

# **TALAWANDA SCHOOL DISTRICT**

Single Audit Reports

Year Ended June 30, 2009





Mary Taylor, CPA  
Auditor of State

Board of Education  
Talawanda School District  
131 W. Chestnut Street  
Oxford, Ohio 45056

We have reviewed the *Independent Auditors' Report* of the Talawanda School District, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

January 29, 2010

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Talawanda School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2009

<u>Federal Grantor/Program Title</u>	<u>Pass-Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u> <i>(Passed through Ohio Department of Education)</i>				
Nutrition Cluster:				
<i>Non-Cash Assistance (Food Distribution):</i>				
National School Lunch Program	n/a	10.555	\$ 41,040	41,040
<i>Cash Assistance:</i>				
School Breakfast Program	05PU-2009	10.553	74,611	74,611
National School Lunch Program	LLP4-2009	10.555	318,763	318,763
<i>Cash Assistance Subtotal</i>			<u>393,374</u>	<u>393,374</u>
Nutrition Cluster Total			<u>434,414</u>	<u>434,414</u>
Total U.S. Department of Agriculture			<u>434,414</u>	<u>434,414</u>
<u>U.S. Department of Education:</u> <i>(Passed through Ohio Department of Education)</i>				
JAVITS	JGS3	84.206	<u>3,000</u>	<u>-</u>
Title I Grants to Local Educational Agencies	C1S1-2008	84.010	107,857	95,169
Title I Grants to Local Educational Agencies	C1S1-2009	84.010	358,133	371,585
			<u>465,990</u>	<u>466,754</u>
Special Education Cluster:				
Special Education - Grants to States	6BSF-2008	84.027	94,990	86,570
Special Education - Grants to States	6BSF-2009	84.027	503,567	497,841
Special Education - Preschool Grants	PGS1-2008	84.173	1,302	763
Special Education - Preschool Grants	PGS1-2009	84.173	3,000	3,000
Special Education - Preschool Grants (Child Outcomes Support Grant)	PGD1-2009	84.173	7,548	6,955
Special Education Cluster Total			<u>610,407</u>	<u>595,129</u>
Safe and Drug-Free Schools and Communities	DRS1-2008	84.186	2,116	2,265
Safe and Drug-Free Schools and Communities	DRS1-2009	84.186	6,998	6,769
			<u>9,114</u>	<u>9,034</u>
State Grants for Innovative Programs	C2S1-2008	84.298	1,992	1,946
State Grants for Innovative Programs	C2S1-2009	84.298	2,203	2,203
			<u>4,195</u>	<u>4,149</u>
Education Technology State Grants	TJS1-2008	84.318	1,276	3,297
Education Technology State Grants	TJS1-2009	84.318	3,381	2,420
			<u>4,657</u>	<u>5,717</u>
English Language Acquisition Grants	T3S1/T3S2-2009	84.365	9,964	7,258
Improving Teacher Quality State Grants	TRS1-2008	84.367	26,929	29,906
Improving Teacher Quality State Grants	TRS1-2009	84.367	127,855	127,661
			<u>154,784</u>	<u>157,567</u>
Total U.S. Department of Education			<u>1,262,111</u>	<u>1,245,608</u>
Total Federal Awards			\$ <u>1,696,525</u>	<u>1,680,022</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - FOOD DONATION**

Nonmonetary assistance is reported in the schedule at the entitlement value of the commodities received and disbursed.

**NOTE C - NUTRITION CLUSTER**

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

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

To the Board of Education  
Talawanda School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Talawanda School District (the "School District") as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 23, 2009. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance And Other Matters**

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

This report is intended solely for the information and use of the School District's management, the Board of Education, others within the entity, the Ohio Auditor of State and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Clark, Schaefer, Hachett & Co.*

Cincinnati, Ohio  
December 23, 2009



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

To the Board of Education  
Talawanda School District:

**Compliance**

We have audited the compliance of the Talawanda School District (the “School District”) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The School District’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District’s management. Our responsibility is to express an opinion on the School District’s compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

**Internal Control Over Compliance**

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District’s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District’s internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of and for the year ended June 30, 2009, and have issued our report thereon dated December 23, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the School District's management, the Board of Education, others within the entity, the Ohio Auditor of State and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Clark, Schaefer, Harkett & Co.*

Cincinnati, Ohio  
December 23, 2009

**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Noncompliance material to the financial statements noted?	none

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Type of auditors’ report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	no
Identification of major programs:	
<i>Nutrition Cluster:</i> <i>CFDA 10.553 – School Breakfast Program</i> <i>CFDA 10.555 – National School Lunch Program</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

**Section II – Financial Statement Findings**

None.

**Section III – Federal Award Findings and Questioned Costs**

None.

**Section IV – Summary of Prior Audit Findings and Questioned Costs**

None.

## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Education  
Talawanda School District:

Ohio Rev. Code Section 117.53 states “the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school.”

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Talawanda School District (the District) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board approved a reviewed anti-harassment policy at its meeting on December 10, 2007.

2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):

- (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
- (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
- (3) A procedure for reporting prohibited incidents;
- (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
- (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the “Family Educational Rights and Privacy Act of 1974,” 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;

(9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;

(10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

*Clark, Schaefer, Hachett & Co.*

Cincinnati, Ohio  
December 23, 2009

TALAWANDA SCHOOL DISTRICT

BUTLER COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Year Ended June 30, 2009

# Talawanda School District Oxford, Ohio

Comprehensive Annual Financial Report  
For the Year ended June 30, 2009

## Board of Education

Darrell Smith	-	Board President
Mark Butterfield	-	Board Vice-President
Robert Huff	-	Board Member
Mike Crowder	-	Board Member
Lois Vollmer	-	Board Member

## Superintendent of Schools

Dr. Philip F. Cagwin

## Issued By

Treasurer's Office

Michael S. Davis, CFO/Director of Business Affairs



Talawanda School District  
Board of Education



**Darrell Smith – President**



**Mark Butterfield – Vice-President**



**Lois Vollmer – Member**



**Robert Huff – Member**



**Mike Crowder - Member**



**Philip F. Cagwin –Superintendent**



**Michael S. Davis, CFO**

**TALAWANDA SCHOOL DISTRICT, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2009**

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# Introductory Section

## Bogan Elementary





## Talawanda School District

131 West Chestnut St.  
Oxford, Ohio 45056  
Phone:513-273-3107  
Fax:513-273-3113  
[www.talawanda.net](http://www.talawanda.net)

December 23, 2009

To the Citizens and Board of Education of the Talawanda School District:

Ohio law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Talawanda School District for the year ended June 30, 2009.

This report consists of management's representations concerning the finances of the Talawanda School District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Talawanda School District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Talawanda School District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Talawanda School District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Talawanda School District's financial statements have been audited by Clark, Schaefer, Hackett & Co., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Talawanda School District for the year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Talawanda School District's financial statements for the year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Talawanda School District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only to the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Talawanda School District's separately issue Single Audit Report.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Talawanda School District's MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE SCHOOL DISTRICT**

The Talawanda School District is located in the northwestern section of Butler County, Ohio, and encompasses the City of Oxford. The School District has an area of 145 square miles and an approximate residential population of 18,968 and an approximate University population of 16,000. The School District is primarily a residential and farming community. The Talawanda School District had 3,097 students enrolled in its two elementary schools, middle school, and high school during the year ended June 30, 2009. In addition to the schools listed, the School District maintained and operated a transportation facility, maintenance building, central office building, and several sports fields.

A five member Board of Education serves as the taxing authority, contracting body, and policy maker for the Talawanda School District. The Board adopts the annual operating budget, tax budget and approves all expenditures of School District tax moneys. The Superintendent is the chief executive officer of the School District, responsible to the Board for total education and support operations. The Treasurer is the chief financial officer of the School District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the School District, acting as custodian of all School District funds and investment of idle funds as specified by Ohio law. Other Board appointed officials, reporting to the Superintendent, are an Assistant Superintendent, building principals, and directors of various educational and support services.

The Talawanda School District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general and college preparatory levels; a broad range of co-curricular and extracurricular activities; adult and community education offerings; special education programs and facilities; and community recreation facilities. In addition to providing these general activities, the School District acts as fiscal agent for State funds distributed to private schools located within the School District boundaries; therefore this activity is included in the reporting entity. The McGuffey Foundation School is the only school served. While the McGuffey Foundation shares operational and service similarities with the School District, each are separate and distinct entities. Because of its independent nature, the McGuffey Foundation School's financial statements are not included in this report.

## **FACTORS AFFECTING FINANCIAL CONDITION:**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Talawanda School District operates.

### **Local Economy:**

The School District is located in the Miami Valley Region of Southwest Ohio. The School District is midway between Cincinnati and Dayton in rapidly growing Butler County and borders the Indiana State line. The area served by the School District is primarily an industrial and agricultural area.

The community is primarily an outgrowth of the development of Miami University, a state university. Miami University continues to play a prominent role in the development of the community. The property of the University is tax exempt and thus does not support the School District. As the largest employer, the University, its students and its faculty have the primary impact on the economy. The University continues to enjoy a stable financial outlook.

The School District's economy is not solely tied to the University. Besides secondary education and healthcare employers, many of our residents commute to the Cincinnati and Dayton areas each day. In general, the economy of the School District continues to hold steady with moderate growth in new home construction. Commercial development is also occurring in the Southeast corner of the School District and within Oxford. In 1999, Oxford created a Community Improvement Corporation (CIC) to promote economic development within the City and Oxford Township.

### **Long-Term Financial Planning:**

During the 2008-2009 school year, the Talawanda School District continued its participation in the Ohio School Facilities Commission Expedited Local Partnership Program Assessment Plan. This program enabled a group of architects employed by the Ohio School Facilities Commission to assess the condition of School District facilities to allow for state funding for school facilities. As a result of this study, the Talawanda Board of Education developed a facilities master plan to meet the needs of the School District for the next several years. In November 2008, voters of the Talawanda School District approved a 4.7 mill bond issue to construct a new \$46 million high school on a new site. Based on the School District's wealth factor, the state should provide a 24% match on the new project. While the state does not anticipate that funding would be available for the Talawanda School District until 2013, the School District would be permitted to proceed under the Expedited Local Partnership Program with the understanding that state funding would be credited at that time.

The Talawanda School District prepares a five-year forecast outlining operational revenues and expenditures based on current assumptions. The five-year forecast must be filed with the Ohio Department of Education in October of each year and then revised the following May. The five-year forecast is used as a management tool in determining the operational needs of the School District. Ohio law prohibits a school district from closing its doors due to lack of funds. It is the responsibility of the Board of Education to ensure the School District presents a balanced budget on an annual basis. The five-year forecast provides management with essential information needed to seek additional revenue or to reduce services in order to maintain a balanced budget.



## **AWARDS AND ACKNOWLEDGEMENTS:**

### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the School District for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2008. This was the nineteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **ASBO Certificate of Excellence**

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the year ended June 30, 2008, to the School District. The Certificate of Excellence is the highest form of recognition for excellence in school district financial reporting and was awarded for this School District's eighteenth annual report produced under Generally Accepted Accounting Principles.

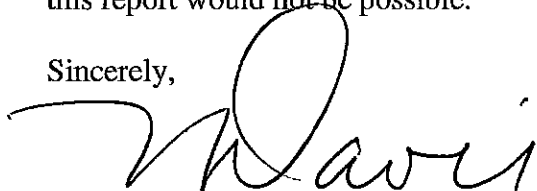
This award certifies that the Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. Management believes that the Comprehensive Annual Financial Report for the year ended June 30, 2009, will also conform to its principles and standards.

### **Acknowledgments**


The preparation and publication of this report on a timely basis could not have been possible without the cooperation of the entire Treasurer's Staff.

Finally, this report would not have been possible without the foresight of the Board of Education who approved the resources to achieve this project. Without their leadership and commitment to excellence this report would not be possible.

Sincerely,



Michael S. Davis, CPA  
CFO/Director of Business Affairs



Dr. Philip F. Cagwin  
Superintendent of Schools

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Talawanda City School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



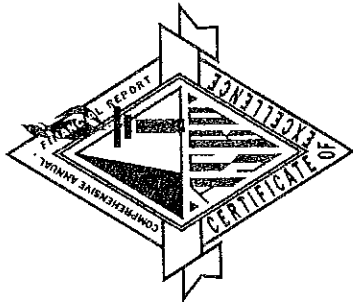
A handwritten signature in black ink, appearing to read "M. L. Post".

President

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

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting

*is presented to*

**Talawanda School District**

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2008

upon recommendation of the Association's Panel of Review

which has judged that the Report substantially conforms

to principles and standards of ASBO's Certificate of Excellence Program

*Angela Pitman*

President

*John D. Mueser*

Executive Director

TALAWANDA SCHOOL DISTRICT  
APPOINTED OFFICIALS  
AS OF JUNE 30, 2009

<u>Official</u>	<u>Title</u>
Dr. Philip Cagwin	Superintendent
Michael S. Davis, CPA	CFO/Director of Business Affairs
Kelly Spivey	Assistant Superintendent
David McDaniel	Director of Technology
Susan Meyer	Director of Special Education

<u>Elected Officials</u>	<u>Term Expiration</u>
Robert Huff	December 31, 2009
Lois Vollmer	December 31, 2009
Mark Butterfield	December 31, 2011
Mike Crowder	December 31, 2011
Darrell Smith	December 31, 2011

TALAWANDA SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS  
AS OF JUNE 30, 2009

Architects

Steed-Hammond-Paul  
82 Williams Avenue  
Hamilton, Ohio 45015

Construction Managers

Skillman Corporation  
3834 S. Emerson Avenue  
Indianapolis, Indiana 46203

Bond Council

Peck, Shaffer and Williams  
425 Walnut Street  
Cincinnati, OH 45202

Independent Auditor

Clark, Schaefer, Hackett & Co.  
105 East Fourth Street  
16<sup>th</sup> Floor  
Cincinnati, Ohio 45202

Investment Counselors

RBC Capital Markets  
Municipal Bonds and Investment Securities  
414 Walnut Street  
Cincinnati, OH 45202

Legal Council

Ennis, Roberts and Fischer  
121 W. Ninth Street  
Cincinnati, OH 45202

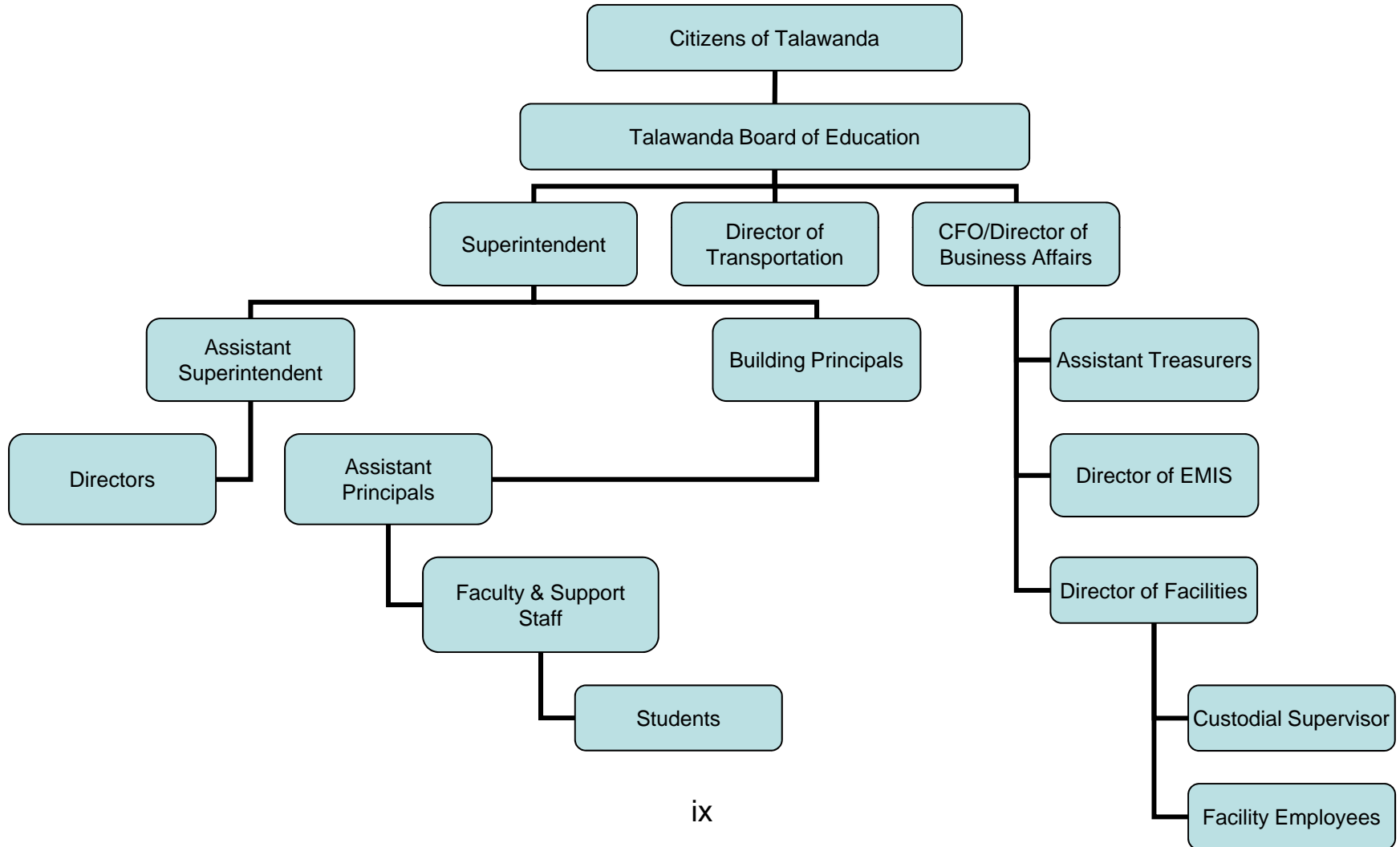
Official Depositories

First Financial Bank  
25 W. High Street  
Oxford, OH 45056

Workers Compensation

The Sheakley Group of Companies  
100 Merchant Street, Suite 100  
Cincinnati, Ohio 45246

# Talawanda School District, Ohio Organizational Chart As of June 30, 2009



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# Financial Section

## Bogan Elementary





## **INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Talawanda School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Talawanda School District (the "School District") as of and for the year ended June 30, 2009, 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 the 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 the 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 government activities, each major fund, and the aggregate remaining fund information of the Talawanda School District as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2009 on our consideration of the School District's internal control over financial reporting and on 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 assessing the results of our audit.

