

Tallmadge City School District Tallmadge, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2003

Prepared by

Treasurer's Office

Billie V. Williams
Treasurer



**Auditor of State
Betty Montgomery**

Board of Education
Tallmadge City School District

We have reviewed the Independent Auditor's Report of the Tallmadge City School District, Summit County, prepared by Lennon & Company, Inc., for the audit period July 1, 2002 through June 30, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

BETTY MONTGOMERY
Auditor of State

June 7, 2004

This Page is Intentionally Left Blank.

Tallmadge City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2003
Table of Contents

	Page
I. Introductory Section	
Table of Contents	i
Letter of Transmittal	v
List of Principal Officials	xv
Organizational Chart	xvi
GFOA Certificate of Achievement	xvii
 II. Financial Section	
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	3
 Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets.....	12
Statement of Activities	13
 Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual – General Fund	18
Statement of Fund Net Assets - Internal Service Fund.....	19
Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Fund	20
Statement of Cash Flows - Internal Service Fund	21
Statement of Fiduciary Assets and Liabilities - Agency Fund	22
Notes to the Basic Financial Statements	23

Combining Statements and Individual Fund Schedules:

Combining Statements - Nonmajor Governmental Funds:

Fund Descriptions.....	47
Combining Balance Sheet - Nonmajor Governmental Funds	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	51
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	58
Combining Balance Sheet - Nonmajor Capital Projects Funds	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	65

Combining Statements – Fiduciary Fund:

Statement of Changes in Assets and Liabilities – Agency Fund	66
--	----

Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in
Fund Balance/Fund Equity–Budget (Non-GAAP Basis) and Actual:

General Fund	68
Food Service Fund.....	72
Scholarship Fund	73
Uniform School Supplies Fund	74
Public School Support Fund	75
Local Grants Fund	76
Underground Storage Tanks Fund.....	77
Venture Capital Fund.....	78
District Managed Student Activities Fund	79
Auxiliary Services Fund	80
Career Development Fund.....	81
Professional Development Fund.....	82
Excellence in Education Fund	83
Management Information Systems Fund.....	84
Entry Year Programs Fund	85
Disadvantaged Pupil Impact Aid Fund.....	86
Network Connectivity Fund	87
Schoolnet Professional Development Fund.....	88
Ohio Reads Fund	89
Summer Intervention Fund.....	90
Miscellaneous State Grants Fund	91
Eisenhower Math and Science Grant Fund	92
Title VI-B Fund	93
Vocational Education Fund	94
Title I Fund	95
Title V Fund.....	96
Drug Free Schools Fund.....	97

Class Size Reduction Grant Fund.....	98
Miscellaneous Federal Grants Fund	99
Bond Retirement Fund.....	100
Permanent Improvement Fund	101
Building Fund.....	102
Vocational Education Equipment Fund.....	103
School Net Plus Fund	104
Self Insurance Fund	105

III. Statistical Section

Governmental Revenues by Source and Expenditures by Function--Last Ten Fiscal Years	S2
Property Tax Levies and Collections--Last Ten Years	S4
Assessed and Estimated Actual Value of Taxable Property--Last Ten Years	S6
Property Tax Rates--Direct and Overlapping Governments--Last Ten Years	S8
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita--Last Ten Years	S9
Computation of Legal Debt Margin	S10
Computation of Direct and Overlapping General Obligation Bonded Debt.....	S11
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total Governmental Expenditures-- Last Ten Fiscal Years.....	S12
Property Value, Financial Institution Deposits and Building Permits--Last Ten Years.....	S13
Demographic Statistics--Last Ten Years.....	S14
Principal Taxpayers: Real Estate Tax	S15
Tangible Personal Property Tax.....	S16
Public Utilities Tax	S17
Per Pupil Cost--Last Ten Fiscal Years	S18
Teacher Education and Experience	S19

This page is intentionally left blank

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

February 11, 2004

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

The Comprehensive Annual Financial Report (CAFR) of the Tallmadge City School District (School District), for the fiscal year ended June 30, 2003, is hereby submitted. This report was prepared by the Treasurer's Office, and includes the unqualified opinion of our independent auditors, Lennon and Company. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the School District.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, an Organizational Chart of the School District and Government Finance Officers Association Certificate of Achievement.
2. The Financial Section which begins with the Independent Auditors' Report, and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section presents social and economic data, financial trends and the fiscal capacity of the Tallmadge City School District.

THE SCHOOL DISTRICT AND ITS FACILITIES

The City of Tallmadge is an attractive and friendly suburban residential community in northeastern Ohio, County of Summit. The School District serves an area of 17 square miles of rolling wooded terrain surrounding the city landmark – Tallmadge Circle – a four-acre park at the center of the community and the hub of its history. The Tallmadge City population in 2000 was 16,390.

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

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

At June 30, 2003, the School District had 2,728 public students enrolled in five buildings: Overdale Primary, Dunbar Elementary, Munroe Intermediate, Middle School housing grades 6 through 8, and Tallmadge High, a comprehensive high school for grades 9 through 12. The School District also operates a variety of other facilities including a central administration building, annex, bus garage, maintenance facility and several sports fields.

Enrollment projections are based on actual historical enrollment data and trends over time. The trend since 1989 has shown a steady growth in School District enrollment, a pattern that is expected to continue. Many factors will affect the School District's actual enrollment growth, including characteristics of the community as a desirable place to live, employment opportunities, birth rate, mobility, new housing development and sale of existing homes to families.

There are currently nearly 1,800 acres of undeveloped land within the City of Tallmadge that can accommodate new residential, commercial and industrial growth, as well as the new rights-of-way to service those uses. If the residentially zoned acreage were developed to its current capacity, the current population of the City would increase by 68 percent or 7,100 persons over the 1990 Census figures.

ORGANIZATION OF THE SCHOOL DISTRICT

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

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

The Treasurer is the chief financial officer of the School District and is responsible directly to the Board for all financial operations, investments, custody of all School District funds and assets and serves as Secretary to the Board. Mrs. Billie V. Williams serves as the chief financial officer of the School District. She has 20 years experience as a Treasurer.

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

ECONOMIC CONDITION AND FUTURE OUTLOOK

Tallmadge is an excellent location for business, being located conveniently between the cities of Akron and Cleveland. The City of Tallmadge offers a wealth of opportunity for cultural, social and economic resources for its residents. Numerous state routes and the interstate systems run through the City making it an ideal location with easy access. Large tracts of desirable residential, commercial and industrial lands are set aside for development. The City offers residents and businesses a good tax base, sound fiscal practices and modern up-to-date services such as police, fire and emergency medical services.

A mixed business community operating in a favorable climate is the basis for Tallmadge's stable and healthy environment. In addition, the City is part of the Summit County Enterprise Program, the Portage County Enterprise Program and a community reinvestment area tax abatement program.

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

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

MAJOR INITIATIVES AND ACCOMPLISHMENTS:

The School District's numerous significant accomplishments have taken place at each of the five instructional buildings. The following are examples of those initiatives that directly impact teaching and learning.

2002-2003 HIGHLIGHTS

Distinguished Scholars...

38 seniors (3.7 GPA), 37 juniors (3.75 GPA), 43 sophomores (3.8 GPA) and 36 freshmen (3.8GPA) were recognized as Distinguished Scholars at a breakfast co-sponsored by Tallmadge Lions, Tallmadge Rotary and Tallmadge High School Parent Teacher Student Association.

National Champs...

The seventh grade Quiz Bowl Team won first place in the Sweet Sixteen National Thinking Cap Quiz Bowl Championship by outscoring 74 other teams in the competition. The eighth grade team came in sixth in the Nation, besting 100 other teams. These same seventh graders placed first in the State in the Ohio Thinking Cap Quiz Bowl, as did the sixth grade team. The eighth graders finished in third place in the State competition. Munroe entered a fifth grade team, which ended up in fourth place Statewide. Since the inception of the Quiz Bowl contest 14 years ago, Tallmadge teams have always placed among the top finishers.

State Qualifiers...

Six members of the High School Forensics Team qualified for the State finals. For seven consecutive years, the teams have sent students to the State tournament.

National Qualifiers...

Three High School students won at Regional and State contests to qualify for the national DECA finals. DECA is an organization for marketing education students.

Regional Winners...

Tallmadge's sixth grade Destination Imagination team won first place at the Regional contest to advance to the State level contest. Tallmadge also won second and third place awards at Regionals.

Math Team Successful...

The seventh grade Ohio Math League Team ranked third in the region and 25th in the State, scoring in the top 15 percent among 176 schools.

Power of the Pen...

High School student newspaper, "The Devil's Tale," took second place for quality and content at the Annual Press Day contest at Kent State University. Individual staff writers won for their stories, articles and design. Professional journalists and professors of journalism judge entries.

Yearbook Kudos...

Circle Light, the high school yearbook, won a superior for spread design as well as honorable mention for spreads and stories at the Annual Press Day at Kent State University.

Key Winners...

High School and Middle School art students earned 4 gold keys, 1 silver key and 4 honorable mentions at the 49th Annual Scholastic Art Awards program at Kent State University. Gold key works are selected as finalists and sent to the National Scholastic Art Awards in New York City.

Artists Win...

Tallmadge students, K-12, won numerous awards at the Summit County Art Expo, where they brought home Best of Show, and 12 other first, second, third and honorable mention awards.

Musicians Shine...

High School and Middle School concert band members earned 28 superior and excellent awards at the Ohio Music Educators Solo and Ensemble contest.

High Note...

High School vocal music students won six superiors and the group won an excellent at the Ohio Music Educators Solo and Ensemble contest.

Perennial Powerhouse...

The girls' volleyball team continued its successful run, finishing the season with a 23-3 record and the Suburban League title and another District Championship. One team member earned first team All-Ohio honors.

District Champs...

Under second-year head coach Jon Karnuth, the boys' basketball team came on strong in post-season play to capture the District title, losing to the eventual State and National champion St. Vincent-St. Mary in a Regional game at the University of Toledo.

Making Tracks...

The girls' track team was represented at the State meet by the four-member 4x400 meter relay team and in the 300-meter hurdles.

League Leaders...

The Lady Devils proved once again they are a force to be reckoned with, finishing the season with a 23-6 record and the Suburban League title. Team member, Amanda White, earned first team All-Ohio honors and was named Player of the Year by the Akron Beacon Journal.

League Title...

The defending State championship boys' baseball team put another notch in their Suburban League title belt, finishing the season with a 24-3 record. The New York Yankees drafted team member Jason Stephens. The Akron Beacon Journal named team member Michael Oliver as Scholar-Athlete of the Year.

THE CLASS OF 2003

Of 191 seniors earning diplomas, 70 percent completed a college preparatory curriculum, 6 percent followed a general course of study and 24 percent enrolled in a vocational program. Twenty-six credits are required for graduation.

Future Plans...

Following graduation, 72 percent enrolled in a four-year college, 16 percent enrolled in a two-year college, trade or technical program, 2 percent entered the military and 10 percent entered the labor market.

Valedictorians...

Ten 4.0 valedictorians led the Class of 2003: Erin Duffy, Jessica Garzich, Kerry Hixon, Casey Jirsa, Laura Kot, Katherine McAlarney, Michael Oliver, Matthew Reyna, Allison Spencer and Patrick Vielhaber.

Honors Diplomas...

Fifty-two graduates earned honors diplomas. Graduates must have met 8 of 9 academic criteria including a minimum 3.5 GPA and a minimum composite score of 27 on the ACT to receive an honors diploma.

National Merit Honors...

Two students achieved National Merit commended status.

Educational Excellence...

Thirty-three graduating seniors earned the Presidential Award for Educational Excellence. Students must complete the core curriculum, maintain a 3.5 or better GPA and score in at least the 85th percentile on a standardized reading or math test.

Merit Awards...

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

Scholarship Winners...

Fifty-five members of the Class of 2003 shared in more than \$44,000 in local scholarships awarded at graduation. Tallmadge area businesses, civic organizations, and foundations fund these scholarships.

Heritage Families...

Each year, seniors and their parents and/or grandparents who graduated from Tallmadge High School are recognized as Heritage Families. There were 27 Heritage Families in the Class of 2003.

TECHNOLOGY

Progress in the area of technology for 2002-2003 was significant, especially following two years of cutbacks in the School District budget. The School District received another round of School Net Plus funding and coupled with local dollars, purchased 236 new workstations, 52 laptops, 6 laser printers, 8 scanners, 4 digital projectors and a digital piano. Currently there is one computer for every 3.3 students in the School District.

Moving Laboratories...

A major shift in computer use began last year with the introduction of wireless laptop carts at Munroe and Tallmadge High School. The carts meet the needs at both buildings for an entire class to use computers at the same time. Typically this is accomplished by taking students to the computer lab. However, the only "lab" available at the high school is in the school library and Munroe elementary does not have a lab. The laptop carts serve as a "moving lab" and proved to be even more widely used than anticipated and certainly more than the old model of taking students to a lab.

Technology Work Experience (TWE)...

The TWE program has been in place for 7 years. Initiated by Summit County Educational Service Center through a federal grant, the program is now running through the use of local resources. Each year, the School District identifies and trains a cadre of students to serve as technology aides, helping out with hardware and software installations and upgrades, troubleshooting and maintenance and repairs to computer workstations. Their job assignments may also include inventory, moving equipment and assisting with web page design. They work throughout the summer and after school and are paid a small stipend. Anywhere from 4 to 7 students participate annually.

*STAFF HIGHLIGHTS***Who's Who...**

Five Tallmadge High School teachers were named to Who's Who Among America's Teachers for their excellence in teaching and contribution to their school and local community: Mary Ann Ballinger, Julie Basso, Jon Shomo, Mark Swindell and Sue Wells.

Jennings Grant...

Third grade teacher, Cathleen Fuller, received a \$3,000 grant from the Martha Holden Jennings Foundation for her "It's Habitat Forming." The funds provided a river tank to house an ecosystem for reptiles, frogs, plants and other species that third graders study in science.

Excellence Rewarded...

Dunbar first grade teacher, Marily Bossar, won an award from MEO-SERRCC (Special Education Resource Center) for "Teaching of Academics" in an inclusive classroom.

National Policy Institute...

Tallmadge High School math teacher, Joyce Conway, was tapped for a national policy institute in Washington State, where she and fifty other teacher leaders from across the United States examined research on academic standards, student achievement, educational leadership and professional growth.

Assistive Technology Grants...

The School District won over \$5,000 in an implementation grant to provide assistive technology for disabled students.

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

*FINANCIAL INFORMATION****Internal Accounting and Budgetary Control***

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

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

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation measure is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Fiscal Officer of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Fiscal Officer must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board of Education. Budgets are controlled at the fund level for all funds. All purchase order requests must be approved by the Superintendent and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date.

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on line inquiry system is available at each cost center site. As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond.

The basis of accounting and the various funds utilized by Tallmadge City Schools are fully described in Note 2 of the basic financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

Financial Condition

This is the first year the School District has prepared financial statements following GASB Statement 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." GASB 34 creates basic financial statements for reporting on the School District's 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. The School District has no business type activities.

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

Statement of budgetary comparisons These statements present comparisons 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, disbursements and encumbrances.

As part of this reporting model, management is responsible for preparing a Management's Discussion and Analysis of the School District. This discussion appears after the Independent Auditors' Report in the financial section of this report. Management's Discussion and Analysis provides an assessment of the School District's finances for fiscal year 2003. Because that discussion focuses on major funds, other nonmajor funds are discussed briefly in this letter.

Financial Highlights

Internal Service Fund The only internal service fund carried on the financial records relates to self-insurance. This fund accounts for the revenues and expenses related to the provision of medical/surgical, prescription drug and dental benefits to the School District employees. The internal service fund had net assets of (\$203,958) at June 30, 2003, compared with net assets of (\$531) at June 30, 2002, reflecting a net decrease in net assets of \$203,427.

Debt Administration At June 30, 2003, energy conservation bonds outstanding totaled \$63,510. During the fiscal year, \$60,630 of energy conservation bonds and \$60,000 of bus acquisition bonds were retired. As of June 30, 2003, the overall debt margin was \$35,706,327 and the unvoted debt margin was \$396,737. The bond obligation is general obligation debt backed by the full faith and credit of the School District and will be retired fully by fiscal year 2004.

Cash Management

The Board of Education has an aggressive cash management program which consists of expediting the receipt of revenues and prudently depositing cash which is insured by the Federal Deposit Insurance Corporation as well as investing available cash in instruments issued by the United States Government or the State of Ohio. The program is beneficial because of access to daily balances which enables the Board to maintain minimum balance accounts and invest to the maximum extent. The total amount of interest earned was \$109,917 for the year ended June 30, 2003 of which \$98,900 was credited directly to the general fund.

Protection of the School District's deposits 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. The market value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Risk Management

The School District contracts for general liability insurance. The School District also carries a \$4,000,000 limit for professional liability with no deductible and automobile liability which has a \$2,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past three years.

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

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor, Lennon and Company, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2003. Their unqualified opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all school governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for 1981.

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tallmadge City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

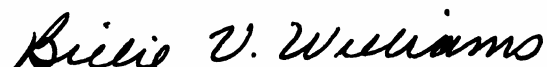
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The preparation and publication of this Comprehensive Annual Financial Report on a timely basis could not have been possible without the cooperative efforts of the entire Treasurer's Department. A special note of appreciation to our Public Relations Coordinator for preparation of support information.

