

**TALLMADGE CITY SCHOOL DISTRICT
TALLMADGE, OHIO**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

PREPARED BY TREASURER'S OFFICE

JEFFERY HOSTETLER, TREASURER

TALLMADGE CITY SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

March 31, 2005

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

The Comprehensive Annual Financial Report (CAFR) of the Tallmadge City School District (the “School District”), for the fiscal year ended June 30, 2004, 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 CAFR is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes this Transmittal Letter, list of Principal Officers, the School District’s Organizational Chart and the GFOA Certificate of Achievement. The Financial Section includes the Independent Auditor’s Report, Management’s Discussion and Analysis, the Basic Financial Statements, Notes to the Basic Financial Statements and the Combining and Individual Fund Financial Statements and Schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

GAAP also requires that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of Managements’ Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The School District’s MD&A can be found immediately following the Independent Accountant’s Report.

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 district schools and 736 pupils

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

At June 30, 2004, the School District had 2,733 public students enrolled in five community schools: Overdale Primary, Dunbar Elementary, Munroe Intermediate, Middle School housing grades 6 through 8, and Tallmadge High, a comprehensive high school for grades 9 through 12. The School District also operates a variety of other facilities including a central administration building, annex, bus garage, maintenance facility, and several sports fields.

Enrollment projections 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 developments, and sales 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% 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, 2006. 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. Mr. Jeffery Hostetler serves as the chief financial officer of the School District. He 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 system 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 following list, provided by the Summit County Auditor's Office, indicates information on the largest tangible, public utility, and real estate taxpayers:

TOP TEN TANGIBLE TAXPAYERS (2003 COLLECTION)

<u>Name</u>	<u>Taxable Valuation</u>
Auto Sales, Inc.	\$3,779,370
Owens Corning	3,593,910
Waltco Truck Equipment Co.	2,140,100
Steere Enterprises, Inc.	1,915,470
Comdoc, Inc.	1,784,920
Star Chevrolet, Inc.	1,521,520
Leppo, Inc.	1,440,140
Mark-Glen, Inc.	1,252,430
Summit Plastic Company	1,153,800
Horton Manufacturing Co., Inc.	1,107,680

PUBLIC UTILITY PERSONAL PROPERTY (2004 COLLECTION)

<u>Name</u>	<u>Taxable Valuation</u>
Ohio Bell Telephone	\$2,635,100
Ohio Edison	2,360,180
American Transmission	496,910
East Ohio Gas	389,380
Level 3 Communication	284,400

TOP TEN REAL ESTATE TAXPAYERS (2004 COLLECTION)

<u>Name</u>	<u>Taxable Valuation</u>
Tallmadge Associates	\$3,008,150
Eastwood Square Associates LTD	2,759,100
Tallmadge Oaks LTD	2,392,550
Big Zilla Development LLC	2,352,310
Saxon Village LTD	1,908,730
87 Midway Plaza LLC	1,617,140
Colonial Gardens, Inc.	1,568,590
Myers Family Limited Partnership	1,544,060
Mindale Farms Co.	1,506,600
Cooper Equities Co., LTD	1,408,030

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:

Across the School District 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.

2003-2004 HIGHLIGHTS – STUDENTS – STAFF - SCHOOL DISTRICT

Distinguished Scholars...

45 seniors (3.7 GPA), 39 juniors (3.75 GPA), 40 sophomores (3.8 GPA) and 13 freshmen (3.8 GPA) were recognized as THS Distinguished Scholars at a breakfast co-sponsored by Tallmadge Lions, Tallmadge Rotary, PEGS and THS PTSA.

New Members...

In the fall, 32 juniors and seniors were inducted into the THS chapter of the National Honor Society, which recognizes those who excel in scholarship, leadership, character and service.

Math Scholars...

TMS Ohio Math League teams successfully competed at regional and state levels. The sixth grade team placed 4th and one team member placed first as top scorer. The 8th grade team ranked 4th in the region and 16th in the state, placing them in the top 9 percent among the schools participating. The team's top scorer also ranked 4th in the region and 18th in the state, outscoring more than 98% of the 900 students in the statewide competition.

MATHCOUNTS...

A six-member team of seventh and eighth graders represented TMS at the School District MATHCOUNTS competition, where they placed third and advanced to state level competition. One student placed 4th in the individual rankings.

Regional Wins...

A Tallmadge team won first place at the regional Destination Imagination Competition and advanced to state competition.

Thinkers Tops...

Tallmadge teams swept the top spots in the annual statewide Ohio Thinking Cap Quiz Bowl, with three first place finishes and one fifth place. Since the inception of the Quiz Bowl, 15 years ago, Tallmadge teams have consistently been among the top finishers in this interscholastic statewide contest for 5th through 8th graders. This year, Tallmadge Middle School's sixth, seventh, and eighth grade teams placed first in the state of Ohio. Munroe Elementary School's fifth grade team placed fifth among teams competing at that grade level.

Sweet Sixteen...

The seventh and eighth grade Thinking Cap Quiz Bowl teams competed in the national competition, vying with students from 16 states for the top spot. The eighth grade team placed 3rd in the nation, among all 133 eighth grade teams competing. The seventh grade team also placed third nationally.

DECA advances to Nationals...

Two THS students successfully competed at regional and state levels to qualify for the DECA National Competition. Three other THS students placed in the top ten at state.

Academic Challenge...

THS three-member Academic Challenge team competed against Wadsworth and Glen Oak on the Channel 5 Academic Challenge show.

Artists Win...

Tallmadge students won 5 of the 14 Best of Show awards and 5 first place honors, 5 second and 53 third place ribbons and 7 honorable mentions in the Summit County Art Show.

Musicians Shine...

Concert band members earned 7 superior and excellent medals at the School District Solo and Ensemble contest sponsored by the Ohio Music Educators Association.

See How They Run...

The girls track team ran all the way to state, garnering top awards at district and regional meets and earning All-Ohio honors for members of the 4x400 meter and 4x800 meter teams. Individual all-state honors went to 800-meter runner Lauren Pakan and to pole-vaulter Elaina Stover.

Athletics...

Twenty-one athletes, competing in one of THS 18 interscholastic sports, earned All-Suburban League honors for their individual performances.

Dynamics Community Theatre...

Dynamics is an intergenerational program in the Tallmadge schools involving adults and students K-12 in the theatrical productions. In its tenth full season, student and adult actors performed "Sound of Music," "Little Women," and "Charlottes Web."

Bus Open House...

The transportation staff hosted its eighth annual open house at the bus garage. Visitors learned about driver requirements and training and had a close-up look at the School District's two new buses. Vendors donated prizes for a Poster Contest for elementary riders.

Volunteer Recognition...

More than 500 volunteers were invited to the annual School District-wide Volunteer Appreciation luncheon in April, including 100-plus volunteers who work with students in grades K to 4 through the OhioReads program. In addition to individual Ohio Reads volunteers, two local businesses, Summit Racing and Waltco, partner with the School District to release employees during the workday to serve as OhioReads volunteers.

National Certification...

Jay Singer, vocal music teacher at Dunbar Primary School, earned National Board Certification. Participation in this comprehensive and rigorous performance-based assessment is voluntary and can take from one to three years to complete. National Board Certification is the highest credential in the teaching profession. Since its inception 16 years ago, the National Board has certified 32,130 teachers nationwide. Seven other Tallmadge teachers have already achieved this prestigious honor.

School District Report Card...

Tallmadge met the performance standards in 19 of the 22 categories and is rated as an "effective" School District. "Effective" is the 2nd of 5 tiers, with the top tier being "excellent."

Bond Issue ...

Following defeat in November of a 2.65 mill bond issue to build a new middle school, the Board of Education had a community survey done to ascertain the issues and to help determine the next step in resolving the School District's facilities needs.

Recycling...

The School District instituted a new community-wide recycling program to generate dollars for the schools. Abitibi Recycling Corporation pays the School District \$5 a ton for the recyclable paper products. Green and yellow paper retriever bins are located at each building.

Take the Test Night...

A new regimen of achievement testing and accountability measures are required by the federal No Child Left Behind Law. The School District hosted a "Take the Test Night" and invited parents and community in to take a sample test and to familiarize them with some of expectations and consequences of the new law.

New Principals...

THS and Dunbar welcomed new principals, Jeffrey Ferguson and Andrew Wilson, respectively. They replace administrators who retired. At the end of the school year, another vacancy at Munroe due to the retirement of Richard Banig, who had more than 30 years in the School District, was filled with the employment of Shelley Monachino as principal.

Overdale turns 50...

More than 400 current and former students, parents, teachers and community members turned out to celebrate the 50th birthday of Overdale Primary School.

Leaders in Action...

Leaders in Action, a new program at Tallmadge High School this year was designed to foster the development of leadership skills and the ideals of community service in high school sophomores and juniors. Thirty-two students were chosen on the basis of their application responses. Following a two-day retreat that focused on collaboration and problem-solving skills, students grouped into teams to design and carry out a community or school service project. The program was funded with a \$2,000 grant from the Tallmadge Education and Community Enrichment Foundation.

THE CLASS OF 2004

Of 196 seniors earning diplomas, 80% completed a college preparatory curriculum, 3% followed a general course of study and 17% enrolled in a vocational program. Twenty-six credits are required for graduation.

Future Plans...

Following graduation, 80% enrolled in a four-year college, 11% enrolled in a two-year college, trade or technical program, 3% entered the military and 6% entered the labor market.

Valedictorians...

Nine 4.0 valedictorians led the Class of 2004: Rachel Bertschi, Danielle Dimoff, Alissa Douglas, Angela Nord, Jennifer Plunket, Andrew Strobl, Tiffany Tilelli, Tony Wiland and Laura Young.

Honors Diplomas...

Sixty-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.

Distinguished Scholars...

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

Educational Excellence...

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

Merit Awards...

Eighty-three 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% or better and good character.

Scholarship Winners...

Fifty-six members of the Class of 2004 shared in more than \$46,000 in local scholarships awarded at graduation. Tallmadge area businesses, civic organizations, trusts and foundations fund these scholarships.

Heritage Families...

Each year, seniors and their parents and/or grandparents who graduated from THS are recognized as Heritage Families. There were 54 Heritage Families in the Class of 2004, including two fourth generation graduates and nine third generation graduates.

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

Budgetary Controls In addition, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. Activities of all funds are included in the annual appropriation resolution. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by individual fund. The School District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered amounts lapse at year's end.

As demonstrated by the statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management.

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

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

OTHER INFORMATION

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Tallmadge City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

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

Independent Audit

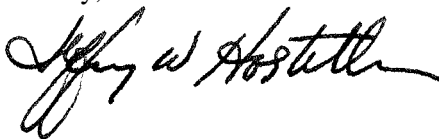
State statutes require an annual audit by independent accountants. The firm of Lennon and Company conducted the School District's 2004 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements is included in the financial section of this report.

Acknowledgements

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 goes out 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 which values quality financial information with which to help make decisions. Without their leadership and commitment to excellence this report would not be possible.

Sincerely,



Mr. Jeffery Hostetler
Treasurer/Chief Financial Officer

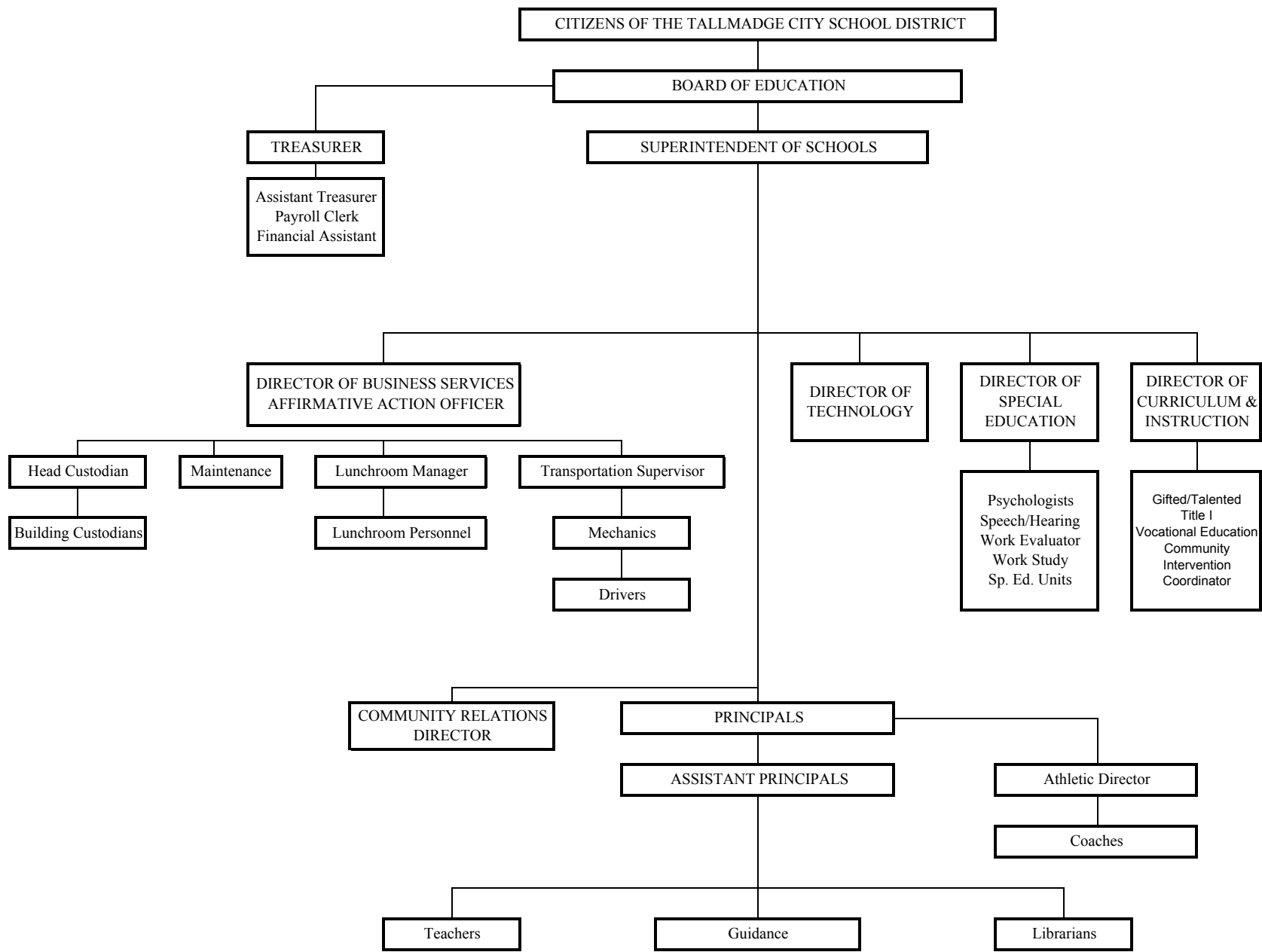
Tallmadge City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2004
List of Principal Officials

Board of Education

Mr. Thomas Craig	President 1/02 - 12/05
Mrs. Linda Jones	Vice President 1/02 - 12/05
Mr. Dennis Loughry	Member 1/04 - 12/07
Mr. Larry Bagnoli	Member 1/04 - 12/07
Mrs. Valorie Prulhiere	Member 1/02 - 12/05

Administration

Dr. Vincent Frammartino	Superintendent 7/01 - 6/06
Mrs. Billie V. Williams	Treasurer 1/03 - 1/05
Ms. Lynn Hruschak	Director of Curriculum 3/99 - 6/07
Mr. Donald B. Johnson	Director of Business 4/98 - 6/07
Mr. Bradley Croskey	Director of Technology 7/02 - 6/05



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, 2003

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.