The management's discussion and analysis and the budgetary comparison information on pages 3 through 11 and 45 through 49, respectively, are not a required part of the basic financial statements but are 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 methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

105 east fourth street, ste. 1500  
cincinnati, oh 45202

www.cshco.com  
p. 513.241.3111  
f. 513.241.1212

Our audit was conducted for the purposes 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 schedules, and statistical section 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 and schedules 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 a whole. The introductory and statistical sections 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.

*Clark, Schaefer, Hachett & Co.*

Cincinnati, Ohio  
December 23, 2009

## TALAWANDA SCHOOL DISTRICT, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Year Ended June 30, 2009

This discussion and analysis provides key information from management highlighting the overall financial performance of the Talawanda School District for the year ended June 30, 2009. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the School District's financial statements.

#### Financial Highlights

Major financial highlights for fiscal year 2009 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by \$24,612,808. Of this amount, \$10,505,332 may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ In total, net assets increased by \$3,301,620.
- ✓ The School District had \$33,710,218 in expenses related to governmental activities; only \$3,603,955 of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$33,407,883, made up primarily of property and income taxes as well as State Foundation payments, was used to provide for these programs.
- ✓ The General Fund balance increased by \$1,768,752 from \$10,768,407 at June 30, 2008 to \$12,537,159 at June 30, 2009.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2009**  
**Unaudited**

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**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the School District's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all of the School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include instruction, support services, administration, operation and maintenance of plant, and extracurricular activities. The School District has no business-type activities.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2009**  
**Unaudited**

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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between government funds and governmental activities.

The School District accounts for its activities using many individual governmental funds. The most significant funds, known as major funds, are reported in separate columns in the governmental fund financial statements. These statements provide detailed information about the individual major funds – unlike the government-wide financial statements, which report on the School District as a whole. The School District has three major funds: the General Fund, the Debt Service Fund, and the Building Construction Fund. Data for the other governmental funds is combined into a single aggregated presentation.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs.

**Notes to the basic financial statements.** The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the budget for the General Fund. The combining statements for nonmajor governmental funds are presented immediately following the required supplementary information.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2009**  
**Unaudited**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**A. Net assets at year-end**

The following table presents a condensed summary of the School District's overall financial position at June 30, 2009 and 2008:

**Governmental Activities**

	<u>FY09</u>	<u>FY08</u>
Current and other assets	\$ 49,871,189	34,222,340
Capital assets	<u>22,418,789</u>	<u>20,479,296</u>
Total assets	<u>72,289,978</u>	<u>54,701,636</u>
Long-term liabilities outstanding	13,207,170	13,260,340
Other liabilities	<u>34,470,000</u>	<u>20,130,108</u>
Total liabilities	<u>47,677,170</u>	<u>33,390,448</u>
Net assets:		
Invested in capital assets, net of debt	9,065,176	9,044,201
Restricted:		
For capital projects	2,334,673	465,878
For debt service	2,448,779	610,498
For other purposes	258,848	268,143
Unrestricted	<u>10,505,332</u>	<u>10,922,468</u>
Total net assets	<u>\$ 24,612,808</u>	<u>21,311,188</u>

A large portion of the School District's net assets (37%) reflects its investment in capital assets, less any related debt to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The balance of unrestricted net assets (\$10,505,332) may be used to meet the government's ongoing obligations to citizens and creditors.

Current assets increased by approximately \$15.6 million due primarily to increases in cash and investments of \$12.4 million and property taxes receivable in the amount of \$3.5 million. The increase in property taxes receivable was due to receivables on the bond tax levy that was passed in November 2008 to construct a new \$46 million high school building. The increase in cash and investments was due to the bond tax levy collections and the proceeds from the \$10 million bond anticipation notes payable that was issued to begin construction on the new high school building. The start of this construction also resulted in an increase in capital assets. The increase in other liabilities was due to the issuance of the \$10 million in bond anticipation notes payable and a \$4 million increase in unearned revenue. The unearned revenue is related to property taxes receivable and thus, increases as property taxes receivable increase.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2009**  
**Unaudited**

**B. Governmental Activities during fiscal year 2009**

The following table presents a condensed summary of the School District's activities during fiscal year 2009 and 2008 and the resulting change in net assets:

	<b>FY09</b>	<b>FY08</b>
<b>Revenues:</b>		
Program revenues:		
Charges for services and sales	\$ 1,882,534	1,633,286
Operating grants and contributions	1,679,305	1,759,168
Capital grants and contributions	42,116	17,637
Total program revenues	<u>3,603,955</u>	<u>3,410,091</u>
General revenues:		
Taxes	21,182,623	20,067,332
Grants and entitlements	11,358,072	10,709,123
Investment earnings	388,995	666,395
Miscellaneous	478,193	638,991
Total general revenues	<u>33,407,883</u>	<u>32,081,841</u>
<b>Total revenues</b>	<u>37,011,838</u>	<u>35,491,932</u>
<b>Expenses:</b>		
Instruction	18,684,702	18,489,269
Support services:		
Pupil	1,866,070	1,790,980
Instructional staff	1,947,019	2,015,323
Board of Education	62,513	59,448
Administration	2,172,472	2,143,346
Fiscal	1,193,338	1,159,110
Business	4,663	7,691
Operation and maintenance of plant	3,067,060	3,555,261
Pupil transportation	2,070,601	2,593,052
Central	116,155	103,191
Non-instructional services	822,059	843,926
Interest on long-term debt	544,786	441,994
Food services	1,158,780	1,122,373
<b>Total expenses</b>	<u>33,710,218</u>	<u>34,324,964</u>
<b>Change in net assets</b>	<u>\$ 3,301,620</u>	<u>1,166,968</u>

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2009**  
**Unaudited**

Of the total governmental activities revenues of \$37,011,838, \$3,603,955 is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, \$21,182,623 (63%) comes from property and income taxes and \$11,358,072 (34%) is from state funding. The School District's operations are reliant upon its property tax levy, income taxes and the state's foundation program.

In total, revenues grew by about 4% during the current year, with most of that increase coming from taxes and grants and entitlements. The School District began collecting the property taxes and related State-funded homestead and rollback payments from the 4.7 mill bond levy that was passed in November 2008. Total expenditures only decreased by 1.8%.

***Governmental Activities***

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 11% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$18,684,702 but program revenue contributed to fund 9% of those costs. Thus, general revenues of \$16,986,095 were used to support the remainder of the instruction costs.

**Governmental Activities**

		<b>Total Cost of Services</b>	<b>Program Revenue</b>	<b>Revenues as a % of Total Costs</b>	<b>Net Cost of Services</b>
Instruction	\$	18,684,702	1,698,607	9%	16,986,095
Support services		12,499,891	643,265	5%	11,856,626
Non-instructional services		822,059	148,289	18%	673,770
Food service		1,158,780	1,113,794	96%	44,986
Interest on long-term debt		544,786	-	0%	544,786
<b>Total</b>	<b>\$</b>	<b><u>33,710,218</u></b>	<b><u>3,603,955</u></b>	<b><u>11%</u></b>	<b><u>30,106,263</u></b>



**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2009**  
**Unaudited**

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**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS**

**Governmental funds**

The School District has three major governmental funds: the General Fund, the Debt Service Fund, and the Building Construction Fund. Assets of these funds comprise \$46,519,878 (94%) of the total \$49,750,522 governmental funds assets.

**General Fund.** Fund balance at June 30, 2009 was \$12,537,159, including \$11,863,221 of unreserved balance, which represents 42% of expenditures for fiscal year 2009. Overall, revenues exceeded expenditures by approximately \$1,769,000, which is comparable to the prior fiscal year.

**Debt Service Fund.** The Debt Service Fund had a fund balance at June 30, 2009 of \$2,433,983, an increase of \$591,985 over the prior fiscal year, due to collection of property taxes from the 4.7 mill bond levy passed in November 2008.

**Building Construction Fund.** The Building Construction Fund had a fund balance deficit at June 30, 2009 of \$2,020,154, a decrease of \$2,454,188 over the prior fiscal year, due to beginning construction of the new high school. These costs were financed with \$10 million in bond anticipation notes, which are expected to be rolled into general obligation bonds during fiscal year 2010.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The schedule comparing the School District's original and final budgets and actual results are included in the required supplementary information. Significant differences between the original and final budget are as follows:

Total budgeted revenues only increased by less than 1.0% from the original to the final budgets. Total budgeted expenditures decreased 6.9% from the original to the final budgets. The decreases were due to lower than expected salary and related benefit increases and lower diesel fuel prices.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2009**  
**Unaudited**

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** At June 30, 2009, the School District had \$22,418,789 invested in a broad range of capital assets, including land, buildings, equipment, vehicles, and construction in progress. See Note 7 to the financial statements for more detail.

**Governmental Activities**  
**Capital Assets at Year-End**  
**(Net of Depreciation)**

		<u>FY09</u>	<u>FY08</u>
Land	\$	2,560,594	1,251,619
Construction in progress		1,391,557	-
Land improvements		384,004	445,442
Buildings and improvements		17,202,000	17,822,914
Furniture and equipment		825,690	865,271
Vehicles		<u>54,944</u>	<u>94,050</u>
Total	\$	<u>22,418,789</u>	<u>20,479,296</u>

The School District began construction on a new high school during the fiscal year, leading to the increase in capital assets.

**Debt**

As of June 30, 2009, the balance of outstanding bond anticipation notes was \$10,000,000.

As of June 30, 2009, the balance of outstanding capital leases was \$2,705,000.

As of June 30, 2009, the balance of outstanding general obligation bonds was \$8,120,000.

See Notes 12 and 13 to the financial statements.

**ECONOMIC FACTORS**

A challenge facing the School District is the future of state funds. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The Court found the state's school funding system unconstitutional but declined to retain jurisdiction of the matter meaning the decision included no timeline for compliance or accountability for lack of compliance. The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2009**  
**Unaudited**

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The School District is projecting flat to 1+% enrollment increases for the foreseeable future. The School District is currently receiving the same amount of state aid as it did in 1998. Due to higher property valuations and lower enrollment, the School District is on the guarantee by over \$4 million. Unless significant changes are made to the state funding formula, any costs associated with enrollment growth will come without state support.

In November 2004, the School District passed a 1% School District Income Tax that has generated over \$5 million annually. The School District is working hard to produce a balanced budget through the 2012-13 school year. In an attempt to identify alternative revenue, the Talawanda Board of Education implemented a policy to accept students from other school districts through open enrollment at the middle school and high school level for 2005-06. Also, the Talawanda Board of Education voted to accept open enrollment at the elementary schools in 2006-07 with the opening of the new elementary school. Revenue from open enrollment totaled \$356,000 for fiscal year 2009.

In November 2008, the School District passed a 4.7 mill Bond Issue to build a new High School. The total projected cost of the new 189,000 square foot facility is approximately \$46 million. This cost includes land acquisition of a 154 acre parcel of land just south of the Oxford City limits on Route 27. The City has annexed this land and will provide city services (including water and sewer) to the School District's new building. The Talawanda Board of Education has not yet determined the disposition of the existing High School property or the vacant 32 acres the School District owns on Kehr Road.

**REQUESTS FOR ADDITIONAL INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, and 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 about this report or need additional financial information, contact the Treasurer's office at the Talawanda School District, 131 West Chestnut Street, Oxford, Ohio 45056.

# TALAWANDA SCHOOL DISTRICT, OHIO

## Statement of Net Assets

June 30, 2009

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 26,014,887
Receivables:	
Taxes	23,287,217
Accounts	1,401
Intergovernmental	103,303
Interest	112,272
Supplies inventory	14,969
Restricted assets	202,876
Deferred charges	134,264
Nondepreciable capital assets	3,952,151
Depreciable capital assets, net	<u>18,466,638</u>
<b>Total assets</b>	<u>72,289,978</u>
<b>Liabilities:</b>	
Accounts payable	594,113
Accrued wages and benefits	2,996,384
Pension obligation payable	725,050
Unearned revenue	20,082,162
Accrued interest payable	72,291
Notes payable	10,000,000
Noncurrent liabilities:	
Due within one year	724,650
Due within more than one year	<u>12,482,520</u>
<b>Total liabilities</b>	<u>47,677,170</u>
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	9,065,176
Restricted for:	
Capital projects	2,334,673
Debt service	2,448,779
Other purposes	258,848
Unrestricted	<u>10,505,332</u>
<b>Total net assets</b>	<u>\$ 24,612,808</u>

See accompanying notes to the basic financial statements.

**TALAWANDA SCHOOL DISTRICT, OHIO**

Statement of Activities  
Year Ended June 30, 2009

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
<b>Governmental Activities:</b>					
Instruction:					
Regular	\$ 14,818,997	1,113,116	162,478	-	\$ (13,543,403)
Special education	2,798,761	-	423,013	-	(2,375,748)
Other instruction	1,066,944	-	-	-	(1,066,944)
Support services:					
Pupil	1,866,070	-	508,845	-	(1,357,225)
Instructional staff	1,947,019	-	78,158	-	(1,868,861)
Board of Education	62,513	-	-	-	(62,513)
Administration	2,172,472	-	14,146	-	(2,158,326)
Fiscal	1,193,338	-	-	-	(1,193,338)
Business	4,663	-	-	-	(4,663)
Operation and					
maintenance of plant	3,067,060	-	-	-	(3,067,060)
Pupil transportation	2,070,601	-	-	42,116	(2,028,485)
Central	116,155	-	-	-	(116,155)
Non-instructional services:					
Extracurricular activities	790,519	103,385	-	-	(687,134)
Community service	31,540	-	44,904	-	13,364
Food service	1,158,780	666,033	447,761	-	(44,986)
Interest on long-term debt	544,786	-	-	-	(544,786)
<b>Total Governmental Activities</b>	<b>\$ 33,710,218</b>	<b>1,882,534</b>	<b>1,679,305</b>	<b>42,116</b>	<b>(30,106,263)</b>
<b>General Revenues:</b>					
Property taxes, levied for general purposes					12,327,216
Property taxes, levied for debt services					2,289,969
Property taxes, levied for capital projects					1,151,688
Income taxes					5,413,750
Grants and entitlements not restricted to specific programs					11,358,072
Investment earnings					388,995
Miscellaneous					478,193
<b>Total general revenues</b>					<b>33,407,883</b>
Change in net assets					3,301,620
Net assets beginning of year					21,311,188
Net assets end of year					<b>\$ 24,612,808</b>

See accompanying notes to the basic financial statements.