Finally, this report would not have been possible without the continued support of the Board of Education who values quality financial information with which to help make decisions. Without their leadership and commitment to excellence this report would not be possible.

Sincerely,



Mrs. Billie V. Williams
Treasurer/Chief Financial Officer

Tallmadge City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2003
List of Principal Officials

Board of Education

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

Administration

Dr. Vincent Frammartino	Superintendent 7/01 - 6/04
Mrs. Billie V. Williams	Treasurer 1/03 - 1/05
Ms. Lynn Hruschak	Director of Curriculum 3/99 - 6/04
Mr. Donald B. Johnson	Director of Business 4/98 - 6/04
Mr. Bradley Croskey	Director of Technology 7/02 - 6/05

CITIZENS OF THE TALLMADGE CITY SCHOOL DISTRICT

BOARD OF EDUCATION

SUPERINTENDENT OF SCHOOLS

TREASURER

Assistant Treasurer
Payroll Clerk
Financial Assistant

DIRECTOR OF BUSINESS SERVICES
AFFIRMATIVE ACTION OFFICER

DIRECTOR OF TECHNOLOGY

DIRECTOR OF SPECIAL EDUCATION

DIRECTOR OF CURRICULUM & INSTRUCTION

Head Custodian

Maintenance

Lunchroom Manager

Transportation Supervisor

Psychologists
Speech/Hearing
Work Evaluator
Work Study
Sp. Ed. Units

Gifted/Talented
Title I
Vocational Education
Community
Intervention
Coordinator

Building Custodians

Lunchroom Personnel

Mechanics

Drivers

COMMUNITY RELATIONS
DIRECTOR

PRINCIPALS

ASSISTANT PRINCIPALS

Athletic Director

Coaches

Teachers

Guidance

Librarians

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Tallmadge City School
District, Ohio

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



President

Executive Director

This page is intentionally left blank

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Tallmadge City School District (the School District), as of and for the year ended June 30, 2003, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School 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.

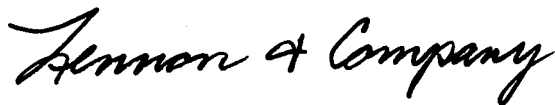
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Tallmadge City School District, as of June 30, 2003, and the respective changes in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

As described in Note 3, the School 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 of June 30, 2003.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2004 on our consideration of Tallmadge City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as whole. The introductory section and statistical tables have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



LENNON & COMPANY
Certified Public Accountant
February 11, 2004

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

This discussion and analysis of Tallmadge 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 financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2003 are as follows:

- Net assets of governmental activities increased \$1,339,860, representing a 17 percent increase from 2002.
- General revenues accounted for \$21,290,365 or 91 percent 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 \$2,104,915 or 9 percent of total revenues of \$23,395,280.
- Total assets of governmental activities increased by \$1,739,373. The largest portion, \$1,744,323, was due to increased taxes and intergovernmental receivable.
- The School District had \$22,055,420 in expenses related to governmental activities; only \$2,104,915 of these expenses was offset by program specific charges for services, grants, contributions and interest. General revenues of \$21,290,365 were adequate to provide for these programs.
- Capital outlay additions consisted partly of \$165,852 for the purchase of new school buses. The School District is on a bus replacement cycle of three buses annually. Participation in the Ohio Association of School Business Officials (OASBO) Expanded Asset Pool Financing Program has allowed the School District to allocate initial cash outlay over a three-year period at low interest rates.

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 Tallmadge 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.

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements explain how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of Tallmadge City School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While these statements contain information about the 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 answers the question, "How did we do financially during 2003?" 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, all of the School District's activities are classified as governmental. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, operation of food service and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 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 funds. 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 fiscal 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

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

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.

The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2003 compared to 2002:

Table 1
 Net Assets
 Governmental Activities

	2003	2002
Assets		
Current and Other Assets	\$21,298,391	\$19,554,068
Capital Assets, Net of Depreciation	5,298,212	5,303,162
<i>Total Assets</i>	26,596,603	24,857,230
Liabilities		
Current and Other Liabilities	15,910,369	15,229,324
Long-Term Liabilities:		
Due Within One Year	297,111	193,496
Due in More Than One Year	1,364,555	1,749,702
<i>Total Liabilities</i>	17,572,035	17,172,522
Net Assets		
Invested in Capital Assets, Net of Debt	5,234,702	5,114,870
Restricted for:		
Capital Projects	574,004	634,107
Debt Service	0	4,339
Set Asides	90,380	90,380
Other Purposes	611,504	900,262
Unrestricted	2,513,978	940,750
<i>Total Net Assets</i>	\$9,024,568	\$7,684,708

One of the most significant causes to the increase in the School District's assets was a \$1,612,215 increase in total cash and investments reported in governmental activities. A majority of this increase was due to a five-year 7.5 mill operating levy passed in May, 2001. Fiscal year 2003 was the first full year of collection. Total net assets increased \$1,339,860 mainly due to Summit County property revaluation.

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Table 2 shows the changes 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, when prior year information is available, a comparative analysis of government-wide data will be presented.

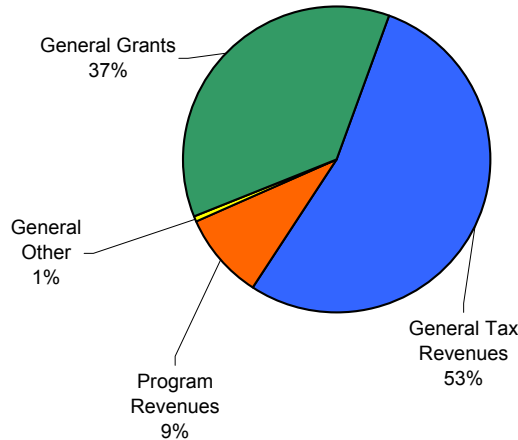
Table 2
 Governmental Activities

	2003
Revenues	
Program revenues:	
Charges for Services	\$1,171,731
Operating Grants, Contributions and Interest	884,669
Capital Grants and Contributions	48,515
<i>Total Program Revenues</i>	<i>2,104,915</i>
General revenues:	
Property Taxes	12,573,534
Grants and Entitlements not Restricted to Specific Programs	8,582,053
Investment Earnings	107,576
Miscellaneous	27,202
<i>Total General Revenues</i>	<i>21,290,365</i>
<i>Total Revenues</i>	<i>23,395,280</i>
Program Expenses	
Instruction:	
Regular	10,626,741
Special	1,787,465
Vocational	612,373
Adult/Continuing	40,055
Support services:	
Pupil	1,237,449
Instructional Staff	792,407
Board of Education	22,896
Administration	1,787,383
Fiscal	597,524
Business	118,332
Operation and Maintenance of Plant	1,575,806
Pupil Transportation	1,265,179
Central	183,624
Operation Non-Instructional Services	53,160
Operation of Food Services	823,930
Extracurricular Activities	524,171
Interest and Fiscal Charges	6,925
<i>Total Program Expenses</i>	<i>22,055,420</i>
<i>Increase in net assets</i>	<i>1,339,860</i>
Net Assets Beginning of Year	7,684,708
<i>Net Assets End of Year</i>	<i>\$9,024,568</i>

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Governmental Activities

Tallmadge City School District depends on both property taxes and State funding. The voters of the School District passed a five-year operating levy in May, 2001 for 7.5 mills. The annual revenue from this levy approximates \$2,744,000.



The School District's reliance upon tax revenues is demonstrated by the graph above that indicates 53 percent of total revenues for governmental activities come from local taxes. The reliance on general revenues to support governmental activities is indicated by the net services column reflecting the need for \$19.9 million dollars of support as well as the graph indicating general revenues comprise 91 percent of total revenues.

The DeRolph III Supreme Court decision has not eliminated the dependence on property taxes. The community has supported the Tallmadge City School District by renewing the aforementioned levy comprising 21 percent of total tax revenues for the School District.

Instruction comprises 60 percent of governmental program expenses. Historically, the School District has promoted the excellence of the educational program by allocation of resources in the instructional area.

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.

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Table 3
 Total and Net Cost of Program Services
 Governmental Activities

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Program Expenses		
Instruction:		
Regular	\$10,626,741	\$10,271,288
Special	1,787,465	1,268,126
Vocational	612,373	606,604
Adult/Continuing	40,055	(4,958)
Support Services:		
Pupil	1,237,449	1,125,742
Instructional Staff	792,407	626,067
Board of Education	22,896	22,896
Administration	1,787,383	1,686,495
Fiscal	597,524	597,524
Business	118,332	118,332
Operation and Maintenance of Plant	1,575,806	1,569,631
Pupil Transportation	1,265,179	1,167,633
Central	183,624	183,624
Operation of Non-Instructional Services	53,160	12,695
Operation of Food Services	524,171	53,829
Extracurricular Activities	823,930	638,052
Interest and Fiscal Charges	6,925	6,925
<i>Total</i>	<u><u>\$22,055,420</u></u>	<u><u>\$19,950,505</u></u>

The School District's Funds

Information about the School District's major funds starts on page 14. The School District's major funds are accounted for using the modified accrual basis of accounting. The total revenues for governmental funds were \$23,606,896 and total expenditures were \$22,071,925. The net change in fund balance for the fiscal year was most significant in the general fund, an increase of \$1,801,014 due to collection of revenues from the five-year 7.5 mill operating levy passed in May, 2001. The School District also received an increase in grant monies to better provide services to our students. As one can see from the Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds, property taxes are the largest revenue source, accounting for 58 percent of total governmental revenue. Clearly, the communities that comprise the School District are by far the greatest source of financial support for the students of the Tallmadge City School District. The School District remains financially stable.

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

General Fund Budgeting Highlights

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

During fiscal year 2003, the School District amended its general fund budget several times, however none were significant. Budget revisions are presented to the Board of Education for approval.

For the general fund, the final budget basis revenue estimate was \$21,548,013, which was higher than the original budget estimate of \$21,154,473. Most of this \$393,540 difference was due to conservative estimates in the collection of the State Foundation program. The actual revenues of \$21,746,750 were \$198,737 higher than the final budget basis revenue estimate.

The original expenditures estimate of \$21,557,624 was revised slightly over the fiscal year. Actual expenditures and encumbrances, however, were only \$20,853,066, \$704,558 less than originally anticipated. This was due largely to the conservative spending habits that the School District has maintained in order to carry the five year 7.5 mill operating levy beyond its cycle and provide relief to the local taxpayer. The actual expenditures were \$718,910 lower than the final expenditures estimate of \$21,571,976.

The School District's ending unobligated budgetary balance was \$917,647 above the final budgeted amount primarily due to the full year collection of property taxes and conservative spending practices.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2003, the School District had \$5,298,212 invested in land, 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 June 30
 (Net of Depreciation)
 Governmental Activities

	2003	2002
Land	\$3,354,650	\$3,354,650
Buildings and Improvements	980,323	1,048,601
Furniture, Fixtures and Equipment	283,679	272,247
Vehicles	679,560	627,664
<i>Total Capital Assets</i>	<i>\$5,298,212</i>	<i>\$5,303,162</i>

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The School District purchased three new buses accounting for \$165,852 of the increase in vehicles. Ohio law required school districts to set aside three percent of certain revenues for textbooks and capital improvements. For fiscal year 2003, this amounted to \$384,214. See Note 9 to the basic financial statements for detail on the School District's capital assets.

Debt

At June 30, 2003 the School District had \$63,510 in bonds outstanding which matures in fiscal year 2004. Table 5 summarizes the School District's long-term obligations outstanding.

Table 5
Outstanding Long-Term Obligations at Fiscal Year End
Governmental Activities

	2003	2002
1992 Energy Conservation Bonds	\$63,510	\$124,140
2000 Bus Acquisition Bonds	0	60,000
Compensated Absences	1,598,156	1,759,058
<i>Total</i>	\$1,661,666	\$1,943,198

The energy conservation bond, issued in 1992, will mature in fiscal year 2004. The 2000 bus acquisition bonds were retired in April 2003.

At June 30, 2003, the School District's overall legal debt limitation was \$35,706,327 based on nine percent of the taxable valuation, with an unvoted debt margin of \$396,737. The School District does not have a current rating as issued by Standard & Poor's or 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

With the passage of the May 2001, 7.5 mill, five year operating levy, the School District is in a sound financial position. This operating levy combined with prior taxpayer initiatives currently in place, provides the necessary funds for the School District to manage current growth patterns while maintaining the educational program and the facilities. However, the future financial stability of the School District is not without challenges.

Ensuring that resources are preserved for as long as possible is the first and foremost challenge. Management, as a tool to manage resources effectively, utilizes the five-year forecast of the general fund to monitor resources and expenditure patterns.

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The second challenge facing the School District is facilities. A comprehensive master plan to meet the needs of children at all grade levels was developed by a Task Force of sixty citizens and staff. The Ohio School Facilities Commission approval of the master plan was secured for facility funding. With community approval, the School District would be eligible to receive a 22 percent share of funding from the State.

A 7.32 mill bond issue for a new high school with renovations to the current high school to be modified as a middle school was formalized and placed on the May 6, 2003 ballot for electorate approval only to be met with defeat. This was a third attempt by the School District over a five year period of time to meet with voter disapproval. The Board of Education revisited the Task Force recommendations and placed a 2.6 mill bond issue for a new middle school on the November 2003 ballot. This levy was defeated by the voters.

The last challenge facing the School District is the future of State funding. 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 Ohio General Assembly was directed to enact a school-funding mechanism that is to be thorough and efficient. The School District is unable to determine what effect, if any, this decision will have on future funding from the State.

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.

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 questions or need additional financial information, contact Billie V. Williams, Treasurer, at Tallmadge City School District, 486 East Avenue, Tallmadge, or E-Mail at blv@tallmadge.k12.oh.us.

Tallmadge City School District

Statement of Net Assets

June 30, 2003

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$7,201,181
Accounts Receivable	1,202
Intergovernmental Receivable	222,460
Prepaid Items	45,996
Inventory Held for Resale	9,558
Materials and Supplies Inventory	53,085
Property Taxes Receivable	13,764,909
Nondepreciable Capital Assets	3,354,650
Depreciable Capital Assets, Net	<u>1,943,562</u>
<i>Total Assets</i>	<u>26,596,603</u>
Liabilities	
Accounts Payable	62,340
Contracts Payable	5,759
Accrued Wages	1,491,353
Intergovernmental Payable	662,767
Matured Compensated Absences Payable	37,688
Deferred Revenue	13,388,454
Accrued Interest Payable	1,760
Claims Payable	260,248
Long-Term Liabilities:	
Due Within One Year	297,111
Due In More Than One Year	<u>1,364,555</u>
<i>Total Liabilities</i>	<u>17,572,035</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	5,234,702
Restricted for:	
Capital Projects	574,004
Set Asides	90,380
Other Purposes	611,504
Unrestricted	<u>2,513,978</u>
<i>Total Net Assets</i>	<u><u>\$9,024,568</u></u>

See accompanying notes to the basic financial statements.

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

	Program Revenues			Capital Grants and Contributions	Governmental Activities	Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest			
Governmental Activities						
Instruction:						
Regular	\$10,626,741	\$132,573	\$222,880	\$0		(\$10,271,288)
Special	1,787,465	362,710	156,629	0		(1,268,126)
Vocational	612,373	0	5,769	0		(606,604)
Adult/Continuing	40,055	6,136	38,877	0		4,958
Support Services:						
Pupil	1,237,449	4,245	107,462	0		(1,125,742)
Instructional Staff	792,407	0	166,340	0		(626,067)
Board of Education	22,896	0	0	0		(22,896)
Administration	1,787,383	70,976	29,912	0		(1,686,495)
Fiscal	597,524	0	0	0		(597,524)
Business	118,332	0	0	0		(118,332)
Operation and Maintenance of Plant	1,575,806	6,175	0	0		(1,569,631)
Pupil Transportation	1,265,179	49,031	0	48,515		(1,167,633)
Central	183,624	0	0	0		(183,624)
Operation of Non-Instructional Services	53,160	0	40,465	0		(12,695)
Operation of Food Services	524,171	364,107	106,235	0		(53,829)
Extracurricular Activities	823,930	175,778	10,100	0		(638,052)
Interest and Fiscal Charges	6,925	0	0	0		(6,925)
Totals	<u>\$22,055,420</u>	<u>\$1,171,731</u>	<u>\$884,669</u>	<u>\$48,515</u>		<u>(19,950,505)</u>

General Revenues

Property Taxes Levied for:

General Purposes	12,171,446
Debt Service	55,795
Capital Outlay	346,293
Grants and Entitlements not Restricted to Specific Programs	8,582,053
Investment Earnings	107,576
Miscellaneous	27,202

Total General Revenues 21,290,365

Change in Net Assets 1,339,860

Net Assets Beginning of Year - See Note 3 7,684,708

Net Assets End of Year \$9,024,568

See accompanying notes to the basic financial statements.

