



**Auditor of State
Betty Montgomery**

**CUYAHOGA FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY**

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

Cuyahoga Falls City School District
Summit County
431 Stow Avenue
Cuyahoga Falls, Ohio 44222

To the Board of Education:

We have audited the general purpose financial statements of Cuyahoga Falls City School District, Summit County, (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated February 13, 2003, in which we noted the District reclassified certain funds among the General, Special Revenue, Expendable Trust, Enterprise, Internal Service, Non-Expendable Trust and Agency Funds. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated February 13, 2003.

Internal Control Over Financial Reporting

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

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the District in a separate letter dated February 13, 2003.

Cuyahoga Falls City School District
Summit County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

February 13, 2003



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

Cuyahoga Falls City School District
Summit County
431 Stow Avenue
Cuyahoga Falls, Ohio 44222

To the Board of Education:

Compliance

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

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

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

Internal Control Over Compliance

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

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

Schedule of Receipts and Expenditures of Federal Awards

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 2002, and have issued our report thereon dated February 13, 2003, in which we noted the District reclassified certain funds among the General, Special Revenue, Expendable Trust, Enterprise, Internal Service, Non-Expendable Trust and Agency Funds. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, it is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

February 13, 2003

**CUYAHOGA FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
<i>(Passed Through Ohio Department of Education)</i>						
Child Nutrition Cluster:						
Food Donation Program	N/A	10.550		\$70,618		\$71,061
School Breakfast Program	N/A	10.553	\$22,963		\$22,963	
National School Lunch Program	N/A	10.555	292,321		292,321	
Total U.S. Department of Agriculture/Child Nutrition Cluster			315,284	70,618	315,284	71,061
U.S. DEPARTMENT OF EDUCATION						
<i>(Passed Through Ohio Department of Education)</i>						
Special Education Cluster:						
Special Education Grants to States						
	43836-6B-SX-02P	84.027	8,996			
	43836-6B-SI-02P		760,272		742,847	
	43836-6B-SI-01P		382,651		584,567	
	43836-6B-SI-99P				292	
	43836-6B-SF-01P				114,368	
	43836-6B-SF-02P		423,866		391,821	
			1,575,785		1,833,895	
Special Education Preschool Grants		84.173			895	
	43836-PG-S3-02P		44,730		44,730	
	43836-PG-S3-01P		29,820		38,621	
	43836-PG-S1-02P		15,076		5,333	
	43836-PG-S7-00		(4,006)			
	43836-PG-S7-01				5,270	
	43836-PG-S7-02		11,250		4,046	
			96,870		98,895	
Total Special Education Cluster			1,672,655		1,932,790	
Title I Grants to Local Educational Agencies					44,366	
	43836-C1-S1-01	84.010			44,366	
	43836-C1-S1-02		460,473		406,238	
			460,473		450,604	
Eisenhower Professional Development State Grants					1,335	
	43836-MS-S1-02	84.281	22,100		1,335	
	43836-MS-S1-01				2,632	
			22,100		3,967	
Continuous Improvement Grants					875	
	43836-G2-SP-01	84.276	2,500		875	
	43836-CR-S1-01				25,000	
			2,500		25,875	
Innovative Educational Program Strategies					34,802	
	43836-C2-S1-01	84.298	7,350		34,802	
	43836-C2-S1-02		10,280		2,806	
			17,630		37,608	
Classroom Reduction Grant					3,419	
	43836-CR-S1-01	84.340			3,419	
	43836-CR-S1-02		105,220		93,028	
			105,220		96,447	
WIA Youth Activities					48,944	
	43836-WK-BE-00	17.259	21,541		48,944	
Safe and Drug-Free Schools and Communities - State Grants					(1,260)	
	43836-DR-S1-99	84.186			(1,260)	
	43836-DR-S1-00		7,611		7,611	
	43836-DR-S1-01				33	
	43836-DR-S1-02		23,139		22,641	
			30,750		29,025	
Total U. S. Department of Education			2,332,869		2,625,260	
U.S. Department of Health and Human Services						
<i>(Passed through the Ohio Department of Mental Retardation and Developmental Disabilities)</i>						
Medical Assistance Program	N/A	93.778	60,036		60,036	
Totals			\$2,392,905	\$70,618	\$3,000,580	\$71,061

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

**CUYAHOGA FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**NOTES TO SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2002**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DONATION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the District had no significant food commodities in inventory.

NOTE C - MEDICAL ASSISTANCE PROGRAM

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

**CUYAHOGA FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
JUNE 30, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**CUYAHOGA FALLS CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 §.315 (b)
JUNE 30, 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-10977-01	The District filed the Final Expenditure Report for the MEO/SERRC's Special Education Grants to States federal program which was due November 20, 2001, on January 25, 2002.	Yes	Corrected

**CUYAHOGA FALLS CITY
SCHOOL DISTRICT**
Cuyahoga Falls, Ohio



**Comprehensive Annual Financial Report
For the Period Ended June 30, 2002**

Cuyahoga Falls City School District
Cuyahoga Falls, Ohio

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2002

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

Cuyahoga Falls City School District
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2002

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Cuyahoga Falls City School District
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2002

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 Comprehensive Annual Financial Report
 For the fiscal year ended June 30, 2002**

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INTRODUCTORY SECTION

CUYAHOGA FALLS CITY SCHOOL DISTRICT

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

PAUL L. WULFF
TREASURER/CFO

330-926-3800
330-920-1075- Fax

February 13, 2003

Board of Education Members and Residents
of Cuyahoga Falls City School District

We are pleased to submit to you the Cuyahoga Falls City School District's (the "School District") fourteenth Comprehensive Annual Financial Report (CAFR). This report provides full disclosure of the financial operation of the School District for the fiscal year ended June 30, 2002. This CAFR, which includes an opinion from the Auditor of the State of Ohio's office, conforms to accounting principles generally accepted in the United States of America as applicable to governmental entities.

Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. This report will provide the taxpayers of the School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Chamber of Commerce, major taxpayers, the Taylor Memorial Public Library, financial rating services, and other interested parties.

The CAFR is composed of three distinct sections. The introductory section includes the table of contents, letter of transmittal, list of principal officials, and organizational chart. The financial section includes the Report of Independent Accountants, general purpose financial statements and explanatory notes, and combining and individual fund and account group financial statements and schedules. The statistical section includes various tables reflecting social and economic information, financial trends, and the fiscal capacity of the School District.

SCHOOL DISTRICT ORGANIZATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The first official body designated as the Cuyahoga Falls Board of Education was formed on April 18, 1853. Both the township of Cuyahoga Falls and the Cuyahoga Falls City School District were formalized about this time. Total school enrollment was 482. A new schoolhouse was built for the total price of \$1,000, with \$50 to be deducted if the citizens could be persuaded to “raise the roof” themselves. The yearly budget was \$3,000, and the funding for the new building was solved by making...”a demand on the recorder for a tax on every citizen whom he could find.”

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

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

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

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

THE REPORTING ENTITY

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

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

MAJOR INITIATIVES

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

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

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

Long Term Board Objectives –

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

- Research, study and make a recommendation to the Board of Education regarding the rehiring practice for retired teachers and/or administrators.
- Formulate a clear, accurate data entry system plan through E.M.I.S. coordinator to take advantage of all the state dollars that are due to the School District.
- Plan for a sequential educational program to update the administrative and related staffs' skills related to the financial operation, the purchase order procedures and record keeping for building budgets and activity accounts.

ECONOMIC OUTLOOK

The boundaries of the School District limit opportunities for residential property growth. Industrial enterprises do not represent a significant portion of the School District's tax duplicate, since much of the commercial property and available land for expansion is located outside of the School District. The unemployment rate for Summit County was 5% for November 2002, which favorably compares to the Ohio rate of 5.2%. The rate of unemployment for the United States during the same time period was 5.7%.

On November 7, 2000, the School District successfully renewed a 5-year limited 9.97 mill current expense levy. This levy generates approximately \$4.7 million for the School District and represents roughly 7% of its operating budget. In May 2002, the School District was unsuccessful in passing a 4.75 mill additional continuing operating levy that would have generated \$3.4 million annually.

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

Completion of downtown developments, which include a \$26 million, 214 suite Sheraton Hotel, a 50,000 square-foot office building and a 32,000 square-foot commercial/residential project, which have a combined value of nearly \$15 million, will provide growth for the School District. In each case, tax abatements or tax incentives have been offered to developers, which limit the immediate impact of the project.

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

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

FINANCIAL INFORMATION

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

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

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

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

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

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

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation, plus any additional appropriations made to date. In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible.

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

The basis of accounting and the various funds and account groups utilized by the School District are fully described in Note 2 of the financial statements. Information on the School District's budgetary accounting can also be found in Note 2.

General governmental functions

The governmental funds encompass the general, special revenue, debt service, capital projects and expendable trust fund types of the School District.

Revenues for the general fund totaled \$33,985,114 in fiscal year 2002. General property taxes produced 50.00% of total governmental fund revenues. State and Federal support accounted for 46.02% of the revenues.

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

<i>Revenues by Source</i>	<i>2001 Amount</i>	<i>2002 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease)</i>	<i>Percent Increase (Decrease)</i>
<i>Taxes</i>	\$ 19,106,743	\$ 18,884,448	50.00%	\$ (222,295)	(1.15%)
<i>Intergovernmental</i>	16,983,378	17,377,734	46.02%	394,356	1.91%
<i>Interest</i>	408,779	132,114	0.35%	(276,665)	(15.79%)
<i>Tuition and fees</i>	195,439	347,363	0.92%	151,924	56.77%
<i>Extracurricular activities</i>	-	438,856	1.16%	438,856	125.63%
<i>Gifts and donations</i>	-	3,387	0.01%	3,387	0.00%
<i>Customer services</i>	-	6,983	0.02%	6,983	0.00%
<i>Rent</i>	-	210,323	0.56%	210,323	0.00%
<i>Miscellaneous</i>	<u>1,127,869</u>	<u>361,968</u>	<u>0.96%</u>	<u>(765,901)</u>	<u>(25.77%)</u>
<i>Total revenues</i>	<u>\$ 37,822,208</u>	<u>\$ 37,763,176</u>	<u>99.99%</u>	<u>\$ (59,032)</u>	<u>(0.16%)</u>

Intergovernmental revenue, from state sources, increased due to the formula funding method for state foundation basic aid and homestead and rollback growth.

Interest income was reduced as interest rates declined to their lowest level in 41 years.

Tuition and fees increased because more children from other districts were served by the School District.

Changes in Extracurricular activities, Gifts and donations, Customer services, and Rental revenues are due to changes in the reporting of these accounts, where in prior years they were reported with Miscellaneous revenues. Miscellaneous revenues decreased for the same reason.

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

<i>Expenditures by Function</i>	<i>2001 Amount</i>	<i>2002 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease)</i>	<i>Percent of Increase (Decrease)</i>
<i>Instruction</i>	\$ 21,967,340	\$ 21,812,771	56.44%	\$ (154,569)	(0.70%)
<i>Pupil support</i>	2,250,133	2,251,109	5.82%	976	0.04%
<i>Instructional staff</i>	1,229,113	1,564,191	4.05%	335,078	27.26%
<i>Board of education</i>	55,151	81,490	0.21%	26,339	47.76%
<i>Administration</i>	2,408,862	2,471,204	6.39%	62,342	2.59%
<i>Fiscal</i>	637,162	625,361	1.62%	(11,801)	(1.85%)
<i>Business</i>	351,163	262,146	0.68%	(89,017)	(25.35%)
<i>Plant operation</i>	4,349,479	4,359,580	11.28%	10,101	0.23%
<i>Pupil transportation</i>	949,049	903,710	2.34%	(45,339)	(4.78%)
<i>Operation of non-instructional Central</i>	860,607	868,726	2.25%	8,119	0.00%
<i>Extracurricular</i>	290,061	236,026	0.61%	(54,035)	(18.63%)
<i>Capital outlay</i>	784,762	775,024	2.01%	(9,738)	(1.24%)
<i>Debt service</i>	1,598,983	1,298,585	3.36%	(300,398)	0.00%
	1,412,864	1,136,602	2.94%	(276,262)	(19.55%)
<i>Total expenditures</i>	<u>\$ 39,144,729</u>	<u>\$ 38,646,525</u>	<u>100.00%</u>	<u>\$ (498,204)</u>	<u>(1.27%)</u>

Instruction expenditures decreased largely because of the state mandates. Instructional staff support expenditures increased as a result of the creation of an alternative education program for students with special needs. Board of education expenditures, although an insignificant part of total governmental expenditures, increased due to a reclassification of some expenditures previously charged to other functions. Administration expenditures increased mainly due to increased personnel costs. Pupil transportation expenditures decreased due to not purchasing new buses in 2002.