# TALAWANDA SCHOOL DISTRICT, OHIO

Balance Sheet  
 Governmental Funds  
 June 30, 2009

	General	Debt Service Fund	Building Construction Fund	Other Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 13,889,811	2,325,071	8,101,750	1,698,255
Restricted cash	202,876	-	-	-
Receivables:				
Taxes	17,750,770	4,120,368	-	1,416,079
Accounts	1,401	-	-	-
Accrued interest	112,272	-	-	-
Intergovernmental	1,962	-	-	101,341
Supplies inventory	-	-	-	14,969
Interfund receivable	13,597	-	-	-
<b>Total assets</b>	<u>31,972,689</u>	<u>6,445,439</u>	<u>8,101,750</u>	<u>3,230,644</u>
<b>Liabilities:</b>				
Accounts payable	239,827	-	121,904	232,382
Accrued wages and benefits	2,783,359	-	-	213,025
Pension obligation payable	696,474	-	-	28,576
Interfund payable	-	-	-	13,597
Notes payable	-	-	10,000,000	-
Compensated absences payable	183,329	-	-	-
Deferred revenue	15,532,541	4,011,456	-	1,379,303
<b>Total liabilities</b>	<u>19,435,530</u>	<u>4,011,456</u>	<u>10,121,904</u>	<u>1,866,883</u>
<b>Fund Balances:</b>				
Reserved for:				
Encumbrances	95,744	-	3,746,815	47,662
Budget stabilization	202,876	-	-	-
Property taxes	375,318	108,912	-	37,427
Supplies inventory	-	-	-	14,969
Debt service	-	2,325,071	-	-
Unreserved, reported in:				
General Fund	11,863,221	-	-	-
Special Revenue Funds	-	-	-	711,644
Capital Projects Funds	-	-	(5,766,969)	552,059
<b>Total fund balances</b>	<u>12,537,159</u>	<u>2,433,983</u>	<u>(2,020,154)</u>	<u>1,363,761</u>
<b>Total liabilities and fund balances</b>	\$ <u>31,972,689</u>	<u>6,445,439</u>	<u>8,101,750</u>	<u>3,230,644</u>

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
June 30, 2009

Total Governmental Funds	
26,014,887	<b>Total Governmental Fund Balances</b>
202,876	\$ 14,314,749
23,287,217	Amounts reported for governmental activities in the statement of net assets are different because:
1,401	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.
112,272	22,418,789
103,303	Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds.
14,969	841,138
13,597	Deferred charges are not reported in the funds.
49,750,522	134,264
594,113	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.
2,996,384	General obligation bonds
725,050	8,343,871
13,597	Compensated absences
10,000,000	1,974,970
183,329	Lease-purchase agreement
20,923,300	2,705,000
35,435,773	Accrued interest payable
	72,291
	Total
	(13,096,132)
	Net Assets of Governmental Activities
	\$ <u>24,612,808</u>
3,890,221	
202,876	
521,657	
14,969	
2,325,071	
11,863,221	
711,644	
(5,214,910)	
14,314,749	
49,750,522	

## TALAWANDA SCHOOL DISTRICT, OHIO

### Statement of Revenues, Expenditures, and Changes in Fund Balances

#### Governmental Funds

Year Ended June 30, 2009

	General	Debt Service Fund	Building Construction Fund	Other Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 17,703,613	2,221,395	-	1,153,601
Tuition and fees	935,425	-	-	-
Interest	332,787	-	-	10
Charges for services	-	-	-	843,724
Intergovernmental	11,008,493	251,415	-	1,954,172
Other local revenues	135,773	-	14,596	431,209
<b>Total revenues</b>	<u>30,116,091</u>	<u>2,472,810</u>	<u>14,596</u>	<u>4,382,716</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	13,278,501	-	14,125	680,015
Special education	2,265,721	-	-	477,069
Other instruction	1,066,944	-	-	-
Support services:				
Pupil	1,238,375	-	-	611,464
Instructional staff	1,766,385	-	-	153,969
Board of Education	62,513	-	-	-
Administration	2,062,000	-	-	16,509
Fiscal	1,135,506	34,731	-	17,847
Business	4,663	-	-	-
Operation and maintenance of plant	2,780,040	-	-	4,800
Pupil transportation	2,034,126	-	-	-
Central	116,155	-	-	-
Non-instructional services:				
Extracurricular activities	534,214	-	-	237,674
Community service	196	-	-	44,120
Food service	-	-	-	1,069,312
Capital outlay	2,000	-	2,454,659	767,486
Debt Service:				
Principal	-	250,000	-	148,000
Interest and fiscal charges	-	346,081	-	137,815
<b>Total expenditures</b>	<u>28,347,339</u>	<u>630,812</u>	<u>2,468,784</u>	<u>4,366,080</u>
Net change in fund balance	1,768,752	1,841,998	(2,454,188)	16,636
Fund balance, beginning of year	10,768,407	591,985	434,034	1,347,125
Fund balance, end of year	\$ <u>12,537,159</u>	<u>2,433,983</u>	<u>(2,020,154)</u>	<u>1,363,761</u>

See accompanying notes to the basic financial statements.



Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended June 30, 2009

Total Governmental Funds		
	<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 1,173,198</b>
21,078,609		
935,425	Amounts reported for governmental activities in the	
332,797	statement of activities are different because:	
843,724		
13,214,080	Governmental funds report capital outlays as expenditures.	
581,578	However, in the statement of activities, the cost of those assets is	
36,986,213	allocated over their estimated useful lives as depreciation expense.	
	Capital outlay	3,397,875
	Depreciation expense	(1,458,382)
13,972,641	Repayment of bond principal is an expenditure in the governmental	
2,742,790	funds, but the repayment reduces long-term liabilities in the statement	
1,066,944	of net assets.	250,000
1,849,839	Repayment of lease agreements is an expenditure in the governmental	
1,920,354	fund, but the repayment reduces long-term liabilities in the statement	
62,513	of net assets.	148,000
2,078,509	In the statement of activities, interest is accrued on outstanding bonds,	
1,188,084	whereas in governmental funds, an interest expenditure is reported	
4,663	when due.	(40,066)
2,784,840		
2,034,126	Some expenses reported in the statement of activities, such as	
116,155	compensated absences do not require the use of current financial	
771,888	resources and therefore are not reported as expenditures in the	
44,316	governmental funds.	(173,806)
1,069,312	Revenues in the statement of activities that do not provide current	
3,224,145	financial resources are not reported as revenues in the funds.	25,625
398,000	Amortization of issuance costs, interest accretion, and bond premiums.	<u>(20,824)</u>
483,896		
35,813,015	Change in Net Assets of Governmental Activities	\$ <u><u>3,301,620</u></u>
1,173,198		
13,141,551		
14,314,749		

# TALAWANDA SCHOOL DISTRICT, OHIO

## Statement of Net Assets

### Fiduciary Funds

June 30, 2009

		Private Purpose Trusts	Agency Funds
		<u>          </u>	<u>          </u>
<b>Assets:</b>			
Equity in pooled cash and investments	\$	<u>9,650</u>	<u>110,996</u>
Total assets		<u><u>9,650</u></u>	<u><u>110,996</u></u>
<b>Liabilities:</b>			
Due to student groups		-	93,766
Due to others		<u>-</u>	<u>17,230</u>
Total liabilities		<u>-</u>	<u><u>110,996</u></u>
<b>Net Assets:</b>			
Held in trust	\$	<u><u>9,650</u></u>	

See accompanying notes to the basic financial statements.

# TALAWANDA SCHOOL DISTRICT, OHIO

Statement of Changes in Net Assets

Fiduciary Funds

Year Ended June 30, 2009

	<u>Private- Purpose Trust Funds</u>
<b>Additions:</b>	
Contributions	\$ 1,100
Interest	<u>119</u>
Total additions	<u>1,219</u>
<b>Deductions:</b>	
Community gifts, awards and scholarships	<u>5,884</u>
Total deductions	<u>5,884</u>
Change in net assets	(4,665)
Net assets, beginning of year	<u>14,315</u>
Net assets, end of year	\$ <u><u>9,650</u></u>

See accompanying notes to the basic financial statements.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Talawanda School District, Ohio (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. Private-sector standard of accounting and financial reporting issued prior to December 1, 1989 generally are followed in the government-wide financial statements to the extent they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

**A. Reporting Entity**

The School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District operates under a locally elected Board of Education (five members) and is responsible for the education of the residents of the School District.

The reporting entity is comprised of the primary government, which consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, and student related activities. 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 is associated with five organizations, two of which are defined as jointly governed organizations and three as insurance purchasing pools. These organizations include Southwestern Ohio Computer Association, Butler Technology and Career Development Schools, the Ohio School Boards Association Workers' Compensation Group Rating Plan, the Ohio School Plan, and the Butler Health Plan. These organizations are presented in Notes 14 and 15.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2009**

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**B. Basis of Presentation**

***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 statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District has no business-type activities.

The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which the governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. 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*** Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2009**

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**C. Fund Accounting**

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are grouped into the categories governmental and fiduciary.

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

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

*Debt Service Fund* – The debt service fund accounts for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

*Building Construction Fund* – The building construction fund accounts for the activity related to the construction of a new high school.

*Fiduciary Funds* report on net assets and changes in net assets. The School District's fiduciary funds consist of a private-purpose trust funds and agency funds. The School District's private-purpose trust funds account for scholarship programs for students. These assets are not available for the School District's use. Agency funds, used for student activities and unclaimed monies, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. Basis of Accounting**

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

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2009**

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The modified accrual basis of accounting is used by the governmental funds. On a modified accrual basis, revenues are recorded when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, income taxes, interest, tuition, student fees, and grants.

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 except for unmatured principal and interest on general long-term debt which is recognized when due. Allocations of cost, such as depreciation, are not recognized in the governmental funds.

Government-wide financial statements are prepared using the accrual basis of accounting. Also, fiduciary funds utilize accrual accounting. Revenues are recognized when earned and expenses are recognized when incurred.

***Revenues - Exchange and Non-exchange transactions.*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

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

***Deferred Revenue.*** Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2009 which are intended to finance fiscal year 2010 operations have been 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.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2009**

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**E. Cash and Investments**

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet. During fiscal year 2009, the School District's investments were limited to US Treasury notes, US Agency securities and the State Treasury Assets Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2009.

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value be reported in the operating statement. The School District recorded investments held at June 30, 2009 at fair value.

Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to agency funds, certain trust funds, and those other funds individually authorized by Board resolution. Interest earnings are allocated to these funds based on average monthly cash balance.

**F. Inventory**

Inventories of governmental funds are stated at cost, determined on a first-in, first-out basis and recorded as expenditures in the governmental funds when consumed.

**G. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. The School District defines capital assets as those with an individual cost of more than \$1,000 and an estimated useful life in excess of one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair values as of the date received. 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 capitalized.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements. Capital assets are reported as expenditures of the current period in the governmental fund financial statements.



**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2009**

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All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Buildings	30-50 years
Land improvements	10-20 years
Building improvements	10-40 years
Equipment and furniture	5-20 years
Vehicles	5-10 years

**H. Interfund Balances**

On fund financials, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable/payable." These amounts are eliminated in the governmental activities column of the statement of net assets. The effect of interfund activity has been eliminated from the government-wide financial statements. The interfund services provided and used are not eliminated in the process of consolidation.

**I. 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. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District 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. For governmental fund financial statements, a liability is recorded for compensated absences only if they have matured, for example, as a result of employee resignations and/or retirements.

**J. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources with the exception of compensated absences as noted above.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2009**

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**K. Fund Balance Reserves**

The School District records reservations for portions of fund equity that 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 balances indicate that portion of fund equity that is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, supplies inventory, debt service and budget reserve set-asides.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statutes. The reserve for budget stabilization represents money set-aside to protect against cyclical changes in revenues and expenditures.

**L. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. A corresponding fund balance reserve has also been established.

**M. Net Assets**

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

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

**N. 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.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2009**

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**2. DEFICIT FUND BALANCES**

At June 30, 2009, the following funds a deficit fund balance:

Building Construction Fund	\$2,020,154
Nonmajor Governmental Funds:	
Title I Fund	\$51,075
EHA Preschool Handicapped Fund	\$293
Improving Teacher Quality Grant Fund	\$10,877

These deficit balances were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

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

Interim deposits are deposits of interim monies. Interim monies are those monies that 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 pass book accounts.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2009**

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Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies are permitted 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 or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by the federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim 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.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2009**

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The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and amended by GASB Statement No. 40 "Deposit and Investment Risk Disclosures":

Deposits

*Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a custodial credit risk policy. At year-end, \$11,693,060 of the School District's bank balance of \$11,943,060 was exposed to custodial credit risk since it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

Investments

The School District's investments at June 30, 2009 are as summarized as follows:

	<u>Fair Value</u>	<u>Average Maturity (Years)</u>	<u>Concentration of Credit Risk</u>
STAR Ohio	\$ 186,844	n/a	1.21%
U.S. Money Market Fund	162,287	n/a	1.05%
FHLB	6,581,894	0.60	42.53%
FNMA	3,296,389	0.63	21.30%
FHLMC	4,099,775	0.44	26.49%
U.S. Treasuries	<u>1,147,698</u>	1.00	<u>7.42%</u>
	<u>\$ 15,474,887</u>		<u>100.00%</u>

*Credit Risk.* It is the School District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. The School District's investments in FHLB, FNMA, and FHLMC were rated AAA by Standard & Poor's and Aaa by Moody's. Investments in STAR Ohio were rated AAAM by Standard & Poor's.

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a failure of a counter party, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investment securities are registered in the name of the School District.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
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*Interest Rate Risk.* In accordance with the investment policy, the School District manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to five years.

**4. 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 distributions occur in the first half of the following fiscal year.

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

Tangible personal property taxes are levied after April 1 on the value as of December 31 of the current year. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 was 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. 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 Butler County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2009, are available to finance fiscal year 2009 operations. The amount available for advance can vary based on the date the tax bills are sent.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
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Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2009. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amounts available as advances at June 30, 2009, were \$375,318 in the General Fund, \$108,912 in the Debt Service Fund, and \$37,427 in the Other Governmental Funds.

The assessed values upon which fiscal year 2009 taxes were collected are:

	<u>2008 Second- Half Collections</u>		<u>2009 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 596,309,550	95.34%	672,278,740	97.62%
Tangible Personal Property	<u>29,147,479</u>	4.66%	<u>16,416,560</u>	2.38%
Total Assessed Value	\$ <u>625,457,029</u>	100.00%	<u>688,695,300</u>	100.00%
Tax rate per \$1,000 of assessed valuation		\$53.40		\$56.12

**5. INCOME TAXES**

In November 2004, the voters of the School District passed a 1% school income tax on wages earned by residents of the School District. The taxes are collected by the State Department of Taxation in the same manner as the state income tax. In the fiscal year ended June 30, 2009, the School District recorded income tax revenue of \$5,413,750 in the entity-wide financials and a receivable as of June 30, 2009 of \$2,267,108.

**6. INTERFUND TRANSACTIONS**

On the fund financial statements, the General Fund has a receivable of \$13,597 due from Other Governmental funds. These interfund loans were made to provide operating capital.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
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**7. CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2009 was as follows:

	Balance 7/1/08	Additions	Disposals	Balance 6/30/09
<b>Governmental Activities</b>				
<b>Nondepreciable:</b>				
Land	\$ 1,251,619	1,308,975	-	2,560,594
Construction in progress	-	1,391,557	-	1,391,557
	<u>1,251,619</u>	<u>2,700,532</u>	<u>-</u>	<u>3,952,151</u>
<b>Depreciable:</b>				
Land improvements	1,812,873	7,719	-	1,820,592
Buildings and improvements	34,305,868	443,249	-	34,749,117
Vehicles	479,811	-	-	479,811
Equipment and furniture	6,574,185	246,375	(125,810)	6,694,750
Educational media	1,253,844	-	-	1,253,844
Subtotal	<u>44,426,581</u>	<u>697,343</u>	<u>(125,810)</u>	<u>44,998,114</u>
Totals at historical cost	<u>45,678,200</u>	<u>3,397,875</u>	<u>(125,810)</u>	<u>48,950,265</u>
Less accumulated depreciation:				
Land improvements	1,367,431	69,157	-	1,436,588
Buildings and improvements	16,482,954	1,064,163	-	17,547,117
Vehicles	385,761	39,106	-	424,867
Equipment and furniture	5,708,914	285,956	(125,810)	5,869,060
Educational media	1,253,844	-	-	1,253,844
Total accumulated depreciation	<u>25,198,904</u>	<u>1,458,382</u>	<u>(125,810)</u>	<u>26,531,476</u>
Capital assets, net	<u>\$ 20,479,296</u>	<u>1,939,493</u>	<u>-</u>	<u>22,418,789</u>



**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2009**

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Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	\$	885,127
Special		35,725
Support services:		
Pupil		7,230
Instructional staff		30,441
Administration		72,531
Fiscal		5,137
Operation and maintenance of plant		262,088
Pupil transportation		36,475
Community service		9,163
Extracurricular activities		25,368
Food service		<u>89,097</u>
Total depreciation expense	\$	<u>1,458,382</u>

**8. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2009, the School District participated in the Ohio School Plan, a risk sharing pool (Note 15) for liability, property, auto, and crime insurance to address these various types of risk. Settled claims have not exceeded coverage in any of the past three years. There has been no significant reduction in the coverage from last year.

**9. PENSION PLANS**

**School Employees Retirement System**

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2009**

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Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocated the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For the fiscal year ended June 30, 2009, the allocation to pension and death benefits was 9.09%. The remaining 4.91% of the 14% employer contribution rate was allocated to the Health Care and Medicare B Funds. The School District's required contributions to SERS for the fiscal years ended June 30, 2009, 2008, and 2007 were approximately \$557,000, \$549,000, and \$525,000, respectively; 41% has been contributed for 2009 and 100% for fiscal years 2008 and 2007.

### **State Teachers Retirement System**

The School District contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a state-wide, cost-sharing multiple-employer public employee retirement system for licensed teachers and other faculty members employed by the School District. STRS Ohio provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS Ohio issued a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771.

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a bi-weekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan benefits are established under Chapter 3307 of the Ohio Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchase credit) times the final average salary. The 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service credit over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final

**TALAWANDA SCHOOL DISTRICT, OHIO**  
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years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan benefits are established under Sections 3307.80 to 3307.89 of the Ohio Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. 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.

Under the Combined Plan, member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians’ fees, prescription drugs, and partial reimbursements of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years’ credited service who becomes disabled may qualify for a disability benefit. Eligible spouse and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage of up to \$2,000 can be purchased by participants in the DB, DC, or Combined Plans. Various other benefits are available to members’ beneficiaries.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2009**

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Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14%. Contribution rates are established by STRS Ohio, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The School District's required contributions to STRS Ohio for the years ended June 30, 2009, 2008, and 2007 were approximately \$2,091,000, \$2,012,000, and \$1,928,000, respectively; 85% has been contributed for fiscal year 2009 and 100% for fiscal years 2008 and 2007. The unpaid contribution for fiscal year 2009 is recorded as a liability within the respective funds.

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. The School District's liability is 6.2% of wages paid.