Tallmadge City School District

Balance Sheet

Governmental Funds

June 30, 2003

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and			
Cash Equivalents	\$5,005,079	\$1,303,129	\$6,308,208
Property Taxes Receivable	13,413,965	350,944	13,764,909
Accounts Receivable	702	500	1,202
Intergovernmental Receivable	192,218	30,242	222,460
Interfund Receivable	37,518	0	37,518
Prepaid Items	45,996	0	45,996
Inventory Held for Resale	0	9,558	9,558
Advances to Other Funds	698,524	0	698,524
Materials and Supplies Inventory	53,085	0	53,085
Restricted Assets:			
Equity in Pooled Cash and			
Cash Equivalents	138,159	0	138,159
<i>Total Assets</i>	<u>\$19,585,246</u>	<u>\$1,694,373</u>	<u>\$21,279,619</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$44,626	\$17,714	\$62,340
Contracts Payable	777	4,982	5,759
Accrued Wages and Benefits	1,466,090	25,263	1,491,353
Interfund Payable	0	37,518	37,518
Intergovernmental Payable	394,874	33,325	428,199
Matured Compensated Absences Payable	37,688	0	37,688
Deferred Revenue	13,442,092	353,747	13,795,839
<i>Total Liabilities</i>	<u>15,386,147</u>	<u>472,549</u>	<u>15,858,696</u>
 Fund Balances			
Reserved for Encumbrances	938,458	189,065	1,127,523
Reserved for Advances	698,524	0	698,524
Reserved for Budget Stabilization	90,380	0	90,380
Reserved for School Bus Purchase	47,779	0	47,779
Unreserved:			
Undesignated, Reported in:			
General Fund	2,423,958	0	2,423,958
Special Revenue Funds	0	574,017	574,017
Capital Projects Funds	0	458,742	458,742
<i>Total Fund Balances</i>	<u>4,199,099</u>	<u>1,221,824</u>	<u>5,420,923</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$19,585,246</u>	<u>\$1,694,373</u>	<u>\$21,279,619</u>

See accompanying notes to the basic financial statements.

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

Total Governmental Fund Balances	\$5,420,923
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,298,212
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Property Taxes	195,324
Intergovernmental	<u>212,061</u>
Total	407,385
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.	(203,958)
In the statement of activities, interest is accrued on outstanding general obligation bonds, whereas in governmental funds, an interest expenditure is reported when due.	(1,760)
Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(234,568)
Long-term liabilities payable are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(1,598,156)
Energy Conservation Bonds	<u>(63,510)</u>
Total	<u>(1,661,666)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$9,024,568</u></u>

See accompanying notes to the basic financial statements.

Tallmadge 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
Revenues			
Property and Other Local Taxes	\$12,485,507	\$412,599	\$12,898,106
Intergovernmental	8,587,483	960,175	9,547,658
Interest	98,900	2,341	101,241
Tuition and Fees	180,659	0	180,659
Extracurricular Activities	36,547	260,956	297,503
Contributions and Donations	0	42,777	42,777
Charges for Services	0	505,575	505,575
Rentals	6,175	0	6,175
Miscellaneous	27,202	0	27,202
<i>Total Revenues</i>	<u>21,422,473</u>	<u>2,184,423</u>	<u>23,606,896</u>
Expenditures			
Current:			
Instruction:			
Regular	10,053,811	407,126	10,460,937
Special	1,577,222	188,890	1,766,112
Vocational	617,971	3,277	621,248
Adult/Continuing	0	40,055	40,055
Support Services:			
Pupil	1,115,228	113,768	1,228,996
Instructional Staff	484,334	300,970	785,304
Board of Education	18,661	0	18,661
Administration	1,578,102	104,880	1,682,982
Fiscal	575,795	0	575,795
Business	115,955	0	115,955
Operation and Maintenance of Plant	1,525,829	18,700	1,544,529
Pupil Transportation	1,069,839	50,436	1,120,275
Central	177,752	0	177,752
Operation of Non-Instructional Services	0	35,473	35,473
Operation of Food Services	0	524,179	524,179
Extracurricular Activities	647,053	153,584	800,637
Capital Outlay	0	443,088	443,088
Debt Service:			
Principal Retirement	60,000	60,630	120,630
Interest and Fiscal Charges	3,420	5,897	9,317
<i>Total Expenditures</i>	<u>19,620,972</u>	<u>2,450,953</u>	<u>22,071,925</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,801,501</u>	<u>(266,530)</u>	<u>1,534,971</u>
Other Financing Sources (Uses)			
Transfers In	0	487	487
Transfers Out	(487)	0	(487)
<i>Total Other Financing Sources (Uses)</i>	<u>(487)</u>	<u>487</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	1,801,014	(266,043)	1,534,971
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>2,398,085</u>	<u>1,487,867</u>	<u>3,885,952</u>
<i>Fund Balances End of Year</i>	<u>\$4,199,099</u>	<u>\$1,221,824</u>	<u>\$5,420,923</u>

See accompanying notes to the basic financial statements.

Tallmadge 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	\$1,534,971
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	
Capital Assets Additions	359,565
Depreciation	<u>(364,515)</u>
Total	(4,950)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property Taxes	(324,572)
Charges for Services	181,819
Grants	<u>(77,539)</u>
Total	(220,292)
 Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
	120,630
 In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	
	2,392
 Some expenses reported in the statement of activities, such as compensated absences and contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated Absences	160,902
Pension Obligation	<u>(50,366)</u>
Total	110,536
 The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statements of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	
	<u>(203,427)</u>
 <i>Change in Net Assets of Governmental Activities</i>	 <u><u>\$1,339,860</u></u>

See accompanying notes to the basic financial statements.

Tallmadge 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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$12,488,877	\$12,721,456	\$12,656,093	(\$65,363)
Intergovernmental	8,293,840	8,447,673	8,587,483	139,810
Interest	120,271	122,500	98,900	(23,600)
Tuition and Fees	186,543	190,000	335,052	145,052
Extracurricular Activities	33,499	34,120	36,547	2,427
Rentals	4,909	5,000	6,175	1,175
Miscellaneous	26,534	27,264	26,500	(764)
<i>Total Revenues</i>	<u>21,154,473</u>	<u>21,548,013</u>	<u>21,746,750</u>	<u>198,737</u>
Expenditures				
Current:				
Instruction:				
Regular	10,914,171	10,921,184	10,759,200	161,984
Special	1,675,299	1,676,483	1,633,084	43,399
Vocational	639,713	640,166	631,094	9,072
Support Services:				
Pupil	1,226,377	1,227,241	1,138,075	89,166
Instructional Staff	586,252	586,666	491,761	94,905
Board of Education	24,303	24,319	18,312	6,007
Administration	1,717,777	1,718,955	1,628,381	90,574
Fiscal	598,828	599,250	575,896	23,354
Business	117,994	118,078	114,019	4,059
Operation and Maintenance of Plant	1,762,941	1,764,139	1,640,271	123,868
Pupil Transportation	1,356,915	1,357,782	1,323,847	33,935
Central	200,236	200,376	180,019	20,357
Extracurricular Activities	673,442	673,917	655,687	18,230
Debt Service:				
Principal Retirement	59,958	60,000	60,000	0
Interest and Fiscal Charges	3,418	3,420	3,420	0
<i>Total Expenditures</i>	<u>21,557,624</u>	<u>21,571,976</u>	<u>20,853,066</u>	<u>718,910</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(403,151)</u>	<u>(23,963)</u>	<u>893,684</u>	<u>917,647</u>
Other Financing Sources (Uses)				
Advances In	136,161	136,161	136,161	0
Advances Out	(37,518)	(37,518)	(37,518)	0
Transfers Out	(487)	(487)	(487)	0
<i>Total Other Financing Sources (Uses)</i>	<u>98,156</u>	<u>98,156</u>	<u>98,156</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(304,995)</u>	<u>74,193</u>	<u>991,840</u>	<u>917,647</u>
<i>Fund Balance Beginning of Year - Restated</i>	<u>2,560,882</u>	<u>2,560,882</u>	<u>2,560,882</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>1,298,600</u>	<u>1,298,600</u>	<u>1,298,600</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,554,487</u></u>	<u><u>\$3,933,675</u></u>	<u><u>\$4,851,322</u></u>	<u><u>\$917,647</u></u>

See accompanying notes to the basic financial statements.

Tallmadge City School District

Statement of Fund Net Assets

Internal Service Fund

June 30, 2003

	<u>Self Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$754,814</u>
Liabilities	
Claims Payable	260,248
Advances from Other Funds	<u>698,524</u>
<i>Total Liabilities</i>	<u>958,772</u>
Net Assets	
Unrestricted	<u><u>(\$203,958)</u></u>

See accompanying notes to the basic financial statements.

Tallmadge 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
Operating Revenues	
Charges for Services	\$1,878,882
Operating Expenses	
Purchased Services	398,248
Claims	1,692,737
<i>Total Operating Expenses</i>	2,090,985
<i>Operating Loss</i>	(212,103)
Non-Operating Revenues	
Interest	8,676
<i>Change in Net Assets</i>	(203,427)
<i>Net Assets (Deficit) Beginning of Year</i>	(531)
<i>Net Assets (Deficit) End of Year</i>	(\$203,958)

See accompanying notes to the basic financial statements.

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

	Self Insurance
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$2,141,414
Cash Payments for Goods and Services	(398,248)
Cash Payments for Claims	(1,700,800)
<i>Net Cash Provided by Operating Activities</i>	42,366
Cash Flows from Investing Activities	
Interest on Investments	8,676
<i>Net Increase in Cash and Cash Equivalents</i>	51,042
<i>Cash and Cash Equivalents Beginning of Year</i>	703,772
<i>Cash and Cash Equivalents End of Year</i>	\$754,814
 Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating Loss	(\$212,103)
Adjustments:	
Decrease in Advances from Other Funds	262,532
Decrease in Claims Payable	(8,063)
<i>Net Cash Provided by Operating Activities</i>	\$42,366

See accompanying notes to the basic financial statements.

Tallmadge City School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2003

Assets

Equity in Pooled Cash and Cash Equivalents	<u><u>\$79,116</u></u>
--	------------------------

Liabilities

Due to Students	<u><u>\$79,116</u></u>
-----------------	------------------------

See accompanying notes to the basic financial statements.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 1 - Description of the School District

Tallmadge City School District (the "School District") is organized under Article VI, Section 2 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms.

The School District is primarily located in Summit County with a small portion located in Portage County and encompasses nearly all of the City of Tallmadge. The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and federal agencies. The Board controls the School District's nine instructional/support facilities staffed by 140 classified employees and 193 certified full-time personnel who provide services to 2,728 students and other community members. The School District currently operates three elementary buildings, one middle school, one high school, an administrative building, an annex, a maintenance garage and a bus garage.

Reporting Entity

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

Non-public Schools – Within the School District boundaries, there are various non-public schools. Current State legislature provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public school by the treasurer of the School District, as directed by the non-public school. These transactions are reflected as a governmental activity of the School District.

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

The School District participates in two jointly governed organizations. These organizations are the Northeast Ohio Network for Educational Technology and the Six District Educational Compact which are presented in Note 16 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB)

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

statements and interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Basis of Presentation

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

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

The statement of net assets presents the financial condition of the governmental activities of the School District at fiscal 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, 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 which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

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

B. Fund Accounting

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

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses 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 following is the School District's 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.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

The other governmental funds of the School District account for grants and other resources whose uses are restricted to a particular purpose.

Proprietary Fund Type Proprietary fund reporting focuses on the determination of operating income/loss, changes in net asset, 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 is a self-insurance fund that accounts for medical/surgical, prescription drug and dental claims of the School District's employees.

Fiduciary Fund Type 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 has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund accounts for student activities.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenditures) 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.

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 this fund are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net 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.

D. Basis of Accounting

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

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 7.) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange 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, interest, tuition, grants, fees and rentals.

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

Expenses/Expenditures 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 governmental funds.

E. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

funds. The treasurer has been given the authority to allocate Board appropriations to the object level within all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original and final appropriations were adopted.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

F. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including the proprietary fund, are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During fiscal year 2003, investments were limited to a repurchase agreement and STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for at June 30, 2003.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2003 amounted to \$98,900, which includes \$27,377 assigned from other School District funds.

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 original maturity of more than three months that are not made from the pool are reported as investments.

G. 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 the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

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

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

I. Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets in the general fund include amounts required by State statute to be set-aside to create a reserve for budget stabilization and unspent resources restricted for the purchase of buses. See Note 18 for additional information regarding set asides.

J. Capital Assets

The School District's only capital assets are general capital assets. These assets generally result 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 in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is not capitalized.

All reported capital assets, except land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Improvements	25 - 50 years
Furniture, Fixtures and Equipment	10 - 20 years
Vehicles	10 years

K. Interfund Balances

On 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.

L. Compensated Absences

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

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

The entire compensated absence liability is reported on the government-wide financial statements.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure 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 employee who has accumulated unpaid leave is paid.

M. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund 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 fiscal year. Bonds are recognized as a liability on the fund financial statements when due.

N. Net Assets

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

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

O. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, budget stabilization and school bus purchases.

The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

P. 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 self-insurance programs. Operating expenses are necessary costs that are incurred to provide the good or service that is the primary activity of the fund. Any revenue or expense not meeting the definition of operating is reported as non-operating.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Q. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

R. Estimates

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

Note 3 - Change in Accounting Principles and Restatement of Fund Balance

Changes in Accounting Principles 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 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."

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 an 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.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the Management's Discussion and Analysis, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the school district not being able to present budgetary comparisons for the general and each major special revenue fund.

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 government-wide financial statements split the School District's programs between business-type and governmental activities. The School District has no 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 elimination of the internal service fund, reclassification of funds based on the guidance provided in Statement No. 34 and the conversion to the accrual basis of accounting.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Restatement of Fund Balance For the School District, it was determined that enterprise funds should be reclassified to special revenue funds. The new standards for reporting fund obligations for compensated absences in Interpretation 6 also caused changes in previously reported fund balances. The implementation of these changes 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.

	General	Nonmajor	Total
Fund Balances, June 30, 2002	\$2,036,604	\$1,119,115	\$3,155,719
Fund Reclassification	271,229	351,076	622,305
Interpretation No. 6			
Compensated Absences	90,252	17,676	107,928
Adjusted Fund Balances, June 30, 2002	\$2,398,085	\$1,487,867	3,885,952
GASB 34 Adjustments:			
Capital Assets			5,303,162
Internal Service Fund			(531)
Pension Obligations			(184,202)
Accrued Interest			(4,152)
Long-Term Liabilities:			
Compensated Absences			(1,759,058)
Bonds and Energy Conservation			(184,140)
Long-Term (Deferred) Assets			627,677
Governmental Activities Net Assets, June 30, 2002			\$7,684,708

The decrease in capital assets of \$4,188,132, from \$20,255,518 to \$16,067,386 was due to the School District increasing their capitalization threshold to \$5,000.

Note 4 – Accountability and Compliance

A. Accountability

The title VI-B, title I and title V special revenue funds at year end had deficits of \$5,958, \$12,749 and \$1,553 respectively. The special revenue funds' deficits are due to adjustments for accrued liabilities. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The self insurance internal service fund at year end had a deficit of \$203,958. The deficit is due to adjustments for accrued liabilities. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

B. Compliance

The following funds had original appropriations in excess of estimated resources plus carryover balances contrary to Section 5705.39, Ohio Revised Code. This oversight was identified and corrected by the fiscal year end.

	Estimated Resources Plus Carryover Balances	Appropriations	Excess
<i>Special Revenue Funds:</i>			
Auxiliary Services	\$17,024	\$31,541	\$14,517
Disadvantaged Pupil Impact Aid	65,143	65,344	201
Ohio Reads	84,974	100,348	15,374
Title VI-B	213,774	360,053	146,279
<i>Internal Service Fund:</i>			
Self Insurance	1,840,248	2,650,300	810,052

The Ohio Reads special revenue grant fund had total final appropriations in excess of estimated resources plus carryover balances in the amount of \$28,286 in violation of Section 5705.39, Ohio Revised Code. Although this violation was not corrected by fiscal year end, management has indicated that appropriations will be closely monitored to ensure no future violations.

Note 5 - 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 is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual 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 as follows:

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 (budget basis) rather than as a reservation of fund balance (GAAP basis).

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance	
GAAP Basis	\$1,801,014
Revenue Accruals	324,277
Advances In	136,161
Expenditure Accruals	(241,654)
Advances Out	(37,518)
Encumbrances	(990,440)
Budget Basis	<u>\$991,840</u>

Note 6 - Deposits and Investments

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

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

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

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

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. Interim monies are to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

- least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
 5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
 6. The State Treasurer's investment pool (STAROhio);
 7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
 8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements."

Deposits At fiscal year end, the carrying amount of the School District's deposits was \$2,947,217 and the bank balance was \$3,008,859. Of the bank balance:

1. \$108,859 was covered by federal depository insurance; and
2. \$2,900,000 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department or agent in the School District's name and all State statutory requirements for the deposit of money have been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. 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. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form. Investments at June 30, 2003 consist of the following:

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

	Category 3	Carrying Value	Fair Value
Repurchase Agreement	\$1,599,157	\$1,599,157	\$1,599,157
STAROhio		2,733,923	2,733,923
	<u>\$1,599,157</u>	<u>\$4,333,080</u>	<u>\$4,333,080</u>

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

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$7,280,297	\$0
Investments which are part of the cash management pool:		
Repurchase Agreement	(1,599,157)	1,599,157
STAROhio	<u>(2,733,923)</u>	<u>2,733,923</u>
GASB Statement No. 3	<u>\$2,947,217</u>	<u>\$4,333,080</u>

Note 7 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the school district fiscal year runs from July through June. First half tax collections are received by the school district in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the school district. Real property tax revenue received in calendar 2003 represents collections of calendar year 2002 taxes. Real property taxes received in calendar year 2003 were levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market 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 alternate payment dates to be established.