Nancy L. Zjelle

President

Jeffrey R. Emer

Executive Director

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, 2004, 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.

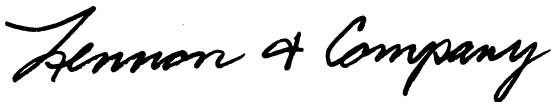
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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 respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Tallmadge City School District, as of June 30, 2004, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2005 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered 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 the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



LENNON & COMPANY
Certified Public Accountant
March 31, 2005

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

This discussion and analysis of Tallmadge City School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2004. 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 2004 are as follows:

- Net assets of governmental activities increased \$76,477, a nominal percentage increase from 2003.
- General revenues accounted for \$23,031,283 in revenue 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 \$2,238,979 or nine percent of total revenues of \$25,270,262.
- Total assets of governmental activities increased by \$283,770 or ten percent.
- The School District had \$25,193,785 in expenses related to governmental activities; only \$2,238,979 of these expenses was offset by program specific charges for services, grants, contributions and interest. General revenues of \$23,031,283 were adequate to provide for these programs.

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.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements present how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant 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 asks the question, "How did we do financially during 2004?" The statement of net assets and the statement of activities answer this question. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

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

In the Statement of Net Assets and the Statement of Activities, the School Districts' activities are considered to be all Governmental Activities.

Governmental Activities — Most of the School District's programs and services are reported here including instruction, support services, operation 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 14. 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 year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole.

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Table 1 provides a summary of the School District's net assets for 2004 compared to 2003:

Table 1
Net Assets

	Governmental Activities	
	2004	2003
Assets		
Current assets	\$21,670,961	\$21,298,391
Capital assets, net of depreciation	7,839,463	7,928,263
Total assets	29,510,424	29,226,654
Liabilities		
Current and other liabilities	15,821,691	15,910,369
Long-term liabilities:		
Due within one year	270,798	297,111
Due in more than one year	1,686,839	1,364,555
Total liabilities	17,779,328	17,572,035
Net Assets		
Invested in capital assets, net of debt	7,666,463	7,864,753
Restricted	1,128,064	1,275,888
Unrestricted	2,936,569	2,513,978
Total net assets	\$11,731,096	\$11,654,619

As noted, there were no significant changes from fiscal year 2003 to 2004. The increase in liabilities that are due in more than one year relate to the bus acquisition bonds issued in August 2003 for three new buses.

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

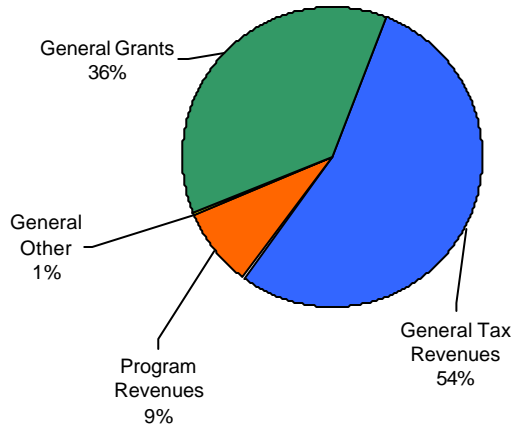
Table 2 shows a comparison of the changes in net assets for fiscal year 2004 and fiscal year 2003.

	2004	2003
Table 2		
Governmental Activities		
Revenues		
Program revenues:		
Charges for services	\$1,194,323	\$1,171,731
Operating grants, contributions and interest	1,020,561	884,669
Capital grants and contributions	24,095	48,515
Total program revenues	2,238,979	2,104,915
General revenues:		
Property taxes	13,771,303	12,573,534
Grants and entitlements	9,167,085	8,582,053
Investment earnings	81,994	107,576
Miscellaneous	10,901	27,202
Total general revenues	23,031,283	21,290,365
Total revenues	25,270,262	23,395,280
 Program Expenses		
Instruction:		
Regular	11,915,184	10,592,595
Special	2,142,943	1,786,450
Vocational	702,224	611,386
Adult/continuing	50,308	40,055
Support Services:		
Pupils	1,540,954	1,237,515
Instructional staff	685,249	792,505
Board of Education	14,893	22,896
Administration	2,276,193	1,785,254
Fiscal	664,258	597,280
Business	122,186	118,278
Operation and maintenance of plant	1,697,018	1,572,716
Pupil transportation	1,614,830	1,263,969
Central	274,508	183,624
Operation of non-instructional services	72,391	52,786
Extracurricular activities	877,912	522,482
Food service operations	537,359	823,930
Interest and fiscal charges	5,375	6,925
Total program expenses	25,193,785	22,010,646
 Change in net assets	\$76,477	\$1,384,634

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
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 \$2,772,040.



The School District's reliance upon tax revenues is demonstrated by the chart above that indicates 54 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 cost of services column in Table 3 reflecting the need for \$23 million dollars of support.

The dependence on property taxes remains evident. The community has supported the Tallmadge City School District by a history of voter approval of operating levies. The most recent passage of a 7.5 mill five year operating levy (May 2001) comprises 23 percent of the total voted general tax revenue for the School District.

Instruction comprises 59 percent of governmental program expenses. Historically, the School District has promoted the excellence of educational programs by the allocation of resources in all instructional areas.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental 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, 2004
Unaudited

Table 3
Governmental Activities

	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2004</u>	Total Cost of Services <u>2003</u>	Net Cost of Services <u>2003</u>
Program Expenses				
Instruction:				
Regular	\$11,915,184	\$11,389,611	\$10,592,595	\$10,237,142
Special	2,142,943	1,909,671	1,786,450	1,267,111
Vocational	702,224	702,224	611,386	605,617
Adult/continuing	50,308	17,241	40,055	(4,958)
Support Services:				
Pupils	1,540,954	1,294,332	1,237,515	1,125,808
Instructional staff	685,249	509,294	792,505	626,165
Board of Education	14,893	14,893	22,896	22,896
Administration	2,276,193	2,194,465	1,785,254	1,684,366
Fiscal	664,258	664,258	597,280	597,280
Business	122,186	122,186	118,278	118,278
Operation and maintenance of plant	1,697,018	1,615,141	1,572,716	1,566,541
Pupil transportation	1,614,830	1,511,762	1,263,969	1,166,423
Central	274,508	274,508	183,624	183,624
Operation of non-instructional services	72,391	24,669	52,786	12,321
Extracurricular activities	877,912	677,204	522,482	353,588
Food service operations	537,359	27,972	823,930	336,604
Interest and fiscal charges	5,375	5,375	6,925	6,925
Total program expenses	<u>\$25,193,785</u>	<u>\$22,954,806</u>	<u>\$22,010,646</u>	<u>\$19,905,731</u>

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. The total revenues for governmental funds were \$24,991,350 and total expenditures were \$24,973,690. The School District remains financially stable.

The general fund is the chief operating fund of the School District. Total revenues were \$22,785,233 and total expenditures were \$22,555,565. Of the revenues, property tax and intergovernmental revenues were the most significant. Property tax revenue was \$13,060,867 or 57 percent of total revenue while intergovernmental revenue amounted to \$9,154,046 or 40 percent of total revenue. Instruction and support services comprised the two most significant expenditure sources. Instruction amounted to \$13,971,089 or 62 percent of total expenditures. Support services expenditures were \$7,689,723 or 34 percent of total expenditures.

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
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 2004, 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 \$22,069,597, which was lower than the original estimate of \$22,071,924 by \$2,327. Actual revenues were \$22,491,991, an increase over the final budget by \$422,394. The increase was due to additional grant and tuition and fees receipts.

The original expenditures estimate of \$23,088,664 was revised slightly over the fiscal year to final budgeted expenditures of \$23,107,180. Actual expenditures, however, were only \$22,847,214, \$259,966 less than the final anticipated budget. 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 it's cycle and provide relief to local taxpayers.

The School District's ending unobligated budgetary balance was \$852,490 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 2004, the School District had \$7,839,463 invested in land, buildings, equipment, and vehicles. Table 4 shows fiscal year 2004 balances compared to fiscal year 2003:

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

	Governmental Activities	
	2004	2003
Land	\$3,354,650	\$3,354,650
Buildings and improvements	3,521,337	3,610,374
Furniture, fixtures and equipment	335,115	283,679
Vehicles	628,361	679,560
 Total capital assets	 \$7,839,463	 \$7,928,263

See Note 9 to the basic financial statements for detail on the School District's capital assets.

Debt

At June 30, 2004 the School District had \$173,000 in bonds outstanding with \$56,000 due within one year. Table 5 summarizes the bonds and notes outstanding.

Tallmadge City School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2004
 Unaudited

Table 5
 Outstanding Debt, at Fiscal Year End

	Governmental Activities 2004	Governmental Activities 2003
1992 Energy Conservation Bonds	\$0	\$63,510
2003 Bus Acquisition Bonds	173,000	0
 Total outstanding debt	\$173,000	\$63,510

The energy conservation bonds, issued in 1992, matured in 2003. The 2003 Bus Acquisition Bonds were issued in August 2003.

At June 30, 2004, the School District's overall legal debt limitation was \$35,540,000, based on nine percent of the taxable valuation, with an unvoted debt margin of \$394,889. The School District's current rating is 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 educational programs and 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 revenue and expenditure patterns.

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. The School District would be eligible to receive a 22 percent share of funding from the State.

A 4.69 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 November 2, 2004 ballot for electorate approval. The issue was approved allowing the School District to move forward with the local effort of the master plan.

The last challenge facing the School District is the future of State funding. The Ohio General Assembly has been directed to enact a school-funding mechanism that is to be thorough and efficient. The Governor called for the creation of the Blue Ribbon Task Force on Financing Student Success in his 2003 State of the State address. The Task Force is charged with recommending a funding system for public elementary and secondary education in Ohio and appropriate mechanisms for paying for such a system.

Tallmadge City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Due to the unsettled issues in 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 Jeffery Hostetler, Treasurer, at Tallmadge City School District, 486 East Avenue, Tallmadge, Ohio, 44278 or E-Mail at jhostetler@tallmadge.k12.oh.us.

Tallmadge City School District
Summit County, Ohio
Statement of Net Assets
June 30, 2004

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$6,935,364
Cash in Segregated Accounts	503,599
Receivables:	
Accounts	145,388
Intergovernmental	187,416
Taxes	13,848,009
Inventory Held for Resale	12,284
Materials and Supplies Inventory	38,901
Non-Depreciable Capital Assets	3,354,650
Depreciable Capital Assets, Net	<u>4,484,813</u>
<i>Total Assets</i>	<u>29,510,424</u>
Liabilities	
Current Liabilities:	
Accounts Payable	69,596
Accrued Wages and Benefits	1,803,216
Intergovernmental Payable	595,246
Matured Compensated Absences Payable	199,161
Deferred Revenue	12,873,778
Claims Payable	280,694
Long-Term Liabilities:	
Due Within One Year	270,798
Due In More Than One Year	<u>1,686,839</u>
<i>Total Liabilities</i>	<u>17,779,328</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	7,666,463
Restricted for:	
Capital Projects	449,752
Set Asides	90,380
Other Purposes	587,932
Unrestricted	<u>2,936,569</u>
<i>Total Net Assets</i>	<u><u>\$11,731,096</u></u>

See accompanying notes to the basic financial statements.

Tallmadge City School District
Summit County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2004

	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$11,915,184	\$365,852	\$159,721	\$0	(\$11,389,611)
Special	2,142,943	3,062	230,210	0	(1,909,671)
Vocational	702,224	0	0	0	(702,224)
Adult/Continuing	50,308	6,520	26,547	0	(17,241)
Support Services:					
Pupils	1,540,954	7,405	239,217	0	(1,294,332)
Instructional Staff	685,249	46,148	129,807	0	(509,294)
Board of Education	14,893	0	0	0	(14,893)
Administration	2,276,193	53,881	27,847	0	(2,194,465)
Fiscal	664,258	0	0	0	(664,258)
Business	122,186	0	0	0	(122,186)
Operation and Maintenance of Plant	1,697,018	63,388	18,489	0	(1,615,141)
Pupil Transportation	1,614,830	76,510	2,463	24,095	(1,511,762)
Central	274,508	0	0	0	(274,508)
Operation of Non-Instructional Services	72,391	0	47,722	0	(24,669)
Extracurricular Activities	877,912	192,693	8,015	0	(677,204)
Food Service Operations	537,359	378,864	130,523	0	(27,972)
Interest and Fiscal Charges	5,375	0	0	0	(5,375)
Totals	\$25,193,785	\$1,194,323	\$1,020,561	\$24,095	(22,954,806)

General Revenues:

Property Taxes Levied for:	
General Purposes	13,443,219
Capital Outlay	328,084
Grants and Entitlements not Restricted to Specific Programs	9,167,085
Investment Earnings	81,994
Miscellaneous	10,901
Total General Revenues	23,031,283
Change in Net Assets	76,477
<i>Net Assets Beginning of Year (Restated, See Note 3)</i>	<u>11,654,619</u>
<i>Net Assets End of Year</i>	<u>\$11,731,096</u>

See accompanying notes to the basic financial statements.

Tallmadge City School District
Summit County, Ohio
Balance Sheet
Governmental Funds
June 30, 2004

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$5,459,462	\$1,147,681	\$6,607,143
Receivables:			
Accounts	125,887	19,501	145,388
Intergovernmental	0	187,416	187,416
Taxes	13,494,238	353,771	13,848,009
Interfund	148,191	0	148,191
Inventory Held For Resale	0	12,284	12,284
Materials and Supplies Inventory	38,901	0	38,901
Advances to Other Funds	451,129	0	451,129
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	328,221	0	328,221
<i>Total Assets</i>	<u>\$20,046,029</u>	<u>\$1,720,653</u>	<u>\$21,766,682</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$42,056	\$27,540	\$69,596
Accrued Wages and Benefits	1,735,195	68,021	1,803,216
Interfund Payable	0	148,191	148,191
Intergovernmental Payable	371,287	8,167	379,454
Matured Compensated Absences Payable	199,161	0	199,161
Deferred Revenue	13,162,090	393,391	13,555,481
<i>Total Liabilities</i>	<u>15,509,789</u>	<u>645,310</u>	<u>16,155,099</u>
Fund Balances			
Reserved for Encumbrances	715,392	196,941	912,333
Reserved for Budget Stabilization	90,380	0	90,380
Reserved for Bus Purchases	237,841	0	237,841
Unreserved:			
Undesignated, Reported in:			
General Fund	3,492,627	0	3,492,627
Special Revenue Funds	0	494,084	494,084
Capital Projects Funds	0	384,318	384,318
<i>Total Fund Balances</i>	<u>4,536,240</u>	<u>1,075,343</u>	<u>5,611,583</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$20,046,029</u>	<u>\$1,720,653</u>	<u>\$21,766,682</u>

See accompanying notes to the basic financial statements.