**10. POSTEMPLOYMENT BENEFITS**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by state statute.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post-employment health care for years ended June 30, 2009, 2008, and 2007. The 14% employer contribution rate is the maximum rate established under Ohio law. The School District's contributions to STRS Ohio allocated to post-employment health care for the years ended June 30, 2009, 2008, and 2007 were approximately \$149,000, \$144,000, and \$138,000, respectively; 85% has been contributed for fiscal year 2009 and 100% for fiscal years 2008 and 2007.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
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SERS administers two postemployment benefit plans:

*Medicare Part B Plan* - The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2009 was \$96.40; SERS' reimbursement to retirees was \$45.50. The Retirement Board, acting with the advice of the actuary, allocated a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2009, the actuarially required allocation was 0.75%. The School District contributions for the fiscal years ended June 30, 2009, 2008, and 2007 were approximately \$30,000, \$27,000, and \$26,000, respectively; 41% has been contributed for 2009 and 100% for fiscal years 2008 and 2007.

*Health Care Plan* - ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the fiscal year ended June 30, 2009, the health care allocation was 4.16%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2009, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate was the total amount assigned to the Health Care Fund. The School District's contributions assigned to health care for years ended June 30, 2009, 2008, and 2007 were \$166,000, \$135,000, and \$125,000, respectively; 41% has been contributed for 2009 and 100% for fiscal years 2008 and 2007.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
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The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

**11. EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Non-certified employees earn five to twenty-five days of vacation per fiscal year, depending upon length of service while administrators receive twenty days of vacation per year. Accumulated, unused vacation time is paid to non-certified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and non-certified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to maximum of 260 days for administrators and 188 days for teachers and classified staff. Upon retirement, payment is made for twenty-five percent of the employee's accumulated sick leave.

**12. SHORT-TERM OBLIGATIONS**

A summary of the short-term note transactions for the year ended June 30, 2009 follows:

		Principal Outstanding 7/1/08	Additions	Deletions	Principal Outstanding 6/30/09
	\$	<u>          -</u>	<u>10,000,000</u>	<u>          -</u>	<u>10,000,000</u>
Bond anticipation notes					

*Bond Anticipation Notes* - On March 17, 2009, the School District issued \$10,000,000 of bond anticipation notes for the construction of a new high school. These notes bear an interest rate of 1.50%, mature on January 27, 2010, and will be repaid from the Building Construction Fund.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
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**13. LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 2009 were as follows:

	Principal Outstanding 7/1/08	Additions	Reductions	Principal Outstanding 6/30/09	Amounts Due in One Year
<b><i>Governmental Activities:</i></b>					
General obligation bonds:					
Serial and term bonds	\$ 8,315,000	-	(250,000)	8,065,000	255,000
Capital appreciation bonds	55,000	-	-	55,000	-
Unamortized premiums	212,095	-	(13,392)	198,703	-
Interest accretion	-	25,168	-	25,168	-
Lease-purchase agreements	2,853,000	-	(148,000)	2,705,000	92,000
Compensated absences	1,825,245	537,276	(204,222)	2,158,299	377,650
<b>Total</b>	<b>\$ 13,260,340</b>	<b>562,444</b>	<b>(615,614)</b>	<b>13,207,170</b>	<b>724,650</b>

*General Obligation School Improvement Bonds* - The School District issued \$9,214,680 in Series 2004 general obligation bonds for the purpose of school improvements. The bonds pay interest at rates ranging from 2% to 5% and fully mature on December 1, 2030. The School District issued \$5,470,000 in Series 2007 general obligation refunding bonds that refunded a portion of the Series 2004 bonds. The refunded bonds pay interest at rates ranging from 4% to 4.5% and fully mature on December 1, 2030. Both of these bonds will be repaid from the Debt Service Fund.

Principal and interest requirements to retire the general obligations bonds outstanding at June 30, 2009 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 255,000	338,423	593,423
2011	265,000	329,958	594,958
2012	295,000	340,271	635,271
2013	305,000	309,330	614,330
2014	315,000	297,376	612,376
2015-2019	1,740,000	1,272,603	3,012,603
2020-2024	1,315,000	981,413	2,296,413
2025-2029	1,940,000	537,790	2,477,790
2030-2031	1,690,000	52,538	1,742,538
<b>Total</b>	<b>\$ 8,120,000</b>	<b>4,459,702</b>	<b>12,579,702</b>

**TALAWANDA SCHOOL DISTRICT, OHIO**  
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*Lease-purchase Agreements* – During 2005, the Board authorized financing in the amount of \$614,000 for HVAC upgrades and the acquisition of land for the new elementary school with a lease-purchase agreement through the Ohio Association of School Business Official’s Expanded Asset Pooled Financing Program. During 2006, the Board authorized financing in the amount of \$2,593,000 for the construction of a new elementary school with a lease-purchase agreement through the Ohio Association of School Business Official’s Expanded Asset Pooled Financing Program. The future minimum payments for both lease-purchase agreements as of June 30, 2009 were as follows:

Fiscal Year Ending June 30,		
2010	\$	222,805
2011		280,837
2012		279,658
2013		277,215
2014		275,533
2015-2019		1,117,637
2020-2024		1,064,419
2025-2026		<u>428,868</u>
Total		3,946,972
Less amount representing interest		<u>(1,241,972)</u>
Present value of minimum lease payments	\$	<u><u>2,705,000</u></u>

All general obligation debt is supported by the full faith and credit of the School District. Compensated absences will be paid primarily by the General Fund.

**14. JOINTLY GOVERNED ORGANIZATIONS**

*Butler Technology and Career Development Schools*

The Butler Technology and Career Development Schools (Butler Tech), a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school districts’ elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Butler Tech was formed for the purpose of providing vocational education opportunities to the students of the member school districts which includes the students of the School District. The School District has no ongoing financial interest in nor responsibility for Butler Tech. To obtain financial information, write to Butler Tech, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.



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*Southwestern Ohio Computer Association*

The Southwestern Ohio Computer Association (SWOCA) was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the member schools of the three county consortium supports SWOCA based upon per pupil charge dependent upon the software package utilized. SWOCA is governed by a board of directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating School District is limited to its representation on the Board. To obtain financial information, write to SWOCA, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

**15. INSURANCE PURCHASING POOLS**

*Butler Health Plan*

The School District participates in the Butler Health Plan (BHP), an insurance purchasing pool, formed to provide affordable and desirable dental, life, medical, and other disability group insurance for member's employees, eligible dependents and designated beneficiaries. The Board of Directors consists of one representative from each of the participating members and is elected by the vote of a majority of the member school districts. Financial information can be obtained from BHP at P. O. Box 526, Middletown, Ohio 45042.

*Ohio School Plan*

The Ohio School Plan (OSP) is an insurance purchasing pool among school districts in Ohio formed for the purpose of establishing a group primary and excess insurance/self-insurance and risk management program. Members agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by OSP. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance. The affairs of the corporation are managed by a 13-member Board of Directors made up of school administrators. The School District does not have an equity interest in OSP.

*Ohio School Boards Association Workers' Compensation Group Rating Plan*

The School District participates in the Ohio School Boards Association (OSBA) Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
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**16. CONTINGENCIES**

**Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2009.

**Litigation**

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

**17. REQUIRED SET-ASIDES**

The School District is required by State statute to annually set aside in the general fund an amount based on the 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 year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year-end set aside amounts for textbooks and capital acquisition. Disclosure of this information is required by State statute.

		<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside balance as of June 30, 2008	\$	(32,986)	-	202,876
Current year set-aside requirement		451,333	451,333	-
Less qualifying disbursements		<u>(443,817)</u>	<u>(887,594)</u>	<u>-</u>
Total		<u>(25,470)</u>	<u>(436,261)</u>	<u>202,876</u>
Balance carried to FY2010		<u>(25,470)</u>	<u>-</u>	<u>202,876</u>
Cash balance as of June 30, 2009	\$	<u>-</u>	<u>-</u>	<u>202,876</u>

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2009**

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Since the School District had offsets and qualifying disbursements during the year that reduced the set aside amount for textbooks and instructional materials to below zero, these extra amounts could be used to reduce the set aside requirements of future years but the School District has elected not to carry the excess forward. However, the excess qualifying disbursements of the capital improvement set-aside may not be used to reduce the capital improvement set aside requirements of future years.

The Ohio General Assembly eliminated the requirement for the budget stabilization reserve and effective April 10, 2001, the Board of Education could choose to eliminate the reserve with the exception of rebates received from the Bureau of Workers Compensation. The School District chose not to reduce its budget stabilization reserve.

**18. SUBSEQUENT EVENT**

In October 2009, the School District issued \$46,049,669 in general obligation school improvement bonds to finance the construction of the new high school building.

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## REQUIRED SUPPLEMENTARY INFORMATION

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**TALAWANDA SCHOOL DISTRICT, OHIO**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Taxes	\$ 18,312,674	18,358,702	18,358,702	-
Tuition and fees	875,000	834,260	834,260	-
Interest	350,000	363,066	363,066	-
Intergovernmental	10,743,193	11,001,006	11,001,006	-
Other local revenues	250,000	242,329	242,329	-
<b>Total revenues</b>	<u>30,530,867</u>	<u>30,799,363</u>	<u>30,799,363</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	13,380,238	13,138,910	13,138,910	-
Special education	2,398,105	2,229,822	2,229,822	-
Other instruction	1,371,964	1,072,334	1,072,334	-
Support services:				
Pupil	1,314,723	1,216,348	1,216,348	-
Instructional staff	1,822,859	1,780,200	1,780,200	-
Board of Education	90,498	26,814	26,814	-
Administration	1,963,626	2,026,070	2,026,070	-
Fiscal	1,165,268	1,134,853	1,134,853	-
Business	9,520	6,349	6,349	-
Operation and maintenance of plant	3,611,732	2,779,109	2,779,109	-
Pupil transportation	2,470,230	2,186,216	2,186,216	-
Central	115,214	118,376	118,376	-
Non-instructional services:				
Extracurricular activities	608,798	527,992	527,992	-
Capital outlay	5,950	2,000	2,000	-
<b>Total expenditures</b>	<u>30,328,725</u>	<u>28,245,393</u>	<u>28,245,393</u>	<u>-</u>
Excess of revenues over (under) expenditures	202,142	2,553,970	2,553,970	-
<b>Other financing sources (uses):</b>				
Advances in	-	27,910	27,910	-
Advances out	(250,000)	(13,597)	(13,597)	-
Sale of assets	-	187	187	-
Refund of prior year expenditures	-	34,228	34,228	-
<b>Total other financing sources (uses)</b>	<u>(250,000)</u>	<u>48,728</u>	<u>48,728</u>	<u>-</u>
Net change in fund balance	(47,858)	2,602,698	2,602,698	-
Fund balance, beginning of year	11,175,912	11,175,912	11,175,912	
Prior year encumbrances appropriated	140,128	140,128	140,128	
Fund balance, end of year	\$ <u>11,268,182</u>	<u>13,918,738</u>	<u>13,918,738</u>	

See accompanying notes to required supplemental information.

## TALAWANDA SCHOOL DISTRICT, OHIO

Notes to Required Supplementary Information

Year Ended June 30, 2009

### **Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

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

*Estimated Resources* Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary schedules reflect the amounts in the final amended certificate issued during fiscal year 2009.

*Appropriations* Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolutions, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at the level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The budget figures, which appear in the schedules of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions. The Board passed supplemental appropriations during the fiscal year.

*Encumbrances* As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year-end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

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

While the District is reporting financial position, results of operations, and changes in fund balances 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 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).



The following table summarizes the adjustments necessary to reconcile the GAAP statements and the budgetary basis schedule:

	<u>General</u>
Net change in fund balance - GAAP Basis	\$ 1,768,752
Increase / (decrease):	
Due to revenues	683,272
Due to expenditures	208,547
Due to other sources (uses)	48,728
Due to encumbrances	<u>(106,601)</u>
Net change in fund balance - Budget Basis	\$ <u>2,602,698</u>

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SUPPLEMENTAL SECTION  
COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

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## *Talawanda School District, Ohio*

### **Non-major Special Revenue Funds:**

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than private-purpose trusts or major capital projects) that are legally restricted to expenditure for specified purposes. The description of each Special Revenue Fund follows:

The **Public School Support Fund** accounts for specific local revenue sources generated by the individual school buildings. Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

The **Athletic Fund** accounts for student activity programs which have student participation in the activity, but do not have student management of the programs.

The **Auxiliary Service Fund** accounts for state funds which provide services and materials to pupils attending non-public schools within the boundaries of the School District as provided for in state law. Expenditures are primarily for educational supplies, materials, and testing.

The **Entry Year Teacher Fund** accounts for state funds which are provided for entry-year program.

The **Management Information Systems Fund** accounts for state funds which are provided to assist the School District in implementing a staff, student and financial reporting system as mandated by the Omnibus Education Reform Act of 1989.

The **State Connectivity Fund** accounts for state funds for networking connectivity.

The **Schoolnet Professional Development Fund** accounts for state funds which are provided for staff development in the area of technology.

The **High Schools That Work Fund** accounts for state funds used for instructions.

The **Miscellaneous State Grants Fund** accounts for various grants received from the state government that are not classified elsewhere.

The **Poverty Based Assistance Fund** accounts for state funds which are designated to assist economically disadvantaged children in the learning process.

## *Talawanda School District, Ohio*

### **Non-major Special Revenue Funds (continued):**

The **Title VI-B Fund** accounts for federal funds used to provide full educational opportunities to handicapped children at the preschool, elementary and secondary levels, assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

The **Title III LEP Fund** accounts for federal funds used to develop and carry out programs to meet the educational needs of children of limited English proficiency.

The **Title I Fund** accounts for federal funds for services provided to meet special educational needs of educationally deprived children.

The **Title VI Fund** accounts for federal funds for programs for the at-risk students, instruction materials to improve the quality of instruction, programs of professional development, and programs to enhance personal excellence of students and student achievement.

The **Drug Free Schools Fund** accounts for federal funds supporting the establishment, operation and improvement of programs for drug abuse prevention, early intervention, rehabilitation referral and education in schools.

The **EHA Preschool Handicapped Fund** accounts for federal funds for programs for preschool handicapped children.

The **Improving Teacher Quality Fund** accounts for federal funds designed to hire additional classroom teachers so that the number of students per teacher will be reduced.

The **Miscellaneous Federal Grants Fund** accounts for various grants received from the federal government that are not classified elsewhere.

The **Special Revenue Fund** accounts for various local grants and contributions.

The **Food Services Fund** accounts for the financial transactions related to the food service operation of the School District.

The **Uniform School Supply Fund** accounts for the purchase and sale of school supplies as adopted by the Board of Education for use in the School District.

## *Talawanda School District, Ohio*

### **Non-major Capital Projects Funds:**

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings, additions to existing school buildings, or for major renovation projects, including equipment purchases:

The **Permanent Improvement Fund** accounts for major improvements or renovations to existing facilities.

The **School Net Fund** accounts for capital grants from the state for technology.

### **Private-Purpose Trust Funds and Agency Funds:**

Private-purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments.

The **Special Trust Fund** accounts for donations that are received to provide scholarships and awards to students.

Agency funds are used to account for assets held in a custodial capacity.

The **Student Activities Funds** account for the resources that belong to various student groups in the District. The funds account for sales and other revenue generating activities by student groups which have students involved in the management of the program.

The **Unclaimed Monies Fund** accounts for unclaimed funds from outstanding checks in excess of one year old.