Public utility property tax revenue received in calendar 2003 represents collections of calendar year 2002 taxes. Public utility real and tangible personal property taxes received in calendar year 2003 became a lien December 31, 2001, were levied after April 1, 2002 and are collected in 2003 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2003 (other than public utility property) represents the collection of 2003 taxes. Tangible personal property taxes received in calendar year 2003 were levied after April 1, 2002, on the value as of December 31, 2002. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments 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

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Summit and Portage Counties. The County Fiscal Officer and County Auditor periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2003, though not intended to finance fiscal year 2003, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2003 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only a portion of the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2003 was \$1,007,168 in the general fund and \$27,439 in the permanent improvement capital projects fund. \$153,692 of this amount was recognized as revenue.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2003 taxes were collected are:

	2002 Second Half Collections		2003 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$306,955,400	85.68 %	\$346,336,320	87.30 %
Public Utility Personal	7,215,470	2.01	7,445,770	1.88
Tangible Personal Property	44,086,684	12.31	42,954,877	10.82
Total	<u>\$358,257,554</u>	<u>100.00 %</u>	<u>\$396,736,967</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$59.73		\$59.73	

Note 8 - Receivables

Receivables at June 30, 2003, consisted of taxes, accounts (student fees and tuition), and intergovernmental grants. 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 fiscal year guarantee of Federal funds. All receivables are expected to be collected within one year.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

A summary of the principal items of intergovernmental receivables follows:

	Amounts
Tuition	\$192,218
Title VI-B	30,242
<i>Total</i>	\$222,460

Note 9 – Capital Assets

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

	Restated Balance 6/30/2002	Additions	Deductions	Balance 6/30/2003
Governmental Activities				
<i>Capital Assets not being Depreciated:</i>				
Land	\$3,354,650	\$0	\$0	\$3,354,650
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	9,900,740	112,973	0	10,013,713
Furniture, Fixtures and Equipment	932,741	72,240	0	1,004,981
Vehicles	1,879,255	174,352	0	2,053,607
<i>Total Capital Assets being Depreciated</i>	12,712,736	359,565	0	13,072,301
Less Accumulated Depreciation:				
Buildings and Improvements	(8,852,139)	(181,251)	0	(9,033,390)
Furniture, Fixtures and Equipment	(660,494)	(60,808)	0	(721,302)
Vehicles	(1,251,591)	(122,456)	0	(1,374,047)
<i>Total Accumulated Depreciation</i>	(10,764,224)	(364,515) *	0	(11,128,739)
<i>Total Assets being Depreciated, Net</i>	1,948,512	(4,950)	0	1,943,562
<i>Governmental Activities Capital Assets, Net</i>	\$5,303,162	(\$4,950)	\$0	\$5,298,212

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

* Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$156,670
Special	3,887
Vocational	2,960
Support Services:	
Pupil	643
Instructional Staff	3,073
Administration	15,312
Fiscal	732
Business	162
Operation and Maintenance of Plant	41,897
Pupil Transportation	122,552
Central	4,347
Operation of Non-Instructional Services	250
Operations of Food Services	5,812
Extracurricular Activities	6,218
Total Depreciation Expense	\$364,515

Note 10 - 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. The following is a summary of the School District's insurance coverage with March USA, Inc. as of June 30, 2003:

Coverage	Amount
Buildings and Contents - replacement costs	\$45,394,900
Inland Marine included	75,000
Boiler and Machinery included	2,954,642
Crime Insurance	25,000
Automobile Liability	2,000,000
Uninsured Motorists	1,000,000
General Liability	
Per occurrence	2,000,000
Total per year	4,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from the prior year.

All employees of the School District are covered by a blanket bond, while certain individuals in policy making roles are covered by separate, higher limit bond coverage.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Self-Insurance

The School District uses an internal service fund to record and report their self-funded health care insurance program. Premium rates are set based on an annual review process with the School District insurance consultant. The School District's Board of Education pays the entire cost of a monthly premium for all full-time employees.

The claims liability of \$260,248 reported in the internal service fund at June 30, 2003 is based on the requirements of GASB Statement No. 30 "Risk Financing Omnibus", which requires that a liability for unpaid claims cost, including estimates of cost relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. The School District purchases stop-loss coverage of \$60,000 per employee annually. Changes in the fund's claims liability amount in 2002 and 2003 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2002	\$106,485	\$1,996,852	\$1,835,026	\$268,311
2003	268,311	1,692,737	1,700,800	260,248

Workers' Compensation

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

Note 11 - Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion 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 \$254,447, \$161,404 and \$110,500 respectively; 36 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001.

Tallmadge 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 participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

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. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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 become 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 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent 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 \$1,463,431, \$948,920, and \$932,650 respectively; 81.60 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. Contributions to the DC and Combined Plans for fiscal year 2003 were \$7,312 made by the School District and \$11,718 made by the plan members.

Note 12 - Postemployment Benefits

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System, (STRS), and to retired non-certificated employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization,

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2003, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$104,531 for fiscal year 2003.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2002, (the latest information available) the balance in the Fund was \$3.011 billion. For the year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000 and STRS had 105,300 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll, a decrease of 2.71 percent from fiscal year 2002. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established as \$14,500. For the School District, the amount to fund health care benefits, including surcharge, during the 2003 fiscal year equaled \$237,506.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2003, were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003, SERS had net assets available for payment of health care benefits of \$303.6 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Note 13 – Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn three to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. A percentage of unused sick time is paid at retirement. All employees who are eligible to retire will receive a severance benefit upon retirement limited to 25 percent of the accumulated sick leave to a maximum pay out of fifty-five days for classified employees and sixty days for certain administrators and certified employees. The maximum payout in days is determined by their individual contracts.

B. Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees from Jefferson Pilot Financial.

Note 14 - Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2003 were as follows:

	Principal Outstanding 6/30/02	Additions	Deductions	Principal Outstanding 6/30/03	Amounts Due in One Year
<i>General Long-term Obligations:</i>					
1993 \$520,000 4.75% Maturing on 12/01/03 Energy Conservation Bonds	\$124,140	\$0	\$60,630	\$63,510	\$63,510
2000 \$166,000 5.50% Matured on 4/15/03 Bus Acquisition Bonds	60,000	0	60,000	0	0
<i>Total General Obligation Bonds:</i>	184,140	0	120,630	63,510	63,510
<i>Other Long-Term Obligations:</i>					
Compensated Absences	1,759,058	71,874	232,776	1,598,156	233,601
<i>Total General Long-Term Obligations</i>	<u>\$1,943,198</u>	<u>\$71,874</u>	<u>\$353,406</u>	<u>\$1,661,666</u>	<u>\$297,111</u>

The energy conservation bonds will be paid from the debt service fund. The bus acquisition bonds were paid from the general fund. Compensated absences will be paid from the general and the food service, auxiliary services, disadvantaged pupil impact aid, ohio reads, title VI-B, title I, title V, class size reduction and miscellaneous federal grants special revenue funds.

The School District's overall legal debt margin at June 30, 2003 was \$35,706,327 with an unvoted debt margin of \$396,737 at June 30, 2003. Principal and interest requirements to retire energy conservation bonds outstanding at June 30, 2003 are \$63,510 and \$3,017 respectively for a total payment of \$66,527.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 15 - Interfund Transactions

A. Interfund Transfers

The general fund transferred \$487 to other nonmajor governmental funds to provide funding for fiscal year 2003.

B. Interfund Balance

The general fund advanced \$37,518 to other nonmajor governmental funds due to the timing of the receipt of grant monies received by the various funds. The advances are expected to be repaid from other nonmajor governmental funds within one year. In a prior year, the general fund advanced money to the internal service fund to make up for insufficient funding of the self-insurance plan. The outstanding interfund balance at June 30, 2003 was \$698,524. The self insurance fund advance is not expected to be repaid within one year.

Note 16 - Jointly Governed Organizations

Northeast Ohio Network for Educational Technology (NEOnet) – The Northeast Ohio Network for Educational Technology (NEOnet) is the computer service Organization or Data Acquisition Site (DAS) used by the School District. NEOnet is an association of public school districts in a geographic area determined by the Ohio Department of Education. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The purpose of the consortium is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All Districts in the consortium are required to pay fees, charges and assessments as charged. NEOnet is governed by a board made up of superintendents from all of the participating districts. An elected Executive Board consisting of five members of the governing board is the managerial body of the consortium and meets on a monthly basis. The School District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments to NEOnet are made from the general fund. During fiscal year 2003, the School District contributed \$16,727 to NEOnet. Financial information can be obtained by contacting the fiscal agent at 420 Washington Avenue, Suite 200, Cuyahoga Falls, Ohio 44221.

Six District Educational Compact - The Six District Educational Compact is a jointly governed organization to provide for the vocational and special education needs of the students of six participating school districts. The six member board consists of the superintendent from each of the participating school districts. Students may attend any vocational or special education class offered by any of the six districts. If a student elects to attend a class offered by a school district of residence pays an instructional fee to the school district that offered the class. Cuyahoga Falls City School District serves as the fiscal agent for this agreement, collecting and distributing payments. The committee exercises total control over the operation of the compact, including budgeting, appropriating, contracting and designating management. All revenues are generated from charges for services. Financial information can be obtained by contacting the Treasurer or fiscal agent at 15 Atterbury Boulevard, Hudson, Ohio 44236.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 17 - Contingencies

A. Grants

The School District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. 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.

B. Litigation

As of June 30, 2003, the School District was not party to any legal proceedings.

Note 18 - Set-Aside Calculations

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year-end. These amounts must be carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2003, only the unspent portion of certain workers' compensation refunds continues to be set aside.

The following cash basis information describes the changes in the year-end set-aside amounts for textbooks, capital acquisitions and budget stabilization. Disclosure of this information is required by the State statute.

	Textbooks	Capital Improvements	Budget Stabilization
Set-aside Reserve Balance as of June 30, 2002	(\$189,140)	\$0	\$90,380
Current Year Set-aside Requirement	384,214	384,214	0
Qualifying Disbursements	(645,897)	(394,027)	0
Totals	<u>(\$450,823)</u>	<u>(\$9,813)</u>	<u>\$90,380</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>(\$450,823)</u>	<u>\$0</u>	<u>\$90,380</u>
Set-aside Reserve Balance as of June 30, 2003	<u>\$0</u>	<u>\$0</u>	<u>\$90,380</u>

The School District has qualifying disbursements and offsets during the fiscal year that reduced the textbooks and the capital improvements set-aside amounts below zero. The negative set-aside balance for the textbooks may be used to reduce the set-aside requirement of future years. The negative set-aside balance for the capital improvements may not be used to reduce the set-aside requirements of future years. This negative balance is therefore not presented as being carried forward to future years. The total reserve balance for the three set-asides at the end of the fiscal year was \$90,380.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 19 - State School Funding Decision

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

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...".

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

This Page is Intentionally Left Blank.

Combining Statements
And
Individual Fund Schedules

This Page is Intentionally Left Blank.

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 for major capital projects) that are legally restricted to expenditure for specified purposes. Following is a description of the School District's special revenue funds:

Food Service Fund – To account for the grants and charges for services related to the food service operations of the School District.

Scholarship Fund – To account for assets held by the School District for individuals and/or private organizations which benefit the student body or the local community.

Uniform School Supplies Fund – To account for the operation of a bookstore facility at the Senior High School.

Public School Support Fund – To account for school site sales revenue and expenditure for field trips, assemblies and other activity costs.

Local Grants Fund – To account for funds received to promote community involvement and volunteer activities between the school and community.

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

Venture Capital Fund – 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 Activities Fund – To account for gate receipts and other revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's Athletic Program.

Auxiliary Services Fund – To account for services to non-public schools within the School District which are provided for in state law. Funds are primarily for educational supplies, materials, and testing.

Career Development Fund – To account for monies received and expended in conjunction with Vocational Education Development projects funded by the State of Ohio, Ohio Department of Education and Division of Vocational Education.

Professional Development Fund – To account for State monies in support of locally developed professional development programs.

Excellence in Education Fund – To account for State revenues used for pupil competency assessment and instructional development in English composition, mathematics and reading as required by the minimum standards for Ohio Schools.

Management Information Systems Fund – To account State monies which are used solely for costs associated with the requirements of the education management information system.

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Disadvantaged Pupil Impact Aid Fund – To account for State monies which provide instructional programs and materials for disadvantaged students.

Network Connectivity Fund – To account for money appropriated for Ohio Educational Computer Network Connections.

Schoolnet Professional Development Fund – To account for State monies used to support technology training of teachers.

Ohio Reads Fund – To account for State monies used to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public schools and costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Summer Intervention Fund – To account for State monies used for costs relating to summer school teachers.

Miscellaneous State Grants Fund – To account for State monies which support academic and enrichment programs for the student body.

Eisenhower Math and Science Grant Fund – To account for Federal monies used for strengthening instruction in science, mathematics, modern foreign languages, English, the arts, and computer training.

Title VI-B Fund – To account for Federal revenues that assist states in identification of handicapped children and provide full educational opportunities to handicapped children at the preschool, elementary and secondary levels. It also accounts for Federal monies used to implement a variety of programs intended to provide instruction for early childhood education.

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

Title I – This fund accounts for Federal monies used to assist the School District in meeting the special needs of educationally deprived children.

Title V Fund – To account for Federal revenues which support the implementation of a variety of programs (drug/alcohol abuse, computer education) to benefit children attending public and provide non-profit schools within the community.

Drug Free Schools Fund – To account for Federal monies which support the implementation of programs for drug abuse education and prevention.

Class Size Reduction Grant Fund – To account for various monies to hire additional classroom teachers so the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund – To account for various monies received through State agencies from the Federal government or directly from the Federal government which are not classified elsewhere.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Debt Service Fund

Bond Retirement Fund – The bond retirement fund accounts for property tax revenues that are used for the payment of principal and interest on general obligation debt.

Nonmajor Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Following is a description of the nonmajor capital projects funds:

Permanent Improvement Fund – To account for all transactions related to the acquiring, construction, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code.

Building Fund – To account for the receipts and expenditures related to all special construction bond funds in the School District. Expenditures recorded here represent the costs for construction, enlarging, extending, rehabilitating, renovating, remodeling and improving School District building and sites, and equipment and furnishing.

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

School Net Plus Fund - To account for State monies providing for computer hardware and wiring for buildings for kindergarten through fourth grade.

Tallmadge 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
Assets				
Equity in Pooled Cash and Cash Equivalents	\$757,270	\$0	\$545,859	\$1,303,129
Property Taxes Receivable	0	0	350,944	350,944
Accounts Receivable	500	0	0	500
Intergovernmental Receivable	30,242	0	0	30,242
Inventory Held for Resale	9,558	0	0	9,558
<i>Total Assets</i>	<u>\$797,570</u>	<u>\$0</u>	<u>\$896,803</u>	<u>\$1,694,373</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$16,654	\$0	\$1,060	\$17,714
Contracts Payable	1,407	0	3,575	4,982
Accrued Wages and Benefits	25,263	0	0	25,263
Interfund Payable	37,518	0	0	37,518
Intergovernmental Payable	33,325	0	0	33,325
Deferred Revenue	30,242	0	323,505	353,747
<i>Total Liabilities</i>	<u>144,409</u>	<u>0</u>	<u>328,140</u>	<u>472,549</u>
 Fund Balances				
Reserved for Encumbrances	79,144	0	109,921	189,065
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	574,017	0	0	574,017
Capital Projects Funds	0	0	458,742	458,742
<i>Total Fund Balances</i>	<u>653,161</u>	<u>0</u>	<u>568,663</u>	<u>1,221,824</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$797,570</u>	<u>\$0</u>	<u>\$896,803</u>	<u>\$1,694,373</u>

Tallmadge 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
Revenues				
Property and Other Local Taxes	\$0	\$58,435	\$354,164	\$412,599
Intergovernmental	874,706	6,393	79,076	960,175
Interest	2,341	0	0	2,341
Extracurricular Activities	260,956	0	0	260,956
Contributions and Donations	42,777	0	0	42,777
Charges for Services	505,575	0	0	505,575
<i>Total Revenues</i>	<u>1,686,355</u>	<u>64,828</u>	<u>433,240</u>	<u>2,184,423</u>
Expenditures				
Current:				
Instruction:				
Regular	407,126	0	0	407,126
Special	188,890	0	0	188,890
Vocational	3,277	0	0	3,277
Adult/Continuing	40,055	0	0	40,055
Support Services:				
Pupil	113,768	0	0	113,768
Instructional Staff	300,970	0	0	300,970
Administration	104,880	0	0	104,880
Operation and Maintenance of Plant	18,700	0	0	18,700
Pupil Transportation	50,436	0	0	50,436
Operation of Non-Instructional Services	35,473	0	0	35,473
Operation of Food Services	524,179	0	0	524,179
Extracurricular Activities	153,584	0	0	153,584
Capital Outlay	0	0	443,088	443,088
Debt Service:				
Principal Retirement	0	60,630	0	60,630
Interest and Fiscal Charges	0	5,897	0	5,897
<i>Total Expenditures</i>	<u>1,941,338</u>	<u>66,527</u>	<u>443,088</u>	<u>2,450,953</u>
<i>Excess of Revenues Under Expenditures</i>	(254,983)	(1,699)	(9,848)	(266,530)
Other Financing Sources				
Transfers In	487	0	0	487
<i>Net Change in Fund Balances</i>	(254,496)	(1,699)	(9,848)	(266,043)
<i>Fund Balances Beginning of Year</i>	<u>907,657</u>	<u>1,699</u>	<u>578,511</u>	<u>1,487,867</u>
<i>Fund Balances End of Year</i>	<u>\$653,161</u>	<u>\$0</u>	<u>\$568,663</u>	<u>\$1,221,824</u>