General Fund

The School District ended the 2002 fiscal year with a general fund cash balance of \$1,176,367. This general fund balance carryover is approximately 4% of the total revenues for the School District in the 2001-2002 fiscal year. The School District's goal is to maintain an 8% balance versus the revenues collected each year as a source of sound fiscal management of the School District's funds. This shows that a levy was needed, which was passed in November of 2002.

Special Revenue Funds

Special revenue funds account for funds that are derived primarily from grants and entitlements, restricted by law, to expenditures for specific purposes and for a portion of the School District's general operating expenditures.

Significant state dollars are derived through the following grants:

Career Development, Data Communications, Head Start, Disadvantaged Pupil Impact Aid and Ohio Reads.

Significant federal dollars are derived through the following grants:

Title VI-B, Vocational Education, Title I, Title VI, Eisenhower Professional Development Program, Drug Free School Grant, and Title II-A.

Capital Projects Funds

The School District's capital projects funds are the Permanent Improvement Fund, Vocational Education Equipment Fund and SchoolNet Fund.

Enterprise Funds

The School District's enterprise funds are the Food Service Fund, Outdoor Education Fund, Uniform School Supplies Fund, Consumer Services Fund and the Adult Education Fund. Of these operations, the Food Service Fund generated \$1,036,522 in operating revenue.

DEBT ADMINISTRATION

The School District has five debt issues outstanding at June 30, 2002. The first issue is \$2,627,686 of notes issued under the energy conservation provisions of Ohio law. Still to be paid on these notes is \$600,000. The issue will be retired during June 2004.

The second issue is a federal asbestos loan, which was interest free in the total amount of \$474,547. This loan was awarded April 16, 1995 and will be completely retired April 16, 2013. Still to be paid on this loan is \$276,819.

The third issue is a voted School Improvement Bond Issue of \$8,000,000 issued March 1, 1999. This voted bond issue will be completely retired on December 1, 2018. Still to be paid on this bond issue is \$7,195,000.

The fourth issue is a lease-purchase agreement to purchase a new phone system in the total amount of \$648,000 issued June 26, 2002, which will be completely retired December 29, 2008.

The fifth issue is a School Facilities and Equipment Bond in the amount of \$620,000 issued June 26, 2002, which will be completely retired December 29, 2008.

CASH MANAGEMENT

The School District operates an aggressive cash management program of investing. The School District sweeps its money into investments on a daily basis as well as investments with Star Ohio, Fifth Third Savings Sweep, and Certificate of Deposits.

RISK MANAGEMENT

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

The School District provides workers' compensation coverage for all employees.

Employee health insurance (medical, dental and prescription) is provided through Medical Mutual.

OTHER INFORMATION

Independent Audit

The State of Ohio requires an annual audit either by the Ohio Auditor of State or its sub-contractor. The Ohio Auditor of State performed the audit for the fiscal year ended June 30, 2002. The auditor's unqualified opinion rendered on the School District's general purpose financial statements, and their report on the combining and individual Fund statements and schedules, is included in the financial section of this Comprehensive Annual Financial Report.

Reporting Achievement

The School District will be presenting this Comprehensive Annual Financial Report to the Government Finance Officers Association of the United States and Canada (GFOA) for potentially awarding it the Certificate of Excellence in Financial Reporting. This Certificate is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded this certificate, a government must publish an easily readable and efficiently organized report. The report must satisfy Generally Accepted Accounting Principles and applicable legal requirements. We believe our current report conforms to Certificate of Achievement Program Requirements, and it is being submitted to the GFOA to determine its eligibility for the certificate.

Acknowledgment

The preparation and publication of the 2002 Comprehensive Annual Financial Report of the Cuyahoga Falls City School District was made possible by the combined efforts of the School District's Treasurer/CFO's office and the cooperation of various School District employees. The support and commitment to excellence by the Cuyahoga Falls Board of Education and the citizens of the School District was vital in the successful issuance of this report and the continuing efforts being made to improve our financial management and reporting.

Sincerely,

A handwritten signature in black ink that reads "Paul Wulff". The signature is written in a cursive style with a large, prominent 'P' and 'W'.

Paul Wulff
Treasurer/CFO

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

Board of Education

Mrs. Laurie Liebelt	President
Mr. Steven Amos	Vice President
Mr. Robert Heath	Member
Mrs. Marj Schlaepfi	Member
Mr. Paul Herold (Effective July 17, 2002)	Member

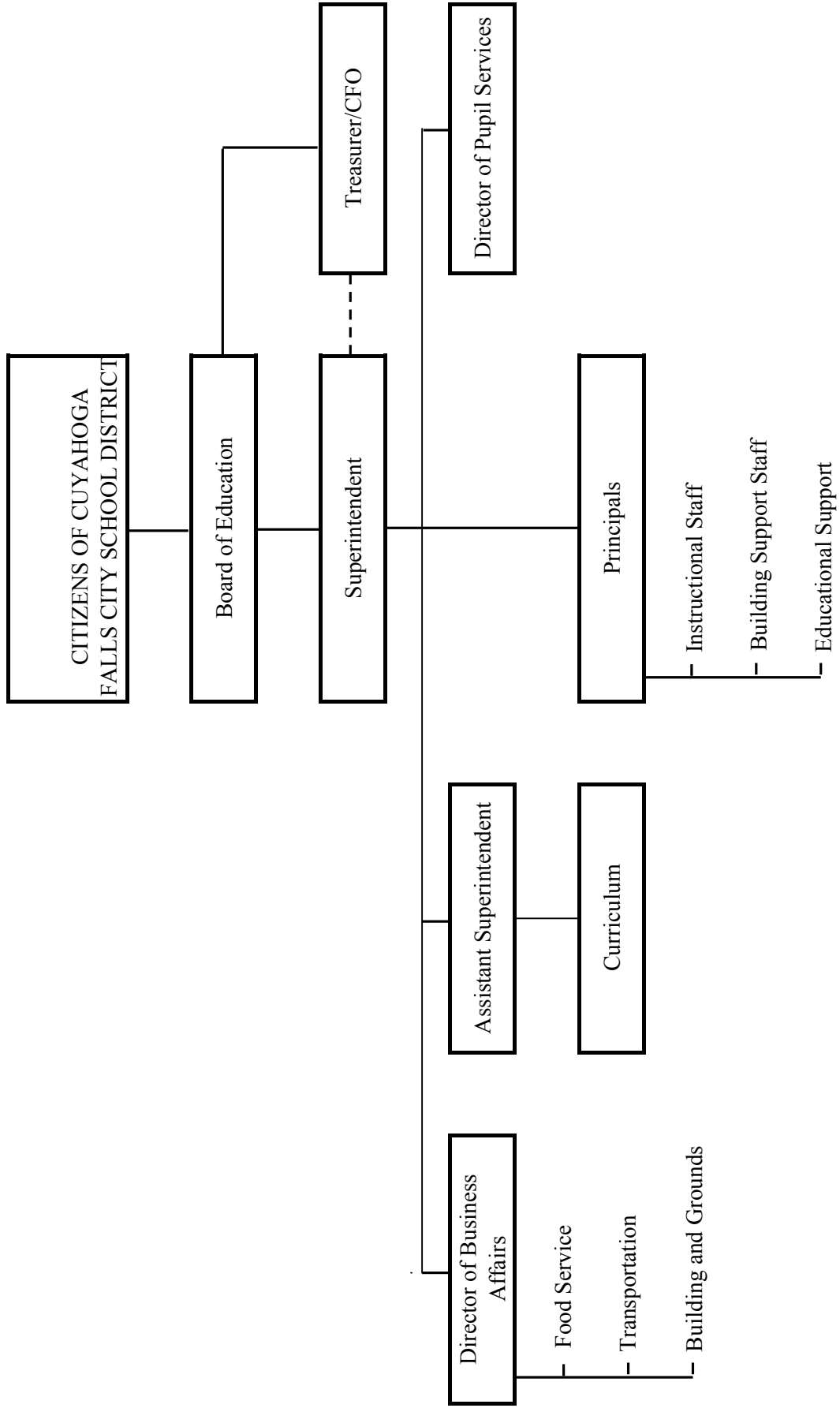
Treasurer / CFO

Mr. Paul Wulff

Executive Administration

Mr. David Scarberry	Superintendent
Ms. Christina Dinklocker	Assistant Superintendent
Mr. David Rump	Business Manager
Mr. Walter Davis	Coordinator of Curriculum
Ms. Laura Watson	Coordinator of Curriculum
Mr. Drew Hinkle	Director of Pupil Services

Cuyahoga Falls City School District
Organizational Chart





FINANCIAL SECTION



**Auditor of State
Betty Montgomery**

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Cuyahoga Falls City School District
Summit County
431 Stow Avenue
Cuyahoga Falls, Ohio 44222

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Cuyahoga Falls City School District, Summit County, (the District) as of and for the year ended June 30, 2002, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Cuyahoga Falls City School District, Summit County, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As more fully discussed in Note 3 to the general purpose financial statements, the District has reclassified certain funds among the General, Special Revenue, Expendable Trust, Enterprise, Internal Service, Non-Expendable Trust and Agency Funds. Fund balance/retained earnings as of July 1, 2001 have been restated as a result of these reclassifications.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general purpose financial statements of the District, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the Table of Contents are presented for additional analysis and are not a required part of the general purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, it is fairly presented in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

February 13, 2003

General Purpose Financial Statements

Cuyahoga Falls City School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2002

Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and other debits:</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 971,575	\$ 884,888	\$ 190,201	\$ 4,227
Cash and cash equivalents with fiscal agents				
In segregated accounts	-	-	-	-
Investments in segregated accounts	-	-	-	-
Receivables:				
Taxes	18,615,377	-	862,933	-
Accounts	47,614	-	-	-
Intergovernmental	397,702	96,497	-	82,240
Prepaid items	6,862	-	-	-
Inventory held for resale	-	-	-	-
Materials and supplies inventory	64,518	-	-	-
Equity in pooled cash and cash equivalents (restricted)	204,792	-	-	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	-
<u>Other debits:</u>				
Amount available in debt service fund for retirement of general obligations	-	-	-	-
Amount to be provided from general government resources	-	-	-	-
Total assets and other debits	<u>\$ 20,308,440</u>	<u>\$ 981,385</u>	<u>\$ 1,053,134</u>	<u>\$ 86,467</u>
<u>Liabilities, fund equity and other credits:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 229,644	\$ 66,661	\$ -	\$ -
Accrued wages	3,607,065	67,770	-	-
Compensated absences payable	224,131	-	-	-
Due to other government	-	-	-	-
Intergovernmental payable	699,734	25,351	-	-
Deferred revenue	18,569,838	84,586	850,837	-
Undistributed monies	-	-	-	-
Due to students	-	-	-	-
Notes payable	-	-	-	-
Claims payable	-	-	-	-
Capital leases payable	-	-	-	-
Energy conservation bonds payable	-	-	-	-
Asbestos removal loan payable	-	-	-	-
General obligation bonds payable	-	-	-	-
Total liabilities	<u>23,330,412</u>	<u>244,368</u>	<u>850,837</u>	<u>-</u>
<u>Fund equity and other credits:</u>				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings:				
Unreserved (accumulated deficit)	-	-	-	-
Fund balance:				
Reserved for encumbrances	186,893	50,889	162,424	-
Reserved for inventory	64,518	-	-	-
Reserved for prepaid items	6,862	-	-	-
Reserved for debt service	-	-	27,777	-
Reserved for unclaimed monies	14,727	-	-	-
Reserved for property taxes	459,022	-	12,096	-
Reserved for budget stabilization	190,065	-	-	-
Unreserved, undesignated	(3,944,059)	686,128	-	86,467
Total fund equity and other credits	<u>(3,021,972)</u>	<u>737,017</u>	<u>202,297</u>	<u>86,467</u>
Total liabilities, fund equity and other credits	<u>\$ 20,308,440</u>	<u>\$ 981,385</u>	<u>\$ 1,053,134</u>	<u>\$ 86,467</u>