Tallmadge City School District
Summit County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2004

Total Governmental Funds Balances		\$5,611,583
<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.		7,839,463
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	585,531	
Charges for Services	46,826	
Grants	<u>49,346</u>	
Total		681,703
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.		(228,224)
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Intergovernmental Payable	(215,792)	
Compensated Absences Payable	(1,784,637)	
Energy Conservation Bonds	<u>(173,000)</u>	
Total		<u>(2,173,429)</u>
<i>Net Assets of Governmental Activities</i>		<u><u>\$11,731,096</u></u>

See accompanying notes to the basic financial statements.

Tallmadge City School District
Summit County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2004

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property and Other Local Taxes	\$13,060,867	\$320,229	\$13,381,096
Intergovernmental	9,154,046	990,523	10,144,569
Interest	77,400	1,190	78,590
Tuition and Fees	370,200	131,820	502,020
Rent	63,388	0	63,388
Extracurricular Activities	51,097	275,321	326,418
Gifts and Donations	0	46,878	46,878
Customer Sales and Services	0	437,490	437,490
Miscellaneous	8,235	2,666	10,901
<i>Total Revenues</i>	<u>22,785,233</u>	<u>2,206,117</u>	<u>24,991,350</u>
Expenditures			
Current:			
Instruction:			
Regular	11,355,690	329,154	11,684,844
Special	1,921,426	179,489	2,100,915
Vocational	675,988	16,822	692,810
Adult/Continuing	17,985	32,300	50,285
Support Services:			
Pupils	1,293,116	220,432	1,513,548
Instructional Staff	503,799	150,220	654,019
Board of Education	22,515	0	22,515
Administration	1,771,472	505,908	2,277,380
Fiscal	634,792	25,476	660,268
Business	123,006	0	123,006
Operation and Maintenance of Plant	1,655,903	20,138	1,676,041
Pupil Transportation	1,412,122	88,433	1,500,555
Central	272,998	0	272,998
Operation of Non-Instructional Services	0	54,987	54,987
Food Service Operations	0	537,359	537,359
Extracurricular Activities	732,859	148,253	881,112
Capital Outlay	157,776	42,627	200,403
Debt Service:			
Principal Retirement	0	63,510	63,510
Interest and Fiscal Charges	4,118	3,017	7,135
<i>Total Expenditures</i>	<u>22,555,565</u>	<u>2,418,125</u>	<u>24,973,690</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>229,668</u>	<u>(212,008)</u>	<u>17,660</u>
Other Financing Sources (Uses)			
Transfers In	1,000	66,527	67,527
General Obligation Bonds Issued	173,000	0	173,000
Transfers Out	(66,527)	(1,000)	(67,527)
<i>Total Other Financing Sources (Uses)</i>	<u>107,473</u>	<u>65,527</u>	<u>173,000</u>
<i>Net Change in Fund Balances</i>	337,141	(146,481)	190,660
<i>Fund Balances Beginning of Year</i>	<u>4,199,099</u>	<u>1,221,824</u>	<u>5,420,923</u>
<i>Fund Balances End of Year</i>	<u>\$4,536,240</u>	<u>\$1,075,343</u>	<u>\$5,611,583</u>

See accompanying notes to the basic financial statements.

**Tallmadge City School District
Summit County, Ohio
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, 2004**

Net Change in Fund Balances - Total Governmental Funds \$190,660

*Amounts reported for governmental activities in the
statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.

Capital Asset Additions	200,403	
Depreciation	<u>(289,203)</u>	(88,800)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Tax	390,207	
Charges for Services	(134,993)	
Grants	<u>19,104</u>	274,318

The issuance of debt is a revenue in the governmental funds, but the proceeds increase liabilities in the Statement of Net Assets. (173,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net assets. 63,510

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represent 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	(185,309)	
Pension Obligation	17,604	
Interest	<u>1,760</u>	(165,945)

The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the government-wide Statement of Activities. Governmental fund expenditures and related internal service fund revenues are eliminated. (24,266)

Change in Net Assets of Governmental Activities \$76,477

See accompanying notes to the basic financial statements.

Tallmadge City School District
Summit County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$13,038,695	\$13,038,695	\$12,835,585	(\$203,110)
Intergovernmental	8,805,855	8,615,407	9,154,046	538,639
Interest	101,700	101,700	77,400	(24,300)
Tuition and Fees	190,044	183,842	309,307	125,465
Rent	5,000	5,000	57,388	52,388
Extracurricular Activities	54,868	51,537	51,097	(440)
Miscellaneous	36,609	36,475	7,168	(29,307)
Total Revenues	22,232,771	22,032,656	22,491,991	459,335
Expenditures				
Current:				
Instruction:				
Regular	11,841,329	11,793,863	11,740,880	52,983
Special	1,909,956	1,953,253	1,919,735	33,518
Vocational	697,119	706,561	694,544	12,017
Adult/Continuing	22,000	17,985	17,985	0
Support Services:				
Pupils	1,273,435	1,258,233	1,257,728	505
Instructional Staff	510,969	499,423	499,032	391
Board of Education	22,175	22,703	22,703	0
Administration	1,742,496	1,748,463	1,748,174	289
Fiscal	623,006	616,627	616,501	126
Business	124,645	122,439	122,376	63
Operation and Maintenance of Plant	1,749,954	1,664,980	1,660,585	4,395
Pupil Transportation	1,605,597	1,696,574	1,546,041	150,533
Central	205,391	276,201	276,201	0
Extracurricular Activities	743,575	725,593	720,611	4,982
Debt Service:				
Interest and Fiscal Charges	0	4,282	4,118	164
Total Expenditures	23,071,647	23,107,180	22,847,214	259,966
(Deficiency) of Revenues (Under) Expenditures	(838,876)	(1,074,524)	(355,223)	719,301
Other Financing Sources (Uses)				
Transfers In	0	0	1,000	1,000
General Obligation Bonds Issued	0	0	168,506	168,506
Refund of Prior Year Expenditures	0	0	624	624
Advances In	37,518	37,518	37,518	0
Transfers Out	(66,528)	(66,527)	(66,527)	0
Advances Out	(10,000)	(148,191)	(148,191)	0
Other Financing Uses	(10,000)	0	0	0
Total Other Financing Sources (Uses)	(49,010)	(177,200)	(7,070)	170,130
Net Change in Fund Balance	(887,886)	(1,251,724)	(362,293)	889,431
Fund Balance at Beginning of Year	4,851,322	4,851,322	4,851,322	0
Prior Year Encumbrances Appropriated	990,444	990,444	990,444	0
Fund Balance at End of Year	\$4,953,880	\$4,590,042	\$5,479,473	\$889,431

See accompanying notes to the basic financial statements.

**Tallmadge City School District
Summit County, Ohio
Statement of Fund Net Assets
Proprietary Fund
June 30, 2004**

	<u>Internal Service Fund</u>
	<u>Self-Insurance</u>
Assets	
Cash in Segregated Accounts	<u>\$503,599</u>
<i>Total Assets</i>	<u>503,599</u>
Liabilities	
Claims Payable	280,694
Advances From Other Funds	<u>451,129</u>
<i>Total Liabilities</i>	<u>731,823</u>
Net Assets	
Unrestricted (Deficit)	<u>(228,224)</u>
<i>Total Net Assets</i>	<u><u>(\$228,224)</u></u>

See accompanying notes to the basic financial statements.

Tallmadge City School District
Summit County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2004

	Internal Service Fund
	Self-Insurance
Operating Revenues	
Charges for Services	\$2,676,020
Other Revenues	19,248
<i>Total Revenues</i>	<u>2,695,268</u>
Operating Expenses	
Purchased Services	559,884
Claims	2,163,944
Other	300
<i>Total Operating Expenses</i>	<u>2,724,128</u>
<i>Operating (Loss)</i>	<u>(28,860)</u>
Non-Operating Revenues	
Interest	4,594
<i>Total Non-Operating Revenues</i>	<u>4,594</u>
<i>Change in Net Assets</i>	(24,266)
<i>Net Assets (Deficit) at Beginning of Year</i>	<u>(203,958)</u>
<i>Net Assets (Deficit) at End of Year</i>	<u><u>(\$228,224)</u></u>

See accompanying notes to the basic financial statements.

**Tallmadge City School District
Summit County, Ohio
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2004**

	Internal Service Fund
	<u>Self-Insurance</u>
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$2,676,020
Cash Payments for Claims	(2,143,498)
Cash Payments for Goods and Services	(559,884)
Other Operating Revenues	19,248
Other Operating Expenses	<u>(300)</u>
<i>Net Cash (Used for) Operating Activities</i>	<u>(8,414)</u>
Cash Flows from Noncapital Financing Activities	
Advances from Other Funds	451,129
Repayment of Short-Term Loans from Other Funds	<u>(698,524)</u>
<i>Net Cash (Used for) Noncapital Financing Activities</i>	<u>(247,395)</u>
Cash Flows from Investing Activities	
Interest on Investments	<u>4,594</u>
<i>Net Cash Provided by Investing Activities</i>	<u>4,594</u>
<i>Net (Decrease) in Cash and Cash Equivalents</i>	(251,215)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>754,814</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$503,599</u></u>
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities	
Operating (Loss)	(\$28,860)
Adjustments:	
Increase (Decrease) in Liabilities:	
Claims Payable	<u>20,446</u>
<i>Net Cash (Used for) Operating Activities</i>	<u><u>(\$8,414)</u></u>

See accompanying notes to the basic financial statements.

**Tallmadge City School District
Summit County, Ohio
Statement of Fiduciary Net Assets
Fiduciary Fund
June 30, 2004**

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$84,146</u>
Total Assets	<u><u>\$84,146</u></u>
Liabilities	
Accounts Payable	\$717
Due to Students	<u>83,429</u>
<i>Total Liabilities</i>	<u><u>\$84,146</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, 2004

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 provides educational services as mandated by state and federal agencies. The Board controls the School District’s nine instructional/support facilities staffed by 142 classified employees and 211 certified full-time personnel who provide services to 2,733 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 more significant of the School District’s accounting policies are described below.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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, 2004

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

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

Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund 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., expenses) in total net assets.

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

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.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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.

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. 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, 2004, but which were levied to finance fiscal year 2005 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.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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 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 2004, 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, 2004.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings.

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.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

G. 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.

H. Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or change the 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.

I. 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:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	25 – 75 years
Furniture, Fixtures and Equipment	10 – 20 years
Vehicles	10 years

J. 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.

K. 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.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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.

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.

L. 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.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets 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.

N. 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.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

O. Operating Revenues and Expenses

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

P. 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.

Q. Estimates

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

Note 3 - Restatement of Net Assets

The restatement of Capital Assets was due to the change in the maximum useful life on buildings from 50 years to 75 years.

Net Assets, June 30, 2003	\$9,024,568
Restatement of Capital Assets	2,630,051
Restated Net Assets as of June 30, 2003	<u><u>\$11,654,619</u></u>

Note 4 – Accountability and Compliance

Accountability

At year end the Title V special revenue fund had a deficit of \$3,253 and the Self-insurance internal service fund had a deficit of \$228,224. These 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.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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).

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

	Net Change in Fund Balance
GAAP Basis	\$337,141
Revenue Accruals	(259,594)
Expenditure Accruals	(1,199,183)
Encumbrances	759,343
Budget Basis	<u>(\$362,293)</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.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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 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 acceptances 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.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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 School District had \$3,180 in undeposited cash on hand, which is included on the Basic Financial Statements as part of "Equity in Pooled Cash and Cash Equivalents". The carrying amount of the School District's deposits was \$384,658 and the bank balance was \$7,523,109. Of the bank balance:

1. \$8,754 was covered by federal depository insurance; and
2. \$7,514,355 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 All interest is legally required to be placed in the general fund, the Food Service special revenue fund and the Self-Insurance internal service fund. Due to these provisions, the general fund received \$77,400 of which \$11,065 was assigned from other School District funds.

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, 2004 consist of the following:

	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$990,000	\$990,000	\$990,000
Subtotal	\$990,000		
STAR Ohio		6,145,271	6,145,271
Total Investments		\$7,135,271	\$7,135,271

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.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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 year 2004 represents collections of calendar year 2003 taxes. Real property taxes received in calendar year 2004 were levied after April 1, 2003, on the assessed value listed as of January 1, 2003, 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 year 2003 represents collections of calendar year 2003 taxes. Public utility real and tangible personal property taxes received in calendar year 2004 became a lien on December 31, 2002, were levied after April 1, 2003 and are collected in 2004 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 year 2004 (other than public utility property) represents the collection of 2004 taxes. Tangible personal property taxes received in calendar year 2004 were levied after April 1, 2003, on the value as of December 31, 2003. 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 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 Officers and County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2004, though not intended to finance fiscal year 2004, are available to finance fiscal year 2004 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, 2004 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, 2004 was \$378,973 in the general fund and \$9,727 in the permanent improvement capital projects fund. These are recognized as revenue on the fund financial statements.