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**TALAWANDA SCHOOL DISTRICT, OHIO**

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 957,667	740,588	1,698,255
Receivables:			
Taxes	-	1,416,079	1,416,079
Intergovernmental	101,341	-	101,341
Supplies inventory	14,969	-	14,969
<b>Total assets</b>	<u>1,073,977</u>	<u>2,156,667</u>	<u>3,230,644</u>
<b>Liabilities:</b>			
Accounts payable	47,382	185,000	232,382
Accrued wages and benefits	213,025	-	213,025
Pension obligation payable	28,576	-	28,576
Deferred revenue	651	1,378,652	1,379,303
Interfund payable	13,597	-	13,597
<b>Total liabilities</b>	<u>303,231</u>	<u>1,563,652</u>	<u>1,866,883</u>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	44,133	3,529	47,662
Supplies inventory	14,969	-	14,969
Property taxes	-	37,427	37,427
Unreserved, reported in:			
Special Revenue Funds	711,644	-	711,644
Capital Projects Funds	-	552,059	552,059
<b>Total fund balances</b>	<u>770,746</u>	<u>593,015</u>	<u>1,363,761</u>
<b>Total liabilities and fund balances</b>	\$ <u>1,073,977</u>	<u>2,156,667</u>	<u>3,230,644</u>



**TALAWANDA SCHOOL DISTRICT, OHIO**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Taxes	\$ -	1,153,601	1,153,601
Charges for services	843,724	-	843,724
Interest	10	-	10
Intergovernmental	1,813,892	140,280	1,954,172
Other local revenues	431,209	-	431,209
<b>Total revenues</b>	<u>3,088,835</u>	<u>1,293,881</u>	<u>4,382,716</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	310,890	369,125	680,015
Special education	477,069	-	477,069
Support services:			
Pupil	611,464	-	611,464
Instructional staff	131,162	22,807	153,969
Administration	16,509	-	16,509
Fiscal	-	17,847	17,847
Operations and maintenance	-	4,800	4,800
Non-instructional services:			
Community services	44,120	-	44,120
Extracurricular activities	186,534	51,140	237,674
Food services	1,069,312	-	1,069,312
Capital outlay	-	767,486	767,486
Debt service:			
Principal	-	148,000	148,000
Interest and fiscal charges	-	137,815	137,815
<b>Total expenditures</b>	<u>2,847,060</u>	<u>1,519,020</u>	<u>4,366,080</u>
Net change in fund balances	241,775	(225,139)	16,636
Fund balance, beginning of year	528,971	818,154	1,347,125
Fund balance, end of year	<u>\$ 770,746</u>	<u>593,015</u>	<u>1,363,761</u>

**TALAWANDA SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2009

	<u>Public School Support</u>	<u>Athletic</u>	<u>Auxiliary Service</u>	<u>Entry Year Teacher</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 133,076	64,092	12,226	929
Receivables:				
Intergovernmental	-	-	-	-
Supplies inventory	-	-	-	-
<b>Total assets</b>	<u>133,076</u>	<u>64,092</u>	<u>12,226</u>	<u>929</u>
<b>Liabilities:</b>				
Accounts payable	27,668	307	5,652	-
Accrued wages and benefits	-	-	-	-
Pension obligation payable	-	-	-	-
Deferred revenue	-	-	-	-
Interfund payable	-	-	-	-
<b>Total liabilities</b>	<u>27,668</u>	<u>307</u>	<u>5,652</u>	<u>-</u>
<b>Fund Balances:</b>				
Reserved for:				
Encumbrances	-	1,524	3,796	-
Supplies inventory	-	-	-	-
Unreserved-undesignated	105,408	62,261	2,778	929
<b>Total fund balances</b>	<u>105,408</u>	<u>63,785</u>	<u>6,574</u>	<u>929</u>
<b>Total liabilities and fund balances</b>	\$ <u>133,076</u>	<u>64,092</u>	<u>12,226</u>	<u>929</u>

<u>Management Information Systems</u>	<u>State Connectivity</u>	<u>SchoolNet Professional Development</u>	<u>High Schools That Work</u>	<u>Misc. State Grants</u>	<u>Poverty Based Assistance</u>	<u>Title VIB</u>
-	16,161	76	1,117	3,000	22,459	5,724
-	-	-	-	-	-	57,575
-	-	-	-	-	-	-
<u>-</u>	<u>16,161</u>	<u>76</u>	<u>1,117</u>	<u>3,000</u>	<u>22,459</u>	<u>63,299</u>
-	-	-	-	-	-	3,375
-	-	-	-	-	-	52,128
-	-	-	-	-	-	4,550
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,053</u>
-	-	67	1,071	-	-	-
-	-	-	-	-	-	-
-	16,161	9	46	3,000	22,459	3,246
<u>-</u>	<u>16,161</u>	<u>76</u>	<u>1,117</u>	<u>3,000</u>	<u>22,459</u>	<u>3,246</u>
<u>-</u>	<u>16,161</u>	<u>76</u>	<u>1,117</u>	<u>3,000</u>	<u>22,459</u>	<u>63,299</u>

(Continued)

**TALAWANDA SCHOOL DISTRICT, OHIO**

Combining Balance Sheet (continued)

Nonmajor Special Revenue Funds

June 30, 2009

	<u>Title III LEP</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 2,706	117	-	229
Receivables:				
Intergovernmental	651	31,157	-	1,478
Supplies and inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>3,357</u>	<u>31,274</u>	<u>-</u>	<u>1,707</u>
<b>Liabilities:</b>				
Accounts payable	1,902	-	-	-
Accrued wages and benefits	-	63,408	-	1,119
Pension obligation payable	-	5,372	-	272
Deferred revenue	651	-	-	-
Interfund loans payable	<u>-</u>	<u>13,569</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>2,553</u>	<u>82,349</u>	<u>-</u>	<u>1,391</u>
<b>Fund Balances:</b>				
Reserved for:				
Encumbrances	804	116	-	-
Supplies inventory	-	-	-	-
Unreserved-undesignated	<u>-</u>	<u>(51,191)</u>	<u>-</u>	<u>316</u>
<b>Total fund balances</b>	<u>804</u>	<u>(51,075)</u>	<u>-</u>	<u>316</u>
<b>Total liabilities and fund balances</b>	\$ <u>3,357</u>	<u>31,274</u>	<u>-</u>	<u>1,707</u>

<u>EHA Preschool Handicapped</u>	<u>Improving Teacher Quality Grant</u>	<u>Misc. Federal Grants</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u><b>TOTAL</b></u>
593	194	960	153,128	297,102	243,778	957,667
909	9,571	-	-	-	-	101,341
-	-	-	-	14,969	-	14,969
<u>1,502</u>	<u>9,765</u>	<u>960</u>	<u>153,128</u>	<u>312,071</u>	<u>243,778</u>	<u>1,073,977</u>
187	-	-	3,856	-	4,435	47,382
1,476	19,353	489	-	75,052	-	213,025
132	1,289	231	-	16,730	-	28,576
-	-	-	-	-	-	651
-	-	-	28	-	-	13,597
<u>1,795</u>	<u>20,642</u>	<u>720</u>	<u>3,884</u>	<u>91,782</u>	<u>4,435</u>	<u>303,231</u>
3	-	-	9,078	19,663	8,011	44,133
-	-	-	-	14,969	-	14,969
<u>(296)</u>	<u>(10,877)</u>	<u>240</u>	<u>140,166</u>	<u>185,657</u>	<u>231,332</u>	<u>711,644</u>
<u>(293)</u>	<u>(10,877)</u>	<u>240</u>	<u>149,244</u>	<u>220,289</u>	<u>239,343</u>	<u>770,746</u>
<u>1,502</u>	<u>9,765</u>	<u>960</u>	<u>153,128</u>	<u>312,071</u>	<u>243,778</u>	<u>1,073,977</u>

# TALAWANDA SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

All Nonmajor Special Revenue Funds

Year Ended June 30, 2009

	Public School Support	Athletic	Auxiliary Service	Entry Year Teacher
<b>Revenues:</b>				
Charges for services	\$ -	-	-	-
Interest	-	-	-	-
Intergovernmental	-	-	41,948	3,500
Other local revenues	155,579	103,460	1,050	-
<b>Total revenues</b>	<u>155,579</u>	<u>103,460</u>	<u>42,998</u>	<u>3,500</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	1,116	-	-	3,500
Special education	-	-	-	-
Support services:				
Pupil	98,319	-	-	-
Instructional staff	48,707	-	-	-
Administration	1,541	-	-	-
Non-instructional services:				
Community services	-	-	40,243	-
Extracurricular activities	1,083	95,862	-	-
Food services	-	-	-	-
<b>Total expenditures</b>	<u>150,766</u>	<u>95,862</u>	<u>40,243</u>	<u>3,500</u>
Net change in fund balances	4,813	7,598	2,755	-
Fund balance, beginning of year	100,595	56,187	3,819	929
Fund balance, end of year	<u>\$ 105,408</u>	<u>63,785</u>	<u>6,574</u>	<u>929</u>

<u>Management Information Systems</u>	<u>State Connectivity</u>	<u>SchoolNet Professional Development</u>	<u>High Schools That Work</u>	<u>Misc. State Grants</u>	<u>Poverty Based Assistance</u>	<u>Title VIB</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,682	15,000	2,970	10,000	3,000	22,459	602,341
-	-	-	-	-	-	-
<u>8,682</u>	<u>15,000</u>	<u>2,970</u>	<u>10,000</u>	<u>3,000</u>	<u>22,459</u>	<u>602,341</u>
-	-	3,134	8,929	-	-	-
-	-	-	-	-	-	2,492
-	7,839	-	-	-	-	494,692
8,682	-	-	-	-	-	60,317
-	-	550	-	-	-	14,418
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>8,682</u>	<u>7,839</u>	<u>3,684</u>	<u>8,929</u>	<u>-</u>	<u>-</u>	<u>571,919</u>
-	7,161	(714)	1,071	3,000	22,459	30,422
-	9,000	790	46	-	-	(27,176)
<u>-</u>	<u>16,161</u>	<u>76</u>	<u>1,117</u>	<u>3,000</u>	<u>22,459</u>	<u>3,246</u>

(Continued)

## TALAWANDA SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (Continued)

All Nonmajor Special Revenue Funds

Year Ended June 30, 2009

	<u>Title III LEP</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools</u>
<b>Revenues:</b>				
Charges for services	\$ -	-	-	-
Interest	-	-	-	-
Intergovernmental	9,964	461,983	2,281	9,686
Other local revenues	-	-	-	-
<b>Total revenues</b>	<u>9,964</u>	<u>461,983</u>	<u>2,281</u>	<u>9,686</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	-	-	3,696	-
Special education	9,160	457,018	-	-
Support services:				
Pupil	-	-	-	9,130
Instructional staff	-	12,513	-	-
School administration	-	-	-	-
Non-instructional services:				
Community services	-	3,592	-	-
Extracurricular activities	-	-	-	-
Food services	-	-	-	-
<b>Total expenditures</b>	<u>9,160</u>	<u>473,123</u>	<u>3,696</u>	<u>9,130</u>
Net change in fund balances	804	(11,140)	(1,415)	556
Fund balance, beginning of year	-	(39,935)	1,415	(240)
Fund balance, end of year	<u>\$ 804</u>	<u>(51,075)</u>	<u>-</u>	<u>316</u>



<u>EHA Preschool Handicapped</u>	<u>Improving Teacher Quality Grant</u>	<u>Misc. Federal Grants</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u><b>TOTAL</b></u>
-	-	-	-	666,033	177,691	843,724
-	-	-	10	-	-	10
11,814	155,846	4,657	-	447,761	-	1,813,892
-	-	-	155,242	15,878	-	431,209
<u>11,814</u>	<u>155,846</u>	<u>4,657</u>	<u>155,252</u>	<u>1,129,672</u>	<u>177,691</u>	<u>3,088,835</u>
3,000	157,804	3,662	1,926	-	124,123	310,890
7,953	-	-	446	-	-	477,069
-	-	-	1,484	-	-	611,464
-	943	-	-	-	-	131,162
-	-	-	-	-	-	16,509
-	85	200	-	-	-	44,120
-	-	-	89,589	-	-	186,534
-	-	-	-	1,069,312	-	1,069,312
<u>10,953</u>	<u>158,832</u>	<u>3,862</u>	<u>93,445</u>	<u>1,069,312</u>	<u>124,123</u>	<u>2,847,060</u>
861	(2,986)	795	61,807	60,360	53,568	241,775
<u>(1,154)</u>	<u>(7,891)</u>	<u>(555)</u>	<u>87,437</u>	<u>159,929</u>	<u>185,775</u>	<u>528,971</u>
<u>(293)</u>	<u>(10,877)</u>	<u>240</u>	<u>149,244</u>	<u>220,289</u>	<u>239,343</u>	<u>770,746</u>

**TALAWANDA SCHOOL DISTRICT, OHIO**  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2009

	<u>Permanent Improvement</u>	<u>School Net</u>	<u><b>TOTAL</b></u>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 740,189	399	740,588
Receivables:			
Taxes	<u>1,416,079</u>	<u>-</u>	<u>1,416,079</u>
<b>Total assets</b>	<u><u>2,156,268</u></u>	<u><u>399</u></u>	<u><u>2,156,667</u></u>
<b>Liabilities:</b>			
Accounts payable	185,000	-	185,000
Deferred revenue	<u>1,378,652</u>	<u>-</u>	<u>1,378,652</u>
<b>Total liabilities</b>	<u><u>1,563,652</u></u>	<u><u>-</u></u>	<u><u>1,563,652</u></u>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	3,529	-	3,529
Property taxes	37,427	-	37,427
Unreserved-undesignated	<u>551,660</u>	<u>399</u>	<u>552,059</u>
<b>Total fund balances</b>	<u><u>592,616</u></u>	<u><u>399</u></u>	<u><u>593,015</u></u>
<b>Total liabilities and fund balances</b>	\$ <u><u>2,156,268</u></u>	<u><u>399</u></u>	<u><u>2,156,667</u></u>

## TALAWANDA SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

All Nonmajor Capital Projects Funds

Year Ended June 30, 2009

	<u>Permanent Improvement</u>	<u>School Net</u>	<u><b>TOTAL</b></u>
<b>Revenues:</b>			
Taxes	\$ 1,153,601	-	1,153,601
Intergovernmental	<u>140,280</u>	<u>-</u>	<u>140,280</u>
<b>Total revenues</b>	<u>1,293,881</u>	<u>-</u>	<u>1,293,881</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	369,125	-	369,125
Support services:			
Instructional staff	-	22,807	22,807
Fiscal	17,847	-	17,847
Operations and maintenance	4,800	-	4,800
Capital outlay	767,486	-	767,486
Extracurricular activities	51,140	-	51,140
Debt service:			
Principal	148,000	-	148,000
Interest and fiscal charges	<u>137,815</u>	<u>-</u>	<u>137,815</u>
<b>Total expenditures</b>	<u>1,496,213</u>	<u>22,807</u>	<u>1,519,020</u>
Net change in fund balances	(202,332)	(22,807)	(225,139)
Fund balance, beginning of year	<u>794,948</u>	<u>23,206</u>	<u>818,154</u>
Fund balance, end of year	<u>\$ 592,616</u>	<u>399</u>	<u>593,015</u>

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Public School Support Fund

Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Other local revenues	\$ <u>156,892</u>	<u>156,892</u>	-
Total revenues	<u>156,892</u>	<u>156,892</u>	-
Expenditures:			
Current:			
Instruction:			
Regular	1,116	1,116	-
Support Services:			
Pupils	96,520	96,520	-
Instructional staff	48,707	48,707	-
Administration	1,268	1,268	-
Extracurricular activities	<u>1,082</u>	<u>1,082</u>	-
Total expenditures	<u>148,693</u>	<u>148,693</u>	-
Net change in fund balance	8,199	8,199	-
Fund balance, beginning of year	97,284	97,284	
Prior year encumbrances appropriated	<u>2,475</u>	<u>2,475</u>	
Fund balance, end of year	\$ <u><u>107,958</u></u>	<u><u>107,958</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budget Basis)

Athletic Fund

Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Other local revenues	\$ <u>103,384</u>	<u>103,384</u>	<u>-</u>
Total revenues	<u>103,384</u>	<u>103,384</u>	<u>-</u>
Expenditures:			
Current:			
Extracurricular activities	<u>99,186</u>	<u>99,186</u>	<u>-</u>
Total expenditures	<u>99,186</u>	<u>99,186</u>	<u>-</u>
Excess of revenues over (under) expenditures	4,198	4,198	-
Other financing sources:			
Refund of prior year expenditures	<u>75</u>	<u>75</u>	<u>-</u>
Total other financing sources	<u>75</u>	<u>75</u>	<u>-</u>
Net change in fund balance	4,273	4,273	-
Fund balance, beginning of year	50,236	50,236	
Prior year encumbrances appropriated	<u>8,017</u>	<u>8,017</u>	
Fund balance, end of year	\$ <u><u>62,526</u></u>	<u><u>62,526</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budget Basis)

## Auxiliary Services Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 41,947	41,947	-
Total revenues	<u>41,947</u>	<u>41,947</u>	<u>-</u>
Expenditures:			
Current:			
Community services	54,909	54,909	-
Total expenditures	<u>54,909</u>	<u>54,909</u>	<u>-</u>
Excess of revenues over (under) expenditures	(12,962)	(12,962)	-
Other financing sources:			
Refund of prior year expenditures	1,050	1,050	-
Total other financing sources	<u>1,050</u>	<u>1,050</u>	<u>-</u>
Net change in fund balance	(11,912)	(11,912)	-
Fund balance, beginning of year	2,711	2,711	
Prior year encumbrances appropriated	<u>11,979</u>	<u>11,979</u>	
Fund balance, end of year	\$ <u><u>2,778</u></u>	<u><u>2,778</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budget Basis)

Entry Year Teacher Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 3,500	3,500	-
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,500	3,500	-
Total expenditures	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	929	929	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>929</u></u>	<u><u>929</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Management Information Systems Fund

Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 8,682	8,682	-
Total revenues	<u>8,682</u>	<u>8,682</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	8,682	8,682	-
Total expenditures	<u>8,682</u>	<u>8,682</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	



**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budget Basis)

State Connectivity Fund

Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 15,000	15,000	-
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Pupil	<u>7,839</u>	<u>7,839</u>	<u>-</u>
Total expenditures	<u>7,839</u>	<u>7,839</u>	<u>-</u>
Net change in fund balance	7,161	7,161	-
Fund balance, beginning of year	9,000	9,000	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>16,161</u></u>	<u><u>16,161</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Schoolnet Professional Development Fund

Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 2,970	2,970	-
Total revenues	<u>2,970</u>	<u>2,970</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,201	3,201	-
Support services:			
Administration	<u>550</u>	<u>550</u>	<u>-</u>
Total expenditures	<u>3,751</u>	<u>3,751</u>	<u>-</u>
Net change in fund balance	(781)	(781)	-
Fund balance, beginning of year	790	790	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>9</u></u>	<u><u>9</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

High Schools That Work Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 10,000	10,000	-
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	10,000	10,000	-
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	46	46	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>46</u></u>	<u><u>46</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Miscellaneous State Grants Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 3,000	3,000	-
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	3,000	3,000	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>3,000</u></u>	<u><u>3,000</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Poverty Based Assistance Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 22,459	22,459	-
Total revenues	<u>22,459</u>	<u>22,459</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	22,459	22,459	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>22,459</u></u>	<u><u>22,459</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budget Basis)

Title VIB Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 598,556	598,556	-
Total revenues	<u>598,556</u>	<u>598,556</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special	6,964	6,964	-
Support Services:			
Pupil	485,668	485,668	-
Instructional staff	62,779	62,779	-
Administration	30,337	30,337	-
Total expenditures	<u>585,748</u>	<u>585,748</u>	<u>-</u>
Excess of revenues over expenditures	12,808	12,808	-
Other financing uses:			
Advances out	(13,996)	(13,996)	-
Total other financing uses	<u>(13,996)</u>	<u>(13,996)</u>	<u>-</u>
Net change in fund balance	(1,188)	(1,188)	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>5,575</u>	<u>5,575</u>	
Fund balance, end of year	\$ <u><u>4,387</u></u>	<u><u>4,387</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Title III Limited English Proficiency Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 9,964	9,964	-
Total revenues	<u>9,964</u>	<u>9,964</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special	9,964	9,964	-
Total expenditures	<u>9,964</u>	<u>9,964</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budget Basis)

