS</u>	<u>PRINCIPAL</u>	<u>GRADES</u>
Cuyahoga Falls High School	2300 4th Street Cuyahoga Falls, OH 44221	Mr. Edwin Holland	9-12
Bolich Middle School	2630 13th Street Cuyahoga Falls, OH 44223	Mr. Chris J. Heusser	6-8
Roberts Middle School	3333 Charles Street Cuyahoga Falls, OH 44221	Mr. Tom Ratcliff	6-8
Sill Middle School	1910 Searl Street Cuyahoga Falls, OH 44221	Mrs. Dyanne Schoterman	6-8
Dewitt Elementary School	425 Falls Ave Cuyahoga Falls, OH 44221	Mr. James McCartney	K-5
Lincoln Elementary School	3131 Baily Road Cuyahoga Falls, OH 44221	Mrs. Rose Heintz	K-5
Newberry Elementary School	2800 13th Street Cuyahoga Falls, OH 44223	Mr. Frank A. Margida	K-5
Preston Elementary School	800 Tallmadge Road Cuyahoga Falls, OH 44221	Mr. Kirk Bennett	K-5
Price Elementary School	2610 Delmore Street Cuyahoga Falls, OH 44221	Mr. David Lightel	K-5
Richardson Elementary School	2226 23rd Street Cuyahoga Falls, OH 44223	Ms. Mitzie Zdravje	K-5
Silver Lake Elementary School	2970 Overlook Road Cuyahoga Falls, OH 44224	Mr. John Tomits	K-5

Source: Cuyahoga Falls City School District records





**Auditor of State
Betty Montgomery**

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800-282-0370
Facsimile 614-466-4490

CUYAHOGA FALLS 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 11, 2004**