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 68,141	\$ 87,170	\$ 267,027	\$ -	\$ -	\$ 2,473,229
-	-	10,605	-	-	10,605
-	-	279,932	-	-	279,932
-	-	-	-	-	19,478,310
2,091	-	-	-	-	49,705
72	-	454,469	-	-	1,030,980
-	-	-	-	-	6,862
36,352	-	-	-	-	36,352
33,615	-	-	-	-	98,133
-	-	-	-	-	204,792
177,530	-	-	36,919,227	-	37,096,757
-	-	-	-	202,297	202,297
-	-	-	-	11,183,720	11,183,720
<u>\$ 317,801</u>	<u>\$ 87,170</u>	<u>\$ 1,012,033</u>	<u>\$ 36,919,227</u>	<u>\$ 11,386,017</u>	<u>\$ 72,151,674</u>
\$ 3,276	\$ 5,461	\$ 49,243	\$ -	\$ -	\$ 354,285
31,133	5,461	78,049	-	-	3,789,478
23,569	-	4,684	-	1,334,035	1,586,419
-	-	449,142	-	-	449,142
48,534	3,167	18,358	-	496,435	1,291,579
20,710	-	-	-	-	19,525,971
-	-	311,383	-	-	311,383
-	-	57,307	-	-	57,307
-	-	-	-	648,000	648,000
-	72,220	-	-	-	72,220
-	-	-	-	215,728	215,728
-	-	-	-	600,000	600,000
-	-	-	-	276,819	276,819
-	-	-	-	7,815,000	7,815,000
<u>127,222</u>	<u>86,309</u>	<u>968,166</u>	<u>-</u>	<u>11,386,017</u>	<u>36,993,331</u>
-	-	-	36,919,227	-	36,919,227
208,659	-	-	-	-	208,659
(18,080)	861	-	-	-	(17,219)
-	-	-	-	-	400,206
-	-	-	-	-	64,518
-	-	-	-	-	6,862
-	-	-	-	-	27,777
-	-	-	-	-	14,727
-	-	-	-	-	471,118
-	-	-	-	-	190,065
-	-	43,867	-	-	(3,127,597)
<u>190,579</u>	<u>861</u>	<u>43,867</u>	<u>36,919,227</u>	<u>-</u>	<u>35,158,343</u>
<u>\$ 317,801</u>	<u>\$ 87,170</u>	<u>\$ 1,012,033</u>	<u>\$ 36,919,227</u>	<u>\$ 11,386,017</u>	<u>\$ 72,151,674</u>

Cuyahoga Falls City School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2002

Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
<u>Revenues:</u>				
Taxes	\$ 18,042,609	\$ -	\$ 208,845	\$ 632,994
Intergovernmental	14,978,819	2,212,708	100,771	85,436
Interest	108,878	3,771	-	18,588
Tuition and fees	339,562	7,801	-	-
Extracurricular activities	-	438,856	-	-
Gifts and donations	-	2,387	-	-
Customer services	6,983	-	-	-
Rent	200,323	-	-	10,000
Miscellaneous	307,940	54,028	-	-
Total revenues	<u>33,985,114</u>	<u>2,719,551</u>	<u>309,616</u>	<u>747,018</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	16,259,570	403,911	-	53,103
Special	2,855,611	572,474	-	-
Vocational	812,640	739	-	3,196
Other	830,118	20,220	-	-
Support services:				
Pupils	1,795,635	454,936	-	-
Instructional staff	1,436,959	124,128	-	3,104
Board of education	81,490	-	-	-
Administration	2,369,817	100,711	-	676
Fiscal	617,954	50	7,357	-
Business	262,146	-	-	-
Operation and maintenance of plant	4,328,808	28,883	-	1,889
Pupil transportation	903,710	-	-	-
Central	230,728	4,091	-	1,207
Operation of non-instructional services	-	868,476	-	-
Extracurricular activities	511,636	263,388	-	-
Capital outlay	-	-	-	1,298,585
Debt service:				
Principal retirement	76,998	-	616,364	-
Interest and fiscal charges	29,111	-	391,135	22,994
Total expenditures	<u>33,402,931</u>	<u>2,842,007</u>	<u>1,014,856</u>	<u>1,384,754</u>
Excess of revenues over (under) expenditures	<u>582,183</u>	<u>(122,456)</u>	<u>(705,240)</u>	<u>(637,736)</u>
<u>Other financing sources (uses):</u>				
Proceeds of notes	-	-	632,994	634,780
Operating transfers in	-	1,818	-	-
Operating transfers out	(2,015,469)	-	-	-
Total other financing sources (uses)	<u>(2,015,469)</u>	<u>1,818</u>	<u>632,994</u>	<u>634,780</u>
Excess of revenues and other financing sources under expenditures and Other financing uses	(1,433,286)	(120,638)	(72,246)	(2,956)
Fund balances (deficit) at beginning of year, as restated (Note 3)	(1,592,567)	857,655	274,543	89,423
Increase in reserve for inventory	3,881	-	-	-
Fund balances (deficit) at end of year	<u>\$ (3,021,972)</u>	<u>\$ 737,017</u>	<u>\$ 202,297</u>	<u>\$ 86,467</u>

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type	Totals (Memorandum Only)
Expendable Trust	
\$ -	\$ 18,884,448
-	17,377,734
877	132,114
-	347,363
-	438,856
1,000	3,387
-	6,983
-	210,323
-	361,968
1,877	37,763,176
1,189	16,717,773
-	3,428,085
-	816,575
-	850,338
538	2,251,109
-	1,564,191
-	81,490
-	2,471,204
-	625,361
-	262,146
-	4,359,580
-	903,710
-	236,026
250	868,726
-	775,024
-	1,298,585
-	693,362
-	443,240
1,977	38,646,525
(100)	(883,349)
-	1,267,774
-	1,818
-	(2,015,469)
-	(745,877)
(100)	(1,629,226)
43,967	(326,979)
-	3,881
\$ 43,867	\$ (1,952,324)

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

	Governmental Fund Types		
	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 18,038,844	\$ 18,073,676	\$ 34,832
Intergovernmental	15,309,305	14,978,819	(330,486)
Interest	140,000	108,878	(31,122)
Tuition and fees	353,130	335,762	(17,368)
Rent	173,735	198,428	24,693
Extracurricular activities	-	-	-
Gifts and donations	-	-	-
Customer services	-	6,983	6,983
Miscellaneous	291,873	284,548	(7,325)
Total revenues	<u>34,306,887</u>	<u>33,987,094</u>	<u>(319,793)</u>
Expenditures:			
Current:			
Instruction:			
Regular	16,510,685	15,680,500	830,185
Special	2,895,307	2,876,287	19,020
Vocational	835,696	832,335	3,361
Other	895,346	893,287	2,059
Support services:			
Pupils	1,821,716	1,807,438	14,278
Instructional staff	1,397,737	1,368,615	29,122
Board of education	73,310	70,729	2,581
Administration	2,552,979	2,548,166	4,813
Fiscal	623,125	614,714	8,411
Business	307,700	271,636	36,064
Operation and maintenance of plant	4,326,519	4,298,153	28,366
Pupil transportation	934,476	903,038	31,438
Central	395,836	277,706	118,130
Operation of non-instructional services	-	-	-
Extracurricular activities	577,541	518,767	58,774
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>34,147,973</u>	<u>32,961,371</u>	<u>1,186,602</u>
Excess of revenues over (under) expenditures	<u>158,914</u>	<u>1,025,723</u>	<u>866,809</u>
Other financing sources (uses):			
Proceeds of notes	-	-	-
Advances in	124,758	124,758	-
Advances out	-	-	-
Operating transfers in	-	-	-
Operating transfers out	(2,032,851)	(2,015,469)	17,382
Total other financing sources (uses)	<u>(1,908,093)</u>	<u>(1,890,711)</u>	<u>17,382</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,749,179)	(864,988)	884,191
Fund balances at beginning of year, as restated (Note 3)	781,543	781,543	-
Prior year encumbrances appropriated	1,050,835	1,050,835	-
Fund balances at end of year	<u>\$ 83,199</u>	<u>\$ 967,390</u>	<u>\$ 884,191</u>

See accompanying notes to the general purpose financial statements.

Governmental Fund Types

Special Revenue Funds			Debt Service Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 842,887	\$ 847,722	\$ 4,835
2,458,413	2,200,797	(257,616)	100,771	100,771	-
2,992	3,771	779	-	-	-
7,672	7,801	129	-	-	-
-	-	-	-	-	-
384,626	438,892	54,266	-	-	-
2,083	2,387	304	-	-	-
-	-	-	-	-	-
15,894	46,701	30,807	-	-	-
<u>2,871,680</u>	<u>2,700,349</u>	<u>(171,331)</u>	<u>943,658</u>	<u>948,493</u>	<u>4,835</u>
422,348	404,053	18,295	-	-	-
653,687	623,911	29,776	-	-	-
11,594	11,322	272	-	-	-
20,220	20,220	-	-	-	-
526,565	484,610	41,955	-	-	-
212,578	142,734	69,844	-	-	-
-	-	-	-	-	-
134,209	95,242	38,967	-	-	-
50	50	-	7,383	7,383	-
-	-	-	-	-	-
28,883	28,883	-	-	-	-
-	-	-	-	-	-
6,908	6,717	191	-	-	-
1,178,146	957,014	221,132	-	-	-
293,654	288,750	4,904	-	-	-
-	-	-	-	-	-
-	-	-	1,226,364	1,226,364	-
-	-	-	576,553	576,553	-
<u>3,488,842</u>	<u>3,063,506</u>	<u>425,336</u>	<u>1,810,300</u>	<u>1,810,300</u>	<u>-</u>
<u>(617,162)</u>	<u>(363,157)</u>	<u>254,005</u>	<u>(866,642)</u>	<u>(861,807)</u>	<u>4,835</u>
-	-	-	632,994	632,994	-
-	-	-	-	-	-
(66,510)	(66,510)	-	-	-	-
1,818	1,818	-	-	-	-
-	-	-	-	-	-
<u>(64,692)</u>	<u>(64,692)</u>	<u>-</u>	<u>632,994</u>	<u>632,994</u>	<u>-</u>
(681,854)	(427,849)	254,005	(233,648)	(228,813)	4,835
725,038	725,038	-	256,590	256,590	-
492,045	492,045	-	-	-	-
<u>\$ 535,229</u>	<u>\$ 789,234</u>	<u>\$ 254,005</u>	<u>\$ 22,942</u>	<u>\$ 27,777</u>	<u>\$ 4,835</u>