Title I Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 465,989	465,989	-
Total revenues	<u>465,989</u>	<u>465,989</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special	449,197	449,197	-
Support Services:			
Instructional staff	14,083	14,083	-
Community services	3,591	3,591	-
Total expenditures	<u>466,871</u>	<u>466,871</u>	<u>-</u>
Excess of revenues over (under) expenditures	(882)	(882)	-
Other financing sources (uses):			
Advances in	13,569	13,569	-
Advances out	<u>(12,984)</u>	<u>(12,984)</u>	<u>-</u>
Total other financing sources (uses)	<u>585</u>	<u>585</u>	<u>-</u>
Net change in fund balance	(297)	(297)	-
Fund balance, beginning of year	297	297	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	



**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budget Basis)

Title VI Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 4,195	4,195	-
Total revenues	<u>4,195</u>	<u>4,195</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	4,150	4,150	-
Total expenditures	<u>4,150</u>	<u>4,150</u>	<u>-</u>
Excess of revenues over (under) expenditures	45	45	-
Other financing uses:			
Advances out	(45)	(45)	-
Total other financing uses	<u>(45)</u>	<u>(45)</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budget Basis)

Drug Free Schools Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 9,114	9,114	-
Total revenues	<u>9,114</u>	<u>9,114</u>	<u>-</u>
Expenditures:			
Current:			
Support Services:			
Pupil	9,034	9,034	-
Total expenditures	<u>9,034</u>	<u>9,034</u>	<u>-</u>
Net change in fund balance	80	80	-
Fund balance, beginning of year	149	149	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>229</u></u>	<u><u>229</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

EHA Preschool Handicapped Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 11,850	11,850	-
Total revenues	<u>11,850</u>	<u>11,850</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,000	3,000	-
Special	7,908	7,908	-
Total expenditures	<u>10,908</u>	<u>10,908</u>	<u>-</u>
Excess of revenues over (under) expenditures	942	942	-
Other financing uses:			
Advances out	(539)	(539)	-
Total other financing uses	<u>(539)</u>	<u>(539)</u>	<u>-</u>
Net change in fund balance	403	403	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>403</u></u>	<u><u>403</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Improving Teacher Quality Grant Fund  
 Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 154,784	154,784	-
Total revenues	<u>154,784</u>	<u>154,784</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	156,539	156,539	-
Support Services:			
Instructional staff	942	942	-
Community services	85	85	-
Total expenditures	<u>157,566</u>	<u>157,566</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(2,782)</u>	<u>(2,782)</u>	<u>-</u>
Other financing sources (uses):			
Advances out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(2,782)	(2,782)	-
Fund balance, beginning of year	2,795	2,795	
Prior year encumbrances appropriated	<u>181</u>	<u>181</u>	
Fund balance, end of year	\$ <u>194</u>	<u>194</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Miscellaneous Federal Grants Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
	<u>          </u>	<u>          </u>	<u>          </u>
Revenues:			
Intergovernmental	\$ 4,657	4,657	-
Total revenues	<u>4,657</u>	<u>4,657</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	5,518	5,518	-
Community services	200	200	-
Total expenditures	<u>5,718</u>	<u>5,718</u>	<u>-</u>
Excess of revenues over (under) expenditures	(1,061)	(1,061)	-
Other financing uses:			
Advances out	(346)	(346)	-
Total other financing uses	<u>(346)</u>	<u>(346)</u>	<u>-</u>
Net change in fund balance	(1,407)	(1,407)	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>2,367</u>	<u>2,367</u>	
Fund balance, end of year	\$ <u><u>960</u></u>	<u><u>960</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budget Basis)

Special Revenue Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Earnings on investments	\$ 11	11	-
Other local revenues	136,727	136,727	
Intergovernmental	<u>18,514</u>	<u>18,514</u>	-
Total revenues	<u>155,252</u>	<u>155,252</u>	-
Expenditures:			
Current:			
Extracurricular	<u>103,770</u>	<u>103,770</u>	-
Total expenditures	<u>103,770</u>	<u>103,770</u>	-
Excess of revenues over (under) expenditures	51,482	51,482	-
Other financing sources:			
Advances in	<u>28</u>	<u>28</u>	-
Total other financing sources	<u>28</u>	<u>28</u>	-
Net change in fund balance	51,510	51,510	-
Fund balance, beginning of year	86,424	86,424	
Prior year encumbrances appropriated	<u>2,480</u>	<u>2,480</u>	
Fund balance, end of year	\$ <u><u>140,414</u></u>	<u><u>140,414</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budget Basis)

Food Service Fund

Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Charges for services	\$ 666,033	666,033	-
Other local revenues	15,878	15,878	-
Intergovernmental	<u>403,152</u>	<u>403,152</u>	-
Total revenues	<u>1,085,063</u>	<u>1,085,063</u>	-
Expenditures:			
Current:			
Food services	<u>1,042,920</u>	<u>1,042,920</u>	-
Total expenditures	<u>1,042,920</u>	<u>1,042,920</u>	-
Net change in fund balance	42,143	42,143	-
Fund balance, beginning of year	212,076	212,076	
Prior year encumbrances appropriated	<u>23,220</u>	<u>23,220</u>	
Fund balance, end of year	\$ <u><u>277,439</u></u>	<u><u>277,439</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Uniform School Supplies Fund

Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Charges for services	\$ 177,691	177,691	-
Total revenues	<u>177,691</u>	<u>177,691</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	<u>132,436</u>	<u>132,436</u>	-
Total expenditures	<u>132,436</u>	<u>132,436</u>	<u>-</u>
Net change in fund balance	45,255	45,255	-
Fund balance, beginning of year	183,067	183,067	
Prior year encumbrances appropriated	<u>3,034</u>	<u>3,034</u>	
Fund balance, end of year	\$ <u><u>231,356</u></u>	<u><u>231,356</u></u>	



**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Debt Service Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$ 2,141,483	2,141,483	-
Intergovernmental	251,414	251,414	-
Total revenues	<u>2,392,897</u>	<u>2,392,897</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Fiscal	34,731	34,731	-
Debt service:			
Repayment of debt	596,081	596,081	-
Total expenditures	<u>630,812</u>	<u>630,812</u>	<u>-</u>
Net change in fund balance	1,762,085	1,762,085	-
Fund balance, beginning of year	562,986	562,986	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>2,325,071</u></u>	<u><u>2,325,071</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Permanent Improvement Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$ 1,166,174	1,166,174	-
Intergovernmental	140,280	140,280	-
Total revenues	<u>1,306,454</u>	<u>1,306,454</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	372,615	372,615	-
Support services:			
Fiscal	17,847	17,847	-
Operations and maintenance	4,800	4,800	-
Extracurricular activities	51,140	51,140	-
Capital outlay	767,525	767,525	-
Debt service:			
Repayment of debt	285,815	285,815	-
Total expenditures	<u>1,499,742</u>	<u>1,499,742</u>	<u>-</u>
Net change in fund balance	(193,288)	(193,288)	-
Fund balance, beginning of year	556,430	556,430	
Prior year encumbrances appropriated	<u>188,518</u>	<u>188,518</u>	
Fund balance, end of year	<u>\$ 551,660</u>	<u>551,660</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Building Construction Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>			
Earnings on investments	\$ (3,619)	(3,619)	-
Other local revenues	1,030	1,030	-
Total revenues	<u>(2,589)</u>	<u>(2,589)</u>	<u>-</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	10,506	10,506	-
Capital outlay	<u>6,199,836</u>	<u>6,199,836</u>	<u>-</u>
Total expenditures	<u>6,210,342</u>	<u>6,210,342</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(6,212,931)</u>	<u>(6,212,931)</u>	<u>-</u>
<b>Other financing sources:</b>			
Proceeds from sale of notes	<u>10,013,566</u>	<u>10,013,566</u>	<u>-</u>
Total other financing sources	<u>10,013,566</u>	<u>10,013,566</u>	<u>-</u>
Net change in fund balance	3,800,635	3,800,635	-
Fund balance, beginning of year	432,864	432,864	
Prior year encumbrances appropriated	<u>1,170</u>	<u>1,170</u>	
Fund balance, end of year	<u>\$ 4,234,669</u>	<u>4,234,669</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Schoolnet Fund

Year Ended June 30, 2009

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ -	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Support services:			
Instructional staff	22,807	22,807	-
Total expenditures	<u>22,807</u>	<u>22,807</u>	<u>-</u>
Net change in fund balance	(22,807)	(22,807)	-
Fund balance, beginning of year	23,206	23,206	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>399</u></u>	<u><u>399</u></u>	

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# TALAWANDA SCHOOL DISTRICT, OHIO

Combining Statement of Net Assets

Agency Funds

June 30, 2009

	Agency Funds		
	Student Activities	Unclaimed Monies	Total
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 93,766	17,230	110,996
Total assets	<u>93,766</u>	<u>17,230</u>	<u>110,996</u>
<b>Liabilities:</b>			
Due to student groups	93,766	-	93,766
Due to others	-	17,230	17,230
Total liabilities	<u>\$ 93,766</u>	<u>17,230</u>	<u>110,996</u>

**TALAWANDA SCHOOL DISTRICT, OHIO**

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

Year Ended June 30, 2009

	Beginning Balance 7/1/08	Additions	Deductions	Ending Balance 6/30/09
<b>STUDENT ACTIVITIES FUND</b>				
<b>Assets:</b>				
Equity in pooled cash and investments \$	<u>80,155</u>	<u>108,815</u>	<u>95,204</u>	<u>93,766</u>
<b>Liabilities:</b>				
Due to student groups	<u>80,155</u>	<u>108,815</u>	<u>95,204</u>	<u>93,766</u>
<hr/>				
<b>UNCLAIMED MONIES FUND</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	<u>16,019</u>	<u>1,211</u>	<u>-</u>	<u>17,230</u>
<b>Liabilities:</b>				
Due to others	<u>16,019</u>	<u>1,211</u>	<u>-</u>	<u>17,230</u>
<hr/>				
<b>TOTAL</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	<u>96,174</u>	<u>110,026</u>	<u>95,204</u>	<u>110,996</u>
<b>Liabilities:</b>				
Due to others	16,019	1,211	-	17,230
Due to student groups	<u>80,155</u>	<u>108,815</u>	<u>95,204</u>	<u>93,766</u>
\$	<u>96,174</u>	<u>110,026</u>	<u>95,204</u>	<u>110,996</u>

# Statistical Section

## Bogan Elementary





# Statistical Section

This part of Talawanda School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

## Contents

### **Financial Trends**

These schedules contain trend information to help the reader understand how the School District's financial position has changed over time. 97-101

### **Revenue Capacity**

These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax (and the income tax). 102-105

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future. 106-108

### **Economic and Demographic Information**

These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments. 109-110

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs. 111-114

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

**Talawanda School District, Ohio**  
*Net Assets by Component*  
*Last Seven Fiscal Years*  
*(accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Invested in Capital Assets, Net of Related Debt	\$10,627,075	\$10,478,157	\$11,225,988	\$10,925,808	\$9,960,126	\$9,044,201	\$9,065,176
Restricted for:							
Capital Projects	413,761	696,138	344,548	405,075	537,139	465,878	2,334,673
Debt Service	0	0	0	424,080	488,013	610,498	2,448,779
Other Purposes	73,847	881,506	564,594	309,048	304,687	268,143	258,848
Unrestricted (Deficit)	<u>5,909,104</u>	<u>5,452,697</u>	<u>4,570,756</u>	<u>7,187,878</u>	<u>8,854,255</u>	<u>10,922,468</u>	<u>10,505,332</u>
<b>Total Net Assets</b>	<u><u>\$17,023,787</u></u>	<u><u>\$17,508,498</u></u>	<u><u>\$16,705,886</u></u>	<u><u>\$19,251,889</u></u>	<u><u>\$20,144,220</u></u>	<u><u>\$21,311,188</u></u>	<u><u>\$24,612,808</u></u>

**Talawanda School District, Ohio**  
**Changes in Net Assets of Governmental Activities**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**

	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>							
Regular Instruction	\$11,790,964	\$12,199,833	\$12,926,007	\$13,099,550	\$13,914,317	\$14,505,019	\$14,818,997
Special Instruction	2,406,330	2,404,457	2,597,261	2,383,506	2,625,418	2,752,263	2,798,761
Adult/continuing	488,355	602,424	640,640	1,161,589	1,060,583	1,232,110	1,066,944
Pupil Support	1,344,517	1,432,903	1,475,051	1,402,300	1,735,100	1,790,980	1,866,070
Instructional Staff Support	1,575,132	1,690,626	1,775,739	1,851,673	1,808,410	2,015,200	1,947,019
Board of Education	135,331	60,937	85,720	37,029	107,231	59,448	62,513
Administration	1,465,644	1,696,618	1,727,932	1,845,575	1,988,368	2,143,346	2,172,472
Fiscal	650,892	677,861	758,058	866,779	1,013,792	1,159,110	1,193,338
Business	6,494	5,126	5,855	7,778	12,122	7,691	4,663
Operation and Maintenance of Plant	3,191,220	3,142,722	2,937,568	3,045,403	3,678,198	3,555,261	3,067,060
Pupil Transportation	1,711,053	1,824,684	1,904,205	1,985,823	2,053,020	2,593,052	2,070,601
Central	30,863	36,554	115,561	104,377	96,650	103,191	116,155
Extracurricular Activities	537,695	561,621	675,887	462,902	648,550	785,993	790,519
Community Service	35,366	61,113	34,874	34,026	78,708	57,933	31,540
Food Service	940,521	1,009,979	1,072,859	1,066,655	1,150,745	1,122,373	1,158,780
Interest and Fiscal Charges	15,470	86,488	545,755	471,917	602,893	441,994	544,786
<b>Total Expenses</b>	<b>26,325,847</b>	<b>27,493,946</b>	<b>29,278,972</b>	<b>29,826,882</b>	<b>32,574,105</b>	<b>34,324,964</b>	<b>33,710,218</b>
<b>Program Revenues</b>							
Charges for Services							
Regular Instruction	\$143,394	\$482,271	\$350,196	\$578,544	\$628,145	\$850,579	\$1,113,116
Adult/continuing	354,513	0	0	0	0	0	0
Extracurricular Activities	77,495	73,850	94,141	97,473	91,956	104,701	103,385
Food Service	620,749	596,763	614,124	647,018	666,463	678,006	666,033
Operating Grants and Contributions							
Regular Instruction	189,939	216,463	260,352	208,976	196,322	185,257	162,478
Special Instruction	358,678	462,492	455,663	526,352	426,161	425,574	423,013
Adult/continuing	56,867	0	0	0	0	0	0
Pupil Support	306,659	118,086	197,002	187,169	385,735	486,034	508,845
Staff Support	36,783	83,229	177,690	217,601	85,064	99,111	78,158
Administration	0	137,288	169,870	149,644	224,879	129,396	14,146
Operation and Maintenance of Plant	0	9,696	30,110	0	0	0	0
Central	89,170	0	28,140	0	0	0	0
Community Service	0	38,125	43,025	44,222	51,286	49,966	44,904
Food Service	259,879	266,885	387,037	349,841	370,290	383,830	447,761
Capital Grants and Contributions							
Regular Instruction	2,400	53,872	0	0	0	0	0
Pupil Transportation	0	0	0	19,745	32,948	17,637	42,116
<b>Total Program Revenues</b>	<b>2,496,526</b>	<b>2,539,020</b>	<b>2,807,350</b>	<b>3,026,585</b>	<b>3,159,249</b>	<b>3,410,091</b>	<b>3,603,955</b>
<b>Net Expense</b>	<b>(\$23,829,321)</b>	<b>(\$24,954,926)</b>	<b>(\$26,471,622)</b>	<b>(\$26,800,297)</b>	<b>(\$29,414,856)</b>	<b>(\$30,914,873)</b>	<b>(\$30,106,263)</b>

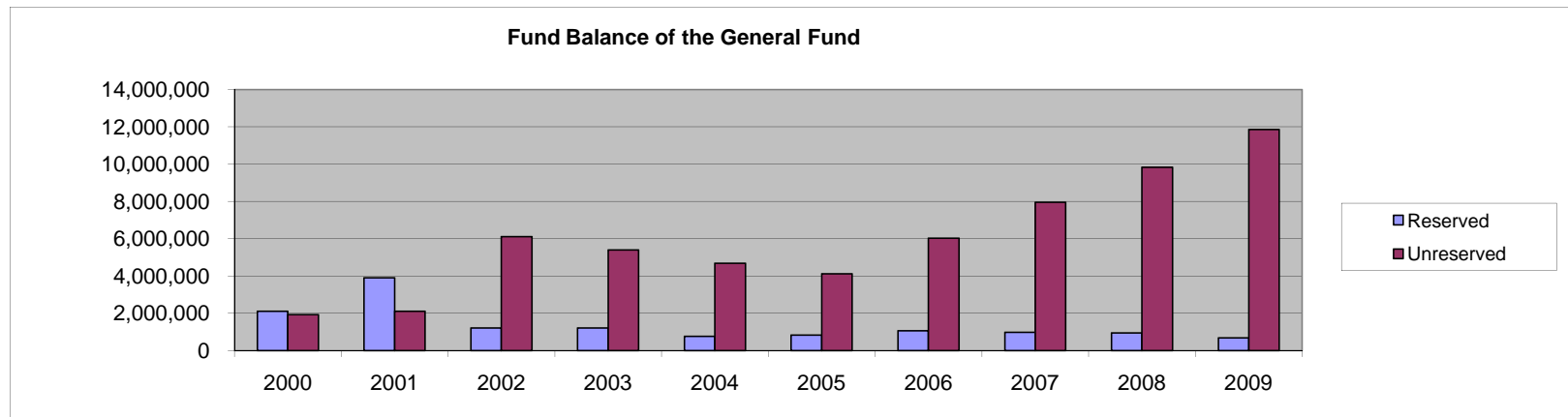
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**Talawanda School District, Ohio**  
**Changes in Net Assets of Governmental Activities (continued)**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**