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

	Food Service	Scholarship	Uniform School Supplies	Public School Support
Assets				
Equity in Pooled Cash and Cash Equivalents	\$169,984	\$97,108	\$59,986	\$60,423
Accounts Receivable	0	500	0	0
Intergovernmental Receivable	0	0	0	0
Inventory Held for Resale	9,558	0	0	0
<i>Total Assets</i>	<u>\$179,542</u>	<u>\$97,608</u>	<u>\$59,986</u>	<u>\$60,423</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$1,616	\$0	\$0	\$0
Contracts Payable	0	0	0	0
Accrued Wages and Benefits	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	2,264	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>3,880</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Fund Balances				
Reserved for Encumbrances	11,113	100	2,935	1,121
Unreserved, Undesignated (Deficit)	164,549	97,508	57,051	59,302
<i>Total Fund Balances (Deficit)</i>	<u>175,662</u>	<u>97,608</u>	<u>59,986</u>	<u>60,423</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$179,542</u>	<u>\$97,608</u>	<u>\$59,986</u>	<u>\$60,423</u>

<u>Local Grants</u>	<u>Underground Storage Tanks</u>	<u>Venture Capital</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>Career Development</u>
\$5,984	\$33,079	\$80	\$47,825	\$8,687	\$1,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$5,984</u>	<u>\$33,079</u>	<u>\$80</u>	<u>\$47,825</u>	<u>\$8,687</u>	<u>\$1,000</u>
\$0	\$0	\$0	\$0	\$1,107	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	23	0
0	0	0	0	0	0
0	0	0	0	1,130	0
0	0	0	3,405	5,589	0
5,984	33,079	80	44,420	1,968	1,000
5,984	33,079	80	47,825	7,557	1,000
<u>\$5,984</u>	<u>\$33,079</u>	<u>\$80</u>	<u>\$47,825</u>	<u>\$8,687</u>	<u>\$1,000</u>

(continued)

Tallmadge City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2003

	<u>Professional Development</u>	<u>Excellence In Education</u>	<u>Management Information Systems</u>	<u>Entry Year Program</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$19,203	\$0	\$0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	0
Inventory Held for Resale	0	0	0	0
<i>Total Assets</i>	<u>\$0</u>	<u>\$19,203</u>	<u>\$0</u>	<u>\$0</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0
Accrued Wages and Benefits	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Fund Balances				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated (Deficit)	0	19,203	0	0
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>19,203</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$0</u>	<u>\$19,203</u>	<u>\$0</u>	<u>\$0</u>

Disadvantaged Pupil Impact Aid	Network Connectivity	Schoolnet Professional Development	Ohio Reads	Summer Intervention	Miscellaneous State Grants
\$122,132	\$945	\$4,648	\$7,620	\$1,890	\$9,514
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$122,132</u>	<u>\$945</u>	<u>\$4,648</u>	<u>\$7,620</u>	<u>\$1,890</u>	<u>\$9,514</u>
\$0	\$0	\$90	\$2,435	\$0	\$0
0	0	0	0	0	0
215	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>215</u>	<u>0</u>	<u>90</u>	<u>2,435</u>	<u>0</u>	<u>0</u>
0	0	1,824	5,185	0	907
121,917	945	2,734	0	1,890	8,607
<u>121,917</u>	<u>945</u>	<u>4,558</u>	<u>5,185</u>	<u>1,890</u>	<u>9,514</u>
<u>\$122,132</u>	<u>\$945</u>	<u>\$4,648</u>	<u>\$7,620</u>	<u>\$1,890</u>	<u>\$9,514</u>

(continued)

Tallmadge City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2003

	Eisenhower Math and Science Grant	Title VI-B	Vocational Education	Title I
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,352	\$56,298	\$11,673	\$11,955
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	30,242	0	0
Inventory Held for Resale	0	0	0	0
<i>Total Assets</i>	<u>\$1,352</u>	<u>\$86,540</u>	<u>\$11,673</u>	<u>\$11,955</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$217	\$456	\$0	\$408
Contracts Payable	0	1,407	0	0
Accrued Wages and Benefits	0	151	0	17,020
Interfund Payable	0	30,242	0	7,276
Intergovernmental Payable	0	30,000	0	0
Deferred Revenue	0	30,242	0	0
<i>Total Liabilities</i>	<u>217</u>	<u>92,498</u>	<u>0</u>	<u>24,704</u>
 Fund Balances				
Reserved for Encumbrances	1,135	24,435	0	5,855
Unreserved, Undesignated (Deficit)	0	(30,393)	11,673	(18,604)
<i>Total Fund Balances (Deficit)</i>	<u>1,135</u>	<u>(5,958)</u>	<u>11,673</u>	<u>(12,749)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,352</u>	<u>\$86,540</u>	<u>\$11,673</u>	<u>\$11,955</u>

<u>Title V</u>	<u>Drug Free Schools</u>	<u>Class Size Reduction Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$825	\$389	\$24,651	\$19	\$757,270
0	0	0	0	500
0	0	0	0	30,242
0	0	0	0	9,558
<u>\$825</u>	<u>\$389</u>	<u>\$24,651</u>	<u>\$19</u>	<u>\$797,570</u>
\$0	\$0	\$10,325	\$0	\$16,654
0	0	0	0	1,407
2,330	0	5,547	0	25,263
0	0	0	0	37,518
48	0	990	0	33,325
0	0	0	0	30,242
<u>2,378</u>	<u>0</u>	<u>16,862</u>	<u>0</u>	<u>144,409</u>
825	389	14,326	0	79,144
(2,378)	0	(6,537)	19	574,017
<u>(1,553)</u>	<u>389</u>	<u>7,789</u>	<u>19</u>	<u>653,161</u>
<u>\$825</u>	<u>\$389</u>	<u>\$24,651</u>	<u>\$19</u>	<u>\$797,570</u>

Tallmadge 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	Scholarship	Uniform School Supplies	Public School Support
Revenues				
Intergovernmental	\$103,894	\$16,423	\$0	\$0
Interest	2,341	0	0	0
Extracurricular Activities	0	0	0	124,480
Contributions and Donations	0	42,777	0	0
Charges for Services	364,107	9,343	132,125	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>470,342</u>	<u>68,543</u>	<u>132,125</u>	<u>124,480</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	128,754	461
Special	0	1,516	0	0
Vocational	0	0	0	0
Adult/Continuing	0	40,055	0	0
Support Services:				
Pupil	0	9,016	0	2,946
Instructional Staff	0	0	0	0
Administration	0	0	0	73,010
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	50,436
Operation of Non-Instructional Services	0	0	0	0
Operation of Food Services	524,179	0	0	0
Extracurricular Activities	0	10,406	0	1,195
<i>Total Expenditures</i>	<u>524,179</u>	<u>60,993</u>	<u>128,754</u>	<u>128,048</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(53,837)	7,550	3,371	(3,568)
Other Financing Sources				
Transfers In	0	487	0	0
<i>Net Change in Fund Balances</i>	(53,837)	8,037	3,371	(3,568)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>229,499</u>	<u>89,571</u>	<u>56,615</u>	<u>63,991</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$175,662</u></u>	<u><u>\$97,608</u></u>	<u><u>\$59,986</u></u>	<u><u>\$60,423</u></u>

Local Grants	Underground Storage Tanks	Venture Capital	District Managed Student Activities	Auxiliary Services	Career Development
\$22,550	\$0	\$0	\$0	\$22,965	\$0
0	0	0	0	0	0
0	0	0	136,476	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>22,550</u>	<u>0</u>	<u>0</u>	<u>136,476</u>	<u>22,965</u>	<u>0</u>
2,918	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
14,094	0	0	0	0	0
0	0	0	0	0	0
0	1,200	0	0	0	0
0	0	0	0	0	0
0	0	0	0	20,381	0
0	0	0	0	0	0
0	0	0	141,983	0	0
<u>17,012</u>	<u>1,200</u>	<u>0</u>	<u>141,983</u>	<u>20,381</u>	<u>0</u>
5,538	(1,200)	0	(5,507)	2,584	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5,538	(1,200)	0	(5,507)	2,584	0
<u>446</u>	<u>34,279</u>	<u>80</u>	<u>53,332</u>	<u>4,973</u>	<u>1,000</u>
<u>\$5,984</u>	<u>\$33,079</u>	<u>\$80</u>	<u>\$47,825</u>	<u>\$7,557</u>	<u>\$1,000</u>

(continued)

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

	Professional Development	Excellence In Education	Management Information Systems	Entry Year Programs
Revenues				
Intergovernmental	\$0	\$0	\$10,285	\$0
Interest	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Charges for Services	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>10,285</u>	<u>0</u>
Expenditures				
Current:				
Instruction:				
Regular	0	1,051	0	6,118
Special	0	0	0	0
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	0	0	10,285	0
Instructional Staff	54	0	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Operation of Food Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>54</u>	<u>1,051</u>	<u>10,285</u>	<u>6,118</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(54)	(1,051)	0	(6,118)
Other Financing Sources (Uses)				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(54)	(1,051)	0	(6,118)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>54</u>	<u>20,254</u>	<u>0</u>	<u>6,118</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$0</u>	<u>\$19,203</u>	<u>\$0</u>	<u>\$0</u>

Disadvantaged Pupil Impact Aid	Network Connectivity	Schoolnet Professional Development	Ohio Reads	Summer Intervention	Miscellaneous State Grants
\$133,522	\$17,500	\$6,225	\$0	\$0	\$14,421
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>133,522</u>	<u>17,500</u>	<u>6,225</u>	<u>0</u>	<u>0</u>	<u>14,421</u>
47,948	0	0	75,912	0	0
0	0	0	0	0	0
0	0	0	0	0	3,277
0	0	0	0	0	0
0	0	0	0	0	1,389
0	0	2,180	6,000	0	0
0	0	0	0	0	3,526
0	17,500	0	0	0	0
0	0	0	0	0	0
0	0	0	0	33	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>47,948</u>	<u>17,500</u>	<u>2,180</u>	<u>81,912</u>	<u>33</u>	<u>8,192</u>
85,574	0	4,045	(81,912)	(33)	6,229
0	0	0	0	0	0
<u>85,574</u>	<u>0</u>	<u>4,045</u>	<u>(81,912)</u>	<u>(33)</u>	<u>6,229</u>
36,343	945	513	87,097	1,923	3,285
<u>\$121,917</u>	<u>\$945</u>	<u>\$4,558</u>	<u>\$5,185</u>	<u>\$1,890</u>	<u>\$9,514</u>

(continued)

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

	Eisenhower Math and Science Grant	Title VI-B	Vocational Education	Title I
Revenues				
Intergovernmental	\$158	\$241,086	\$4,058	\$155,267
Interest	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Charges for Services	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>158</u>	<u>241,086</u>	<u>4,058</u>	<u>155,267</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	32,013	0	155,361
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	0	82,964	0	0
Instructional Staff	10,796	175,562	0	0
Administration	0	27,096	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	0	0	15,021
Operation of Food Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>10,796</u>	<u>317,635</u>	<u>0</u>	<u>170,382</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(10,638)	(76,549)	4,058	(15,115)
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(10,638)	(76,549)	4,058	(15,115)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>11,773</u>	<u>70,591</u>	<u>7,615</u>	<u>2,366</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$1,135</u></u>	<u><u>(\$5,958)</u></u>	<u><u>\$11,673</u></u>	<u><u>(\$12,749)</u></u>

Title V	Drug Free Schools	Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$17,616	\$11,578	\$89,171	\$7,987	\$874,706
0	0	0	0	2,341
0	0	0	0	260,956
0	0	0	0	42,777
0	0	0	0	505,575
0	0	0	0	0
<u>17,616</u>	<u>11,578</u>	<u>89,171</u>	<u>7,987</u>	<u>1,686,355</u>
19,559	0	84,001	40,404	407,126
0	0	0	0	188,890
0	0	0	0	3,277
0	0	0	0	40,055
0	7,168	0	0	113,768
0	0	0	92,284	300,970
0	1,248	0	0	104,880
0	0	0	0	18,700
0	0	0	0	50,436
0	38	0	0	35,473
0	0	0	0	524,179
0	0	0	0	153,584
<u>19,559</u>	<u>8,454</u>	<u>84,001</u>	<u>132,688</u>	<u>1,941,338</u>
(1,943)	3,124	5,170	(124,701)	(254,983)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>487</u>
(1,943)	3,124	5,170	(124,701)	(254,496)
<u>390</u>	<u>(2,735)</u>	<u>2,619</u>	<u>124,720</u>	<u>907,657</u>
<u>(\$1,553)</u>	<u>\$389</u>	<u>\$7,789</u>	<u>\$19</u>	<u>\$653,161</u>

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

	Permanent Improvement	Building	Vocational Education Equipment	School Net Plus	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$535,371	\$4,465	\$5,899	\$124	\$545,859
Property Taxes Receivable	350,944	0	0	0	350,944
<i>Total Assets</i>	<u>\$886,315</u>	<u>\$4,465</u>	<u>\$5,899</u>	<u>\$124</u>	<u>\$896,803</u>
 Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$1,060	\$0	\$0	\$0	\$1,060
Contracts Payable	3,575	0	0	0	3,575
Deferred Revenue	323,505	0	0	0	323,505
<i>Total Liabilities</i>	<u>328,140</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>328,140</u>
 Fund Balances					
Reserved for Encumbrances	109,921	0	0	0	109,921
Unreserved, Undesignated	448,254	4,465	5,899	124	458,742
<i>Total Fund Balances</i>	<u>558,175</u>	<u>4,465</u>	<u>5,899</u>	<u>124</u>	<u>568,663</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$886,315</u>	<u>\$4,465</u>	<u>\$5,899</u>	<u>\$124</u>	<u>\$896,803</u>

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

	Permanent Improvement	Building	Vocational Education Equipment	School Net Plus	Total Nonmajor Capital Projects Funds
Revenues					
Property and Other Local Taxes	\$354,164	\$0	\$0	\$0	\$354,164
Intergovernmental	36,692	0	0	42,384	79,076
<i>Total Revenues</i>	390,856	0	0	42,384	433,240
Expenditures					
Capital Outlay	400,828	0	0	42,260	443,088
<i>Net Change in Fund Balances</i>	(9,972)	0	0	124	(9,848)
<i>Fund Balances Beginning of Year</i>	568,147	4,465	5,899	0	578,511
<i>Fund Balances End of Year</i>	\$558,175	\$4,465	\$5,899	\$124	\$568,663

Tallmadge City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2003

	Beginning Balance 6/30/02	Additions	Deductions	Ending Balance 6/30/03
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$68,898	\$97,204	\$86,986	\$79,116
Liabilities				
Due to Students	\$68,898	\$97,204	\$86,986	\$79,116

**Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual**

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$12,488,877	\$12,721,456	\$12,656,093	(\$65,363)
Intergovernmental	8,293,840	8,447,673	8,587,483	139,810
Interest	120,271	122,500	98,900	(23,600)
Tuition and Fees	186,543	190,000	335,052	145,052
Extracurricular Activities	33,499	34,120	36,547	2,427
Rentals	4,909	5,000	6,175	1,175
Miscellaneous	26,534	27,264	26,500	(764)
<i>Total Revenues</i>	<u>21,154,473</u>	<u>21,548,013</u>	<u>21,746,750</u>	<u>198,737</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	6,794,076	6,798,889	6,798,873	16
Fringe Benefits	2,112,304	2,113,800	2,084,240	29,560
Purchased Services	1,298,287	1,298,522	1,298,522	0
Materials and Supplies	257,540	257,719	205,359	52,360
Capital Outlay - New	405,819	406,077	351,091	54,986
Capital Outlay - Replacement	46,145	46,177	21,115	25,062
Total Regular	<u>10,914,171</u>	<u>10,921,184</u>	<u>10,759,200</u>	<u>161,984</u>
Special:				
Salaries and Wages	1,198,655	1,199,504	1,196,845	2,659
Fringe Benefits	426,446	426,748	403,369	23,379
Purchased Services	3,791	3,794	1,022	2,772
Materials and Supplies	42,235	42,262	30,226	12,036
Capital Outlay - New	3,215	3,217	1,353	1,864
Capital Outlay - Replacement	957	958	269	689
Total Special	<u>1,675,299</u>	<u>1,676,483</u>	<u>1,633,084</u>	<u>43,399</u>
Vocational:				
Salaries and Wages	434,103	434,411	430,409	4,002
Fringe Benefits	126,962	127,052	123,832	3,220
Purchased Services	29,048	29,069	27,219	1,850
Materials and Supplies	13,239	13,248	13,248	0
Capital Outlay - New	33,602	33,626	33,626	0
Capital Outlay - Replacement	2,759	2,760	2,760	0
Total Vocational	<u>639,713</u>	<u>640,166</u>	<u>631,094</u>	<u>9,072</u>
Total Instruction	<u>\$13,229,183</u>	<u>\$13,237,833</u>	<u>\$13,023,378</u>	<u>\$214,455</u>

(continued)