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

	Governmental Fund Types		
	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	88,150	3,196	(84,954)
Interest	16,378	18,588	2,210
Tuition and fees	-	-	-
Rent	10,000	10,000	-
Extracurricular activities	-	-	-
Gifts and donations	-	-	-
Customer services	-	-	-
Miscellaneous	-	-	-
Total revenues	114,528	31,784	(82,744)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	62,391	62,391	-
Special	-	-	-
Vocational	3,196	3,196	-
Other	-	-	-
Support services:			
Pupils	-	-	-
Instructional staff	3,104	3,104	-
Board of education	-	-	-
Administration	676	676	-
Fiscal	-	-	-
Business	-	-	-
Operation and maintenance of plant	7,156	1,889	5,267
Pupil transportation	-	-	-
Central	39,207	39,207	-
Operation of non-instructional services	-	-	-
Extracurricular activities	-	-	-
Capital outlay	1,307,050	1,307,050	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	1,422,780	1,417,513	5,267
Excess of revenues over (under) expenditures	(1,308,252)	(1,385,729)	(77,477)
<u>Other financing sources (uses):</u>			
Proceeds of notes	634,780	634,780	-
Advances in	-	-	-
Advances out	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	634,780	634,780	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(673,472)	(750,949)	(77,477)
Fund balances at beginning of year, as restated (Note 3)	681,185	681,185	-
Prior year encumbrances appropriated	73,990	73,990	-
Fund balances at end of year	\$ 81,703	\$ 4,226	\$ (77,477)

See accompanying notes to the general purpose financial statements. 10

Fiduciary Fund Type			Totals (Memorandum Only)		
Expendable Trust Fund					
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 18,881,731	\$ 18,921,398	\$ 39,667
-	-	-	17,956,639	17,283,583	(673,056)
764	877	113	160,134	132,114	(28,020)
-	-	-	360,802	343,563	(17,239)
-	-	-	183,735	208,428	24,693
1,000	-	(1,000)	385,626	438,892	53,266
-	1,000	1,000	2,083	3,387	1,304
-	-	-	-	6,983	6,983
-	-	-	307,767	331,249	23,482
1,764	1,877	113	38,238,517	37,669,597	(568,920)
4,750	3,000	1,750	17,000,174	16,149,944	850,230
1,455	-	1,455	3,550,449	3,500,198	50,251
-	-	-	850,486	846,853	3,633
-	-	-	915,566	913,507	2,059
3,367	538	2,829	2,351,648	2,292,586	59,062
104	-	104	1,613,523	1,514,453	99,070
-	-	-	73,310	70,729	2,581
-	-	-	2,687,864	2,644,084	43,780
-	-	-	630,558	622,147	8,411
-	-	-	307,700	271,636	36,064
-	-	-	4,362,558	4,328,925	33,633
-	-	-	934,476	903,038	31,438
-	-	-	441,951	323,630	118,321
1,141	250	891	1,179,287	957,264	222,023
-	-	-	871,195	807,517	63,678
-	-	-	1,307,050	1,307,050	-
-	-	-	1,226,364	1,226,364	-
-	-	-	576,553	576,553	-
10,817	3,788	7,029	40,880,712	39,256,478	1,624,234
(9,053)	(1,911)	7,142	(2,642,195)	(1,586,881)	1,055,314
-	-	-	1,267,774	1,267,774	-
-	-	-	124,758	124,758	-
-	-	-	(66,510)	(66,510)	-
-	-	-	1,818	1,818	-
-	-	-	(2,032,851)	(2,015,469)	17,382
-	-	-	(705,011)	(687,629)	17,382
(9,053)	(1,911)	7,142	(3,347,206)	(2,274,510)	1,072,696
43,928	43,928	-	2,488,284	2,488,284	-
1,850	1,850	-	1,618,720	1,618,720	-
\$ 36,725	\$ 43,867	\$ 7,142	\$ 759,798	\$ 1,832,494	\$ 1,072,696

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

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<u>Operating revenues:</u>			
Tuition	\$ 3,776	\$ 22,650	\$ 26,426
Sales	1,078,195	84,143	1,162,338
Charges for services	14,151	2,150,527	2,164,678
Total operating revenue	1,096,122	2,257,320	3,353,442
<u>Operating expenses:</u>			
Salaries	478,759	11,164	489,923
Fringe benefits	240,369	4,036	244,405
Purchased services	22,171	503,040	525,211
Materials and supplies	98,249	91,594	189,843
Cost of sales	607,671	-	607,671
Depreciation	31,102	-	31,102
Claims	-	3,361,624	3,361,624
Other operating expenses	70	-	70
Total operating expenses	1,478,391	3,971,458	5,449,849
Operating loss	(382,269)	(1,714,138)	(2,096,407)
<u>Non-operating revenues (expenses):</u>			
Federal donated commodities	71,061	-	71,061
Operating grants	329,950	-	329,950
Interest	653	512	1,165
Loss on disposal of fixed assets	(16,856)	-	(16,856)
Total non-operating revenues (expenses)	384,808	512	385,320
Income (loss) before operating transfers	2,539	(1,713,626)	(1,711,087)
Operating transfers in	-	2,013,651	2,013,651
Net income	2,539	300,025	302,564
Retained earnings/fund balance at beginning of year, as restated (Note 3)	(20,619)	(299,164)	(319,783)
Retained earnings/fund balance at end of year	\$ (18,080)	\$ 861	\$ (17,219)

See accompanying notes to the general purpose financial statements.

Cuyahoga Falls City School District
Combining Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2002

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<u>Cash flows from operating activities:</u>			
Cash received from tuition and fees	\$ 3,776	\$ 22,650	\$ 26,426
Cash received from sales/charges for services	1,093,246	2,255,844	3,349,090
Cash payments to suppliers for goods and services	(681,286)	(590,078)	(1,271,364)
Cash payments to employees for services	(519,761)	(15,633)	(535,394)
Cash payments for employee benefits	(216,445)	-	(216,445)
Cash payments for claims	-	(3,805,689)	(3,805,689)
Cash payments for other operating expenses	(70)	-	(70)
Net cash used for operating activities	<u>(320,540)</u>	<u>(2,132,906)</u>	<u>(2,453,446)</u>
<u>Cash flows from noncapital financing activities:</u>			
Operating grants	329,950	-	329,950
Transfer in	-	2,013,651	2,013,651
Advances out	(10,897)	-	(10,897)
Net cash provided by noncapital financing activities	<u>319,053</u>	<u>2,013,651</u>	<u>2,332,704</u>
<u>Cash flows from capital financing activities:</u>			
Acquisition of capital assets	(10,785)	-	(10,785)
Net cash used for capital financing activities	<u>(10,785)</u>	<u>-</u>	<u>(10,785)</u>
<u>Cash flows from investing activities:</u>			
Interest on investments	653	512	1,165
Net cash provided by investing financing	<u>653</u>	<u>512</u>	<u>1,165</u>
Net decrease in cash and cash equivalents	(11,619)	(118,743)	(130,362)
Cash and cash equivalents at beginning of year, as restated (Note 3)	79,760	205,913	285,673
Cash and cash equivalents at end of year	<u>\$ 68,141</u>	<u>\$ 87,170</u>	<u>\$ 155,311</u>
<u>Reconciliation of operating loss to net cash used for operating activities:</u>			
Operating loss	\$ (382,269)	\$ (1,714,138)	\$ (2,096,407)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation	31,102	-	31,102
Federal donated commodities	71,061	-	71,061
Change in assets and liabilities:			
(Increase) decrease in assets:			
Inventory	(22,240)	-	(22,240)
Accounts receivable	(780)	32,855	32,075
Increase (decrease) in liabilities:			
Accounts payable	(1,572)	4,555	2,983
Accrued wages	(1,007)	846	(161)
Compensated absences payable	(15,745)	-	(15,745)
Intergovernmental payable	(326)	(1,279)	(1,605)
Claims payable	-	(444,065)	(444,065)
Deferred revenue	1,236	(11,680)	(10,444)
Total adjustments	<u>61,729</u>	<u>(418,768)</u>	<u>(357,039)</u>
Net cash used for operating activities	<u>\$ (320,540)</u>	<u>\$ (2,132,906)</u>	<u>\$ (2,453,446)</u>

Noncash Activities:

Donated commodities are received from the federal government in the Food Service enterprise fund in the amount of \$71,061. Enterprise fixed assets were disposed at a cost of \$27,900 with accumulated depreciation of \$11,044, resulting in a loss on disposals of \$16,856.

Reconciliation of combined balance sheet:

Equity in pooled cash and cash equivalents, expendable trust fund	\$ 43,867
Equity in pooled cash and cash equivalents, agency fund	223,160
Total equity in pooled cash and cash equivalents, fiduciary fund type	<u>\$ 267,027</u>

See accompanying notes to the general purpose financial statements.

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

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

The School District ranks as the 64th largest by enrollment among the 703 public and community school districts in the State, and the 4th largest in Summit County. It currently operates 7 elementary schools, 3 middle schools, and 1 comprehensive high school. The School District employs 251 non-certified and 427 certified full-time and part-time employees to provide services to approximately 5,244 students in grades K through 12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

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 their budget, the issuance of their debt or the levying of their taxes. Based on the above criteria, the School District had no component units at June 30, 2002.

Potential Component Unit Reported as an Agency Fund:

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

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

Jointly Governed Organizations:

North-East Ohio Network for Educational Technology (NEONET)

NEONET is a jointly governed organization among sixteen school districts and the Summit County Educational Service Center that was formed July 1, 1995. NEONET was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions of member districts. The seven-member board of directors consists of four superintendents, two members of the treasurers' committee and one member of the student services subcommittee. The degree of control exercised by any participating school district is limited to its representation on the assembly, which elects the board of directors, who exercises total control over the operation of NEONET including budgeting, appropriating, contracting and designating management. All revenues are generated from State funding and an annual fee per student to participating districts. The Summit County Educational Service Center is the fiscal agent of NEONET. Financial information is available from the Treasurer of the Summit County Educational Service Center, 420 Washington Avenue, Suite 200, Cuyahoga Falls, Ohio, 44221. During the current fiscal year, the School District contributed \$16,601 to NEONET.

Six District Educational Compact (Compact)

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

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
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B. Basis of Presentation - Fund Accounting

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

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

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

Governmental Fund Types:

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

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

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

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

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

Proprietary Fund Types:

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

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
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Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds – The internal service funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

Fiduciary Fund Types:

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups:

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

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

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

C. Measurement Focus and Basis of Accounting

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
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Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

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

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for 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 combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2002, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2003 operations, have been recorded as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

D. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriation Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Advances in and advances out are not required to be budgeted since they represent temporary cash flow resources and are intended to be repaid.

Tax Budget:

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

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District's Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2002.

Appropriations:

Upon receipt from the Summit County Fiscal Officer of an amended Certificate of Estimated Resources, which based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual Appropriation Resolution must be legally enacted by the Board of Education at the fund level, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The Appropriation Resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education.

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

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

The budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

Encumbrances:

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

Lapsing of Appropriations:

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

E. Cash and Investments

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this account and often used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented in the account, "Equity in pooled cash and cash equivalents". During the fiscal year 2002, the School District purchased investments in common stocks and mutual funds with the Alumni agency funds' monies. These investments are presented on the Combined Balance Sheet as "Investments in Segregated Accounts". Other investments were limited to overnight repurchase agreements, certificates of deposit, commercial paper, notes of federal government agencies, and Star Ohio, the State Treasurer's Investment Pool. All investments of the School District had maturity of two years or less. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposits are reported at cost. Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to certain trust funds, unless the School Board specifically allows the interest to be recorded in other funds. The Board of Education has passed a resolution to allow interest to also be recorded in other funds as indicated in Note 5.

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
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The District has invested funds in STAR Ohio during 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2002.