	2003	2004	2005	2006	2007	2008	2009
<b>General Revenues</b>							
Property Taxes Levied for:							
General Purposes	\$11,120,771	\$12,058,280	\$11,650,378	\$11,782,454	\$11,901,570	\$12,537,988	\$12,327,216
Debt Services	0	288,772	579,111	605,295	643,036	636,684	2,289,969
Capital Outlay	0	482,092	966,764	1,016,982	1,042,665	1,156,760	1,151,688
Income Taxes Levied for							
General Purposes	0	0	1,220,215	4,659,711	5,237,252	5,735,900	5,413,750
Grants and Entitlements not							
Restricted to Specific Programs	10,737,983	10,739,556	10,339,073	10,256,911	10,299,542	10,709,123	11,358,072
Investment Earnings	256,073	82,640	381,563	567,201	674,980	666,395	388,995
Miscellaneous	270,774	405,696	528,598	457,746	508,142	638,991	478,193
Gain on Sale of Assets	0	1,382,601	3,308	0	0	0	0
<b>Total General Revenues</b>	<u>22,385,601</u>	<u>25,439,637</u>	<u>25,669,010</u>	<u>29,346,300</u>	<u>30,307,187</u>	<u>32,081,841</u>	<u>33,407,883</u>
<b>Change in Net Assets</b>	<u>(\$1,443,720)</u>	<u>\$484,711</u>	<u>(\$802,612)</u>	<u>\$2,546,003</u>	<u>\$892,331</u>	<u>\$1,166,968</u>	<u>\$3,301,620</u>

**Talawanda School District, Ohio**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Fund</b>										
Reserved	\$2,107,929	\$3,908,408	\$1,203,082	\$1,202,953	\$760,317	\$825,550	\$1,067,052	\$971,964	\$945,894	\$673,938
Unreserved	1,928,786	2,106,297	6,107,566	5,399,072	4,676,957	4,111,966	6,018,585	7,956,289	9,822,513	11,863,221
<b>Total General Fund</b>	<b>4,036,715</b>	<b>6,014,705</b>	<b>7,310,648</b>	<b>6,602,025</b>	<b>5,437,274</b>	<b>4,937,516</b>	<b>7,085,637</b>	<b>8,928,253</b>	<b>10,768,407</b>	<b>12,537,159</b>
<b>All Other Governmental Funds</b>										
Reserved	83,321	68,959	32,241	138,747	11,580,616	9,217,311	1,552,609	737,889	881,662	6,280,856
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	381,293	494,410	433,811	515,305	598,725	414,761	310,003	399,751	478,982	711,644
Debt Service Funds	0	9,004	9,195	0	0	0	0	0	0	0
Capital Projects Funds	132,235	146,666	91,992	104,640	(831,845)	(666,646)	1,250,257	894,513	1,012,500	(5,214,910)
Permanent Funds	0	0	0	0	0	0	0	0	0	0
<b>Total All Other Governmental Funds</b>	<b>596,849</b>	<b>719,039</b>	<b>567,239</b>	<b>758,692</b>	<b>11,347,496</b>	<b>8,965,426</b>	<b>3,112,869</b>	<b>2,032,153</b>	<b>2,373,144</b>	<b>1,777,590</b>
<b>Total Governmental Funds</b>	<b>\$4,633,564</b>	<b>\$6,733,744</b>	<b>\$7,877,887</b>	<b>\$7,360,717</b>	<b>\$16,784,770</b>	<b>\$13,902,942</b>	<b>\$10,198,506</b>	<b>\$10,960,406</b>	<b>\$13,141,551</b>	<b>\$14,314,749</b>



**Talawanda School District, Ohio**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Taxes	\$7,724,150	\$10,386,023	\$11,208,220	\$11,120,771	\$12,249,144	\$14,356,228	\$17,991,668	\$18,926,237	\$19,998,357	\$21,078,609
Tuition and Fees	163,064	253,441	220,147	354,513	325,923	187,228	402,280	472,029	684,434	935,425
Interest	454,547	401,514	355,001	240,530	65,085	397,301	597,373	684,668	673,718	332,797
Charges for Services	269,631	255,996	268,629	764,143	753,111	777,092	823,282	822,579	844,151	843,724
Intergovernmental	11,779,133	11,394,159	11,860,834	11,978,009	12,167,192	11,929,957	11,942,970	12,094,986	12,491,761	13,214,080
Other local revenues	356,398	243,970	145,330	384,548	479,546	622,739	555,219	584,163	757,790	581,578
<i>Total Revenues</i>	<u>20,746,923</u>	<u>22,935,103</u>	<u>24,058,161</u>	<u>24,842,514</u>	<u>26,040,001</u>	<u>28,270,545</u>	<u>32,312,792</u>	<u>33,584,662</u>	<u>35,450,211</u>	<u>36,986,213</u>
<b>Expenditures</b>										
Current:										
Instruction:										
Regular	9,479,362	9,391,095	10,383,018	11,420,125	11,825,226	12,097,118	12,424,238	13,067,309	13,444,600	13,972,641
Special	1,968,291	1,706,842	1,937,968	2,314,495	2,388,938	2,502,678	2,329,928	2,583,061	2,677,304	2,742,790
Other	357,915	295,727	313,787	488,355	602,424	640,640	1,161,589	1,060,583	1,232,110	1,066,944
Support Services:										
Pupil	1,023,867	1,005,205	1,201,223	1,339,697	1,428,302	1,429,377	1,381,540	1,726,713	1,775,994	1,849,839
Instructional Staff	1,091,542	1,577,489	1,596,948	1,515,191	1,666,749	1,740,957	1,876,570	1,792,729	1,971,959	1,920,354
Board of Education	51,370	44,219	52,997	135,331	60,937	85,720	37,029	107,231	59,448	62,513
Administration	1,428,506	1,520,024	1,568,374	1,500,419	1,672,488	1,652,845	1,848,991	2,000,801	2,028,060	2,078,509
Fiscal	457,066	532,234	639,196	647,193	687,943	742,108	871,036	1,006,915	1,145,868	1,188,084
Business	0	0	0	6,494	5,126	5,855	7,778	12,122	7,691	4,663
Operation and Maintenance of Plant	2,086,528	2,151,360	2,256,091	2,420,986	2,398,401	2,656,362	2,881,286	3,035,665	3,084,668	2,784,840
Pupil Transportation	1,646,206	1,651,750	1,737,536	1,701,845	1,786,159	1,865,680	1,961,804	2,012,968	2,553,000	2,034,126
Central	22,231	19,568	23,770	30,863	36,554	115,561	104,377	96,650	103,191	116,155
Non-Instructional Services										
Extracurricular Activities	498,602	512,732	531,450	533,932	545,545	660,483	635,618	628,107	777,397	771,888
Community service	46,330	35,490	52,374	39,001	67,179	39,836	38,223	69,903	47,873	44,316
Food Service	0	0	0	876,951	920,354	985,871	1,000,221	1,082,117	1,037,531	1,069,312
Capital Outlay	257,233	286,130	669,852	800,444	1,005,853	3,710,627	9,300,026	1,620,657	460,995	3,224,145
Debt Service:										
Principal	90,000	95,000	100,000	156,000	413,000	253,680	273,000	313,000	414,000	398,000
Bond issuance costs	0	0	0	0	181,012	0	0	0	0	0
Interest and Fiscal Charges	22,750	18,125	13,250	16,783	17,634	586,209	476,974	608,103	447,377	483,896
<i>Total Expenditures</i>	<u>20,527,799</u>	<u>20,842,990</u>	<u>23,077,834</u>	<u>25,944,105</u>	<u>27,709,824</u>	<u>31,771,607</u>	<u>38,610,228</u>	<u>32,824,634</u>	<u>33,269,066</u>	<u>35,813,015</u>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	<u>219,124</u>	<u>2,092,113</u>	<u>980,327</u>	<u>(1,101,591)</u>	<u>(1,669,823)</u>	<u>(3,501,062)</u>	<u>(6,297,436)</u>	<u>760,028</u>	<u>2,181,145</u>	<u>1,173,198</u>
<b>Other Financing Sources (Uses)</b>										
Transfers In	8,281	117,389	113,250	120,294	114,750	9,309,743	2,416	0	0	0
Transfers Out	(8,281)	(117,761)	(113,450)	(120,294)	(114,750)	(9,309,743)	(2,416)	0	0	0
Sale of Assets	6,710	8,435	5,011	0	1,611,301	5,234	0	1,872	0	0
Proceeds from sale of bonds	0	0	0	0	9,214,680	0	0	0	0	0
Premium on sale of bonds	0	0	0	0	267,895	0	0	0	0	0
Proceeds from lease-purchase agreement	0	0	159,000	250,000	0	614,000	2,593,000	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>6,710</u>	<u>8,063</u>	<u>163,811</u>	<u>250,000</u>	<u>11,093,876</u>	<u>619,234</u>	<u>2,593,000</u>	<u>1,872</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u><u>\$225,834</u></u>	<u><u>\$2,100,176</u></u>	<u><u>\$1,144,138</u></u>	<u><u>(\$851,591)</u></u>	<u><u>\$9,424,053</u></u>	<u><u>(\$2,881,828)</u></u>	<u><u>(\$3,704,436)</u></u>	<u><u>\$761,900</u></u>	<u><u>\$2,181,145</u></u>	<u><u>\$1,173,198</u></u>
Debt Service as a Percentage of Noncapital Expenditures	0.6%	0.6%	0.5%	0.7%	1.6%	3.0%	2.6%	3.0%	2.6%	2.7%

**Talawanda School District, Ohio**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

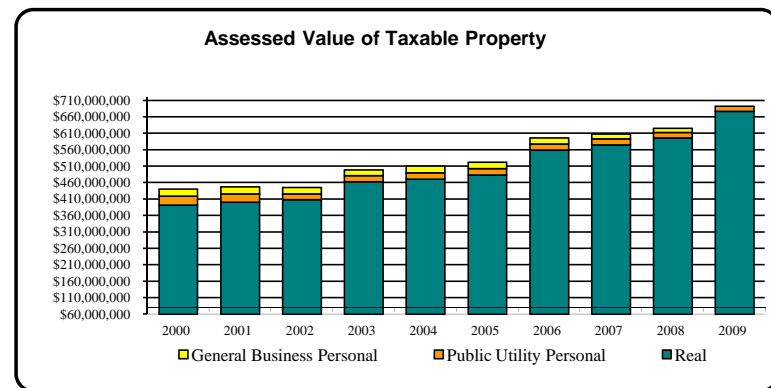
Collection Year	Real Property			Tangible Personal Property		Tangible Personal Property		Total		Weighted Average Tax Rate
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value	
	Residential/Agricultural	Commercial/Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value			
2000	307,843,260	83,922,410	1,119,330,486	27,165,400	30,869,773	21,323,679	85,294,716	440,254,749	1,235,494,975	35.63%
2001	313,653,360	87,035,790	1,144,826,143	25,289,900	28,738,523	20,880,717	83,522,868	446,859,767	1,257,087,534	35.55%
2002	320,434,190	87,776,040	1,166,314,943	17,465,200	19,846,818	20,010,220	80,040,880	445,685,650	1,266,202,641	35.20%
2003	361,148,730	101,868,400	1,322,906,086	18,579,010	21,112,511	17,478,223	69,912,892	499,074,363	1,413,931,489	35.30%
2004	367,351,260	103,641,970	1,345,694,943	18,940,950	21,523,807	20,558,145	82,232,580	510,492,325	1,449,451,330	35.22%
2005	378,284,130	104,977,420	1,380,747,286	19,372,440	22,014,136	19,137,400	76,549,600	521,771,390	1,479,311,022	35.27%
2006	445,794,600	113,873,860	1,599,052,743	18,315,710	20,813,307	18,282,388	73,129,552	596,266,558	1,692,995,602	35.22%
2007	456,707,150	118,528,580	1,643,530,657	17,824,310	20,254,898	14,655,846	58,623,384	607,715,886	1,722,408,939	35.28%
2008	465,300,660	131,008,890	1,703,741,571	16,151,530	18,354,011	12,995,949	51,983,796	625,457,029	1,774,079,379	35.26%
2009	526,416,890	150,072,040	1,932,825,514	16,526,370	18,779,966	0	0	693,015,300	1,951,605,480	35.51%

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Office of the County Auditor, Butler County, Ohio



**Talawanda School District, Ohio**  
**Property Tax Rates**  
(per \$1,000 of assessed value)  
2006 through 2009

	2006	2007	2008	2009
<b>Unvoted Millage</b>				
Operating	2.19	2.19	2.19	2.19
Permanent Improvement	2.00	2.00	2.00	2.00
Debt	0.00	0.00	0.00	0.00
<b>Total unvoted millage by type of property</b>	4.19	4.19	4.19	4.19
<b>Voted Millage - by levy</b>				
1976 Operating - continuing				
Residential/Agricultural Real	6.48	6.51	6.52	7.00
Commercial/Industrial and Public Utility Real	7.88	7.93	7.94	7.04
General Business and Public Utility Personal	24.81	24.81	24.81	24.81
1980 Operating - continuing				
Residential/Agricultural Real	2.60	2.60	2.60	2.61
Commercial/Industrial and Public Utility Real	2.69	2.71	2.71	2.40
General Business and Public Utility Personal	6.90	6.90	6.90	6.90
1988 Operating - continuing				
Residential/Agricultural Real	3.65	3.64	3.64	3.55
Commercial/Industrial and Public Utility Real	4.08	4.10	4.11	3.64
General Business and Public Utility Personal	7.90	7.90	7.90	7.90
2000 Operating - continuing				
Residential/Agricultural Real	5.08	5.06	5.05	4.65
Commercial/Industrial and Public Utility Real	5.51	5.54	5.55	4.91
General Business and Public Utility Personal	6.50	6.50	6.50	6.50
2003 Bond Issue - 27 Years				
Residential/Agricultural Real	1.17	1.17	1.15	1.12
Commercial/Industrial and Public Utility Real	1.17	1.17	1.15	1.12
General Business and Public Utility Personal	1.17	1.17	1.17	1.17
2008 Bond Issue - 28 Years				
Residential/Agricultural Real				4.70
Commercial/Industrial and Public Utility Real				4.70
General Business and Public Utility Personal				4.70
<b>Total voted millage by type of property</b>				
Residential/Agricultural Real	18.98	18.98	18.96	23.63
Commercial/Industrial and Public Utility Real	21.33	21.45	21.47	23.81
General Business and Public Utility Personal	47.28	47.28	47.28	51.98
<b>Total Direct Revenue Rate</b>				
Residential/Agricultural Real	23.17	23.17	23.15	27.82
Commercial/Industrial and Public Utility Real	25.52	25.64	25.66	28.00
General Business and Public Utility Personal	51.47	51.47	51.47	56.17
<b>Overlapping Rates by Taxing District</b>				
Township (Hanover/Reily/Oxford/Milford)				
Residential/Agricultural Real	.24-7.39	.24-7.39	.24-7.39	.24-7.39
Commercial/Industrial and Public Utility Real	.24-7.64	.24-7.64	.24-7.64	.24-7.64
General Business and Public Utility Personal	.24-7.05	.24-7.05	.24-7.05	.24-7.05
Oxford City				
Residential/Agricultural Real	9.59	9.59	9.59	3.65
Commercial/Industrial and Public Utility Real	6.18	6.18	6.18	3.65
General Business and Public Utility Personal	7.64	7.64	7.64	3.65
Butler County				
Residential/Agricultural Real	9.44	9.44	9.33	10.48
Commercial/Industrial and Public Utility Real	8.40	8.40	10.08	10.58
General Business and Public Utility Personal	9.02	9.02	10.45	11.68

Notes:

Rates were not available in this format for years prior to 2006.