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.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

The assessed values upon which the fiscal year 2004 taxes were collected are:

Category	2003 Second Half Collections		2004 First Half Collections	
	Amount	%	Amount	%
Real Property Valuation:				
Agricultural/Residential and Other Real Estate	\$346,336,320	87.30%	\$347,800,570	88.08%
Public Utilities	7,445,770	1.88%	7,384,430	1.87%
Tangible Personal	42,954,877	10.83%	39,703,951	10.05%
Total Valuation	<u>\$396,736,967</u>	<u>100.00%</u>	<u>\$394,888,951</u>	<u>100.00%</u>

Note 8 - Receivables

Receivables at June 30, 2004 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.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
Title I	\$60,383
Title VI-B	101,118
Class Size Reduction Grant	25,915
Total	<u>\$187,416</u>

Note 9 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

	Balance 06/30/2003	Restatement	Restated Balance 06/30/2003
Governmental Activities			
Capital Assets, Not Being Depreciated			
Land	\$3,354,650	\$0	\$3,354,650
Total Capital Assets, Not Being Depreciated	<u>3,354,650</u>	<u>0</u>	<u>3,354,650</u>
Capital Assets, Being Depreciated			
Buildings and Improvements	10,013,713	0	10,013,713
Furniture, Fixtures and Equipment	1,004,981	0	1,004,981
Vehicles	2,053,607	0	2,053,607
Total Capital Assets, Being Depreciated	<u>13,072,301</u>	<u>0</u>	<u>13,072,301</u>

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

	Balance 06/30/2003	Restatement	Restated Balance 06/30/2003
Less: Accumulated Depreciation			
Buildings and Improvements	(9,033,390)	2,630,051	(6,403,339)
Furniture, Fixtures and Equipment	(721,302)	0	(721,302)
Vehicles	(1,374,047)	0	(1,374,047)
Total Accumulated Depreciation	<u>(11,128,739)</u>	<u>2,630,051</u>	<u>(8,498,688)</u>
 Total Capital Assets Being Depreciated, Net	 <u>1,943,562</u>	 <u>2,630,051</u>	 <u>4,573,613</u>
 Governmental Activities Capital Assets, Net	 <u>\$5,298,212</u>	 <u>\$2,630,051</u>	 <u>\$7,928,263</u>

	Restated Balance 07/01/2003	Additions	Deductions	Balance 06/30/2004
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$3,354,650	\$0	\$0	\$3,354,650
Total Capital Assets, Not Being Depreciated	<u>3,354,650</u>	<u>0</u>	<u>0</u>	<u>3,354,650</u>
 Capital Assets, Being Depreciated				
Buildings and Improvements	10,013,713	17,193	0	10,030,906
Furniture, Fixtures and Equipment	1,004,981	120,901	0	1,125,882
Vehicles	2,053,607	62,309	0	2,115,916
Total Capital Assets, Being Depreciated	<u>13,072,301</u>	<u>200,403</u>	<u>0</u>	<u>13,272,704</u>
 Less: Accumulated Depreciation				
Buildings and Improvements	(6,403,339)	(106,230)	0	(6,509,569)
Furniture, Fixtures and Equipment	(721,302)	(69,465)	0	(790,767)
Vehicles	(1,374,047)	(113,508)	0	(1,487,555)
Total Accumulated Depreciation	<u>(8,498,688)</u>	<u>(289,203) *</u>	<u>0</u>	<u>(8,787,891)</u>
 Total Capital Assets Being Depreciated	 <u>4,573,613</u>	 <u>(88,800)</u>	 <u>0</u>	 <u>4,484,813</u>
 Governmental Activities Capital Assets, Net	 <u>\$7,928,263</u>	 <u>(\$88,800)</u>	 <u>\$0</u>	 <u>\$7,839,463</u>

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

* Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	(\$113,775)
Special	(2,591)
Vocational	(1,973)
Support Services:	
Pupils	(1,162)
Instructional Staff	(2,048)
Administration	(12,623)
Fiscal	(488)
Business	(108)
Operation and Maintenance of Plant	(29,686)
Pupil Transportation	(111,756)
Operation of Non-Instructional Services	(8,870)
Extracurricular Activities	(4,123)
Total Depreciation Expense	(\$289,203)

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 as of June 30, 2004:

Coverage	Amount
Buildings and Contents - Replacement Costs	\$47,210,696
Inland Marine	40,000
Boiler and Machinery	3,072,827
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, 2004

Self-Insurance

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

The claims liability of \$280,694 reported in the internal service fund at June 30, 2004 is based on the requirements of GASB Statement No. 30 "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs 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 claims adjustment expenses. The School District purchases stop-loss coverage of \$60,000 per employee annually. Changes in the fund's claims liability in 2003 and 2004 were:

	Balance Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2003	\$268,311	\$1,692,737	\$1,700,800	\$260,248
2004	\$260,248	\$2,163,944	\$2,143,498	\$280,694

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, or by calling (614) 222-5853.

Plan members are required to contribute ten percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2003, 8.17 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, 2004, 2003 and 2002 were \$242,545, \$254,447 and \$161,404 respectively; 99.81 percent has been contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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, 2004, plan members were required to contribute 10.0 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 2003, the portion used to fund pension obligations was 13 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, 2004, 2003, and 2002 were \$1,484,646, \$1,463,431, and \$948,920 respectively; 81.6 percent has been contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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, physicians' fees, prescription drugs and partial 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. Currently the STRS Board allocates employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$114,204 for fiscal year 2004.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2004, the balance in the Fund was \$3.1 billion. For the year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000 and STRS had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more 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, 2004, employer contributions to fund health care benefits were 4.91 percent of covered payroll. 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 2004, the minimum pay has been established as \$25,400. For the School District, the amount to fund health care benefits, including surcharge, during the 2004 fiscal year equaled \$225,668.

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, 2004, were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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.

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.

Note 14 - Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2004 were as follows:

	Principal Outstanding 07/01/2003	Additions	Deletions	Principal Outstanding 06/30/2004	Amounts Due in One Year
General Long-Term Obligations:					
1993 \$520,000, 4.75%, Maturing on 12/01/2003					
Energy Conservation Bonds	\$63,510	\$0	(\$63,510)	\$0	\$0
2003 \$173,000, 2.75%, Maturing on 12/27/2006					
Bus Acquisition Bonds	0	173,000	0	173,000	56,000
Total General Obligation Bonds	<u>63,510</u>	<u>173,000</u>	<u>(63,510)</u>	<u>173,000</u>	<u>56,000</u>
Other Long-Term Obligations:					
Compensated Absences	1,598,156	228,766	(42,285)	1,784,637	214,798
Total General Long-Term Obligations	<u>\$1,661,666</u>	<u>\$401,766</u>	<u>(\$105,795)</u>	<u>\$1,957,637</u>	<u>\$270,798</u>

The Energy Conservation Bonds were paid from the debt service fund. The Bus Acquisition Bonds will be paid from the general fund. Compensated Absences will be paid from the general and the food service special revenue fund.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

The annual requirements to amortize the bus acquisition bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2005	\$56,000	\$4,116	\$60,116
2006	58,000	2,485	60,485
2007	59,000	811	59,811
Total	\$173,000	\$7,412	\$180,412

The School District's overall legal debt margin at June 30, 2004 was \$35,540,006 with an unvoted debt margin of \$394,889 at June 30, 2004.

Note 15 - Interfund Transactions

A. Interfund Transfers

The general fund transferred \$66,527 to other nonmajor governmental funds to provide funding for fiscal year 2004. Career Development (nonmajor governmental) transferred \$1,000 to the General Fund to close the fund.

B. Interfund Balance

The general fund advanced \$148,191 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.

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 school 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 2004, the School District contributed \$34,566 to NEOnet. Financial information can be obtained by contacting the fiscal agent at 420 Washington Avenue, Suite 200, Cuyahoga Falls, Ohio 44221.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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 other than the School District in which the student resides, the School District of residence pays an instructional fee to the School District that offered the class. Cuyahoga Falls City School District serves as the fiscal agent for this agreement, collecting and distributing payments. The Board 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.

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, 2004.

B. Litigation

As of June 30, 2004, 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, 2004, 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 State statute.

Tallmadge City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

	Textbooks	Capital Improvements	Budget Stabilization
Set Aside Cash Balance as of June 30, 2003	(\$450,823)	\$0	\$90,380
Current Fiscal Year Set Aside Requirement	384,223	384,223	0
Qualifying Expenditures During the Fiscal Year	(850,278)	(431,301)	0
Total	(916,878)	(\$47,078)	\$90,380
Set Aside Balance Carried Forward to Future Fiscal Years	(916,898)	\$0	\$90,380
Set Aside Cash Balance as of June 30, 2004	\$0	\$0	\$90,380

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.

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...”.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision will have its future State funding and on its financial operations.

Note 20 – Subsequent Event

Following the close of the fiscal year, the School District’s voters passed a permanent improvement bond issue and 4.69 mill tax levy for repayment of the bonds on November 2, 2004. The proceeds of the bonds will be used to finance the construction of a new high school building and furnishings for the buildings. The bonds will be repaid over a 28 year period. The bonds are expected to be issued in June of 2005, and cover costs incurred prior to the issuance. The School District issued \$30,500,000 of bond anticipation notes in December, 2004.

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COMBINING STATEMENTS
FOR
NONMAJOR GOVERNMENTAL FUNDS

Combining Statements

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

Scholarships – 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 – To account for the operation of a bookstore facility at the Senior High School.

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

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

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

Venture Capital – 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 – 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 – 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 – 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.

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

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

Entry Year Programs – To account for the implementation of entry-year programs pursuant to division (T) of Section 3317.024 of the Ohio Revised Code.

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

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

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

Ohio Reads – To account for State monies used to improve reading outcomes, especially on the fourth grade ready 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.

Student Intervention – To account for State monies used to costs relating to administer reading improvement programs.

Miscellaneous State Grants – To account for State monies which support academic and enrichment programs for the student body which are not classified elsewhere.

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

Title VI-B – To account for Federal revenues that assist states in the 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 – 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 III/LEP – To account for Federal monies used to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

Title V – 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 private nonprofit schools within the community.

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

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

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

Nonmajor Debt Service Fund

Bond Retirement – To account 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 – To account for all transactions related to the acquisition, construction or improvement of such permanent facilities as are authorized by Chapter 5705, Ohio Revised Code.

Building – 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 constructing, enlarging, extending, rehabilitating, renovating, remodeling and improving School District buildings and sites, and equipment and furnishing.

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

SchoolNet Plus – To account for State monies provided for computer hardware and wiring for buildings for kindergarten through fourth grade.

**Tallmadge City School District
Summit County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2004**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$711,404	\$0	\$436,277	\$1,147,681
Receivables:				
Accounts	19,501	0	0	19,501
Intergovernmental	187,416	0	0	187,416
Taxes	0	0	353,771	353,771
Inventory Held For Resale	12,284	0	0	12,284
<i>Total Assets</i>	<u>\$930,605</u>	<u>\$0</u>	<u>\$790,048</u>	<u>\$1,720,653</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$18,093	\$0	\$9,447	\$27,540
Accrued Wages and Benefits	68,021	0	0	68,021
Interfund Payable	148,191	0	0	148,191
Intergovernmental Payable	8,167	0	0	8,167
Deferred Revenue	49,346	0	344,045	393,391
<i>Total Liabilities</i>	<u>291,818</u>	<u>0</u>	<u>353,492</u>	<u>645,310</u>
Fund Balances				
Reserved for Encumbrances	144,703	0	52,238	196,941
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	494,084	0	0	494,084
Capital Projects Funds	0	0	384,318	384,318
<i>Total Fund Balances</i>	<u>638,787</u>	<u>0</u>	<u>436,556</u>	<u>1,075,343</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$930,605</u>	<u>\$0</u>	<u>\$790,048</u>	<u>\$1,720,653</u>

**Tallmadge City School District
Summit County, Ohio
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2004**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and Other Local Taxes	\$0	\$0	\$320,229	\$320,229
Intergovernmental	953,389	0	37,134	990,523
Interest	1,190	0	0	1,190
Tuition and Fees	131,820	0	0	131,820
Extracurricular Activities	275,321	0	0	275,321
Gifts and Donations	46,878	0	0	46,878
Customer Sales and Services	437,490	0	0	437,490
Miscellaneous	0	0	2,666	2,666
<i>Total Revenues</i>	<u>1,846,088</u>	<u>0</u>	<u>360,029</u>	<u>2,206,117</u>
Expenditures				
Current:				
Instruction:				
Regular	329,154	0	0	329,154
Special	179,489	0	0	179,489
Vocational	10,923	0	5,899	16,822
Adult/Continuing	32,300	0	0	32,300
Support Services:				
Pupils	220,432	0	0	220,432
Instructional Staff	150,220	0	0	150,220
Administration	87,898	0	418,010	505,908
Fiscal	0	0	25,476	25,476
Operation and Maintenance of Plant	20,014	0	124	20,138
Pupil Transportation	88,433	0	0	88,433
Operation of Non-Instructional Services	54,987	0	0	54,987
Food Service Operations	537,359	0	0	537,359
Extracurricular Activities	148,253	0	0	148,253
Capital Outlay	0	0	42,627	42,627
Debt Service:				
Principal Retirement	0	63,510	0	63,510
Interest and Fiscal Charges	0	3,017	0	3,017
<i>Total Expenditures</i>	<u>1,859,462</u>	<u>66,527</u>	<u>492,136</u>	<u>2,418,125</u>
<i>(Deficiency) of Revenues (Under) Expenditures</i>	<u>(13,374)</u>	<u>(66,527)</u>	<u>(132,107)</u>	<u>(212,008)</u>
Other Financing Sources (Uses)				
Transfers In	0	66,527	0	66,527
Transfers Out	(1,000)	0	0	(1,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,000)</u>	<u>66,527</u>	<u>0</u>	<u>65,527</u>
<i>Net Change in Fund Balances</i>	(14,374)	0	(132,107)	(146,481)
<i>Fund Balances Beginning of Year</i>	<u>653,161</u>	<u>0</u>	<u>568,663</u>	<u>1,221,824</u>
<i>Fund Balances End of Year</i>	<u>\$638,787</u>	<u>\$0</u>	<u>\$436,556</u>	<u>\$1,075,343</u>

**Tallmadge City School District
Summit County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004**

	Food Services	Scholarships	Uniform School Supplies	Public School Support
Assets				
Equity in Pooled Cash and Cash Equivalents	\$122,681	\$94,872	\$68,774	\$44,961
Receivables:				
Accounts	15,501	4,000	0	0
Intergovernmental	0	0	0	0
Inventory Held for Resale	12,284	0	0	0
Total Assets	<u>\$150,466</u>	<u>\$98,872</u>	<u>\$68,774</u>	<u>\$44,961</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$836	\$0	\$186	\$698
Accrued Wages and Benefits	12,682	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	5,315	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>18,833</u>	<u>0</u>	<u>186</u>	<u>698</u>
Fund Balances				
Reserved for Encumbrances	11,502	200	2,454	2,456
Unreserved, Undesignated	120,131	98,672	66,134	41,807
Total Fund Balances (Deficit)	<u>131,633</u>	<u>98,872</u>	<u>68,588</u>	<u>44,263</u>
Total Liabilities and Fund Balances	<u>\$150,466</u>	<u>\$98,872</u>	<u>\$68,774</u>	<u>\$44,961</u>

Local Grants	Underground Storage Tanks	Venture Capital	District Managed Student Activities	Auxiliary Services	Career Development	Excellence in Education
\$19,553	\$31,779	\$0	\$51,926	\$14,144	\$0	\$9,235
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$19,553</u>	<u>\$31,779</u>	<u>\$0</u>	<u>\$51,926</u>	<u>\$14,144</u>	<u>\$0</u>	<u>\$9,235</u>
\$698	\$0	\$0	\$2,789	\$960	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	113	276	0	0
0	0	0	0	0	0	0
<u>698</u>	<u>0</u>	<u>0</u>	<u>2,902</u>	<u>1,236</u>	<u>0</u>	<u>0</u>
0	0	0	2,298	456	0	88
<u>18,855</u>	<u>31,779</u>	<u>0</u>	<u>46,726</u>	<u>12,452</u>	<u>0</u>	<u>9,147</u>
<u>18,855</u>	<u>31,779</u>	<u>0</u>	<u>49,024</u>	<u>12,908</u>	<u>0</u>	<u>9,235</u>
<u>\$19,553</u>	<u>\$31,779</u>	<u>\$0</u>	<u>\$51,926</u>	<u>\$14,144</u>	<u>\$0</u>	<u>\$9,235</u>