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupil:				
Salaries and Wages	\$822,770	\$823,353	\$821,511	\$1,842
Fringe Benefits	264,916	265,104	238,251	26,853
Purchased Services	80,809	80,865	25,434	55,431
Materials and Supplies	55,125	55,161	50,125	5,036
Capital Outlay - New	2,171	2,172	2,169	3
Capital Outlay - Replacement	586	586	585	1
Total Pupil	1,226,377	1,227,241	1,138,075	89,166
Instructional Staff:				
Salaries and Wages	365,110	365,369	299,265	66,104
Fringe Benefits	85,917	85,978	84,970	1,008
Purchased Services	96,944	97,011	77,583	19,428
Materials and Supplies	32,469	32,491	27,353	5,138
Capital Outlay - New	2,177	2,179	736	1,443
Capital Outlay - Replacement	2,567	2,569	823	1,746
Other	1,068	1,069	1,031	38
Total Instructional Staff	586,252	586,666	491,761	94,905
Board of Education:				
Salaries and Wages	7,994	8,000	6,720	1,280
Fringe Benefits	1,576	1,577	1,135	442
Purchased Services	9,462	9,468	5,484	3,984
Materials and Supplies	400	400	99	301
Other	4,871	4,874	4,874	0
Total Board of Education	24,303	24,319	18,312	6,007
Administration:				
Salaries and Wages	989,896	990,597	990,595	2
Fringe Benefits	330,916	331,150	314,493	16,657
Purchased Services	266,508	266,663	204,111	62,552
Materials and Supplies	31,697	31,714	21,685	10,029
Capital Outlay - Replacement	2,543	2,545	2,037	508
Other	96,217	96,286	95,460	826
Total Administration	1,717,777	1,718,955	1,628,381	90,574
Fiscal:				
Salaries and Wages	208,233	208,381	207,500	881
Fringe Benefits	78,136	78,191	77,135	1,056
Purchased Services	29,906	29,927	28,714	1,213
Materials and Supplies	6,083	6,087	5,567	520
Capital Outlay - New	749	750	0	750
Capital Outlay - Replacement	3,455	3,456	1,583	1,873
Other	272,266	272,458	255,397	17,061
Total Fiscal	\$598,828	\$599,250	\$575,896	\$23,354

(continued)

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Business:				
Salaries and Wages	\$88,349	\$88,412	\$88,059	\$353
Fringe Benefits	25,698	25,716	23,215	2,501
Purchased Services	2,948	2,950	1,856	1,094
Materials and Supplies	999	1,000	889	111
Total Business	117,994	118,078	114,019	4,059
Operation and Maintenance of Plant:				
Salaries and Wages	659,500	659,967	659,927	40
Fringe Benefits	231,915	232,079	213,179	18,900
Purchased Services	732,497	732,979	653,776	79,203
Materials and Supplies	138,012	138,096	112,372	25,724
Capital Outlay - New	1,017	1,018	1,017	1
Total Operation and Maintenance of Plant	1,762,941	1,764,139	1,640,271	123,868
Pupil Transportation:				
Salaries and Wages	625,382	625,825	618,503	7,322
Fringe Benefits	236,597	236,765	227,309	9,456
Purchased Services	69,187	69,234	66,137	3,097
Materials and Supplies	305,729	305,938	291,878	14,060
Capital Outlay - New	120,020	120,020	120,020	0
Total Pupil Transportation	1,356,915	1,357,782	1,323,847	33,935
Central:				
Salaries and Wages	47,245	47,278	47,254	24
Fringe Benefits	18,992	19,005	17,661	1,344
Purchased Services	131,540	131,633	114,353	17,280
Materials and Supplies	1,809	1,810	281	1,529
Capital Outlay - New	650	650	470	180
Total Central	200,236	200,376	180,019	20,357
Total Support Services	7,591,623	7,596,806	7,110,581	486,225
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	177,396	177,522	177,395	127
Fringe Benefits	27,486	27,505	25,545	1,960
Purchased Services	6,415	6,420	5,931	489
Materials and Supplies	32,597	32,620	30,422	2,198
Other	3,498	3,500	3,500	0
Total Academic and Subject Oriented Activities	\$247,392	\$247,567	\$242,793	\$4,774

(continued)

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Sports Oriented Activities:				
Salaries and Wages	\$289,549	\$289,754	\$289,719	\$35
Fringe Benefits	69,604	69,653	62,712	6,941
Purchased Services	35,640	35,664	32,469	3,195
Materials and Supplies	22,085	22,100	19,744	2,356
Capital Outlay - Replacement	7,328	7,334	7,197	137
Total Sports Oriented Activities	424,206	424,505	411,841	12,664
Other:				
Salaries and Wages	1,444	1,445	958	487
Fringe Benefits	400	400	95	305
Total Other	1,844	1,845	1,053	792
Total Extracurricular Activities	673,442	673,917	655,687	18,230
Debt Service:				
Principal Retirement	59,958	60,000	60,000	0
Interest and Fiscal Charges	3,418	3,420	3,420	0
Total Debt Service	63,376	63,420	63,420	0
Total Expenditures	21,557,624	21,571,976	20,853,066	718,910
Excess of Revenues Over (Under) Expenditures	(403,151)	(23,963)	893,684	917,647
Other Financing Sources (Uses)				
Advances In	136,161	136,161	136,161	0
Advances Out	(37,518)	(37,518)	(37,518)	0
Transfers Out	(487)	(487)	(487)	0
Total Other Financing Sources (Uses)	98,156	98,156	98,156	0
Net Change in Fund Balance	(304,995)	74,193	991,840	917,647
Fund Balance Beginning of Year	2,560,882	2,560,882	2,560,882	0
Prior Year Encumbrances Appropriated	1,298,600	1,298,600	1,298,600	0
Fund Balance End of Year	\$3,554,487	\$3,933,675	\$4,851,322	\$917,647

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$120,365	\$109,200	\$88,041	(\$21,159)
Interest	5,512	5,000	2,341	(2,659)
Charges for Services	<u>399,123</u>	<u>320,800</u>	<u>364,107</u>	<u>43,307</u>
<i>Total Revenues</i>	<u>525,000</u>	<u>435,000</u>	<u>454,489</u>	<u>19,489</u>
Expenditures				
Current:				
Operation of Food Services:				
Food Service:				
Salaries and Wages	186,307	200,855	200,851	4
Fringe Benefits	40,043	43,170	41,036	2,134
Purchased Services	18,485	19,771	16,990	2,781
Materials and Supplies	268,967	288,706	258,984	29,722
Capital Outlay - New	1,767	1,905	509	1,396
Capital Outlay - Replacement	<u>14,877</u>	<u>16,039</u>	<u>9,350</u>	<u>6,689</u>
<i>Total Expenditures</i>	<u>530,446</u>	<u>570,446</u>	<u>527,720</u>	<u>42,726</u>
<i>Net Change in Fund Balance</i>	(5,446)	(135,446)	(73,231)	62,215
<i>Fund Balance Beginning of Year</i>	212,290	212,290	212,290	0
Prior Year Encumbrances Appropriated	<u>18,196</u>	<u>18,196</u>	<u>18,196</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$225,040</u></u>	<u><u>\$95,040</u></u>	<u><u>\$157,255</u></u>	<u><u>\$62,215</u></u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$0	\$16,326	\$16,423	\$97
Contributions and Donations	40,670	42,525	42,777	252
Charges for Services	8,843	8,791	8,843	52
<i>Total Revenues</i>	49,513	67,642	68,043	401
Expenditures				
Current:				
Instruction:				
Special:				
Materials and Supplies	1,175	1,613	1,516	97
Adult/Continuing:				
Purchased Services	29,333	40,255	40,055	200
Total Instruction	30,508	41,868	41,571	297
Support Services:				
Pupil:				
Salaries and Wages	401	550	550	0
Fringe Benefits	5,966	8,187	8,088	99
Purchased Services	528	724	378	346
Total Support Services	6,895	9,461	9,016	445
Extracurricular Activities:				
Other:				
Salaries and Wages	255	350	350	0
Purchased Services	7,214	9,900	7,517	2,383
Materials and Supplies	2,186	3,000	1,639	1,361
Capital Outlay - New	663	910	0	910
Other	729	1,000	1,000	0
Total Extracurricular Activities	11,047	15,160	10,506	4,654
Total Expenditures	48,450	66,489	61,093	5,396
<i>Excess of Revenues Over Expenditures</i>	1,063	1,153	6,950	5,797
Other Financing Sources				
Transfers In	487	487	487	0
<i>Net Change in Fund Balance</i>	1,550	1,640	7,437	5,797
<i>Fund Balance Beginning of Year</i>	89,571	89,571	89,571	0
<i>Fund Balance End of Year</i>	\$91,121	\$91,211	\$97,008	\$5,797

Tallmadge City School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Uniform School Supplies Fund
 For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$148,871	\$132,039	\$132,125	\$86
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	161,577	152,856	132,265	20,591
<i>Net Change in Fund Balance</i>	(12,706)	(20,817)	(140)	20,677
<i>Fund Balance Beginning of Year</i>	56,902	56,902	56,902	0
Prior Year Encumbrances Appropriated	289	289	289	0
<i>Fund Balance End of Year</i>	<u>\$44,485</u>	<u>\$36,374</u>	<u>\$57,051</u>	<u>\$20,677</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Extracurricular Activities	\$170,150	\$124,033	\$124,480	\$447
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	2,320	1,800	461	1,339
Support Services:				
Pupil:				
Salaries and Wages	576	447	447	0
Purchased Services	483	375	0	375
Materials and Supplies	3,431	2,662	2,662	0
Total Pupil	4,490	3,484	3,109	375
Administration:				
Materials and Supplies	111,131	87,555	72,261	15,294
Other	2,707	2,100	1,870	230
Total Administration	113,838	89,655	74,131	15,524
Pupil Transportation:				
Purchased Services	68,130	52,854	50,436	2,418
Total Support Services	186,458	145,993	127,676	18,317
Extracurricular Activities:				
Sports Oriented Activities:				
Purchased Services	1,250	970	970	0
Capital Outlay - New	645	500	225	275
Total Extracurricular Activities	1,895	1,470	1,195	275
<i>Total Expenditures</i>	190,673	149,263	129,332	19,931
<i>Net Change in Fund Balance</i>	(20,523)	(25,230)	(4,852)	20,378
<i>Fund Balance Beginning of Year</i>	58,170	58,170	58,170	0
Prior Year Encumbrances Appropriated	5,984	5,984	5,984	0
<i>Fund Balance End of Year</i>	\$43,631	\$38,924	\$59,302	\$20,378

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$22,550	\$22,550	\$22,550	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	3,000	3,000	2,918	82
Support Services:				
Instructional Staff:				
Salaries and Wages	2,000	2,000	1,900	100
Purchased Services	4,819	4,819	2,496	2,323
Materials and Supplies	11,681	11,681	9,698	1,983
Total Support Services	18,500	18,500	14,094	4,406
<i>Total Expenditures</i>	21,500	21,500	17,012	4,488
<i>Net Change in Fund Balance</i>	1,050	1,050	5,538	4,488
<i>Fund Balance Beginning of Year</i>	446	446	446	0
<i>Fund Balance End of Year</i>	\$1,496	\$1,496	\$5,984	\$4,488

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Underground Storage Tanks Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,200)</u>	<u>(1,200)</u>	<u>(1,200)</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	<u>34,279</u>	<u>34,279</u>	<u>34,279</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$33,079</u>	<u>\$33,079</u>	<u>\$33,079</u>	<u>\$0</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Venture Capital Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$465	\$465	\$0	(\$465)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	465	465	0	465
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	80	80	80	0
<i>Fund Balance End of Year</i>	<u>\$80</u>	<u>\$80</u>	<u>\$80</u>	<u>\$0</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
District Managed Student Activities Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Extracurricular Activities	<u>\$123,900</u>	<u>\$137,189</u>	<u>\$136,476</u>	<u>(\$713)</u>
Expenditures				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	2,829	3,150	2,885	265
Fringe Benefits	790	880	430	450
Purchased Services	67,284	74,881	70,757	4,124
Materials and Supplies	44,504	49,056	48,280	776
Other	<u>4,759</u>	<u>5,300</u>	<u>3,442</u>	<u>1,858</u>
Total Academic and Subject Oriented Activities	<u>120,166</u>	<u>133,267</u>	<u>125,794</u>	<u>7,473</u>
Sports Oriented Activities:				
Purchased Services	6,966	7,757	7,583	174
Materials and Supplies	11,801	13,125	10,889	2,236
Capital Outlay - New	1,433	1,596	462	1,134
Other	<u>1,675</u>	<u>1,833</u>	<u>660</u>	<u>1,173</u>
Total Sports Oriented Activities	<u>21,875</u>	<u>24,311</u>	<u>19,594</u>	<u>4,717</u>
<i>Total Expenditures</i>	<u>142,041</u>	<u>157,578</u>	<u>145,388</u>	<u>12,190</u>
<i>Net Change in Fund Balance</i>	(18,141)	(20,389)	(8,912)	11,477
<i>Fund Balance Beginning of Year</i>	48,052	48,052	48,052	0
Prior Year Encumbrances Appropriated	<u>5,280</u>	<u>5,280</u>	<u>5,280</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$35,191</u>	<u>\$32,943</u>	<u>\$44,420</u>	<u>\$11,477</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$12,000	\$22,965	\$22,965	\$0
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	10,489	9,259	9,259	0
Fringe Benefits	1,765	1,558	1,558	0
Purchased Services	10,323	9,244	8,091	1,153
Materials and Supplies	8,392	7,420	6,585	835
Capital Outlay - New	572	505	505	0
<i>Total Expenditures</i>	<u>31,541</u>	<u>27,986</u>	<u>25,998</u>	<u>1,988</u>
<i>Net Change in Fund Balance</i>	(19,541)	(5,021)	(3,033)	1,988
<i>Fund Balance Beginning of Year</i>	3,808	3,808	3,808	0
Prior Year Encumbrances Appropriated	<u>1,216</u>	<u>1,216</u>	<u>1,216</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$14,517)</u>	<u>\$3</u>	<u>\$1,991</u>	<u>\$1,988</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Career Development Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
<i>Net Change in Fund Balance</i>	<u>(1,000)</u>	<u>(1,000)</u>	<u>0</u>	<u>1,000</u>
<i>Fund Balance Beginning of Year</i>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,000</u>	<u>\$1,000</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Professional Development Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$16,000	\$0	\$0	\$0
Expenditures				
Current:				
Instructional Staff:				
Purchased Services	54	54	54	0
<i>Net Change in Fund Balance</i>	15,946	(54)	(54)	0
<i>Fund Balance Beginning of Year</i>	54	54	54	0
<i>Fund Balance End of Year</i>	<u>\$16,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	9,309	9,309	0	9,309
Materials and Supplies	6,030	6,030	916	5,114
Capital Outlay - New	4,915	4,915	135	4,780
<i>Total Expenditures</i>	<u>20,254</u>	<u>20,254</u>	<u>1,051</u>	<u>19,203</u>
<i>Net Change in Fund Balance</i>	(20,254)	(20,254)	(1,051)	19,203
<i>Fund Balance Beginning of Year</i>	<u>20,254</u>	<u>20,254</u>	<u>20,254</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$19,203</u></u>	<u><u>\$19,203</u></u>

Tallmadge City School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Management Information Systems Fund
 For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$11,500</u>	<u>\$10,285</u>	<u>\$10,285</u>	<u>\$0</u>
Expenditures				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	10,007	10,007	10,007	0
Purchased Services	<u>278</u>	<u>278</u>	<u>278</u>	<u>0</u>
<i>Total Expenditures</i>	<u>10,285</u>	<u>10,285</u>	<u>10,285</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,215	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,215</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Entry Year Programs Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$24,000	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	6,100	6,100	6,100	0
Fringe Benefits	854	854	854	0
Purchased Services	18	18	18	0
<i>Total Expenditures</i>	<u>6,972</u>	<u>6,972</u>	<u>6,972</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	17,028	(6,972)	(6,972)	0
<i>Fund Balance Beginning of Year</i>	<u>6,972</u>	<u>6,972</u>	<u>6,972</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$24,000</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Disadvantaged Pupil Impact Aid Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$28,800</u>	<u>\$127,500</u>	<u>\$133,522</u>	<u>\$6,022</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	62,641	62,641	47,733	14,908
Purchased Services	<u>2,703</u>	<u>5,500</u>	<u>0</u>	<u>5,500</u>
<i>Total Expenditures</i>	<u>65,344</u>	<u>68,141</u>	<u>47,733</u>	<u>20,408</u>
<i>Net Change in Fund Balance</i>	(36,544)	59,359	85,789	26,430
<i>Fund Balance Beginning of Year</i>	<u>36,343</u>	<u>36,343</u>	<u>36,343</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$201)</u>	<u>\$95,702</u>	<u>\$122,132</u>	<u>\$26,430</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Network Connectivity Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$17,500	\$17,500	\$17,500	\$0
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	17,500	17,500	17,500	0
Capital Outlay - New	945	945	0	945
<i>Total Expenditures</i>	<u>18,445</u>	<u>18,445</u>	<u>17,500</u>	<u>945</u>
<i>Net Change in Fund Balance</i>	(945)	(945)	0	945
<i>Fund Balance Beginning of Year</i>	<u>945</u>	<u>945</u>	<u>945</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$945</u>	<u>\$945</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Schoolnet Professional Development Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$6,225	\$6,225	\$6,225	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	2,138	2,438	438	2,000
Purchased Services	0	4,300	3,566	734
<i>Total Expenditures</i>	2,138	6,738	4,004	2,734
<i>Net Change in Fund Balance</i>	4,087	(513)	2,221	2,734
<i>Fund Balance Beginning of Year</i>	75	75	75	0
Prior Year Encumbrances Appropriated	438	438	438	0
<i>Fund Balance End of Year</i>	\$4,600	\$0	\$2,734	\$2,734