For purposes of the Combined Statement of Cash Flows and for presentation on the Combined Balance Sheet, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

F. Inventory

Inventories for all governmental funds are valued at cost (first-in/first-out method). The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories at period end are reported as assets of the respective fund, which are equally offset by a fund balance reserve which indicates they are unavailable for appropriation even though they are a component of reported assets. Inventory in governmental funds consist of expendable supplies held for consumption.

Inventories of proprietary funds are valued at the lower of cost (first-in/first-out method) or market and expensed when used rather than when purchased. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale.

G. Prepayments

Prepayments for governmental funds represent cash disbursements which have occurred and are therefore not current expendable resources. These items are reported as fund assets on the balance sheet using the allocation method, which amortizes their cost over the periods benefiting from the advance payment. At period end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset.

H. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District capitalization policy is to capitalize assets if the acquisition cost is greater than \$500 and the asset maintains at least a five-year useful life. The School District does not possess any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

Cuyahoga Falls City School District
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For the Fiscal Year Ended June 30, 2002

Assets in the general fixed assets account group are not depreciated. Depreciation of equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life of twelve years. The School District's policy is not to capitalize interest costs incurred as part of construction.

I. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis and entitlements, are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred and all other grant requirements have been met. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and became measurable.

The School District currently participates in several State and Federal programs. Management has determined the following programs as material:

Entitlements

General Fund

State Foundation Program
State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

Career Development
Data Communications
Disadvantaged Pupil Impact Aid
Drug Free School Grant
Eisenhower Professional Development Program
Head Start
Ohio Reads
Vocational Education
Title I
Title II-A
Title VI
Title VI-B

Capital Projects Funds

SchoolNet

Reimbursable Grants

General Fund

Driver Education Reimbursement

Proprietary Funds

Government Donated Commodities
National School Lunch Program
National School Breakfast Program

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Grants and entitlements amounted to approximately 44% of the School District's revenue during the 2002 fiscal year.

J. Compensated Absences

Compensated absences of the District consist of vacation leave and severance liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the School District and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age fifty (50) or greater with at least ten (10) years of service; or twenty (20) years' service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and severance payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

Accumulated vacation and severance liability of governmental fund type employees meeting the above requirements have been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the general long-term obligations account group. Vacation and severance liability for employees meeting the above requirements who are paid from proprietary funds is recorded as an expense when earned.

K. Accrued Liabilities and Long-Term Obligations

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

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

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transfers are reported as operating transfers.

M. 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.

N. Fund Balance Reserves

The School District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventory of materials and supplies, prepaids, debt service, unclaimed monies, property taxes, and budget stabilization. A portion of general fund balance is reserved for budget stabilization as explained in Note 18.

O. Contributed Capital

Prior to 2001, contributed capital was recorded in proprietary funds that received capital grants or contributions from developers, customers or other funds. As of fiscal year 2001, increases in contributed capital will only take place for contributions made by other funds. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year-end. There was no increase in contributed capital during the current fiscal year.

P. Parochial Schools

Within the District boundaries, St. Joseph and Immaculate Heart of Mary schools are operated through the Cleveland Catholic Diocese; Chapel Hill Christian and Redeemer Lutheran schools are operated as private schools. Current state legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial school. The receipt and expenditure of these state monies by the School District are reflected in a special revenue fund for financial reporting purposes.

Q. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents that are restricted in use by State statute.

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

R. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Totals Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 – RESTATEMENT OF FUND BALANCE/RETAINED EARNINGS

For fiscal year 2002, the School District modified the fund structure in which budget basis and GAAP basis financial statements are reported. The new fund structure was adopted as a preferable method to classify funds, which will more accurately report the activities of the School District. The effects on fund balances/retained earnings are stated below:

A. Budget Basis

The net amounts of budget basis fund reclassifications of (\$546,842) were reclassified into funds reported as Agency funds.

	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	<u>Enterprise</u>	<u>Internal Service</u>
<i>Fund Balance/Retained Earnings as of June 30, 2001</i>	\$ 764,965	\$ 855,846	\$ 417,330	\$ 51,734	\$ 269,262
<i>Fund reclassifications</i>	<u>16,578</u>	<u>(130,808)</u>	<u>(373,402)</u>	<u>10,479</u>	<u>(69,689)</u>
<i>Restated July 1, 2001</i>	<u>\$ 781,543</u>	<u>\$ 725,038</u>	<u>\$ 43,928</u>	<u>\$ 62,213</u>	<u>\$ 199,573</u>

B. GAAP Basis for governmental funds

The net amounts of GAAP basis fund reclassifications of (\$88,838) were reclassified into funds reported as Agency funds.

	<u>Special Revenue</u>	<u>Expendable Trust</u>	<u>Non- Expendable</u>
<i>Fund Balance as of June 30, 2001</i>	\$ 825,692	\$ 62,643	\$ 69,836
<i>Fund reclassifications</i>	<u>31,963</u>	<u>(18,676)</u>	<u>(69,836)</u>
<i>Restated July 1, 2001</i>	<u>\$ 857,655</u>	<u>\$ 43,967</u>	<u>\$ -</u>

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

C. GAAP Basis for Internal Service proprietary fund

	<i>Internal Service</i>	
	<i>Fiscal Year</i>	<i>Fiscal Year</i>
	<u>2002</u>	<u>2001</u>
<i>Retained earnings/fund balance</i>		
<i>at beginning of year</i>		
<i>As previously reported</i>	\$ (266,875)	\$ 306,379
<i>Adjustment for fund reclassification</i>	<u>(32,289)</u>	<u>-</u>
<i>Balance at beginning of year, as</i>		
<i>restated</i>	(299,164)	306,379
<i>Net income (as restated in 2001)</i>	<u>300,025</u>	<u>(605,543)</u>
<i>Retained earnings/fund balance at end of year</i>	<u>\$ 861</u>	<u>\$ (299,164)</u>

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

	<i>Excess of Revenues and Other Financing Sources Over (Under)</i>				
	<i>Expenditures and Other Financing Uses</i>				
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
<i>GAAP Basis</i>	\$ (1,433,286)	\$ (120,638)	\$ (72,246)	\$ (2,956)	\$ (100)
<i>Revenue Accruals</i>	126,738	(19,202)	638,877	(715,234)	-
<i>Expenditure Accruals</i>	708,660	(192,354)	(633,020)	(32,759)	(1,811)
<i>Encumbrances (Budget Basis)</i>					
<i>Outstanding at year end</i>	<u>(267,100)</u>	<u>(95,655)</u>	<u>(162,424)</u>	<u>-</u>	<u>-</u>
<i>Budget Basis</i>	<u>\$ (864,988)</u>	<u>\$ (427,849)</u>	<u>\$ (228,813)</u>	<u>\$ (750,949)</u>	<u>\$ (1,911)</u>

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

1. United States Treasury Bills, Notes, Bonds, or any other obligations or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements for a period not to exceed 30 days in securities listed above that mature within five years from the date of settlement;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25% of the interim moneys available for investment at any one time and not to exceed 180 days.
8. Under limited circumstances corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

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 moneys deposited with the institution.

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

Deposits:

At fiscal year-end, the carrying amount of the School District's deposits was (\$317,911) and the bank balance was \$16,756. Of the bank balance, \$16,756 was covered by federal depository insurance. The School District maintains a "zero balance" account for their payroll checking account and a similar low balance account for the general checking account. Money is credited to their checking account from a repurchase account that is linked to those accounts as checks are presented.

Investments:

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

	<u>Category 2</u>	<u>Category 3</u>	<u>Fair Value</u>
<u>Categorized Investments</u>			
Common Stock	\$ 161,223	\$ -	\$ 161,223
Fixed Income-Mutual Fund	118,709	-	118,709
Repurchase Agreements	-	<u>485,000</u>	<u>485,000</u>
Total Categorized	<u>\$ 279,932</u>	<u>\$ 485,000</u>	764,932
 <u>Noncategorized Investments</u>			
STAR Ohio			<u>2,521,537</u>
Total Investments			<u>\$ 3,286,469</u>

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

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

	<i>Cash and Cash Equivalents/ <u>Deposits</u></i>	<i><u>Investments</u></i>
<i>GASB Statement No. 9</i>	\$ 2,688,626	\$ 279,932
<i>Investments which are part of a cash mangagment pool:</i>		
<i>Repurchase Agreement</i>	(485,000)	485,000
<i>STAROhio</i>	<u>(2,521,537)</u>	<u>2,521,537</u>
<i>GASB Statement No. 3</i>	<u>\$ (317,911)</u>	<u>\$ 3,286,469</u>

All interest is legally required to be placed in the general fund, the Auxiliary Services special revenue fund, the Permanent Improvement capital projects fund, the Special Trust expendable trust fund, the Food Service enterprise fund, and the Employee Benefits Self-Insurance internal services fund. Due to these provisions, the general fund and the permanent improvement fund received \$108,878 and \$18,588 of interest. Of these amounts, \$23,482 and \$11,706, respectively, was assigned from other School District funds.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. Real property tax collections by the County are remitted to the School District a year after they are assessed by the County. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property 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. Public utility property taxes attached as a lien on December 31 of the prior year were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35% of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88% of true value (with certain exceptions) and on real property at 35% of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25% of true value.

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

The School District receives property taxes from Summit County. The Summit County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2002 are available as an advance to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Accrued property taxes receivables represent delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable as of June 30, 2002. 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 year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 was \$459,022 in the general fund and \$12,096 in the Bond Retirement debt service fund, and is recognized as revenue.

The assessed values upon which the fiscal year 2002 taxes were collected are:

<u>Property Category</u>	<u>2001 Assessed Value</u>	<u>2000 Assessed Value</u>
<u>Real Property</u>		
<i>Residential and Agricultural</i>	\$ 516,247,760	\$ 514,998,120
<i>Commercial and Industrial</i>	144,421,410	140,859,720
<i>Public Utilities</i>	10,687,260	14,381,440
<u>Tangible Personal Property</u>		
<i>General</i>	<u>46,351,101</u>	<u>46,876,653</u>
<i>Total</i>	<u>\$ 717,707,531</u>	<u>\$ 717,115,933</u>

NOTE 7 - RECEIVABLES

Receivables at June 30, 2002 consisted of taxes, accounts, and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. The general fund, special revenue fund, capital projects fund and the agency fund type intergovernmental receivables at June 30, 2002 were \$397,702, \$96,497, \$82,240 and \$454,469, respectively.