(continued)

**Tallmadge City School District
Summit County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2004**

	Management Information Systems	Entry Year Programs	Disadvantaged Pupil Impact Aid	Network Connectivity
Assets				
Equity in Pooled Cash and Cash Equivalents	\$9,381	\$0	\$80,127	\$945
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Inventory Held for Resale	0	0	0	0
Total Assets	<u>\$9,381</u>	<u>\$0</u>	<u>\$80,127</u>	<u>\$945</u>
Liabilities and Fund Balances				
Liabilities				
Accounts 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
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated	9,381	0	80,127	945
Total Fund Balances (Deficit)	<u>9,381</u>	<u>0</u>	<u>80,127</u>	<u>945</u>
Total Liabilities and Fund Balances	<u>\$9,381</u>	<u>\$0</u>	<u>\$80,127</u>	<u>\$945</u>

SchoolNet Professional Development	Ohio Reads	Student Intervention	Miscellaneous State Grants	Eisenhower Math and Science Grant	Title VI-B	Vocational Education
\$2,959	\$9,814	\$394	\$443	\$0	\$66,543	\$14,487
0	0	0	0	0	0	0
0	0	0	0	0	101,118	0
0	0	0	0	0	0	0
<u>\$2,959</u>	<u>\$9,814</u>	<u>\$394</u>	<u>\$443</u>	<u>\$0</u>	<u>\$167,661</u>	<u>\$14,487</u>
\$0	\$5,200	\$0	\$0	\$0	\$6,646	\$0
0	0	0	0	0	18,459	0
0	0	0	0	0	92,736	0
0	0	0	0	0	943	0
0	0	0	0	0	21,000	0
0	5,200	0	0	0	139,784	0
0	4,614	0	0	0	59,898	0
2,959	0	394	443	0	(32,021)	14,487
<u>2,959</u>	<u>4,614</u>	<u>394</u>	<u>443</u>	<u>0</u>	<u>27,877</u>	<u>14,487</u>
<u>\$2,959</u>	<u>\$9,814</u>	<u>\$394</u>	<u>\$443</u>	<u>\$0</u>	<u>\$167,661</u>	<u>\$14,487</u>

(continued)

**Tallmadge City School District
Summit County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2004**

	Title III/LEP	Title I	Title V	Drug Free Schools
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,860	\$45,558	\$0	\$118
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	60,383	0	0
Inventory Held for Resale	0	0	0	0
Total Assets	\$1,860	\$105,941	\$0	\$118
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	27,596	3,183	0
Interfund Payable	0	36,084	0	0
Intergovernmental Payable	0	462	70	0
Deferred Revenue	0	22,895	0	0
Total Liabilities	0	87,037	3,253	0
Fund Balances				
Reserved for Encumbrances	0	39,867	0	117
Unreserved, Undesignated	1,860	(20,963)	(3,253)	1
Total Fund Balances (Deficit)	1,860	18,904	(3,253)	118
Total Liabilities and Fund Balances	\$1,860	\$105,941	\$0	\$118

<u>Class Size Reduction Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$20,831	\$19	\$711,404
0	0	19,501
25,915	0	187,416
<u>0</u>	<u>0</u>	<u>12,284</u>
<u>\$46,746</u>	<u>\$19</u>	<u>\$930,605</u>
\$80	\$0	\$18,093
6,101	0	68,021
19,371	0	148,191
988	0	8,167
<u>5,451</u>	<u>0</u>	<u>49,346</u>
<u>31,991</u>	<u>0</u>	<u>291,818</u>
20,753	0	144,703
<u>(5,998)</u>	<u>19</u>	<u>494,084</u>
<u>14,755</u>	<u>19</u>	<u>638,787</u>
<u>\$46,746</u>	<u>\$19</u>	<u>\$930,605</u>

Tallmadge City School District
Summit County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2004

	Food Services	Scholarships	Uniform School Supplies	Public School Support
Revenues				
Intergovernmental	\$129,333	\$0	\$0	\$0
Interest	1,190	0	0	0
Tuition and Fees	0	0	131,820	0
Extracurricular Activities	0	0	0	135,834
Gifts and Donations	0	43,781	0	1,635
Customer Sales and Services	378,864	10,752	0	0
Total Revenues	509,387	54,533	131,820	137,469
Expenditures				
Current:				
Instruction:				
Regular	0	0	123,218	94
Special	0	384	0	0
Vocational	0	0	0	0
Adult/Continuing	0	32,300	0	0
Support Services:				
Pupils	0	12,009	0	5,635
Instructional Staff	0	0	0	0
Administration	0	0	0	60,940
Fiscal				
Operation and Maintenance of Plant	249	0	0	0
Pupil Transportation	0	0	0	86,533
Operation of Non-Instructional Services	15,808	0	0	0
Food Service Operations	537,359	0	0	0
Extracurricular Activities	0	8,576	0	427
Total Expenditures	553,416	53,269	123,218	153,629
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,029)	1,264	8,602	(16,160)
Other Financing Sources and Uses				
Transfers Out	0	0	0	0
Total Other Financing Sources and Uses	0	0	0	0
Net Change in Fund Balances	(44,029)	1,264	8,602	(16,160)
Fund Balances (Deficit) at Beginning of Year	175,662	97,608	59,986	60,423
Fund Balances (Deficit) at End of Year	<u>\$131,633</u>	<u>\$98,872</u>	<u>\$68,588</u>	<u>\$44,263</u>

Local Grants	Underground Storage Tanks	Venture Capital	District Managed Student Activities	Auxiliary Services	Career Development	Excellence in Education
\$0	\$0	\$0	\$0	\$30,615	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	139,487	0	0	0
500	0	0	962	0	0	0
47,874	0	0	0	0	0	0
48,374	0	0	140,449	30,615	0	0
1,280	0	80	0	0	0	9,968
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
34,223	0	0	0	0	0	0
0	0	0	0	0	0	0
0	1,300	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	25,264	0	0
0	0	0	0	0	0	0
0	0	0	139,250	0	0	0
35,503	1,300	80	139,250	25,264	0	9,968
12,871	(1,300)	(80)	1,199	5,351	0	(9,968)
0	0	0	0	0	(1,000)	0
0	0	0	0	0	(1,000)	0
12,871	(1,300)	(80)	1,199	5,351	(1,000)	(9,968)
5,984	33,079	80	47,825	7,557	1,000	19,203
\$18,855	\$31,779	\$0	\$49,024	\$12,908	\$0	\$9,235

(continued)

Tallmadge City School District
Summit County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2004

	Management Information Systems	Entry Year Programs	Disadvantaged Pupil Impact Aid	Network Connectivity
Revenues				
Intergovernmental	\$10,410	\$2,200	\$20,180	\$18,000
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Customer Sales and Services	0	0	0	0
Total Revenues	10,410	2,200	20,180	18,000
Expenditures				
Current:				
Instruction:				
Regular	0	0	61,970	0
Special	0	0	0	0
Vocational	0	2,200	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	1,029	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal				
Operation and Maintenance of Plant	0	0	0	18,000
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Food Service Operations	0	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	1,029	2,200	61,970	18,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,381	0	(41,790)	0
Other Financing Sources and Uses				
Transfers Out	0	0	0	0
Total Other Financing Sources and Uses	0	0	0	0
Net Change in Fund Balances	9,381	0	(41,790)	0
Fund Balances (Deficit) at Beginning of Year	0	0	121,917	945
Fund Balances (Deficit) at End of Year	<u>\$9,381</u>	<u>\$0</u>	<u>\$80,127</u>	<u>\$945</u>

SchoolNet Professional Development	Ohio Reads	Student Intervention	Miscellaneous State Grants	Eisenhower Math and Science Grant	Title VI-B	Vocational Education
\$4,140	\$37,500	\$52,705	\$2,790	\$0	\$351,295	\$3,636
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	0	0	0	0	0
<u>4,140</u>	<u>37,500</u>	<u>52,705</u>	<u>2,790</u>	<u>0</u>	<u>351,295</u>	<u>3,636</u>
0	26,332	52,005	0	0	0	822
0	0	0	0	0	22,613	0
0	0	0	8,723	0	0	0
0	0	0	0	0	0	0
0	0	0	58	0	192,267	0
5,739	10,539	0	0	1,135	81,257	0
0	0	0	3,080	0	20,858	0
0	0	0	0	0	465	0
0	1,200	700	0	0	0	0
0	0	1,496	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>5,739</u>	<u>38,071</u>	<u>54,201</u>	<u>11,861</u>	<u>1,135</u>	<u>317,460</u>	<u>822</u>
<u>(1,599)</u>	<u>(571)</u>	<u>(1,496)</u>	<u>(9,071)</u>	<u>(1,135)</u>	<u>33,835</u>	<u>2,814</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(1,599)</u>	<u>(571)</u>	<u>(1,496)</u>	<u>(9,071)</u>	<u>(1,135)</u>	<u>33,835</u>	<u>2,814</u>
<u>4,558</u>	<u>5,185</u>	<u>1,890</u>	<u>9,514</u>	<u>1,135</u>	<u>(5,958)</u>	<u>11,673</u>
<u>\$2,959</u>	<u>\$4,614</u>	<u>\$394</u>	<u>\$443</u>	<u>\$0</u>	<u>\$27,877</u>	<u>\$14,487</u>

(continued)

Tallmadge City School District
Summit County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2004

	Title III/LEP	Title I	Title V	Drug Free Schools
Revenues				
Intergovernmental	\$5,056	\$182,841	\$15,623	\$9,563
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Customer Sales and Services	0	0	0	0
Total Revenues	5,056	182,841	15,623	9,563
Expenditures				
Current:				
Instruction:				
Regular	3,196	0	0	0
Special	0	139,169	17,323	0
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	0	0	9,434
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal				
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	12,019	0	400
Food Service Operations	0	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	3,196	151,188	17,323	9,834
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,860	31,653	(1,700)	(271)
Other Financing Sources and Uses				
Transfers Out	0	0	0	0
Total Other Financing Sources and Uses	0	0	0	0
Net Change in Fund Balances	1,860	31,653	(1,700)	(271)
Fund Balances (Deficit) at Beginning of Year	0	(12,749)	(1,553)	389
Fund Balances (Deficit) at End of Year	<u>\$1,860</u>	<u>\$18,904</u>	<u>(\$3,253)</u>	<u>\$118</u>

<u>Class Size Reduction Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$72,363	\$5,139	\$953,389
0	0	1,190
0	0	131,820
0	0	275,321
0	0	46,878
0	0	437,490
<u>72,363</u>	<u>5,139</u>	<u>1,846,088</u>
50,189	0	329,154
0	0	179,489
0	0	10,923
0	0	32,300
0	0	220,432
15,208	2,119	150,220
0	3,020	87,898
0	0	20,014
0	0	88,433
0	0	54,987
0	0	537,359
0	0	148,253
<u>65,397</u>	<u>5,139</u>	<u>1,859,462</u>
<u>6,966</u>	<u>0</u>	<u>(13,374)</u>
<u>0</u>	<u>0</u>	<u>(1,000)</u>
<u>0</u>	<u>0</u>	<u>(1,000)</u>
6,966	0	(14,374)
<u>7,789</u>	<u>19</u>	<u>653,161</u>
<u>\$14,755</u>	<u>\$19</u>	<u>\$638,787</u>

**Tallmadge City School District
Summit County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2004**

	Permanent Improvement	Building	Vocational Education Equipment	SchoolNet Plus	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$431,812	\$4,465	\$0	\$0	\$436,277
Receivables:					
Taxes	353,771	0	0	0	353,771
Total Assets	<u>785,583</u>	<u>4,465</u>	<u>0</u>	<u>0</u>	<u>790,048</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	9,447	0	0	0	9,447
Deferred Revenue	344,045	0	0	0	344,045
Total Liabilities	<u>353,492</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>353,492</u>
Fund Balances					
Reserved:					
Reserved for Encumbrances	52,238	0	0	0	52,238
Unreserved, Undesignated	379,853	4,465	0	0	384,318
Total Fund Balances	<u>432,091</u>	<u>4,465</u>	<u>0</u>	<u>0</u>	<u>436,556</u>
Total Liabilities and Fund Balances	<u><u>\$785,583</u></u>	<u><u>\$4,465</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$790,048</u></u>

Tallmadge City School District
Summit County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2004

	Permanent Improvement	Building	Vocational Education Equipment	SchoolNet Plus	Total Nonmajor Capital Projects Funds
Revenues					
Property and Other Local Taxes	\$320,229	\$0	\$0	\$0	\$320,229
Intergovernmental	37,134	0	0	0	37,134
Miscellaneous	2,666	0	0	0	2,666
Total Revenues	360,029	0	0	0	360,029
Expenditures					
Current:					
Instruction:					
Vocational	0	0	5,899	0	5,899
Support Services:					
Administration	418,010	0	0	0	418,010
Fiscal	25,476	0	0	0	25,476
Operation and Maintenance of Plant	0	0	0	124	124
Capital Outlay	42,627	0	0	0	42,627
Total Expenditures	486,113	0	5,899	124	492,136
Net Change in Fund Balances	(126,084)	0	(5,899)	(124)	(132,107)
Fund Balances at Beginning of Year	558,175	4,465	5,899	124	568,663
Fund Balances at End of Year	<u>\$432,091</u>	<u>\$4,465</u>	<u>\$0</u>	<u>\$0</u>	<u>\$436,556</u>

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

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property and Other Local Taxes	\$13,038,695	\$12,835,585	(\$203,110)
Intergovernmental	8,615,407	9,154,046	538,639
Interest	101,700	77,400	(24,300)
Tuition and Fees	183,842	309,307	125,465
Rent	5,000	57,388	52,388
Extracurricular Activities	51,537	51,097	(440)
Miscellaneous	36,475	7,168	(29,307)
Total Revenues	22,032,656	22,491,991	459,335
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	7,423,736	7,397,270	26,466
Fringe Benefits	2,422,647	2,396,588	26,059
Purchased Services	1,228,382	1,228,382	0
Materials and Supplies	297,992	297,712	280
Other	6,000	6,000	0
Capital Outlay New	354,273	354,247	26
Capital Outlay Replacement	60,833	60,681	152
Total - Regular	11,793,863	11,740,880	52,983
Special:			
Salaries	1,361,655	1,361,617	38
Fringe Benefits	509,855	509,695	160
Purchased Services	15,804	15,746	58
Materials and Supplies	62,465	29,224	33,241
Capital Outlay New	3,263	3,246	17
Capital Outlay Replacement	211	207	4
Total - Special	1,953,253	1,919,735	33,518
Vocational:			
Salaries	463,972	463,955	17
Fringe Benefits	137,584	137,562	22
Purchased Services	10,702	7,400	3,302
Materials and Supplies	13,190	11,464	1,726
Capital Outlay New	76,478	73,938	2,540
Capital Outlay Replacement	4,635	225	4,410
Total - Vocational	706,561	694,544	12,017
Adult/Continuing:			
Purchased Services	17,985	17,985	0
Total - Adult/Continuing	17,985	17,985	0
Total - Instruction	14,471,662	14,373,144	98,518