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Ohio Reads Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	<u>\$49,000</u>	<u>\$64,420</u>	<u>\$51,487</u>	<u>(\$12,933)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	34,532	42,748	22,565	20,183
Fringe Benefits	570	821	819	2
Purchased Services	8,688	12,295	11,747	548
Materials and Supplies	51,170	65,061	44,656	20,405
Other	<u>386</u>	<u>555</u>	<u>474</u>	<u>81</u>
Total Instruction	<u>95,346</u>	<u>121,480</u>	<u>80,261</u>	<u>41,219</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	<u>4,168</u>	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Pupil Transportation:				
Salaries and Wages	695	1,000	1,000	0
Materials and Supplies	<u>139</u>	<u>200</u>	<u>200</u>	<u>0</u>
Total Pupil Transportation	<u>834</u>	<u>1,200</u>	<u>1,200</u>	<u>0</u>
Total Support Services	<u>5,002</u>	<u>7,200</u>	<u>7,200</u>	<u>0</u>
<i>Total Expenditures</i>	<u>100,348</u>	<u>128,680</u>	<u>87,461</u>	<u>41,219</u>
<i>Net Change in Fund Balance</i>	(51,348)	(64,260)	(35,974)	28,286
<i>Fund Balance Beginning of Year</i>	68	68	68	0
Prior Year Encumbrances Appropriated	<u>35,906</u>	<u>35,906</u>	<u>35,906</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$15,374)</u>	<u>(\$28,286)</u>	<u>\$0</u>	<u>\$28,286</u>

Tallmadge City School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Summer Intervention Fund
 For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$12,000	\$0	\$0	\$0
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	1,924	1,923	33	1,890
<i>Net Change in Fund Balance</i>	10,076	(1,923)	(33)	1,890
<i>Fund Balance Beginning of Year</i>	1,923	1,923	1,923	0
<i>Fund Balance End of Year</i>	\$11,999	\$0	\$1,890	\$1,890

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$14,439	\$14,421	\$14,421	\$0
Expenditures				
Current:				
Instruction:				
Vocational:				
Salaries and Wages	1,932	1,932	1,700	232
Purchased Services	4,000	4,000	1,529	2,471
Materials and Supplies	2,800	2,800	177	2,623
Total Instruction	8,732	8,732	3,406	5,326
Support Services:				
Pupil:				
Materials and Supplies	2,370	2,370	1,477	893
Administration:				
Purchased Services	6,026	6,026	4,216	1,810
Total Support Services	8,396	8,396	5,693	2,703
<i>Total Expenditures</i>	17,128	17,128	9,099	8,029
<i>Net Change in Fund Balance</i>	(2,689)	(2,707)	5,322	8,029
<i>Fund Balance Beginning of Year</i>	596	596	596	0
Prior Year Encumbrances Appropriated	2,689	2,689	2,689	0
<i>Fund Balance End of Year</i>	\$596	\$578	\$8,607	\$8,029

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Eisenhower Math and Science Grant Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$8,000	\$158	\$158	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	5,638	5,638	5,638	0
Materials and Supplies	6,134	6,293	6,293	0
<i>Total Expenditures</i>	11,772	11,931	11,931	0
<i>Net Change in Fund Balance</i>	(3,772)	(11,773)	(11,773)	0
<i>Fund Balance Beginning of Year</i>	11,620	11,620	11,620	0
Prior Year Encumbrances Appropriated	153	153	153	0
<i>Fund Balance End of Year</i>	<u>\$8,001</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$130,000	\$296,530	\$241,086	(\$55,444)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	4,295	4,234	4,234	0
Fringe Benefits	602	593	593	0
Materials and Supplies	22,446	22,129	22,129	0
Capital Outlay - New	6,067	5,987	5,987	0
Total Instruction	33,410	32,943	32,943	0
Support Services:				
Pupil:				
Salaries and Wages	9,893	9,753	9,753	0
Purchased Services	114,596	113,112	113,112	0
Materials and Supplies	1,165	1,149	1,149	0
Capital Outlay - New	1,564	1,542	1,542	0
Total Pupil	127,218	125,556	125,556	0
Instructional Staff:				
Salaries and Wages	168,722	166,334	166,334	0
Purchased Services	203	200	200	0
Total Instructional Staff	168,925	166,534	166,534	0
Administration:				
Salaries and Wages	28,066	27,669	27,669	0
Capital Outlay - New	2,434	2,400	2,400	0
Total Administration	30,500	30,069	30,069	0
Total Support Services	326,643	322,159	322,159	0
<i>Total Expenditures</i>	360,053	355,102	355,102	0
<i>Excess of Revenues Under Expenditures</i>	(230,053)	(58,572)	(114,016)	(55,444)
Other Financing Sources				
Advances In	0	0	30,242	30,242
<i>Net Change in Fund Balance</i>	(230,053)	(58,572)	(83,774)	(25,202)
<i>Fund Balance Beginning of Year</i>	73,573	73,573	73,573	0
Prior Year Encumbrances Appropriated	10,201	10,201	10,201	0
<i>Fund Balance (Deficit) End of Year</i>	(\$146,279)	\$25,202	\$0	(\$25,202)

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Vocational Education Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$5,658	\$4,058	\$4,058	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	658	658	0	658
Support Services:				
Instructional Staff:				
Purchased Services	7,615	11,015	0	11,015
<i>Total Expenditures</i>	8,273	11,673	0	11,673
<i>Net Change in Fund Balance</i>	(2,615)	(7,615)	4,058	11,673
<i>Fund Balance Beginning of Year</i>	7,615	7,615	7,615	0
<i>Fund Balance End of Year</i>	<u>\$5,000</u>	<u>\$0</u>	<u>\$11,673</u>	<u>\$11,673</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$123,724	\$155,276	\$155,267	(\$9)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	41,270	160,325	160,325	0
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	0	13,748	13,748	0
Fringe Benefits	0	39	39	0
Purchased Services	0	400	400	0
Materials and Supplies	0	9,289	4,012	5,277
Capital Outlay - New	0	3,500	3,085	415
Total Operation of Non-Instructional Services	0	26,976	21,284	5,692
<i>Total Expenditures</i>	41,270	187,301	181,609	5,692
<i>Excess of Revenues Over (Under) Expenditures</i>	82,454	(32,025)	(26,342)	5,683
Other Financing Sources				
Advances In	7,276	7,276	7,276	0
<i>Net Change in Fund Balance</i>	89,730	(24,749)	(19,066)	5,683
<i>Fund Balance Beginning of Year</i>	24,758	24,758	24,758	0
<i>Fund Balance End of Year</i>	\$114,488	\$9	\$5,692	\$5,683

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title V Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$6,000</u>	<u>\$17,616</u>	<u>\$17,616</u>	<u>\$0</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	5,003	18,063	18,063	0
Fringe Benefits	<u>0</u>	<u>2,961</u>	<u>2,961</u>	<u>0</u>
<i>Total Expenditures</i>	<u>5,003</u>	<u>21,024</u>	<u>21,024</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	997	(3,408)	(3,408)	0
<i>Fund Balance Beginning of Year</i>	<u>3,408</u>	<u>3,408</u>	<u>3,408</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,405</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Drug Free Schools Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$12,000	\$11,578	\$11,578	\$0
Expenditures				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	6,535	6,535	6,535	0
Purchased Services	3,420	3,420	3,420	0
Materials and Supplies	138	138	138	0
Total Pupil	10,093	10,093	10,093	0
Administration:				
Salaries and Wages	1,248	1,248	1,248	0
Total Support Services	11,341	11,341	11,341	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	138	138	138	0
Materials and Supplies	100	100	100	0
Total Operation of Non-Instructional Services	238	238	238	0
<i>Total Expenditures</i>	11,579	11,579	11,579	0
<i>Net Change in Fund Balance</i>	421	(1)	(1)	0
<i>Fund Balance Beginning of Year</i>	1	1	1	0
<i>Fund Balance End of Year</i>	\$422	\$0	\$0	\$0

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Class Size Reduction Grant Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$24,000	\$89,171	\$89,171	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	0	48,522	48,522	0
Fringe Benefits	0	6,259	6,259	0
Purchased Services	23,234	24,462	24,462	0
Materials and Supplies	0	17,330	17,330	0
<i>Total Expenditures</i>	<u>23,234</u>	<u>96,573</u>	<u>96,573</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	766	(7,402)	(7,402)	0
<i>Fund Balance Beginning of Year</i>	<u>7,402</u>	<u>7,402</u>	<u>7,402</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$8,168</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$35,000	\$233,986	\$198,986	(\$35,000)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	34,049	50,407	18,314	32,093
Fringe Benefits	8,397	10,182	1,999	8,183
Purchased Services	913	1,857	1,057	800
Materials and Supplies	12,802	48,788	40,290	8,498
Capital Outlay - New	567	5,307	5,307	0
Other	2,033	2,898	968	1,930
Total Instruction	58,761	119,439	67,935	51,504
Support Services:				
Instructional Staff:				
Salaries and Wages	4,841	40,199	39,587	612
Fringe Benefits	614	4,911	4,811	100
Purchased Services	36,501	63,633	30,377	33,256
Materials and Supplies	42,504	81,329	43,449	37,880
Capital Outlay - New	45	419	419	0
Other	521	942	471	471
Total Support Services	85,026	191,433	119,114	72,319
<i>Total Expenditures</i>	143,787	310,872	187,049	123,823
<i>Excess of Revenues Over (Under) Expenditures</i>	(108,787)	(76,886)	11,937	88,823
Other Financing Uses				
Advances Out	(12,357)	(12,357)	(136,161)	(123,804)
<i>Net Change in Fund Balance</i>	(121,144)	(89,243)	(124,224)	(34,981)
<i>Fund Balance Beginning of Year</i>	439	439	439	0
Prior Year Encumbrances Appropriated	123,804	123,804	123,804	0
<i>Fund Balance End of Year</i>	\$3,099	\$35,000	\$19	(\$34,981)

Tallmadge City School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Bond Retirement Fund
 For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$60,134	\$60,134	\$60,134	\$0
Intergovernmental	6,393	6,393	6,393	0
<i>Total Revenues</i>	<u>66,527</u>	<u>66,527</u>	<u>66,527</u>	<u>0</u>
Expenditures				
Debt Service:				
Principal Retirement	60,630	60,630	60,630	0
Interest and Fiscal Charges	5,897	5,897	5,897	0
<i>Total Expenditures</i>	<u>66,527</u>	<u>66,527</u>	<u>66,527</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$332,112	\$331,104	\$335,225	\$4,121
Intergovernmental	36,000	36,000	36,692	692
<i>Total Revenues</i>	<u>368,112</u>	<u>367,104</u>	<u>371,917</u>	<u>4,813</u>
Expenditures				
Current:				
Support Services:				
Administration:				
Capital Outlay - New	219,692	219,692	160,820	58,872
Fiscal:				
Other	6,000	6,000	5,112	888
Total Support Services	<u>225,692</u>	<u>225,692</u>	<u>165,932</u>	<u>59,760</u>
Capital Outlay:				
Purchased Services	275,644	275,644	275,644	0
Materials and Supplies	54,780	54,780	43,773	11,007
Capital Outlay - New	94,974	94,974	29,468	65,506
Total Capital Outlay	<u>425,398</u>	<u>425,398</u>	<u>348,885</u>	<u>76,513</u>
<i>Total Expenditures</i>	<u>651,090</u>	<u>651,090</u>	<u>514,817</u>	<u>136,273</u>
<i>Net Change in Fund Balance</i>	(282,978)	(283,986)	(142,900)	141,086
<i>Fund Balance Beginning of Year</i>	358,625	358,625	358,625	0
Prior Year Encumbrances Appropriated	<u>205,090</u>	<u>205,090</u>	<u>205,090</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$280,737</u></u>	<u><u>\$279,729</u></u>	<u><u>\$420,815</u></u>	<u><u>\$141,086</u></u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>4,465</u>	<u>4,465</u>	<u>4,465</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,465</u></u>	<u><u>\$4,465</u></u>	<u><u>\$4,465</u></u>	<u><u>\$0</u></u>

Tallmadge City School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Vocational Education Equipment Fund
 For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
Instruction:				
Vocational:				
Capital Outlay - New	<u>5,899</u>	<u>5,899</u>	<u>0</u>	<u>5,899</u>
<i>Net Change in Fund Balance</i>	<u>(5,899)</u>	<u>(5,899)</u>	<u>0</u>	<u>5,899</u>
<i>Fund Balance Beginning of Year</i>	<u>5,899</u>	<u>5,899</u>	<u>5,899</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$5,899</u>	<u>\$5,899</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
School Net Plus Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$45,000</u>	<u>\$45,000</u>	<u>\$42,384</u>	<u>(\$2,616)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	<u>42,384</u>	<u>42,384</u>	<u>42,260</u>	<u>124</u>
<i>Net Change in Fund Balance</i>	<u>2,616</u>	<u>2,616</u>	<u>124</u>	<u>(2,492)</u>
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,616</u>	<u>\$2,616</u>	<u>\$124</u>	<u>(\$2,492)</u>

Tallmadge City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$1,835,000	\$2,150,000	\$2,141,414	(\$8,586)
Interest	0	0	8,676	8,676
<i>Total Revenues</i>	<u>1,835,000</u>	<u>2,150,000</u>	<u>2,150,090</u>	<u>90</u>
Expenses				
Purchased Services	526,152	425,301	398,248	27,053
Claims	2,124,148	1,716,999	1,700,800	16,199
<i>Total Expenses</i>	<u>2,650,300</u>	<u>2,142,300</u>	<u>2,099,048</u>	<u>43,252</u>
<i>Net Change in Fund Equity</i>	(815,300)	7,700	51,042	43,342
<i>Fund Equity Beginning of Year</i>	<u>5,248</u>	<u>5,248</u>	<u>5,248</u>	<u>0</u>
<i>Fund Equity (Deficit) End of Year</i>	<u>(\$810,052)</u>	<u>\$12,948</u>	<u>\$56,290</u>	<u>\$43,342</u>

(This Page Intentionally Left Blank)

Statistical Section

The following statistical tables reflect social and economic data, financial trends and fiscal capacity of the School District.

Tallmadge City School District
Governmental Revenues by Source and Expenditures by Function (1) (2)
Last Ten Fiscal Years

	2003	2002	2001	2000
Revenues				
Property and Other Local Taxes	\$12,898,106	\$11,453,294	\$10,498,173	\$10,116,262
Intergovernmental	9,547,658	9,170,513	8,720,236	7,146,881
Interest	101,241	106,516	232,419	285,376
Tuition and Fees	180,659	348,646	340,100	208,669
Extracurricular Activities	297,503	283,452	224,426	378,799
Contributions and Donations	42,777	0	0	0
Charges for Services	505,575	0	0	0
Rentals	6,175	0	0	0
Miscellaneous	27,202	131,366	164,538	1,635,443
<i>Total</i>	<u>\$23,606,896</u>	<u>\$21,493,787</u>	<u>\$20,179,892</u>	<u>\$19,771,430</u>
Expenditures				
Current:				
Instruction:				
Regular	\$10,460,937	\$9,827,579	\$9,560,418	\$9,238,580
Special	1,766,112	1,705,131	1,295,525	1,533,428
Vocational	621,248	576,014	504,930	504,212
Adult/Continuing	40,055	22,701	45,904	21,125
Support Services:				
Pupil	1,228,996	1,179,983	1,153,766	1,021,363
Instructional Staff	785,304	707,317	585,774	518,022
Board of Education	18,661	19,503	20,467	20,812
Administration	1,682,982	1,723,251	1,507,791	1,501,231
Fiscal	575,795	554,672	506,864	479,098
Business	115,955	113,175	106,910	102,914
Operation and Maintenance of Plant	1,544,529	1,478,445	1,466,187	1,621,507
Pupil Transportation	1,120,275	1,010,373	1,022,890	1,247,304
Central	177,752	221,008	178,372	62,111
Operation of Non-Instructional Services	35,473	58,777	27,875	34,959
Operation of Food Services	524,179	0	0	0
Extracurricular Activities	800,637	729,322	661,859	592,328
Capital Outlay	443,088	302,568	322,656	188,089
Debt Service (3)		190,005	188,840	184,807
Principal Retirement	120,630	0	0	0
Interest and Fiscal Charges	9,317	0	0	0
<i>Total</i>	<u>\$22,071,925</u>	<u>\$20,419,824</u>	<u>\$19,157,028</u>	<u>\$18,871,890</u>

Source: School District Financial Records

- (1) Includes general, special revenue, debt service and capital projects funds. Prior to fiscal year 2003, the expendable trust fund was included. Fiscal year 2003 includes funds previously reported as proprietary funds.
- (2) Information is based on modified accrual. Information for full accrual will be presented when there are enough years of information to make comparisons.
- (3) Debt Service expenditures are shown in total for years 1994 through 2002.