NOTE 8 - FIXED ASSETS

A summary of the enterprise fund's fixed assets as of June 30, 2002 follows:

<u>Classification</u>	<u>Balance</u>
<i>Equipment</i>	\$ 660,847
<i>Less: accumulated depreciation</i>	<u>(483,317)</u>
<i>Net Fixed Assets</i>	<u>\$ 177,530</u>

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

A summary of the changes in general fixed assets during fiscal year 2002 follows:

	<i>Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i>
	<u><i>July 1</i></u>			<u><i>June 30</i></u>
<i>Land and improvements</i>	\$ 1,337,462	\$ -	\$ -	\$ 1,337,462
<i>Buildings and improvements</i>	22,226,445	188,349	-	22,414,794
<i>Furniture and equipment</i>	10,237,760	1,356,092	(23,904)	11,569,948
<i>Vehicles</i>	1,466,239	130,784	-	1,597,023
<i>Total</i>	<u>\$ 35,267,906</u>	<u>\$ 1,675,225</u>	<u>\$ (23,904)</u>	<u>\$ 36,919,227</u>

NOTE 9 - RISK MANAGEMENT

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

As of March 31, 2002, the School District ceased operating a self-funded health insurance program. Beginning April 1, 2002, the School District began purchasing commercial insurance from a major independent insurance company. An Internal Service Fund continues to be reported for the current year's activities. The claims liability of \$61,713 reported in the fund at June 30, 2002, was estimated by a third party administrator and is based on the requirements of GASB Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in the fund's claims liability during 2001 and 2002 were:

	<i>Balance at</i>	<i>Current</i>	<i>Claim</i>	<i>Balance at</i>
	<u><i>beginning of year</i></u>	<u><i>year claims</i></u>	<u><i>payments</i></u>	<u><i>end of year</i></u>
2001	\$ 551,945	3,438,423	3,474,083	516,285
2002	\$ 516,285	3,361,624	3,805,689	72,220

The School District is a member of the Ohio School Boards Association Workers' Compensation Group Rating Program established in April 1991, an insurance purchasing pool. The program was created by the Ohio School Boards Association as a result of the Worker's Compensation group rating plan as defined in Section 4123.29 of the Ohio Revised Code. The group-rating program allows school districts to group together to potentially achieve a lower premium rate than they may otherwise be able to acquire as individual employers. The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Plan members are required to contribute 9% of their annual covered salary and the School District is required to contribute an actuarially determined rate of 14% of annual covered payroll, which includes 5.46% for pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to the statutory maximum amounts, by the SERS Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$257,583, \$197,597, and \$299,406, respectively; 44% has been contributed for fiscal year 2002 and 100% for the fiscal years 2001 and 2000. \$165,488 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer defined benefit pension plan. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3% of their annual covered salary and the School District is required to contribute an actuarially determined rate of 14% of annual covered payroll, which includes 9.5% for pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,858,268, \$1,694,594, and \$1,036,698, respectively; 83% has been contributed for fiscal year 2002 and 100% for the fiscal years 2001 and 2000. \$310,502 representing the unpaid contribution for fiscal year 2002 is recorded as a liability within the respective funds.

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 11 - POSTEMPLOYMENT BENEFITS

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

By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. The retirement board currently allocates employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the School District this amount equaled \$880,232 during the 2002 fiscal year. The balance in the Health Care Reserve Fund for the STRS was \$3.256 million at June 30, 2001 (latest information available). For the year ended June 30, 2001, the net health care costs paid by the STRS were \$300,722,000 and eligible benefit recipients totaled 102,132.

For the School Employees Retirement System (SERS), coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. For fiscal year 2002, employer contributions to fund health care benefits were 8.54% of covered payroll, a decrease of 1.26% from the prior year. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, prorated for partial service credit. For fiscal year 2002, the minimum pay was established at \$12,400. The surcharge, added to the unallocated portion of the 14% contribution rate, provides for maintenance of the asset target level for the health care fund. For the School District, the amount of employer contributions used to fund health care equaled \$496,979, which includes a surcharge of \$94,094 during the 2002 fiscal year.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2002 (latest information available) were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, the SERS's net assets available for payment of health care benefits was \$335.2 million. The number of participants receiving health care benefits was approximately 50,000.

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 12 - LONG-TERM OBLIGATIONS

Changes in long-term obligations of the School District during the 2002 fiscal year were as follows:

	<i>Balance July 1</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30</i>
<i><u>General Long-Term Obligations</u></i>				
<i>School Improvement Bonds, 4.19%</i>				
<i>maturing December 29, 2008</i>	\$ -	\$ 620,000	\$ -	\$ 620,000
<i>School Improvement Bonds, 4.25%</i>	<u>7,485,000</u>	<u>-</u>	<u>(290,000)</u>	<u>7,195,000</u>
<i>maturing December 1, 2018</i>				
<i>Total General Obligations Bonds</i>	<u>7,485,000</u>	<u>620,000</u>	<u>(290,000)</u>	<u>7,815,000</u>
<i>Energy Conservation Bonds, 5.135%</i>				
<i>maturing June 1, 2004</i>	900,000	-	(300,000)	600,000
<i>IP Phone System Loan, 4.19%</i>				
<i>maturing December 29, 2008</i>	-	648,000	-	648,000
<i>Asbestos Removal Loan, 0.00%</i>				
<i>maturing April 16, 2013</i>	303,183	-	(26,364)	276,819
<i><u>Other Obligations</u></i>				
<i>Compensated absences</i>	1,083,421	250,614	-	1,334,035
<i>Employer pension obligations</i>	282,361	496,435	(282,361)	496,435
<i>Capital leases payable</i>	<u>292,726</u>	<u>-</u>	<u>(76,998)</u>	<u>215,728</u>
<i>Total General Long-Term Obligations</i>	<u>\$ 10,346,691</u>	<u>\$ 2,015,049</u>	<u>\$ (975,723)</u>	<u>\$ 11,386,017</u>

The annual requirements to amortize all bonds and loans outstanding as of June 30, 2002, including interest payments of \$3,370,030 and \$100,453 respectively is as follows:

<i>Fiscal Year</i>	<i>General Obligations Bonds</i>	<i>Energy Conservation Bonds</i>	<i>IP Phone System Loan</i>	<i>Asbestos Removal Loan</i>	<i>Total</i>
2003	\$ 731,582	\$ 331,350	\$ 109,019	\$ 26,364	\$ 1,198,315
2004	726,760	315,750	108,090	26,364	1,176,964
2005	721,258	-	106,419	26,364	854,041
2006	716,117	-	106,600	26,364	849,081
2007	714,308	-	105,633	26,364	846,305
2008-2012	3,259,447	-	212,692	131,817	3,603,956
2013-2017	3,052,058	-	-	13,182	3,065,240
2018-2022	<u>1,216,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,216,400</u>
<i>Total</i>	<u>\$ 11,137,930</u>	<u>\$ 647,100</u>	<u>\$ 748,453</u>	<u>\$ 276,819</u>	<u>\$ 12,810,302</u>

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

The General Obligations and Energy Conservation Bonds will be paid from the Bond Retirement debt service fund. These Bonds were issued for providing resources for the constructing, renovating, remodeling, furnishing, equipping and otherwise improving school facilities and their sites. The bonds and interest are to be repaid from the proceeds of property taxes collected from a levies that were approved by the taxpayers.

The IP Phone System loan was issued to finance the installation of a modern phone system throughout the School District. The Bond Retirement debt service fund will make the principal and interest payments from the School District's general operating tax levy. In 1993, the School District received a loan from the U. S. Environmental Protection Agency for an asbestos abatement project. The loan is interest free as long as the School District continues to remain current on repayment. Payments are recorded as expenditures of the Bond Retirement debt service fund, which are funded from the School District's current operating tax levy.

All outstanding bonds and loans are considered general obligations of the School District for which the full faith and credit of the School District is pledged for repayment. Any unmatured obligations as of year-end are reported in the general long-term obligations account group.

Compensated absences and employer pension due to the School Employees and State Teachers Retirement Systems will be paid from the fund from which the person is paid.

NOTE 13 - NOTES PAYABLE

During the fiscal year, the School District retired outstanding bond anticipation notes reported in the Permanent Improvement capital projects fund. The following is a description of the School District's activity for bond anticipation notes during the year:

<u>Purpose</u>	<u>Balance</u> <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30</u>
<i>School Improvement Note, 3.78% maturing April 23, 2002</i>	\$ 610,000	\$ -	\$ (610,000)	\$ -

NOTE 14 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the School District entered into capital leases for the acquisition of data processing and reproduction equipment. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers all benefits and risks of ownership to the lessee. In the general fund, capital lease payments are reflected as debt service in the General Purpose Financial Statements for the governmental funds. Principal payments totaled \$76,998 in fiscal year 2002. These expenditures are reflected as program/function expenditures on a budgetary basis.

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

General fixed assets acquired by lease have been capitalized in the general fixed assets account group at \$403,393, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2002.

<i>Fiscal year</i>	<i>General Long-Term Obligations</i>
2003	\$ 106,109
2004	105,267
2005	<u>34,959</u>
<i>Total minimum lease payments</i>	246,335
<i>Less: amount representing interest</i>	<u>(30,607)</u>
<i>Total</i>	<u>\$ 215,728</u>

NOTE 15 – ACCOUNTABILITY AND COMPLIANCE

Section 5705.41(D), Revised Code, prohibits a subdivision from making expenditure unless it has been properly appropriated. It was noted that expenditures plus encumbrances exceeded appropriations in the Disadvantaged Pupil Impact Aid special revenue fund in the amount of \$15,004 at June 30, 2002.

NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains five enterprise funds to account for the operations of food service, outdoor education, uniform school supplies, consumer services and adult education. The table below reflects in a summarized format, the more significant financial data relating to the enterprise funds of the School District as of and for the fiscal year ended June 30, 2002.

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

<u>Description</u>	<u>Food</u>	<u>Outdoor</u>	<u>Uniform</u>	<u>Consumer</u>	<u>Adult</u>	<u>Total</u>
	<u>Service</u>	<u>Education</u>	<u>School</u>	<u>Services</u>	<u>Education</u>	
			<u>Supplies</u>			
<i>Operating revenues</i>	\$ 1,036,522	\$ -	\$ 41,673	\$ 14,151	\$ 3,776	\$ 1,096,122
<i>Depreciation expense</i>	28,759	-	2,118	-	225	31,102
<i>Operating income (loss)</i>	(389,943)	-	6,985	174	515	(382,269)
<i>Operating grants</i>	329,950	-	-	-	-	329,950
<i>Donated commodities</i>	71,061	-	-	-	-	71,061
<i>Net income (loss)</i>	11,721	-	6,985	174	(16,341)	2,539
<i>Fixed asset additions</i>	10,785	-	-	-	-	10,785
<i>Fixed asset deletions</i>	-	-	-	-	27,900	27,900
<i>Net working capital</i>	(23,940)	10,479	42,150	5,191	2,738	36,618
<i>Total assets</i>	234,985	10,479	58,329	8,011	5,997	317,801
<i>Compensated absences payable</i>	23,569	-	-	-	-	23,569
<i>Total equity</i>	109,810	10,479	58,316	7,953	4,021	190,579
<i>Encumbrances outstanding (budget basis as of June 30, 2002)</i>	\$ 7,749	\$ -	\$ 13	\$ 527	\$ -	\$ 8,289

NOTE 17 - CONTINGENCIES

A. 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2002.

B. School Funding

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

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

Cuyahoga Falls City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 18 - STATUTORY RESERVES

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

Effective April 10, 2001, Senate Bill 345 amended Ohio Revised Code 5705.29 effectively eliminating the requirement for the School District to establish and maintain a budget stabilization reserve.

During the fiscal year ended June 30, 2002, the reserve activity was as follows:

	<i>Textbook Reserve</i>	<i>Capital Maintenance Reserve</i>	<i>Budget Stabilization Reserve</i>
<i>Set-aside cash balance as of June 30, 2001</i>	\$ (279,645)	\$ 22,071	\$ 190,065
<i>Current year Set-aside requirement</i>	662,528	662,528	-
<i>Current Year Offset</i>	-	-	-
<i>Qualifying disbursements</i>	<u>(1,077,797)</u>	<u>(699,041)</u>	<u>-</u>
<i>Total</i>	<u>\$ (694,914)</u>	<u>\$ (14,442)</u>	<u>\$ 190,065</u>
<i>Balance carried forward to FY 2003</i>	<u>\$ (694,914)</u>	<u>\$ -</u>	<u>\$ 190,065</u>
 <i>Restricted Cash</i>			 <u>\$ 190,065</u>

NOTE 19 - FUND DEFICITS

As of June 30, 2002, the General Fund, the Title VI-B special revenue fund, the Vocational Education special revenue fund and the Reducing Class Size special revenue fund had deficit fund balances of \$3,021,972, \$9,295, \$928, and \$5,523, respectively. Also, the Food Service enterprise fund and the Self-Insurance internal service fund had negative retained earnings of \$98,849 and \$72,220, respectively. These deficits were caused by the application of generally accepted accounting principles. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur.