(continued)

**Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Fiscal Year Ended June 30, 2004**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Support Services:			
Pupils:			
Salaries	913,017	912,980	37
Fringe Benefits	269,708	269,423	285
Purchased Services	20,088	19,975	113
Materials and Supplies	52,792	52,764	28
Capital Outlay New	2,328	2,308	20
Capital Outlay Replacement	300	278	22
	<u>1,258,233</u>	<u>1,257,728</u>	<u>505</u>
Total - Pupils			
Instructional Staff:			
Salaries	324,266	324,266	0
Fringe Benefits	88,628	88,625	3
Purchased Services	51,861	51,712	149
Materials and Supplies	26,504	26,273	231
Other	4,134	4,134	0
Capital Outlay New	2,505	2,497	8
Capital Outlay Replacement	1,525	1,525	0
	<u>499,423</u>	<u>499,032</u>	<u>391</u>
Total - Instructional Staff			
Board of Education:			
Salaries	7,370	7,370	0
Fringe Benefits	1,383	1,383	0
Purchased Services	8,613	8,613	0
Materials and Supplies	99	99	0
Other	5,238	5,238	0
	<u>22,703</u>	<u>22,703</u>	<u>0</u>
Total - Board of Education			
Administration:			
Salaries	1,059,443	1,059,340	103
Fringe Benefits	374,855	374,855	0
Purchased Services	187,767	187,653	114
Materials and Supplies	28,746	28,674	72
Other	97,652	97,652	0
Capital Outlay New	0	0	0
Capital Outlay Replacement	0	0	0
	<u>1,748,463</u>	<u>1,748,174</u>	<u>289</u>
Total - Administration			
Fiscal:			
Salaries	217,671	217,671	0
Fringe Benefits	87,026	87,026	0
Purchased Services	55,457	55,457	0
Materials and Supplies	4,620	4,620	0
Other	251,853	251,727	126
	<u>616,627</u>	<u>616,501</u>	<u>126</u>
Total - Fiscal			

(continued)

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Business:			
Salaries	93,700	93,700	0
Fringe Benefits	26,789	26,789	0
Purchased Services	1,478	1,442	36
Materials and Supplies	472	445	27
Total - Business	122,439	122,376	63
Operation and Maintenance of Plant:			
Salaries	673,035	673,035	0
Fringe Benefits	244,038	244,038	0
Purchased Services	638,290	634,963	3,327
Materials and Supplies	109,617	108,549	1,068
Total - Operation and Maintenance of Plant	1,664,980	1,660,585	4,395
Pupil Transportation:			
Salaries	667,869	667,869	0
Fringe Benefits	314,833	314,833	0
Purchased Services	49,583	49,578	5
Materials and Supplies	138,536	135,217	3,319
Capital Outlay New	147,209	0	147,209
Capital Outlay Replacement	378,544	378,544	0
Total - Pupil Transportation	1,696,574	1,546,041	150,533
Central:			
Salaries	53,334	53,334	0
Fringe Benefits	20,889	20,889	0
Purchased Services	201,770	201,770	0
Materials and Supplies	208	208	0
Total - Central	276,201	276,201	0
Total - Support Services	7,905,643	7,749,341	156,302
Extracurricular Activities:			
Academic Oriented Activities:			
Salaries	185,616	185,616	0
Fringe Benefits	27,804	27,804	0
Purchased Services	12,042	11,982	60
Materials and Supplies	45,673	40,763	4,910
Other	2,834	2,834	0
Total - Academic Oriented Activities	273,969	268,999	4,970

(continued)

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Sport Oriented Activities:			
Salaries	301,116	301,116	0
Fringe Benefits	68,371	68,371	0
Purchased Services	32,532	32,529	3
Materials and Supplies	21,055	21,046	9
Capital Outlay Replacement	27,662	27,662	0
Total - Sport Oriented Activities	450,736	450,724	12
School and Public Service Co-Curricular Activities:			
Purchased Services	533	533	0
Materials and Supplies	355	355	0
Total - School and Public Service Co-Curricular Activities	888	888	0
Total - Extracurricular Activities	725,593	720,611	4,982
Debt Service:			
Interest and Fiscal Charges	4,282	4,118	164
Total - Debt Service	4282	4118	164
Total Expenditures	23,107,180	22,847,214	259,966
(Deficiency) of Revenues (Under) Expenditures	(1,074,524)	(355,223)	719,301
Other Financing Sources and (Uses)			
Transfers In	0	1,000	1,000
General Obligation Bonds Issued	0	168,506	168,506
Refund of Prior Year Expenditures	0	624	624
Advances In	37,518	37,518	0
Transfers Out	(66,527)	(66,527)	0
Advances Out	(148,191)	(148,191)	0
Total Other Financing Sources and (Uses)	(177,200)	(7,070)	170,130
Net Change in Fund Balance	(1,251,724)	(362,293)	889,431
Fund Balance at Beginning of Year	4,851,322	4,851,322	0
Prior Year Encumbrances Appropriated	990,444	990,444	0
Fund Balance at End of Year	\$4,590,042	\$5,479,473	\$889,431

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Services
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$89,000	\$113,832	\$24,832
Interest	2,250	1,190	(1,060)
Customer Sales and Services	364,710	378,864	14,154
Total Revenues	455,960	493,886	37,926
Expenditures			
Current:			
Food Service Operations:			
Salaries	209,200	208,582	618
Fringe Benefits	48,064	48,052	12
Purchased Services	5,495	5,438	57
Materials and Supplies	284,723	284,633	90
Capital Outlay New	451	451	0
Capital Outlay Replacement	6,072	6,072	0
Total Expenditures	554,005	553,228	777
Net Change in Fund Balance	(98,045)	(59,342)	38,703
Fund Balance at Beginning of Year	157,255	157,255	0
Prior Year Encumbrances Appropriated	12,730	12,730	0
Fund Balance at End of Year	\$71,940	\$110,643	\$38,703

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Scholarships
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Gifts and Donations	\$48,819	\$40,281	(\$8,538)
Customer Sales and Services	12,031	10,752	(1,279)
Total Revenues	60,850	51,033	(9,817)
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay New	7	0	7
Total - Regular	7	0	7
Special:			
Materials and Supplies	496	384	112
Total - Special	496	384	112
Adult/Continuing:			
Purchased Services	31,300	29,800	1,500
Other	2,700	2,500	200
Total - Adult/Continuing	34,000	32,300	1,700
Total - Instruction	34,503	32,684	1,819
Support Services:			
Pupils:			
Salaries	1,250	1,238	12
Purchased Services	13,191	9,691	3,500
Materials and Supplies	1,450	1,080	370
Total - Support Services	15,891	12,009	3,882
Extracurricular Activities:			
Salaries	400	400	0
Purchased Services	10,450	6,331	4,119
Materials and Supplies	2,906	1,045	1,861
Capital Outlay New	2,500	0	2,500
Capital Outlay Replacement	1,000	1000	0
Total - Extracurricular Activities	17,256	8,776	8,480
Total Expenditures	67,650	53,469	14,181
Net Change in Fund Balance	(6,800)	(2,436)	4,364
Fund Balance at Beginning of Year	97,008	97,008	0
Prior Year Encumbrances Appropriated	100	100	0
Fund Balance at End of Year	\$90,308	\$94,672	\$4,364

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$145,305	\$131,820	(\$13,485)
Total Revenues	145,305	131,820	(13,485)
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	165,608	125,673	39,935
Total Expenditures	165,608	125,673	39,935
(Deficiency) of Revenues (Under) Expenditures	(20,303)	6,147	26,450
Other Financing Sources			
Transfers In	137	0	(137)
Total Other Financing Sources	137	0	(137)
Net Change in Fund Balance	(20,166)	6,147	26,313
Fund Balance at Beginning of Year	57,051	57,051	0
Prior Year Encumbrances Appropriated	2,935	2,935	0
Fund Balance at End of Year	<u>\$39,820</u>	<u>\$66,133</u>	<u>\$26,313</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$134,381	\$135,834	\$1,453
Gifts and Donations	5,947	1,635	(4,312)
Total Revenues	140,328	137,469	(2,859)
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	109	69	40
Materials and Supplies	1,291	25	1,266
Total - Instruction	1,400	94	1,306
Support Services:			
Pupils:			
Salaries	443	443	0
Purchased Services	4,600	4,526	74
Materials and Supplies	666	666	0
Total - Pupils	5,709	5,635	74
Administration:			
Purchased Services	88	88	0
Materials and Supplies	83,387	60,557	22,830
Other	2,760	2,751	9
Total - Administration	86,235	63,396	22,839
Pupil Transportation:			
Purchased Services	93,050	86,533	6,517
Total - Pupil Transportation	93,050	86,533	6,517
Total - Support Services	184,994	155,564	29,430
Extracurricular Activities:			
Sport Oriented Activities:			
Capital Outlay New	427	427	0
Total - Extracurricular Activities	427	427	0
Total Expenditures	186,821	156,085	30,736
Net Change in Fund Balance	(46,493)	(18,616)	27,877
Fund Balance at Beginning of Year	59,302	59,302	0
Prior Year Encumbrances Appropriated	1,121	1,121	0
Fund Balance at End of Year	\$13,930	\$41,807	\$27,877

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Gifts and Donations	\$500	\$500	\$0
Customer Sales and Services	40,000	47,874	7,874
Total Revenues	40,500	48,374	7,874
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	529	82	447
Capital Outlay New	500	500	0
Total - Instruction	1,029	582	447
Support Services:			
Instructional Staff:			
Salaries	1,000	350	650
Purchased Services	36,766	33,873	2,893
Materials and Supplies	456	0	456
Total - Support Services	38,222	34,223	3,999
Total Expenditures	39,251	34,805	4,446
Net Change in Fund Balance	1,249	13,569	12,320
Fund Balance at Beginning of Year	5,984	5,984	0
Fund Balance at End of Year	\$7,233	\$19,553	\$12,320

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Underground Storage Tanks
For the Fiscal Year Ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	<u>33,079</u>	<u>1,300</u>	<u>31,779</u>
Total Expenditures	<u>33,079</u>	<u>1,300</u>	<u>31,779</u>
Net Change in Fund Balance	(33,079)	(1,300)	31,779
Fund Balance at Beginning of Year	<u>33,079</u>	<u>33,079</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$31,779</u></u>	<u><u>\$31,779</u></u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Venture Capital
For the Fiscal Year Ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	<u>80</u>	<u>80</u>	<u>0</u>
Total Expenditures	<u>80</u>	<u>80</u>	<u>0</u>
Net Change in Fund Balance	(80)	(80)	0
Fund Balance at Beginning of Year	<u>80</u>	<u>80</u>	<u>0</u>
Fund Balance at End of Year	<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 Basis) and Actual
District Managed Student Activities
For the Fiscal Year Ended June 30, 2004**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$137,035	\$139,487	\$2,452
Gifts and Donations	945	962	17
Total Revenues	137,980	140,449	2,469
Expenditures			
Current:			
Extracurricular Activities:			
Academic Oriented Activities:			
Purchased Services	4,997	4,967	30
Materials and Supplies	10,968	9,229	1,739
Other	878	678	200
Capital Outlay New	0	0	0
Total - Academic Oriented Activities	16,843	14,874	1,969
Sport Oriented Activities:			
Salaries	3,129	2,685	444
Fringe Benefits	743	301	442
Purchased Services	69,852	67,326	2,526
Materials and Supplies	43,101	40,448	2,653
Other	4,313	3,991	322
Total - Sport Oriented Activities	121,138	114,751	6,387
School and Public Service Co-Curricular Activities:			
Purchased Services	2,400	2,117	283
Materials and Supplies	12,000	9,120	2,880
Capital Outlay New	573	573	0
Total - School and Public Service Co-Curricular Activities	14,973	11,810	3,163
Total - Extracurricular Activities	152,954	141,435	11,519
Total Expenditures	152,954	141,435	11,519
Net Change in Fund Balance	(14,974)	(986)	13,988
Fund Balance at Beginning of Year	44,420	44,420	0
Prior Year Encumbrances Appropriated	3,404	3,404	0
Fund Balance at End of Year	\$32,850	\$46,838	\$13,988