1999	1998	1997	1996	1995	1994
\$9,950,201	\$9,969,830	\$9,684,023	\$9,055,314	\$8,592,155	\$9,123,331
6,637,221	6,074,350	5,769,133	5,569,970	4,869,498	4,829,431
348,898	440,621	411,463	374,169	306,234	204,225
158,616	148,550	87,153	418,772	204,953	41,115
146,228	141,070	130,018	120,637	117,339	104,770
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
213,989	158,223	83,260	101,713	147,645	103,704
<u>\$17,455,153</u>	<u>\$16,932,644</u>	<u>\$16,165,050</u>	<u>\$15,640,575</u>	<u>\$14,237,824</u>	<u>\$14,406,576</u>
\$8,733,413	\$8,094,885	\$7,912,858	\$6,552,053	\$6,268,890	\$5,980,123
1,330,185	1,371,671	1,577,316	1,186,322	1,222,891	1,237,311
499,019	490,668	477,300	419,827	422,987	437,554
17,100	29,475	52,121	39,307	1,125	31,025
972,557	833,741	790,121	742,238	759,659	733,913
477,689	490,062	514,868	427,082	387,852	363,538
26,779	26,464	32,568	31,343	20,858	18,584
1,559,738	1,448,507	1,498,279	1,213,969	1,014,272	905,428
416,391	399,808	377,906	364,511	321,700	350,825
130,953	134,844	129,907	131,506	120,253	116,449
1,521,713	1,442,208	1,469,307	1,519,481	1,564,179	1,180,710
1,012,203	1,066,229	892,866	829,944	824,343	739,376
55,156	47,947	46,095	22,420	22,916	24,209
28,178	40,819	14,374	30,587	782	3,710
0	0	0	0	0	0
525,596	481,388	480,194	402,443	337,909	357,028
2,090,272	206,721	254,995	181,854	405,179	572,127
185,695	121,375	66,527	66,527	66,527	12,693
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$19,582,637</u>	<u>\$16,726,812</u>	<u>\$16,587,602</u>	<u>\$14,161,414</u>	<u>\$13,762,322</u>	<u>\$13,064,603</u>

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

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collection	Percent of Current Levy Collected
2002	\$11,305,739	\$532,370	\$11,838,109	\$10,850,611	96.0%
2001	11,658,022	828,929	12,486,951	11,210,882	96.2
2000	11,406,141	666,231	12,072,372	10,830,219	95.0
1999	11,057,772	486,730	11,544,502	10,761,091	97.3
1998	10,991,685	396,116	11,387,801	10,708,977	97.4
1997	10,815,596	414,570	11,230,166	10,544,090	97.5
1996	10,516,109	372,346	10,888,455	10,233,626	97.3
1995	10,135,023	471,277	10,606,300	9,936,036	98.0
1994	9,823,779	429,129	10,252,908	9,628,016	98.0
1993	9,252,763	473,203	9,725,966	9,100,531	98.4

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

- (1) Includes Homestead/Rollback property tax relief which is 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.

<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collection As a Percent of Current Levy</u>
\$315,525	\$11,166,136	98.8%
396,619	11,607,501	99.6
316,303	11,146,522	97.7
296,483	11,057,574	100.0
228,128	10,937,105	99.5
278,010	10,822,100	100.0
247,783	10,481,409	99.7
228,788	10,164,824	100.0
194,560	9,822,576	100.0
210,067	9,310,598	100.0

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

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2003	\$346,336,320	\$989,532,343	\$7,445,770	\$8,461,102
2002	306,955,400	861,256,000	7,215,470	8,199,398
2001	298,212,070	837,090,057	8,091,530	9,194,920
2000	289,906,000	815,585,829	9,023,950	10,254,489
1999	258,091,360	737,403,886	9,032,600	10,264,318
1998	255,717,300	730,620,857	9,009,210	10,237,739
1997	249,382,500	712,521,429	9,236,970	10,496,557
1996	213,451,620	609,861,771	9,673,020	10,992,068
1995	205,228,170	586,366,200	11,375,430	12,926,625
1994	200,171,010	571,917,171	11,066,130	12,575,148

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

- (1) This amount is calculated based on the following percentages:
 Real estate is assessed at 35 percent of actual value.
 Public utility personal is assessed at 88 percent of actual value.
 Tangible personal property is assessed at 25 percent of actual value for capital assets and 24 percent for inventory.

Tangible Personal Property		Total		
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Ratio
\$42,954,877	\$171,819,508	\$396,736,967	\$1,169,812,953	34%
44,086,684	176,230,576	358,257,554	1,045,685,974	34
42,918,492	171,576,968	349,222,092	1,017,861,945	34
40,578,022	162,218,728	339,507,972	988,059,046	34
41,411,446	165,645,784	308,535,406	913,313,988	34
39,680,411	158,721,644	304,406,921	899,580,240	34
40,878,578	163,514,312	299,498,048	886,532,298	34
40,878,578	163,514,312	264,003,218	784,368,151	34
35,340,828	141,363,312	251,944,428	740,656,137	34
33,463,960	133,855,840	244,701,100	718,348,159	34

Tallmadge City School District
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

Year	School Levy	County Levy	Tallmadge City Levy	Munroe Falls City Levy	Akron Summit Library	Total Levy
2003	\$59.73	\$13.07	\$6.15	\$7.88	\$1.59	\$88.42
2002	59.73	13.07	6.15	8.10	1.35	88.40
2001	53.63	13.07	6.15	7.70	1.39	81.94
2000	53.68	12.27	6.15	8.10	1.39	81.59
1999	53.83	12.27	6.15	8.45	1.79	82.49
1998	53.83	11.65	6.15	8.45	1.87	81.95
1997	53.83	11.39	7.66	7.05	0.89	80.82
1996	54.03	13.99	7.66	6.55	0.89	83.12
1995	54.23	14.16	7.66	9.75	0.89	86.69
1994	54.33	12.31	7.66	5.15	0.89	80.34

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

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

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2003	\$63,510	\$396,736,967	16,390	0.02%	\$3.87
2002	184,140	358,257,554	15,300	0.05	12.04
2001	349,222	349,222,092	15,300	0.10	22.82
2000	335,034	339,507,972	15,300	0.10	21.90
1999	507,982	308,535,406	15,300	0.16	33.20
1998	662,012	304,406,921	15,300	0.22	43.27
1997	538,464	299,498,048	15,300	0.18	35.19
1996	434,359	264,003,218	15,300	0.16	28.39
1995	478,173	251,944,428	15,220	0.19	31.42
1994	520,000	244,701,100	15,470	0.21	33.61

Source:

- (1) School District Financial Records
- (2) Summit County Fiscal Officer and Portage County Auditor
- (3) U.S. Census of Population, 2000 Federal Census and 1990 Federal Census

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

Assessed Valuation	<u><u>\$396,736,967</u></u>
Debt Limit - 9% of Assessed Value (1)	\$35,706,327
Outstanding Debt:	
Energy Conservation Bonds	63,510
Exemptions:	
Energy Conservation Bonds	<u>(63,510)</u>
Overall Debt Margin	<u><u>\$35,706,327</u></u>
Debt Limit - .10% of Assessed Value (1)	\$396,737
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u><u>\$396,737</u></u>

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

(1) Ohio Bond Law sets an overall limit of 9% for total debt and 1/10 of 1% for
unvoted debt.

Tallmadge City School District
Computation of Direct and Overlapping General Obligation Bonded Debt
 December 31, 2002

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
<u>Direct</u>			
Tallmadge City School District	<u>\$63,510</u>	100.00%	<u>\$63,510</u>
<u>Overlapping</u>			
City of Tallmadge	10,604,309	97.90	10,381,619
Akron-Summit County Library	66,414,269	4.92	3,267,582
Summit County	83,035,000	3.28	2,723,548
METRO Transit	1,515,000	3.28	49,692
Brimfield Township	105,000	3.25	3,413
City of Munroe Falls	2,925,000	1.55	45,338
Portage County	<u>14,636,899</u>	0.19	<u>27,810</u>
Total Overlapping	<u>179,235,477</u>		<u>16,499,002</u>
Total	<u><u>\$179,298,987</u></u>		<u><u>\$16,562,512</u></u>

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

(1) Percentages were determined by dividing the assessed valuation of the political
 subdivision located within the boundaries of the School District by the total assessed
 valuation of the subdivision. The valuations used were for the 2002 collection year.

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

Year	Principal	Interest	Total Debt Service	Total Governmental Expenditures	Ratio of Debt Service to Governmental Expenditures (Percentage)
2003	\$120,630	\$9,317	\$129,947	\$22,071,925	0.59%
2002	171,881	18,124	190,005	20,419,824	0.93
2001	163,257	25,233	188,490	19,157,028	0.98
2000	298,022	37,580	335,602	18,871,890	1.78
1999	154,359	31,336	185,695	19,582,637	0.95
1998	96,075	25,300	121,375	16,726,812	0.73
1997	45,895	20,632	66,527	16,587,602	0.40
1996	43,814	22,713	66,527	14,161,414	0.47
1995	41,827	24,700	66,527	13,762,322	0.48
1994	0	12,693	12,693	13,064,603	0.10

Source: School District Financial Records

Tallmadge City School District
Property Value,
Financial Institution Deposits and Building Permits
Last Ten Years

Year	Property Value (1) (Real Estate Only)	Financial Institution Deposits	Values of Building Permits Issued
2003	\$346,336,320	\$8,026,479,000	\$21,377,220
2002	306,955,400	7,870,201,000	24,878,721
2001	298,212,070	7,452,307,000	24,466,996
2000	289,906,000	4,201,262,000	18,475,644
1999	258,091,360	5,749,282,000	25,243,549
1998	255,717,300	5,153,519,000	18,582,451
1997	249,382,500	4,342,660,000	19,771,078
1996	213,451,620	4,267,009,000	18,703,936
1995	205,228,170	4,199,905,000	19,780,607
1994	200,171,010	3,792,255,000	14,650,293

Sources: Summit County Fiscal Officer and Portage County Auditor
Federal Reserve Bank of Cleveland
Building Department reports

(1) Represents assessed value.

Tallmadge City School District

Demographic Statistics

Last Ten Years

<u>Year</u>	<u>Summit County Population (1)</u>	<u>Tallmadge CSD Area Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2003	542,899	16,390	2,728	4.6%
2002	542,899	16,390	2,696	4.6
2001	542,899	16,390	2,659	4.3
2000	542,899	16,390	2,655	3.6
1999	514,990	15,300	2,635	4.9
1998	514,990	15,300	2,662	3.7
1997	514,990	15,300	2,720	4.0
1996	514,990	15,300	2,671	4.2
1995	514,990	15,300	2,589	4.4
1994	514,990	15,300	2,511	6.1

Sources:

- (1) U.S. Census of Population, 2000 Federal Census and 1990 Federal Census
- (2) School District Financial Records
- (3) Ohio Department of Unemployment Services

Tallmadge City School District
Principal Taxpayers
Real Estate Tax
December 31, 2002

Name of Taxpayer	Assessed Value (1)	Percent of Real Property Assessed Value
Tallmadge Associates	\$3,130,000	0.90%
Eastwood Square Associates LTD	2,759,120	0.80
Tallmadge Oaks LTD	2,384,990	0.69
Saxon Village LTD	1,908,730	0.55
87 Midway Plaza LLC	1,617,050	0.47
Colonial Garden, Inc.	1,568,590	0.45
Myers Family Limited Partnership	1,544,060	0.45
Cooper Equities Co., LTD	1,408,050	0.41
Tallmadge Acres Apartments, Inc.	1,368,730	0.40
Rocco Family Limited Partnership	1,360,890	0.39
Total	<u>\$19,050,210</u>	<u>5.51%</u>

Source: Summit County Fiscal Officer

(1) Assessed values are for the 2003 collection year.

Tallmadge City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2002

Name of Taxpayer	Assessed Value (1)	Percent of Tangible Personal Property Assessed Value
Summit Racing Equipment	\$3,893,730	9.06%
Owens Corning	3,411,290	7.94
Steere Enterprises, Inc.	2,083,720	4.85
Waltco Truck Equipment Company	1,728,650	4.02
Mark-Glen, Inc.	1,663,930	3.87
Star Chevrolet, Inc.	1,517,310	3.53
Leppo, Inc.	1,387,310	3.23
S.D. Myers, Inc.	1,356,710	3.16
Summit Plastic Company	1,120,440	2.61
General Electric Capital Corp.	1,053,590	2.45
Total	<u>\$19,216,680</u>	<u>44.72%</u>

Source: Summit County Fiscal Officer

(1) Assessed values are for the 2003 collection year.

Tallmadge City School District

Principal Taxpayers

Public Utilities Tax

December 31, 2002

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utility Property Assessed Value</u>
Ohio Bell Telephone Company	\$2,608,160	35.03%
Ohio Edison	2,338,660	31.41
American Transmission	510,710	6.86
Qwest Communications	539,190	7.24
East Ohio Gas	425,330	5.71
Total	<u>\$6,422,050</u>	<u>86.25%</u>

Source: Summit County Fiscal Officer

(1) Assessed values are for the 2003 collection year.

Tallmadge City School District

Per Pupil Cost

Last Ten Fiscal Years

<u>Year</u>	<u>Governmental Fund Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Per Cost Pupil</u>
2003	\$22,071,925	2,728	\$8,091
2002	20,419,824	2,696	7,574
2001	19,157,028	2,659	7,205
2000	18,871,890	2,655	7,108
1999	19,582,637	2,635	7,432
1998	16,726,812	2,662	6,284
1997	16,587,602	2,720	6,098
1996	14,161,414	2,671	5,302
1995	13,762,322	2,589	5,316
1994	13,064,603	2,511	5,203

Source: School District Financial Records.

Tallmadge City School District

Teacher Education and Experience

June 30, 2003

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	34	17.62%
Bachelor + 15	17	8.81
Bachelor + 30	15	7.77
Bachelor + 45	20	10.36
Master's Degree	50	25.91
Master's + 15	<u>57</u>	<u>29.53</u>
Total	<u><u>193</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	47	24.36%
6 - 10	41	21.24
11 and Over	<u>105</u>	<u>54.40</u>
Total	<u><u>193</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records

(This Page Intentionally Left Blank.)

Tallmadge City School District
Compliance Section
For the fiscal year ended June 30, 2003

Table of Contents

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

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

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

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Tallmadge City School District as of and for the year ended June 30, 2003, which collectively comprise the Tallmadge City School District's basic financial statements and have issued our report thereon dated February 11, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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



LENNON & COMPANY
Certified Public Accountant
February 11, 2004

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

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

Compliance

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

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

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

Internal Control Over Compliance

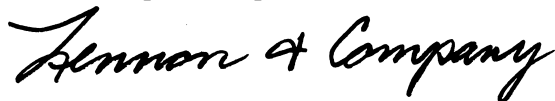
The management of Tallmadge City School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Tallmadge City School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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Tallmadge City School District as of and for the year ended June 30, 2003, and have issued our report thereon dated February 11, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Tallmadge City School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 of management, Board of Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



LENNON & COMPANY
Certified Public Accountant
February 11, 2004

TALLMADGE CITY SCHOOL DISTRICT

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
JUNE 30, 2003**

<u>Federal Grantor/ Pass Through Grantor Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$ -	\$ 27,587	-	\$ 27,587
National School Lunch Program	N/A	10.555	84,027	-	84,027	-
Total U.S. Department of Agriculture - Nutrition Cluster			84,027	27,587	84,027	27,587
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed Through Ohio Department of Education:						
Title VI-B Educationally Handicapped	6BSF-2002P 6BSF-2003P	84.027	19,314 221,772 241,086	- - -	103,089 195,715 298,804	- - -
Title VI-R Class Size Reduction	CRS1-2002	84.340	15,765	-	21,888	-
Title I ESEA	C1S1-2002 C1S1-2003	84.010	16,534 138,733 155,267	- - -	35,600 139,746 175,346	- - -
Drug Free Schools	DRS1-2002 DRS1-2003	84.186	1,871 9,707 11,578	- - -	1,809 9,380 11,189	- - -
Title II IASA Eisenhower Grant	MSS1-2001 MSS1-2002	84.281	158 - 158	- - -	1,652 8,927 10,579	- - -
Title VI Innovative Programs	C2S1-2002 C2S1-2003	84.298	1,595 16,021 17,616	- - -	5,002 15,196 20,198	- - -
Improving Teacher Quality	TRS1-2003	84.367	73,406	-	50,034	-
Assistive Technology Infusion Project	ATS2-2002	84.352A	5,307	-	5,307	-
Title II-D	TJS1-2003	84.318	4,182	-	4,182	-
Reading Excellence Act	RNS1-2000 RNS2-2000	84.338	127,550 63,449 190,999	- - -	116,793 60,348 177,141	- - -
Passed Through Six District Educational Compact:						
Vocational Education - Basic Grants to States	CD-97-02	84.048	3,400	-	-	-
Total U.S. Department of Education			718,764	-	774,668	-
TOTAL FEDERAL ASSISTANCE			\$ 802,791	\$ 27,587	858,695	\$ 27,587

See accompanying notes to the Schedule of Federal Awards Expenditures.

Tallmadge City School District
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2003

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2003, the School District had no significant food commodities in inventory.

NOTE C – MATCHING REQUIREMENTS

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

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

**TALLMADGE CITY SCHOOL DISTRICT
JUNE 30, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

TALLMADGE CITY SCHOOL DISTRICT

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 17, 2004**