NOTE 20 - SUBSEQUENT EVENT

The voters of the School District passed a five year 4.75 mill operating levy in November 2002. The first collection year is in 2003 and it is to generate an estimated \$3,409,000 each year for five years to help pay for current year expenditures.

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**Combining, Individual Fund and
Account Group
Financial Statements and Schedules**

GENERAL FUND

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

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

SPECIAL REVENUE FUNDS

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

Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

Miscellaneous Local Grants

To account for a number of small local grants that are restricted for specific expenditures.

Underground Storage Tanks

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

School Improvement Models

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

District Managed Student Activity

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

Auxiliary Services

To account for monies which provide services and materials to pupils attending non-public schools within the School District.

Career Development

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

Teacher Development

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

Management Information System

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

Head Start

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

Disadvantaged Pupil Impact Aid

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

Data Communications

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

SchoolNet Professional Development

To account for revenues received to provide professional development programs related to technology.

Textbooks/Instructional Material Subsidy

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

Ohio Reads

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

Summer Intervention

To account for summer intervention services.

Extended Learning Opportunity

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

Miscellaneous State Grants

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

Adult Basic Education

To account for state and federal funds used for instructional programs for persons sixteen years of age and older who are not enrolled in school and who have less than a twelfth grade education or its equivalent; development of basic educational skills; increase of opportunities for useful employment; improvement of attitudes toward self, family and community.

Eisenhower Math and Science

To account for federal funds used for strengthening instruction in science, mathematics, modern foreign languages, English, the arts and computer learning.

Title VI-B

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

Vocational Education

To account for federal funds for the provision of developing vocational education programs for secondary, post-secondary, adult, disadvantaged and handicapped persons.

Title I

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

Title VI

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

Drug Free Schools Grant

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

EHA Preschool Grant for Handicapped

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

Goals 2000

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

Reducing Class Size

To account for monies to hire additional classroom teachers in grades one through three, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants

To account for federal revenues received through state agencies from the federal government or directly from the federal governments which are not classified elsewhere.

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Cuyahoga Falls City School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 2002

	Public School Support	Miscellaneous Local Grants	Underground Storage Tanks	School Improvement Models
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 158,935	\$ 37,199	\$ 11,000	\$ 17,720
Receivables:				
Intergovernmental	-	-	-	-
Total assets	<u>\$ 158,935</u>	<u>\$ 37,199</u>	<u>\$ 11,000</u>	<u>\$ 17,720</u>
 <u>Liabilities and fund equity :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 4,354	\$ 27	\$ -	\$ 426
Accrued wages	-	-	-	-
Intergovernmental payable	8	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>4,362</u>	<u>27</u>	<u>-</u>	<u>426</u>
 <u>Fund equity:</u>				
Fund balance:				
Reserved for encumbrances	12,540	6	-	417
Unreserved, undesignated	142,033	37,166	11,000	16,877
Total fund equity	<u>154,573</u>	<u>37,172</u>	<u>11,000</u>	<u>17,294</u>
Total liabilities and fund equity	<u>\$ 158,935</u>	<u>\$ 37,199</u>	<u>\$ 11,000</u>	<u>\$ 17,720</u>

District Managed Student Activity	Auxiliary Services	Career Development	Teacher Development	Management Information System	Head Start
\$ 98,738	\$ 238,343	\$ 3,570	\$ 1,193	\$ 19,596	\$ 11,924
-	-	-	-	-	-
<u>\$ 98,738</u>	<u>\$ 238,343</u>	<u>\$ 3,570</u>	<u>\$ 1,193</u>	<u>\$ 19,596</u>	<u>\$ 11,924</u>
\$ 3,536	\$ 48,584	\$ 776	\$ -	\$ -	\$ -
-	-	-	-	-	-
329	-	-	264	-	-
-	-	-	-	-	-
<u>3,865</u>	<u>48,584</u>	<u>776</u>	<u>264</u>	<u>-</u>	<u>-</u>
18,465	13,803	-	-	-	-
<u>76,408</u>	<u>175,956</u>	<u>2,794</u>	<u>929</u>	<u>19,596</u>	<u>11,924</u>
<u>94,873</u>	<u>189,759</u>	<u>2,794</u>	<u>929</u>	<u>19,596</u>	<u>11,924</u>
<u>\$ 98,738</u>	<u>\$ 238,343</u>	<u>\$ 3,570</u>	<u>\$ 1,193</u>	<u>\$ 19,596</u>	<u>\$ 11,924</u>

(Continued)

Cuyahoga Falls City School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 2002

	<u>Disadvantaged Pupil Impact Aid</u>	<u>Data Communications</u>	<u>Schoolnet Professional Development</u>	<u>Textbooks/ Instructional Material Subsidy</u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ -	\$ 22,360	\$ 8,592	\$ -
<u>Receivables:</u>				
Intergovernmental	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 22,360</u>	<u>\$ 8,592</u>	<u>\$ -</u>
 <u>Liabilities and fund equity :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 3,819	\$ -	\$ -
Accrued wages	-	-	-	-
Intergovernmental payable	-	94	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>3,913</u>	<u>-</u>	<u>-</u>
 <u>Fund equity:</u>				
<u>Fund balance:</u>				
Reserved for encumbrances	-	-	-	-
Unreserved, undesignated	-	18,447	8,592	-
Total fund equity	<u>-</u>	<u>18,447</u>	<u>8,592</u>	<u>-</u>
Total liabilities and fund equity	<u>\$ -</u>	<u>\$ 22,360</u>	<u>\$ 8,592</u>	<u>\$ -</u>

<u>Ohio Reads</u>	<u>Summer Intervention</u>	<u>Extended Learning Opportunity</u>	<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>Eisenhower Math and Science</u>
\$ 4,369	\$ 4,637	\$ 2,905	\$ 39,385	\$ -	\$ 63,057
-	-	-	2,000	-	8,482
<u>\$ 4,369</u>	<u>\$ 4,637</u>	<u>\$ 2,905</u>	<u>\$ 41,385</u>	<u>\$ -</u>	<u>\$ 71,539</u>
\$ -	\$ -	\$ 132	\$ 55	\$ -	\$ -
-	-	-	-	-	-
43	-	-	49	-	-
-	-	-	2,000	-	8,482
<u>43</u>	<u>-</u>	<u>132</u>	<u>2,104</u>	<u>-</u>	<u>8,482</u>
-	-	83	423	-	-
4,326	4,637	2,690	38,858	-	63,057
<u>4,326</u>	<u>4,637</u>	<u>2,773</u>	<u>39,281</u>	<u>-</u>	<u>63,057</u>
<u>\$ 4,369</u>	<u>\$ 4,637</u>	<u>\$ 2,905</u>	<u>\$ 41,385</u>	<u>\$ -</u>	<u>\$ 71,539</u>

(Continued)

Cuyahoga Falls City School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 2002

	<u>Title VI-B</u>	<u>Vocational Education</u>	<u>Title I</u>	<u>Title VI</u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 41,034	\$ 2	\$ 54,235	\$ 14,833
<u>Receivables:</u>				
Intergovernmental	20,989	-	-	25,169
Total assets	<u>\$ 62,023</u>	<u>\$ 2</u>	<u>\$ 54,235</u>	<u>\$ 40,002</u>
 <u>Liabilities and fund equity :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 3,055	\$ -	\$ 1,853	\$ -
Accrued wages	32,562	-	20,456	-
Intergovernmental payable	14,712	930	4,326	-
Deferred revenue	20,989	-	-	25,169
Total liabilities	<u>71,318</u>	<u>930</u>	<u>26,635</u>	<u>25,169</u>
 <u>Fund equity:</u>				
<u>Fund balance:</u>				
Reserved for encumbrances	-	-	2,811	945
Unreserved, undesignated	(9,295)	(928)	24,789	13,888
Total fund equity	<u>(9,295)</u>	<u>(928)</u>	<u>27,600</u>	<u>14,833</u>
Total liabilities and fund equity	<u>\$ 62,023</u>	<u>\$ 2</u>	<u>\$ 54,235</u>	<u>\$ 40,002</u>

<u>Drug Free Schools Grant</u>	<u>EHA Preschool Grant for Handicapped</u>	<u>Goals 2000</u>	<u>Reducing Class Size</u>	<u>Miscellaneous Federal Grants</u>	<u>Total All Funds</u>
\$ 497	\$ 16,947	\$ 1,625	\$ 12,192	\$ -	\$ 884,888
-	39,857	-	-	-	96,497
<u>\$ 497</u>	<u>\$ 56,804</u>	<u>\$ 1,625</u>	<u>\$ 12,192</u>	<u>\$ -</u>	<u>\$ 981,385</u>
\$ -	\$ 44	\$ -	\$ -	\$ -	66,661
-	-	-	14,752	-	67,770
150	1,473	10	2,963	-	25,351
-	27,946	-	-	-	84,586
<u>150</u>	<u>29,463</u>	<u>10</u>	<u>17,715</u>	<u>-</u>	<u>244,368</u>
460	12	924	-	-	50,889
(113)	27,329	691	(5,523)	-	686,128
<u>347</u>	<u>27,341</u>	<u>1,615</u>	<u>(5,523)</u>	<u>-</u>	<u>737,017</u>
<u>\$ 497</u>	<u>\$ 56,804</u>	<u>\$ 1,625</u>	<u>\$ 12,192</u>	<u>\$ -</u>	<u>\$ 981,385</u>

Cuyahoga Falls City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2002

	Public School Support	Miscellaneous Local Grants	Underground Storage Tanks	School Improvement Models
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ -	\$ -	\$ 25,000
Interest	-	-	-	-
Tuition and fees	7,801	-	-	-
Extracurricular activities	179,105	-	-	-
Gifts and donations	2,387	-	-	-
Miscellaneous	-	46,701	-	-
Total revenues	<u>189,293</u>	<u>46,701</u>	<u>-</u>	<u>25,000</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	179,218	1,449	-	-
Special	74	-	-	-
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupils	-	9,920	-	-
Instructional staff	152	803	-	23,606
Administration	-	-	-	-
Fiscal	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities	1,150	-	-	-
Total expenditures	<u>180,594</u>	<u>12,172</u>	<u>-</u>	<u>23,606</u>
Excess of revenues over (under) expenditures	<u>8,699</u>	<u>34,529</u>	<u>-</u>	<u>1,394</u>
<u>Other financing sources:</u>				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures	8,699	34,529	-	1,394
Fund balances (deficit) at beginning of year, as restated (Note 3)	145,874	2,643	11,000	15,900
Fund balances (deficit) at end of year	<u>\$ 154,573</u>	<u>\$ 37,172</u>	<u>\$ 11,000</u>	<u>\$ 17,294</u>

<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Career Development</u>	<u>Teacher Development</u>	<u>Management Information System</u>	<u>Head Start</u>
\$ -	\$ 772,028	\$ 60,545	\$ -	\$ 19,596	\$ -
-	3,771	-	-	-	-
-	-	-	-	-	-
259,751	-	-	-	-	-
-	-	-	-	-	-
7,327	-	-	-	-	-
<u>267,078</u>	<u>775,799</u>	<u>60,545</u>	<u>-</u>	<u>19,596</u>	<u>-</u>
454	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	55,643	-
-	-	19,346	29,236	-	-
-	-	-	-	-	100
-	-	-	-	-	-
-	-	-	-	-	-
-	661,679	48,490	-	-	-
262,238	-	-	-	-	-
<u>262,692</u>	<u>661,679</u>	<u>67,836</u>	<u>29,236</u>	<u>55,643</u>	<u>100</u>
<u>4,386</u>	<u>114,120</u>	<u>(7,291)</u>	<u>(29,236)</u>	<u>(36,047)</u>	<u>(100)</u>
-	-	-	-	-	-
4,386	114,120	(7,291)	(29,236)	(36,047)	(100)
90,487	75,639	10,085	30,165	55,643	12,024
<u>\$ 94,873</u>	<u>\$ 189,759</u>	<u>\$ 2,794</u>	<u>\$ 929</u>	<u>\$ 19,596</u>	<u>\$ 11,924</u>