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Residential/Agricultural & Commercial/Industrial & Public Utility Real are expressed at their effective rate.  
General Business and Public Utility Personal are expressed at the full voted rate.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

**Source:** Butler County Auditor/Treasurer



**Talawanda School District, Ohio**  
*Principal Taxpayers*  
*Current Year and Nine Years Ago (1)*

Name of Taxpayer	2008	
	Assessed Value	Percent of Real Property Assessed Value
OXO1 LTD	\$9,396,130	1.36%
Duke Energy	9,391,130	1.36%
Southwestern Ohio	8,216,130	1.19%
Brown Road Associates	6,360,310	0.92%
D & B Family LTD PRT	5,278,470	0.77%
Meijer Stores LTD PRT	5,250,200	0.76%
Butler Rural Electric	4,862,155	0.71%
Stewart Developers LLC	3,947,930	0.57%
Ogden Investments LTD	3,589,990	0.52%
Wal Mart Real Estate	3,002,380	0.44%
<b>TOTAL</b>	<b>\$59,294,825</b>	<b>8.61%</b>
Total Assessed Valuation	<b>\$688,695,300</b>	

Name of Taxpayer	1999	
	Assessed Value	Percent of Assessed Value
Cincinnati Gas & Electric	\$12,010,870	3.17%
Meijer, Incorporated	6,594,180	1.74%
General Telephone Company	3,543,700	0.94%
Edward Redpath	2,616,130	0.69%
Square D, Incorporated	2,578,510	0.68%
D & B Limited Partnership	2,575,640	0.68%
OTR/Midland Realty	2,558,500	0.68%
Ray Day	2,293,790	0.61%
University Commons Partnership	2,160,320	0.57%
McCullough Hyde Hospital	1,961,610	0.52%
<b>Totals</b>	<b>\$38,893,250</b>	<b>10.28%</b>
Total Assessed Valuation	<b>\$378,376,967</b>	

(1) The amounts presented represent the assessed values upon which 2009 and 2000 collections were based.

**Source:** Office of the County Auditor, Butler County, Ohio

**Talawanda School District, Ohio**  
**Property Tax Levies and Collections (1)**  
*Last Ten Years*

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
1999	9,717,764	9,464,683	97.40	249,440	9,714,123	99.96
2000	10,059,071	9,813,439	97.56	249,440	10,062,879	100.04
2001	11,795,523	10,019,952	84.95	1,572,990	11,592,942	98.28
2002	13,138,167	11,823,421	89.99	339,349	12,162,770	92.58
2003	14,121,222	12,650,832	89.59	394,681	13,045,513	92.38
2004	14,138,266	14,104,690	99.76	373,061	14,477,751	102.40
2005	14,772,589	14,452,487	97.83	434,495	14,886,982	100.77
2006	15,196,554	14,134,528	93.01	658,609	14,793,137	97.35
2007	15,196,554	14,134,528	93.01	658,609	14,793,137	97.35
2008	15,612,463	15,110,408	96.78	817,401	15,927,809	102.02

**Source:** Office of the County Auditor, Butler County, Ohio

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

(2) The 2009 information cannot be presented because all collections have not been made by June 30, 2009.

(3) The County does not identify delinquent tax collections by tax year.

**Talawanda School District, Ohio**  
*Ratio of Debt  
to Assessed Value and Debt per Capita  
Last Ten Fiscal Years*

Fiscal Year	Population (1)		Personal Income	Estimated Actual Value of Taxable Property(2)	General Bonded Debt					General Debt			
					General Bonded Debt Outstanding	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita	General Bonded Debt Outstanding	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	Ratio of General Debt to Personal Income	General Debt Per Capita
2000	35,866	a	463,720,008	440,255,109	410,000	0.09%	11.43	410,000	-	410,000	0.09%	0.09%	11.43
2001	34,968	b	457,759,566	446,859,767	315,000	0.07%	9.01	315,000	-	315,000	0.07%	0.07%	9.01
2002	34,968	b	451,000,434	445,685,650	215,000	0.05%	6.15	215,000	159,000	374,000	0.08%	0.08%	10.70
2003	34,968	b	484,684,771	499,074,363	110,000	0.02%	3.15	110,000	108,000	218,000	0.04%	0.04%	6.23
2004	34,968	b	532,485,795	510,492,325	9,214,680	1.81%	263.52	9,214,680	55,000	9,269,680	1.82%	1.74%	265.09
2005	34,968	b	549,485,732	521,771,390	9,050,000	1.73%	258.81	9,050,000	580,000	9,630,000	1.85%	1.75%	275.39
2006	34,968	b	Not Available	596,266,558	8,865,000	1.49%	253.52	8,865,000	3,085,000	11,950,000	2.00%	N/A	341.74
2007	34,968	b	Not Available	607,715,886	8,640,000	1.42%	247.08	8,640,000	2,997,000	11,637,000	1.91%	N/A	332.79
2008	34,968	b	Not Available	625,457,029	8,370,000	1.34%	239.36	8,370,000	2,853,000	11,223,000	1.79%	N/A	320.95
2009	26,968	b	Not Available	693,015,300	8,120,000	1.17%	301.10	8,120,000	2,705,000	10,825,000	1.56%	N/A	401.40

**Sources:** (1) U.S. Bureau of Census, Census of Population  
(a) 1990 Federal Census  
(b) 2000 Federal Census

(2) Butler County Auditor

(3) Ohio Depart. Of Taxation

School District Records

2009 Population figure has 8,000 deducted for MU students

**Talawanda School District, Ohio**  
**Computation of Direct and Overlapping**  
**Debt Attributable to Governmental Activities**  
**June 30, 2009**

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Overlapping Debt:			
Payable from Property Taxes			
Butler County	\$5,139,566	7.57%	67,893,870
Preble County	\$10,014	0.50%	2,002,849
Hamilton City	\$1,168,623	3.55%	32,918,972
Oxford City	\$2,635,000	100.00%	2,635,000
Hanover Township	\$73,306	66.40%	110,400
Milford Township	\$70,881	98.76%	71,771
Butler Technology & Career Center	\$181,427	8.66%	2,095,000
Payable from Other Sources:			
Butler County Special Assessment Bonds	\$765,199	7.57%	10,108,310
Preble County Special Assessment Bonds	\$15,975	0.50%	3,195,000
Hamilton City Special Assessment Bonds	\$241,318	3.55%	6,797,674
Oxford City Special Assessment Bonds	\$6,660,000	100.00%	6,660,000
Total Overlapping Debt	\$16,961,309		\$134,488,846
Direct Debt	8,120,000	100.00%	8,120,000
Total Direct and Overlapping Debt	\$25,081,309		\$142,608,846

Source: Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2009 collection year.

**Talawanda School District, Ohio**  
**Computation of Legal Debt Margin**  
**Last Ten Fiscal Years**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Tax Valuation	\$440,255,109	\$446,859,767	\$445,685,650	\$499,074,363	\$510,492,325	\$521,771,390	\$596,266,558	\$607,715,886	\$625,457,029	\$693,015,300
Debt Limit - 9% of Taxable Valuation (1)	\$39,622,960	\$40,217,379	\$40,111,709	\$44,916,693	\$45,944,309	\$46,959,425	\$53,663,990	\$54,694,430	\$56,291,133	\$62,371,377
Amount of Debt Applicable to Debt Limit										
General Obligation Bonds	410,000	315,000	215,000	110,000	9,214,680	9,050,000	8,865,000	8,640,000	8,370,000	8,120,000
Less Amount Available in Debt Service	0	0	0	0	510,492	338,601	399,080	0	0	0
Amount of Debt Subject to Limit	410,000	315,000	215,000	110,000	8,704,188	8,711,399	8,465,920	8,640,000	8,370,000	8,120,000
Legal Debt Margin	\$39,212,960	\$39,902,379	\$39,896,709	\$44,806,693	\$37,240,121	\$38,248,026	\$45,198,070	\$46,054,430	\$47,921,133	\$54,251,377
Legal Debt Margin as a Percentage of the Debt Limit	98.97%	99.22%	99.46%	99.76%	81.05%	81.45%	84.22%	84.20%	85.13%	86.98%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$440,255	\$446,860	\$445,686	\$499,074	\$510,492	\$521,771	\$596,267	\$607,716	\$625,457	\$693,015
Amount of Debt Subject to Limit	0	0	0	0	0	0	0	0	0	0
Unvoted Legal Debt Margin	\$440,255	\$446,860	\$445,686	\$499,074	\$510,492	\$521,771	\$596,267	\$607,716	\$625,457	\$693,015
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Sample County Auditor and School District Financial Records

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

**Note:** The amount of debt presented as subject to the limit should be the balances used to compute the margin as specified by statute, i.e. the gross balances, not amounts that are net of premiums or discounts. On deep discount or capital appreciation bonds, this would be the original issue amount.

**Note:** The definition of tax valuation for the purpose of calculating the debt margin was modified by H.B. 530, effective 3/30/06, to exclude tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, or personal property owned or leased by a railroad company and used in railroad operations.

Source: School District Records.

**Talawanda School District, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

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Year	Population (1)	Personal Income (2) (in thousands)	Per Capita Personal Income	Unemployment Rate (3)
2000	35,866	463,720,008	12,929	3.30%
2001	34,968	457,759,566	13,091	3.20%
2002	34,968	451,000,434	12,898	5.00%
2003	34,968	484,684,771	13,861	4.10%
2004	34,968	532,485,795	15,228	4.30%
2005	34,968	549,955,732	15,727	5.00%
2006*	34,968	0	0	5.90%
2007*	34,968	0	0	4.80%
2008*	34,968	0	0	6.40%
2009*	26,968	0	0	9.40%

**Sources:** 1) U.S. Census Bureau  
2) Ohio Department of Taxation  
3) Ohio Bureau of Employment Services, rates for Butler County

\*Information Not Available (ODT now reports Total Federal AGI)

2009 Population figure has 8,000 deducted for MU students

**Talawanda School District, Ohio**  
*Principal Employers*  
*Current Year and Nine Years Ago*

Employer	Nature of Business	2009			2000		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Miami University	Higher Education	3,500	1	34.78%	3,500	1	N/A
McCullough-Hyde Memorial	Medical	588	2	5.84%	410	3	N/A
Talawanda School District	Education	390	3	3.88%	334	4	N/A
Walmart	Discount Retailer	260	4	2.58%	125	7	N/A
Square D Company	Manufacturer	244	5	2.42%	634	2	N/A
RDI Marketing	Marketing	190	6	1.89%	N/A	N/A	N/A
Kroger Company	Food Retailer	180	7	1.79%	150	5	N/A
Liberty Matrix of Oxford	Nursing Home	135	8	1.34%	N/A	N/A	N/A
City of Oxford	Municipality	107	9	1.06%	103	8	N/A
McDonalds	Restaurant	76	10	0.76%	76	9	N/A
Total		<u>5,670</u>		<u>56.34%</u>	<u>5,332</u>		<u>N/A</u>
Total Employment within the School District		<u>10,064</u>			<u>N/A</u>		

Source: Oxford Chamber of Commerce & City of Oxford

Note:

N/A = Information Not Available

**Talawanda School District, Ohio**  
*School District Employees by Function/Program*  
*Last Six Fiscal Years*

Function/Program	2004	2005	2006	2007	2008	2009
Regular Instruction						
Elementary Classroom Teachers	61.50	62.00	59.50	59.50	59.50	74.50
Secondary School Classroom Teachers	98.50	94.50	92.50	92.50	92.50	105.50
Special Instruction						
Elementary Classroom Teachers	9.00	9.00	5.00	5.00	5.00	9.00
Gifted Education Teachers	3.00	3.00	3.00	3.00	3.00	3.00
Secondary School Classroom Teachers	14.00	14.00	17.50	17.50	17.50	18.50
Pupil Support Services						
Guidance Counselors	6.50	6.50	6.50	6.50	6.50	7.00
Librarians	5.00	5.00	6.00	6.00	6.00	2.00
Psychologists	2.00	2.00	2.00	2.00	2.00	4.00
Speech and Language Pathologists	3.00	1.00	2.00	2.00	2.00	3.00
Nurse	3.00	3.00	3.00	3.00	3.00	2.00
Administrators						
Elementary	3.00	3.00	3.00	3.00	3.00	3.00
Secondary	5.00	5.00	5.00	5.00	5.00	5.00
Operation of Plant						
Custodians	25.00	22.00	24.00	24.00	24.00	21.00
Maintenance	2.00	2.00	2.00	2.00	2.00	2.00
Food Service Program						
Elementary Cooks	8.50	8.00	9.00	9.00	9.00	9.00
Secondary School Cooks	14.00	15.00	11.00	11.00	11.00	11.00

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Information prior to 2004 is not available.

**Source:** School District Records

Note: The District contracts for transportation, therefore, there are no bus drivers employed.



**Talawanda School District, Ohio**

*Building Statistics*

*Last Six Fiscal Years*

	2004	2005	2006	2007	2008	2009
<b>Talawanda High School</b>						
Constructed in 1957, Renovated in 1960,69,89						
Total Building Square Footage	151,151	151,151	151,151	151,151	151,151	151,151
Enrollment Grades 9-12	1,102	1,059	1,051	1,055	1,036	1,041
Student Capacity	1,200	1,200	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	51	48	47	47	47	58
Regular Instruction Teachers	51.0	48.0	47.0	47.0	47.0	58.0
Special Instruction Classrooms	8	8	10	10	10	10
Special Instruction Teachers	8.0	8.0	10.0	10.0	10.0	10.0
<b>Talawanda Middle School</b>						
Constructed in 1989						
Total Building Square Footage	107,963	107,963	107,963	107,963	107,963	107,963
Enrollment Grades 6-8	796	754	723	701	686	685
Student Capacity	900	900	900	900	900	900
Regular Instruction Classrooms	48	47	46	46	46	47
Regular Instruction Teachers	47.5	46.5	45.5	45.5	45.5	47.5
Special Instruction Classrooms	7	7	9	9	9	9
Special Instruction Teachers	7.0	7.0	8.5	8.5	8.5	8.5
<b>Kramer Elementary</b>						
Constructed in 1962, Renovated in 1969						
Total Building Square Footage	60,987	60,987	60,987	60,987	60,987	60,987
Enrollment Grades PK-5	667	664	685	441	473	487
Student Capacity	700	700	700	700	700	700
Regular Instruction Classrooms	35	33	33	33	33	27
Regular Instruction Teachers	35.0	33.0	33.0	33.0	33.0	27.0
Special Instruction Classrooms	4	4	4	4	4	6
Special Instruction Teachers	4.0	4.0	4.0	4.0	4.0	6.0
<b>Marshall Elementary</b>						
Constructed in 1968, Renovated in 1989,97						
Total Building Square Footage	57,297	57,297	57,297	57,297	57,297	57,297
Enrollment Grades PK-5	539	595	551	433	462	473
Student Capacity	600	600	600	600	600	600
Regular Instruction Classrooms	27	29	27	27	27	27
Regular Instruction Teachers	26.5	29.0	26.5	26.5	26.5	26.5
Special Instruction Classrooms	7	7	3	3	3	3
Special Instruction Teachers	7.0	7.0	3.0	3.0	3.0	2.0
<b>Bogan Elementary</b>						
Constructed in Aug. 2006						
Total Building Square Footage				52,885	52,885	52,885
Enrollment Grades K-5				403	418	411
Student Capacity				504	504	504
Regular Instruction Classrooms				24	24	21
Regular Instruction Teachers				25.0	25.0	21.0
Special Instruction Classrooms				0	0	3
Special Instruction Teachers				0.0	0.0	3.0

Source: School District Records. Information not available prior to FY04

**Talawanda School District, Ohio**  
*Operating Statistics*  
*Last Six Fiscal Years*

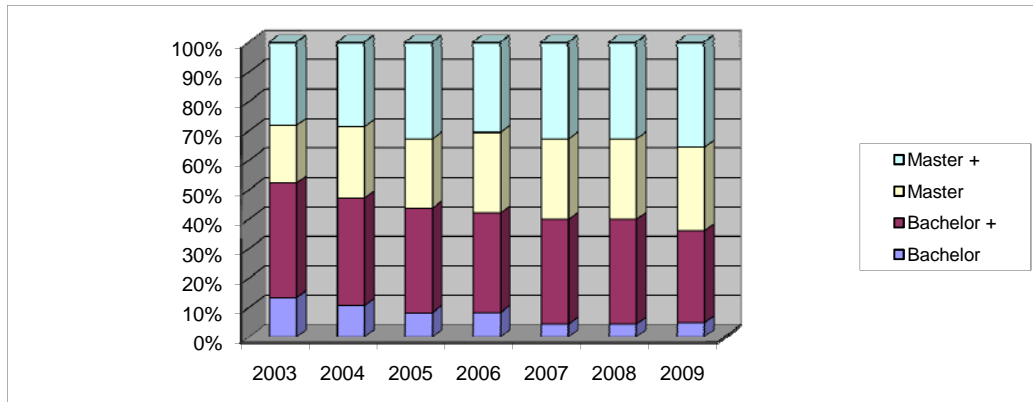
Fiscal Year	Expenses	Enrollment (1)	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio
2004	\$ 23,765,302	3,104	\$ 7,656	5.59%	227	13.7
2005	24,338,849	3,072	7,923	3.48%	227	13.5
2006	25,333,577	3,010	8,416	6.23%	216	13.9
2007	26,871,753	3,043	8,831	4.92%	208	14.6
2008	28,624,599	3,068	9,330	10.85%	208	14.8
2009	28,574,725	3,097	9,227	4.48%	230	13.5

Source: School District Records. Expense information is not available prior to 2004.

N/A = Not Available

**Talawanda School District, Ohio**  
*Full-Time Equivalent Teachers by Education*  
*Last Seven Fiscal Years*

Degree	2003	2004	2005	2006	2007	2008	2009
Bachelor's Degree	30	24	18	18	9	9	11
Bachelor + 15	4	6	3	3	5	5	2
Bachelor + 30	83	77	74	70	69	69	70
Master's Degree	44	55	51	59	57	57	65
Master + 15	32	30	34	31	28	28	36
Master + 30	31	35	37	35	40	40	46
<b>Total</b>	<b>224</b>	<b>227</b>	<b>217</b>	<b>216</b>	<b>208</b>	<b>208</b>	<b>230</b>







Mary Taylor, CPA  
Auditor of State

TALWANDA SCHOOL DISTRICT  
BUTLER COUNTY

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
FEBRUARY 11, 2010