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$30,615	\$30,615	\$0
Total Revenues	<u>30,615</u>	<u>30,615</u>	<u>0</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries	9,740	9,740	0
Fringe Benefits	1,487	1,487	0
Purchased Services	8,275	8,275	0
Materials and Supplies	8,073	6,613	1,460
Capital Outlay New	2,112	459	1,653
Total Expenditures	<u>29,687</u>	<u>26,574</u>	<u>3,113</u>
Net Change in Fund Balance	928	4,041	3,113
Fund Balance at Beginning of Year	1,991	1,991	0
Prior Year Encumbrances Appropriated	<u>6,697</u>	<u>6,697</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$9,616</u></u>	<u><u>\$12,729</u></u>	<u><u>\$3,113</u></u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Career Development
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing (Uses)			
Transfers Out	<u>(1,000)</u>	<u>(1,000)</u>	<u>0</u>
Total Other Financing (Uses)	<u>(1,000)</u>	<u>(1,000)</u>	<u>0</u>
Net Change in Fund Balance	<u>(1,000)</u>	<u>(1,000)</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Fund Balance at End of Year	<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 Basis) and Actual
Excellence in Education
For the Fiscal Year Ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	4,500	4,000	500
Purchased Services	7,309	5,468	1,841
Materials and Supplies	4,000	207	3,793
Capital Outlay New	3,394	381	3,013
Total Expenditures	<u>19,203</u>	<u>10,056</u>	<u>9,147</u>
Net Change in Fund Balance	(19,203)	(10,056)	9,147
Fund Balance at Beginning of Year	<u>19,203</u>	<u>19,203</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$9,147</u></u>	<u><u>\$9,147</u></u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Management Information System
For the Fiscal Year Ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$10,500	\$10,410	(\$90)
Total Revenues	<u>10,500</u>	<u>10,410</u>	<u>(90)</u>
Expenditures			
Current:			
Support Services:			
Pupils:			
Salaries	9,000	0	9,000
Purchased Services	1,500	1,029	471
Total Expenditures	<u>10,500</u>	<u>1,029</u>	<u>9,471</u>
Net Change in Fund Balance	0	9,381	9,381
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$9,381</u></u>	<u><u>\$9,381</u></u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Entry Year Programs
For the Fiscal Year Ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	<u>\$2,200</u>	<u>\$2,200</u>	<u>\$0</u>
Total Revenues	<u>2,200</u>	<u>2,200</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Vocational:			
Salaries	<u>2,200</u>	<u>2,200</u>	<u>0</u>
Total Expenditures	<u>2,200</u>	<u>2,200</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<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 Basis) and Actual
Disadvantaged Pupil Impact Aid
For the Fiscal Year Ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$20,200	\$20,180	(\$20)
Total Revenues	<u>20,200</u>	<u>20,180</u>	<u>(20)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	125,915	60,375	65,540
Purchased Services	16,096	1,810	14,286
Total Expenditures	<u>142,011</u>	<u>62,185</u>	<u>79,826</u>
Net Change in Fund Balance	(121,811)	(42,005)	79,806
Fund Balance at Beginning of Year	<u>122,132</u>	<u>122,132</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$321</u></u>	<u><u>\$80,127</u></u>	<u><u>\$79,806</u></u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Network Connectivity
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$18,000	\$18,000	\$0
Total Revenues	18,000	18,000	0
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	18,000	18,000	0
Total - Support Services	18,000	18,000	0
Operation of Non-Instructional Services:			
Community Services:			
Capital Outlay New	945	0	945
Total - Operation of Non-Instructional Services	945	0	945
Total Expenditures	18,945	18,000	945
Net Change in Fund Balance	(945)	0	945
Fund Balance at Beginning of Year	945	945	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$945</u>	<u>\$945</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Professional Development
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$4,140	\$4,140	\$0
Total Revenues	4,140	4,140	0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries	1,038	438	600
Purchased Services	5,458	3,099	2,359
Total Expenditures	6,496	3,537	2,959
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,356)	603	2,959
Other Financing (Uses)			
Refund of Prior Year Receipts	(2,292)	(2,292)	0
Total Other Financing (Uses)	(2,292)	(2,292)	0
Net Change in Fund Balance	(4,648)	(1,689)	2,959
Fund Balance at Beginning of Year	2,734	2,734	0
Prior Year Encumbrances Appropriated	1,914	1,914	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$2,959</u>	<u>\$2,959</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$37,500	\$37,500	\$0
Total Revenues	37,500	37,500	0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	4,169	4,169	0
Materials and Supplies	29,189	29,189	0
Total - Regular	33,358	33,358	0
Total - Instruction	33,358	33,358	0
Support Services:			
Instructional Staff:			
Salaries	10,063	10,063	0
Purchased Services	500	500	0
Total - Instructional Staff	10,563	10,563	0
Pupil Transportation:			
Salaries	1,000	1,000	0
Materials and Supplies	200	200	0
Total - Pupil Transportation	1,200	1,200	0
Total - Support Services	11,763	11,763	0
Total Expenditures	45,121	45,121	0
Net Change in Fund Balance	(7,621)	(7,621)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	7,621	7,621	0
Fund Balance (Deficit) at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Student Intervention
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$52,705	\$52,705	\$0
Total Revenues	<u>52,705</u>	<u>52,705</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	51,064	51,064	0
Materials and Supplies	941	941	0
Total - Instruction	<u>52,005</u>	<u>52,005</u>	<u>0</u>
Support Services:			
Pupil Transportation:			
Salaries	700	700	0
Total - Support Services	<u>700</u>	<u>700</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services:			
Salaries	394	0	394
Materials and Supplies	1,496	1,496	0
Total - Operation of Non-Instructional Services	<u>1,890</u>	<u>1,496</u>	<u>394</u>
Total Expenditures	<u>54,595</u>	<u>54,201</u>	<u>394</u>
Net Change in Fund Balance	(1,890)	(1,496)	394
Fund Balance at Beginning of Year	<u>1,890</u>	<u>1,890</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$394</u></u>	<u><u>\$394</u></u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$2,790	\$2,790	\$0
Total Revenues	<u>2,790</u>	<u>2,790</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Vocational:			
Salaries	3,500	3,500	0
Purchased Services	1,700	1,700	0
Materials and Supplies	<u>0</u>	<u>0</u>	<u>0</u>
Total - Vocational	<u>5,200</u>	<u>5,200</u>	<u>0</u>
Total - Instruction	<u>5,200</u>	<u>5,200</u>	<u>0</u>
Support Services:			
Pupils:			
Materials and Supplies	<u>88</u>	<u>58</u>	<u>30</u>
Total - Pupils	<u>88</u>	<u>58</u>	<u>30</u>
Administration:			
Purchased Services	<u>3,492</u>	<u>3,080</u>	<u>412</u>
Total - Administration	<u>3,492</u>	<u>3,080</u>	<u>412</u>
Total - Support Services	<u>3,580</u>	<u>3,138</u>	<u>442</u>
Total Expenditures	<u>8,780</u>	<u>8,338</u>	<u>442</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,990)</u>	<u>(5,548)</u>	<u>442</u>
Other Financing (Uses)			
Refund of Prior Year Receipts	<u>(3,523)</u>	<u>(3,523)</u>	<u>0</u>
Total Other Financing (Uses)	<u>(3,523)</u>	<u>(3,523)</u>	<u>0</u>
Net Change in Fund Balance	(9,513)	(9,071)	442
Fund Balance at Beginning of Year	8,607	8,607	0
Prior Year Encumbrances Appropriated	<u>906</u>	<u>906</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>\$0</u></u>	<u><u>\$442</u></u>	<u><u>\$442</u></u>

**Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Eisenhower Math and Science Grant
For the Fiscal Year Ended June 30, 2004**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Materials and Supplies	<u>1,352</u>	<u>1,352</u>	<u>0</u>
Total Expenditures	<u>1,352</u>	<u>1,352</u>	<u>0</u>
Net Change in Fund Balance	(1,352)	(1,352)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>1,352</u>	<u>1,352</u>	<u>0</u>
Fund Balance at End of Year	<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 Basis) and Actual
Title VI-B
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$495,274	\$271,177	(\$224,097)
Total Revenues	<u>495,274</u>	<u>271,177</u>	<u>(224,097)</u>
Expenditures			
Current:			
Instruction:			
Special:			
Salaries	20,400	17,706	2,694
Fringe Benefits	1,800	1,443	357
Purchased Services	4,600	2,536	2,064
Materials and Supplies	16,607	15,661	946
Capital Outlay New	5,000	4,952	48
Total - Instruction	<u>48,407</u>	<u>42,298</u>	<u>6,109</u>
Support Services:			
Pupils:			
Salaries	17,265	17,265	0
Fringe Benefits	2,417	2,417	0
Purchased Services	169,350	169,350	0
Materials and Supplies	1,323	1,252	71
Total - Pupils	<u>190,355</u>	<u>190,284</u>	<u>71</u>
Instructional Staff:			
Salaries	119,238	119,238	0
Purchased Services	11,600	9,685	1,915
Materials and Supplies	0	0	0
Total - Instructional Staff	<u>130,838</u>	<u>128,923</u>	<u>1,915</u>
Administration:			
Salaries	25,953	25,951	2
Purchased Services	600	500	100
Materials and Supplies	500	350	150
Capital Outlay New	1,200	1,199	1
Total - Administration	<u>28,253</u>	<u>28,000</u>	<u>253</u>
Operation and Maintenance of Plant:			
Capital Outlay New	500	465	35
Total - Operation and Maintenance of Plant	<u>500</u>	<u>465</u>	<u>35</u>
Total - Support Services	<u>349,946</u>	<u>347,672</u>	<u>2,274</u>
Total Expenditures	<u>398,353</u>	<u>389,970</u>	<u>8,383</u>
(Deficiency) of Revenues (Under) Expenditures	<u>96,921</u>	<u>(118,793)</u>	<u>(215,714)</u>
Other Financing Sources and (Uses)			
Advances In	0	92,736	92,736
Advances Out	(30,242)	(30,242)	0
Total Other Financing Sources and (Uses)	<u>(30,242)</u>	<u>62,494</u>	<u>92,736</u>
Net Change in Fund Balance	66,679	(56,299)	(122,978)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>56,299</u>	<u>56,299</u>	<u>0</u>
Fund Balance at End of Year	<u>\$122,978</u>	<u>\$0</u>	<u>(\$122,978)</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$3,050	\$3,636	\$586
Total Revenues	3,050	3,636	586
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay New	822	822	0
Total - Instruction	822	822	0
Support Services:			
Instructional Staff:			
Purchased Services	11,015	0	11,015
Total - Support Services	11,015	0	11,015
Total Expenditures	11,837	822	11,015
Net Change in Fund Balance	(8,787)	2,814	11,601
Fund Balance at Beginning of Year	11,673	11,673	0
Fund Balance at End of Year	<u>\$2,886</u>	<u>\$14,487</u>	<u>\$11,601</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title III/LEP
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$5,056	\$5,056	\$0
Total Revenues	5,056	5,056	0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	4,432	3,196	1,236
Total - Instruction	4,432	3,196	1,236
Total Expenditures	4,432	3,196	1,236
Net Change in Fund Balance	624	1,860	1,236
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$624</u>	<u>\$1,860</u>	<u>\$1,236</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$231,625	\$145,353	(\$86,272)
Total Revenues	231,625	145,353	(86,272)
Expenditures			
Current:			
Instruction:			
Special:			
Salaries	170,479	168,223	2,256
Total - Instruction	170,479	168,223	2,256
Operation of Non-Instructional Services:			
Community Services:			
Salaries	20,173	8,896	11,277
Purchased Services	381		381
Materials and Supplies	7,765	2,401	5,364
Capital Outlay New	3,005	906	2,099
Total - Operation of Non-Instructional Services	31,324	12,203	19,121
Total Expenditures	201,803	180,426	21,377
(Deficiency) of Revenues (Under) Expenditures	29,822	(35,073)	(64,895)
Other Financing Sources and (Uses)			
Advances In	0	36,084	36,084
Advances Out	0	(7,276)	(7,276)
Total Other Financing Sources and (Uses)	0	28,808	28,808
Net Change in Fund Balance	29,822	(6,265)	(36,087)
Fund Balance at Beginning of Year	5,692	5,692	0
Prior Year Encumbrances Appropriated	6,263	6,263	0
Fund Balance at End of Year	\$41,777	\$5,690	(\$36,087)

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title V
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$15,618	\$15,623	5
Total Revenues	15,618	15,623	5
Expenditures			
Current:			
Instruction:			
Regular:			
Fringe Benefits	825	825	0
Total - Regular	825	825	0
Special:			
Salaries	15,623	15,623	0
Total - Special	15,623	15,623	0
Total - Instruction	16,448	16,448	0
Total Expenditures	16,448	16,448	0
Net Change in Fund Balance	(830)	(825)	5
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	825	825	0
Fund (Deficit) End of Year	<u>(\$5)</u>	<u>\$0</u>	<u>\$5</u>

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$9,563	\$9,563	\$0
Total Revenues	<u>9,563</u>	<u>9,563</u>	<u>0</u>
Expenditures			
Current:			
Support Services:			
Pupils:			
Salaries	6,535	6,535	0
Purchased Services	2,881	2,881	0
Materials and Supplies	135	135	0
Total - Support Services	<u>9,551</u>	<u>9,551</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	200	200	0
Materials and Supplies	200	200	0
Total - Operation of Non-Instructional Services	<u>400</u>	<u>400</u>	<u>0</u>
Total Expenditures	<u>9,951</u>	<u>9,951</u>	<u>0</u>
Net Change in Fund Balance	(388)	(388)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>388</u>	<u>388</u>	<u>0</u>
Fund Balance at End of Year	<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 Basis) and Actual
Class Size Reduction Grant
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$97,185	\$51,899	(\$45,286)
Total Revenues	97,185	51,899	(45,286)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries	53,730	53,730	0
Fringe Benefits	16,381	16,381	0
Purchased Services	10,000	8,857	1,143
Materials and Supplies	5,656	1,747	3,909
Total - Instruction	85,767	80,715	5,052
Support Services:			
Instructional Staff:			
Purchased Services	2,133	2,133	0
Materials and Supplies	13,075	13,075	0
Total - Support Services	15,208	15,208	0
Total Expenditures	100,975	95,923	5,052
(Deficiency) of Revenues (Under) Expenditures	(3,790)	(44,024)	(40,234)
Other Financing Sources			
Advances In	0	19,371	19,371
Total Other Financing Sources	0	19,371	19,371
Net Change in Fund Balance	(3,790)	(24,653)	(20,863)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	24,653	24,653	0
Fund Balance at end of Year	\$20,863	\$0	(\$20,863)

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$5,139	\$5,139	\$0
Total Revenues	5,139	5,139	0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries	2,119	2,119	0
Materials and Supplies	19	0	19
Total - Instructional Staff	2,138	2,119	19
Administration:			
Capital Outlay New	3,020	3,020	0
Total - Administration	3,020	3,020	0
Total Expenditures	5,158	5,139	19
Net Change in Fund Balance	(19)	0	19
Fund Balance at Beginning of Year	19	19	0
Fund Balance at End of Year	\$0	\$19	\$19

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Debt Service:			
Principal Retirement	63,510	63,510	0
Interest and Fiscal Charges	<u>3,017</u>	<u>3,017</u>	<u>0</u>
Total Expenditures	<u>66,527</u>	<u>66,527</u>	<u>0</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(66,527)</u>	<u>(66,527)</u>	<u>0</u>
Other Financing Sources			
Transfers In	<u>66,527</u>	<u>66,527</u>	<u>0</u>
Total Other Financing Sources	<u>66,527</u>	<u>66,527</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<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 Basis) and Actual
Permanent Improvement
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property and Other Local Taxes	\$338,652	\$337,942	(\$710)
Intergovernmental	36,722	37,134	412
Miscellaneous	0	2,666	2,666
Total Revenues	375,374	377,742	2,368
Expenditures			
Current:			
Support Services:			
Administration:			
Capital Outlay	124,346	113,118	11,228
Total - Administration	124,346	113,118	11,228
Fiscal:			
Other	6,000	5,081	919
Total - Fiscal	6,000	5,081	919
Total - Support Services	130,346	118,199	12,147
Capital Outlay:			
Purchased Services	376,187	375,788	399
Materials and Supplies	49,024	48,999	25
Total - Capital Outlay	425,211	424,787	424
Total Expenditures	555,557	542,986	12,571
Net Change in Fund Balance	(180,183)	(165,244)	14,939
Fund Balance at Beginning of Year	420,815	420,815	0
Prior Year Encumbrances Appropriated	114,556	114,556	0
Fund Balance at End of Year	\$355,188	\$370,127	\$14,939

Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Building
For the Fiscal Year Ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>4,464</u>	<u>4,464</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$4,464</u></u>	<u><u>\$4,464</u></u>	<u><u>\$0</u></u>

**Tallmadge City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Equipment
For the Fiscal Year Ended June 30, 2004**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues	<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>
Total Expenditures	<u>5,899</u>	<u>5,899</u>	<u>0</u>
Net Change in Fund Balance	<u>(5,899)</u>	<u>(5,899)</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>5,899</u>	<u>5,899</u>	<u>0</u>
Fund Balance at End of Year	<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 Basis) and Actual
SchoolNet Plus
For the Fiscal Year Ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Salaries	<u>124</u>	<u>124</u>	<u>0</u>
Total Expenditures	<u>124</u>	<u>124</u>	<u>0</u>
Net Change in Fund Balance	(124)	(124)	0
Fund Balance at Beginning of Year	<u>124</u>	<u>124</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

***Individual Fund Schedule of Revenues, Expenses and Changes in
Fund Balance – Budget (Non-GAAP Basis) and Actual – Proprietary Fund***

Internal Service Fund

The Internal Service fund is used to account 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 description of the School District's internal service fund:

Self Insurance – Accounts for the operation of the School District's self-insurance program for employee health benefits.

Tallmadge City School District
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Self Insurance
For the Fiscal Year Ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$2,624,339	\$2,676,020	\$51,681
Interest	4,175	4,594	419
Other Revenues	18,878	19,248	370
Total Revenues	<u>2,647,392</u>	<u>2,699,862</u>	<u>52,470</u>
Expenditures			
Purchased Services	787,306	787,306	0
Claims	1,916,076	1,916,076	0
Other	300	300	0
Total Expenditures	<u>2,703,682</u>	<u>2,703,682</u>	<u>0</u>
Net Change in Fund Balance	(56,290)	(3,820)	52,470
Fund Balance at Beginning of Year	<u>56,290</u>	<u>56,290</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$52,470</u></u>	<u><u>\$52,470</u></u>

Individual Statement

Fiduciary Fund

Agency Fund

The Agency fund is used to account for assets held by the School District in a trustee capacity and/or as an agency for individuals, private organizations, other governmental units and/or other funds.

The following fund is purely custodial (assets equal liabilities) and thus does not involve the measurement of results of operation. The following is the School District's material agency fund:

Student Activities – Accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer and faculty advisor.

Tallmadge City School District
Summit County, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2004

	Beginning Balance <u>06/30/2003</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>06/30/2004</u>
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$79,116</u>	<u>\$105,025</u>	<u>(\$99,995)</u>	<u>\$84,146</u>
Liabilities				
Accounts Payable	0	717	0	717
Due to Students	<u>79,116</u>	<u>104,308</u>	<u>(99,995)</u>	<u>83,429</u>
	<u>\$79,116</u>	<u>\$105,025</u>	<u>(\$99,995)</u>	<u>\$84,146</u>

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

	2004	2003	2002	2001
Revenues				
Property and Other Local Taxes	\$13,381,096	\$12,898,106	\$11,453,294	\$10,498,173
Intergovernmental	10,144,569	9,547,658	9,170,513	8,720,236
Interest	78,590	101,241	106,516	232,419
Tuition and Fees	502,020	180,659	348,646	340,100
Rent	63,388	6,175	0	0
Extracurricular Activities	326,418	297,503	283,452	224,426
Gifts and Donations	46,878	42,777	0	0
Customer Sales and Services	437,490	505,575	0	0
Miscellaneous	10,901	27,202	131,366	164,538
Total	\$24,991,350	\$23,606,896	\$21,493,787	\$20,179,892
Expenditures				
Current:				
Instruction:				
Regular	\$11,684,844	\$10,460,937	\$9,827,579	\$9,560,418
Special	2,100,915	1,766,112	1,705,131	1,295,525
Vocational	692,810	621,248	576,014	504,930
Adult/Continuing	50,285	40,055	22,701	45,904
Support Services:				
Pupils	1,513,548	1,228,996	1,179,983	1,153,766
Instructional Staff	654,019	785,304	707,317	585,774
Board of Education	22,515	18,661	19,503	20,467
Administration	2,277,380	1,682,982	1,723,251	1,507,791
Fiscal	660,268	575,795	554,672	506,864
Business	123,006	115,955	113,175	106,910
Operation and Maintenance of Plant	1,676,041	1,544,529	1,478,445	1,466,187
Pupil Transportation	1,500,555	1,120,275	1,010,373	1,022,890
Central	272,998	177,752	221,008	178,372
Operation of Non-Instructional Services	54,987	35,473	58,777	27,875
Food Service Operations	537,359	524,179	0	0
Extracurricular Activities	881,112	800,637	729,322	661,859
Capital Outlay	200,403	443,088	302,568	322,656
Debt Service (3)			190,005	188,840
Principal Retirement	63,510	120,630	0	0
Interest and Fiscal Charges	7,135	9,317	0	0
Total	\$24,973,690	\$22,071,925	\$20,419,824	\$19,157,028

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 years 2003 and 2004 include funds previously reported as proprietary funds.
- (2) Information is presented on the modified accrual basis of accounting. Accrual basis will be presented when there are enough years of information to make comparisons.
- (3) Debt Service expenditures are shown in total for fiscal years 1995 through 2003.

2000	1999	1998	1997	1996	1995
\$10,116,262	\$9,950,201	\$9,969,830	\$9,684,023	\$9,055,314	\$8,592,155
7,146,881	6,637,221	6,074,350	5,769,133	5,569,970	4,869,498
285,376	348,898	440,621	411,463	374,169	306,234
208,669	158,616	148,550	87,153	418,772	204,953
0	0	0	0	0	0
378,799	146,228	141,070	130,018	120,637	117,339
0	0	0	0	0	0
0	0	0	0	0	0
1,635,443	213,898	158,223	83,260	101,713	147,645
<u>\$19,771,430</u>	<u>\$17,455,062</u>	<u>\$16,932,644</u>	<u>\$16,165,050</u>	<u>\$15,640,575</u>	<u>\$14,237,824</u>
\$9,238,580	\$8,733,413	\$8,094,885	\$7,912,858	\$6,552,053	\$6,268,890
1,533,428	1,330,185	1,371,671	1,577,316	1,186,322	1,222,891
504,212	499,019	490,668	477,300	419,827	422,987
21,125	17,100	29,475	52,121	39,307	1,125
1,021,363	972,557	833,741	790,121	742,238	759,659
518,022	477,689	490,062	514,868	427,082	387,852
20,812	26,779	26,464	32,568	31,343	20,858
1,501,231	1,559,738	1,448,507	1,498,279	1,213,969	1,014,272
479,098	416,391	399,808	377,906	364,511	321,700
102,914	130,953	134,844	129,907	131,506	120,253
1,621,507	1,521,713	1,442,208	1,469,307	1,519,481	1,564,179
1,247,304	1,012,203	1,066,229	892,866	829,944	824,343
62,111	55,156	47,947	46,095	22,420	22,916
34,959	28,178	40,819	14,374	30,587	782
0	0	0	0	0	0
592,328	525,596	481,388	480,194	402,443	337,909
188,089	2,090,272	206,721	254,995	181,854	405,179
184,807	185,695	121,375	66,527	66,527	66,527
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$18,871,890</u>	<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>

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

Year (2)	Current Levy (1)	Delinquent Levy (3)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As A Percent of Current Levy
2003	\$11,874,024	\$680,562	\$12,554,586	\$11,242,875	94.68%	\$433,155	\$11,676,030	98.33%
2002	13,888,426	989,641	14,878,067	13,330,945	95.99%	404,872	13,735,817	98.90%
2001	11,658,022	828,929	12,486,951	11,210,882	96.16%	396,619	11,607,501	99.57%
2000	11,406,142	665,230	12,071,372	10,827,013	94.92%	316,303	11,143,316	97.70%
1999	11,057,772	486,730	11,544,502	10,761,091	97.32%	296,483	11,057,574	100.00%
1998	10,991,685	396,116	11,387,801	10,708,977	97.43%	228,128	10,937,105	99.50%
1997	10,815,956	414,570	11,230,526	10,544,090	97.49%	278,010	10,822,100	100.06%
1996	10,516,109	372,346	10,888,455	10,233,626	97.31%	247,783	10,481,409	99.67%
1995	10,135,023	471,277	10,606,300	9,936,036	98.04%	228,788	10,164,824	100.29%
1994	9,823,779	429,129	10,252,908	9,628,016	98.01%	194,560	9,822,576	99.99%

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 Counties.

- (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. 2004 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

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

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		Ratio
	Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2004	\$347,800,570	\$993,715,914	\$7,384,430	\$8,391,398	\$39,703,951	\$158,815,804	\$394,888,951	\$1,160,923,116	34.02%
2003	340,787,900	973,679,714	7,445,770	8,461,102	39,703,951	158,815,804	387,937,621	1,140,956,620	34.00%
2002	301,439,600	861,256,000	7,215,470	8,199,398	42,954,627	171,818,508	351,609,697	1,041,273,906	33.77%
2001	298,212,070	852,034,486	8,091,530	9,194,920	44,057,644	176,230,576	350,361,244	1,037,459,982	33.77%
2000	289,906,000	828,302,857	9,023,950	10,254,489	42,894,242	171,576,968	341,824,192	1,010,134,314	33.84%
1999	258,091,360	737,403,886	9,032,600	10,264,318	40,554,682	162,218,728	307,678,642	909,886,932	33.82%
1998	255,717,300	730,620,857	9,009,210	10,237,739	41,411,446	165,645,784	306,137,956	906,504,380	33.77%
1997	249,382,500	712,521,429	9,236,970	10,496,557	39,680,411	158,721,644	298,299,881	881,739,630	33.83%
1996	213,451,620	609,861,771	9,673,020	10,992,068	40,878,578	163,514,312	264,003,218	784,368,151	33.66%
1995	205,228,170	586,366,200	11,375,430	12,926,625	35,340,828	141,363,312	251,944,428	740,656,137	34.02%

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 Counties.

- (1) This amount is calculated based on the following percentages:
Real estate is assessed at 35 percent of actual value.
Public utility property 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.

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

Year	School Levy	County Levy	Tallmadge City Levy	Munroe Falls Levy	Akron Summit Library Levy	Total Levy
2004	\$59.73	\$13.07	\$6.15	\$7.86	\$0.78	\$87.59
2003	54.80	13.07	6.15	7.88	1.59	83.49
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

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 Counties.

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

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Bonded Debt Per Capita
2004	\$173,000	\$394,888,951	16,390	0.05%	\$10.56
2003	63,510	396,736,967	16,390	0.02%	3.87
2002	184,140	358,257,554	16,390	0.05%	11.23
2001	349,222	349,222,092	16,390	0.10%	21.31
2000	335,034	339,507,972	16,390	0.10%	20.44
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	15,300	0.19%	31.25

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, 2004**

Assessed Valuation	<u>\$394,888,951</u>
Debt Limit - 9% of Assessed Value (1)	<u>\$35,540,006</u>
Outstanding Debt:	
Bus Acquisition Bonds	173,000
Exemptions:	
Bus Acquisition Bonds	<u>(173,000)</u>
<i>Overall Debt Margin</i>	<u><u>\$35,540,006</u></u>
Debt Limit - .10% of Assessed Value (1)	\$394,889
Amount of Debt Applicable	<u>0</u>
<i>Unvoted Debt Margin</i>	<u><u>\$394,889</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
 June 30, 2004**

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
<u>Direct</u>			
Tallmadge City School District	\$173,000	100.00%	\$173,000
<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>16,499,001</u>
Total	<u><u>\$179,408,477</u></u>		<u><u>\$16,672,001</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 2003 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
2004	\$63,510	\$7,135	\$70,645	\$24,963,000	0.28%
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%

Source: School District Financial Records.

**Tallmadge City School District
Property Value and Building Permits
Last Ten Years**

<u>Year</u>	<u>Property Value (1) (Real Estate Only)</u>	<u>Value of Building Permits Issued</u>
2004	\$347,800,570	\$20,722,886
2003	340,787,900	21,377,220
2002	301,439,600	24,878,720
2001	298,212,070	24,466,996
2000	289,906,000	18,475,644
1999	258,091,360	25,243,549
1998	255,717,300	18,582,451
1997	249,382,500	19,771,078
1996	213,451,620	18,703,936
1995	205,228,170	19,780,607

Sources: Summit County Fiscal Officer and Portage County Auditor
Building Department reports.

(1) Represents assessed value.

**Tallmadge City School District
Demographic Statistics
Last Ten Years**

Year	Summit County Population (1)	Tallmadge CSD Area Population (1)	School Enrollment (2)	Unemployment Rate (3)
2004	546,773	16,390	2,733	6.3%
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%

Source:

- (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, 2003**

Name of Taxpayer	Assessed Value (1)	Percent of Real Property Assessed Value
Tallmadge Associates	\$3,008,150	0.86%
Eastwood Square Associates LTD	2,759,100	0.79%
Tallmadge Oaks LTD	2,392,550	0.69%
Big Zilla Development LLC	2,352,310	0.68%
Saxon Village Limited	1,908,730	0.55%
87 Midway Plaza LLC	1,617,140	0.46%
Colonial Gardens, Inc.	1,568,590	0.45%
Myers Family Limited Partnership	1,544,060	0.44%
Mindale Farms, Co.	1,506,600	0.43%
Cooper Equities Co., LTD	<u>1,408,030</u>	<u>0.40%</u>
<i>Total</i>	<u><u>\$20,065,260</u></u>	<u><u>5.77%</u></u>

Source: Summit County Fiscal Officer.

(1) Assessed values are for the 2004 collection year.

**Tallmadge City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2003**

Name of Taxpayer	Assessed Value (1)	Percent of Tangible Property Assessed Value
AutoSales, Inc.	\$3,779,370	9.52%
Owens Corning	3,593,910	9.05%
Waltco Truck Equipment Company	2,140,100	5.39%
Steere Enterprises, Inc.	1,915,470	4.82%
Comdoc, Inc.	1,784,920	4.50%
Star Chevrolet, Inc.	1,521,520	3.83%
Leppo, Inc.	1,440,140	3.63%
Mark-Glen, Inc.	1,252,430	3.15%
Summit Plastic Company	1,153,800	2.91%
Horton Manufacturing Company., Inc.	<u>1,107,680</u>	<u>2.79%</u>
<i>Total</i>	<u><u>\$19,689,340</u></u>	<u><u>49.59%</u></u>

Source: Summit County Fiscal Officer.

(1) Assessed values are for the 2004 collection year.

**Tallmadge City School District
Principal Taxpayers
Public Utilities Tax
December 31, 2003**

Name of Taxpayer	Assessed Value (1)	Percent of Public Utilities Assessed Value
Ohio Bell Telephone	\$2,635,100	35.68%
Ohio Edison	2,360,180	31.96%
American Transmission	496,910	6.73%
East Ohio Gas	389,380	5.27%
Level 3 Communications	284,400	3.85%
<i>Total</i>	<u>\$6,165,970</u>	<u>83.50%</u>

Source: Summit County Fiscal Officer.

(1) Assessed values are for the 2004 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 Pupil Cost</u>
2004	\$24,973,690	2,733	\$9,138
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

Source: School District Financial Records.

**Tallmadge City School District
Teacher Education and Experience
June 30, 2004**

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	33	16.75%
Bachelor + 15	15	7.61%
Bachelor + 30	14	7.11%
Bachelor + 45	19	9.64%
Master's Degree	59	29.95%
Master's + 15	<u>57</u>	<u>28.93%</u>
<i>Total</i>	<u><u>197</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	53	26.90%
6 - 10	42	21.32%
11 and Over	<u>102</u>	<u>51.78%</u>
Total	<u><u>197</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records.