(Continued)

Cuyahoga Falls City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2002

	Disadvantaged Pupil Impact Aid	Data Communications	Schoolnet Professional Development	Textbooks/ Instructional Material Subsidy
<u>Revenues:</u>				
Intergovernmental	\$ 41,810	\$ 38,500	\$ 8,592	\$ -
Interest	-	-	-	-
Tuition and fees	-	-	-	-
Extracurricular activities	-	-	-	-
Gifts and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>41,810</u>	<u>38,500</u>	<u>8,592</u>	<u>-</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	57,795	-	-	1,964
Special	-	-	-	-
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupils	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Operation and maintenance of plant	-	18,000	-	-
Central	-	-	-	-
Operation of non-instructional services	-	20,053	-	-
Extracurricular activities	-	-	-	-
Total expenditures	<u>57,795</u>	<u>38,053</u>	<u>-</u>	<u>1,964</u>
Excess of revenues over (under) expenditures	<u>(15,985)</u>	<u>447</u>	<u>8,592</u>	<u>(1,964)</u>
<u>Other financing sources:</u>				
Operating transfers in	<u>1,818</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures	(14,167)	447	8,592	(1,964)
Fund balances (deficit) at beginning of year, as restated (Note 3)	14,167	18,000	-	1,964
Fund balances (deficit) at end of year	<u>\$ -</u>	<u>\$ 18,447</u>	<u>\$ 8,592</u>	<u>\$ -</u>

<u>Ohio Reads</u>	<u>Summer Intervention</u>	<u>Extended Learning Opportunity</u>	<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>Eisenhower Math and Science</u>
\$ 10,000	\$ -	\$ -	\$ 26,873	\$ -	\$ 22,100
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,000</u>	<u>-</u>	<u>-</u>	<u>26,873</u>	<u>-</u>	<u>22,100</u>
-	-	12,420	-	-	-
-	-	-	-	-	-
-	-	-	346	-	-
-	20,220	-	-	-	-
-	-	20,030	185,530	-	-
6,170	-	-	-	-	2,512
-	-	-	577	-	-
-	-	-	50	-	-
-	-	-	10,883	-	-
-	-	-	-	-	-
-	-	-	47	-	1,335
-	-	-	-	-	-
<u>6,170</u>	<u>20,220</u>	<u>32,450</u>	<u>197,433</u>	<u>-</u>	<u>3,847</u>
<u>3,830</u>	<u>(20,220)</u>	<u>(32,450)</u>	<u>(170,560)</u>	<u>-</u>	<u>18,253</u>
-	-	-	-	-	-
3,830	(20,220)	(32,450)	(170,560)	-	18,253
496	24,857	35,223	209,841	-	44,804
<u>\$ 4,326</u>	<u>\$ 4,637</u>	<u>\$ 2,773</u>	<u>\$ 39,281</u>	<u>\$ -</u>	<u>\$ 63,057</u>

(Continued)

Cuyahoga Falls City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2002

	Title VI-B	Vocational Education	Title I	Title VI
<u>Revenues:</u>				
Intergovernmental	\$ 432,862	\$ 34,981	\$ 460,473	\$ 17,630
Interest	-	-	-	-
Tuition and fees	-	-	-	-
Extracurricular activities	-	-	-	-
Gifts and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>432,862</u>	<u>34,981</u>	<u>460,473</u>	<u>17,630</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	-	-	9,240
Special	192,881	-	376,313	3,206
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupils	146,075	1,998	-	-
Instructional staff	1,831	808	38,031	500
Administration	55,552	-	4,879	-
Fiscal	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Central	-	4,091	-	-
Operation of non-instructional services	97,917	6,479	21,567	10,229
Extracurricular activities	-	-	-	-
Total expenditures	<u>494,256</u>	<u>13,376</u>	<u>440,790</u>	<u>23,175</u>
Excess of revenues over (under) expenditures	<u>(61,394)</u>	<u>21,605</u>	<u>19,683</u>	<u>(5,545)</u>
<u>Other financing sources:</u>				
Operating transfers in	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures	(61,394)	21,605	19,683	(5,545)
Fund balances (deficit) at beginning of year, as restated (Note 3)	52,099	(22,533)	7,917	20,378
Fund balances (deficit) at end of year	<u>\$ (9,295)</u>	<u>\$ (928)</u>	<u>\$ 27,600</u>	<u>\$ 14,833</u>

<u>Drug Free Schools Grant</u>	<u>EHA Preschool Grant for Handicapped</u>	<u>Goals 2000</u>	<u>Reducing Class Size</u>	<u>Miscellaneous Federal Grants</u>	<u>Total All Funds</u>
\$ 29,490	\$ 82,967	\$ 2,500	\$ 105,220	\$ 21,541	\$ 2,212,708
-	-	-	-	-	3,771
-	-	-	-	-	7,801
-	-	-	-	-	438,856
-	-	-	-	-	2,387
-	-	-	-	-	54,028
<u>29,490</u>	<u>82,967</u>	<u>2,500</u>	<u>105,220</u>	<u>21,541</u>	<u>2,719,551</u>
5,444	-	25,184	110,743	-	403,911
-	-	-	-	-	572,474
-	-	-	-	393	739
-	-	-	-	-	20,220
23,686	-	-	-	12,054	454,936
-	1,133	-	-	-	124,128
-	36,573	-	-	3,030	100,711
-	-	-	-	-	50
-	-	-	-	-	28,883
-	-	-	-	-	4,091
-	680	-	-	-	868,476
-	-	-	-	-	263,388
<u>29,130</u>	<u>38,386</u>	<u>25,184</u>	<u>110,743</u>	<u>15,477</u>	<u>2,842,007</u>
<u>360</u>	<u>44,581</u>	<u>(22,684)</u>	<u>(5,523)</u>	<u>6,064</u>	<u>(122,456)</u>
-	-	-	-	-	1,818
360	44,581	(22,684)	(5,523)	6,064	(120,638)
(13)	(17,240)	24,299	-	(6,064)	857,655
<u>\$ 347</u>	<u>\$ 27,341</u>	<u>\$ 1,615</u>	<u>\$ (5,523)</u>	<u>\$ -</u>	<u>\$ 737,017</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Public School Support Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Tuition and fees	\$ 7,672	\$ 7,801	\$ 129
Extracurricular activities	158,798	179,141	20,343
Gifts and donations	2,083	2,387	304
Total revenues	<u>168,553</u>	<u>189,329</u>	<u>20,776</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	218,944	191,486	27,458
Special	830	74	756
Capital outlay	1,150	1,150	-
Total expenditures	<u>220,924</u>	<u>192,710</u>	<u>28,214</u>
Excess of revenues under expenditures	(52,371)	(3,381)	48,990
Fund balance at beginning of year	123,843	123,843	-
Prior year encumbrances appropriated	24,953	24,953	-
Fund balance at end of year	<u>\$ 96,425</u>	<u>\$ 145,415</u>	<u>\$ 48,990</u>

Miscellaneous Local Grants Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Miscellaneous	\$ 15,894	\$ 46,701	\$ 30,807
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,449	1,449	-
Support services:			
Pupils	12,399	10,237	2,162
Instructional staff	5,000	803	4,197
Total expenditures	<u>18,848</u>	<u>12,489</u>	<u>6,359</u>
Excess of revenues over (under) expenditures	(2,954)	34,212	37,166
Fund balance at beginning of year	2,180	2,180	-
Prior year encumbrances appropriated	774	774	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 37,166</u>	<u>\$ 37,166</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Underground Storage Tanks Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	-	-	-
Fund balance at beginning of year	11,000	11,000	-
Fund balance at end of year	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ -</u>

School Improvement Models Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 25,000	\$ 25,000	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	34,278	25,150	9,128
Excess of revenues under expenditures	(9,278)	(150)	9,128
Fund balance at beginning of year	12,537	12,537	-
Prior year encumbrances appropriated	4,491	4,491	-
Fund balance at end of year	<u>\$ 7,750</u>	<u>\$ 16,878</u>	<u>\$ 9,128</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

District Managed Student Activity Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Extracurricular activities	\$ 225,828	\$ 259,751	\$ 33,923
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	125	125	-
Extracurricular activities	292,504	287,600	4,904
Total expenditures	292,629	287,725	4,904
Excess of revenues under expenditures	(66,801)	(27,974)	38,827
<u>Other financing uses:</u>			
Advances out	(4,685)	(4,685)	-
Excess of revenues under expenditures and other financing uses	(71,486)	(32,659)	38,827
Fund balance at beginning of year	66,846	66,846	-
Prior year encumbrances appropriated	42,705	42,705	-
Fund balance at end of year	\$ 38,065	\$ 76,892	\$ 38,827

Auxiliary Services Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 780,186	\$ 772,028	\$ (8,158)
Interest	2,992	3,771	779
Total revenues	783,178	775,799	(7,379)
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services	912,596	748,696	163,900
Excess of revenues over (under) expenditures	(129,418)	27,103	156,521
Fund balance at beginning of year	2,473	2,473	-
Prior year encumbrances appropriated	159,611	159,611	-
Fund balance at end of year	\$ 32,666	\$ 189,187	\$ 156,521

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Career Development Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 90,000	\$ 60,545	\$ (29,455)
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	26,238	26,238	-
Operation of non-instructional services	50,455	48,490	1,965
Total expenditures	76,693	74,728	1,965
Excess of revenues over (under) expenditures	13,307	(14,183)	(27,490)
<u>Other financing uses:</u>			
Advances out	(9,980)	(9,980)	-
Excess of revenues over (under) expenditures and other financing uses	3,327	(24,163)	(27,490)
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	26,957	26,957	-
Fund balance at end of year	\$ 30,284	\$ 2,794	\$ (27,490)

Teacher Development Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Vocational	123	123	-
Support services:			
Instructional staff	30,277	29,084	1,193
Total expenditures	30,400	29,207	1,193
Excess of revenues under expenditures	(30,400)	(29,207)	1,193
Fund balance at beginning of year	30,400	30,400	-
Fund balance at end of year	\$ -	\$ 1,193	\$ 1,193

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Management Information System Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 19,596	\$ 19,596	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	55,643	55,643	-
Excess of revenues under expenditures	(36,047)	(36,047)	-
Fund balance at beginning of year	54,243	54,243	-
Prior year encumbrances appropriated	1,400	1,400	-
Fund balance at end of year	<u>\$ 19,596</u>	<u>\$ 19,596</u>	<u>\$ -</u>

Head Start Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 10,000	\$ -	\$ (10,000)
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	11,909	-	11,909
Administration	100	100	-
Total expenditures	12,009	100	11,909
Excess of revenues under expenditures	(2,009)	(100)	1,909
Fund balance at beginning of year	12,024	12,024	-
Fund balance at end of year	<u>\$ 10,015</u>	<u>\$ 11,924</u>	<u>\$ 1,909</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Disadvantage Pupil Impact Aid Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 41,810	\$ 41,810	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	43,628	58,632	(15,004)
Excess of revenues under expenditures	(1,818)	(16,822)	(15,004)
<u>Other financing sources:</u>			
Operating transfers in	1,818	1,818	-
Excess of revenues and other financing sources under expenditures	-	(15,004)	(15,004)
Fund balance at beginning of year	15,004	15,004	-
Fund balance at end of year	\$ 15,004	\$ -	\$ (15,004)

Data Communications Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 38,500	\$ 38,500	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Operation and maintenance of plant	18,000	18,000	-
Operation of non-instructional services	38,500	16,140	22,360
Total expenditures	56,500	34,140	22,360
Excess of revenues over (under) expenditures	(18,000)	4,360	22,360
Fund balance at beginning of year	18,000	18,000	-
Fund balance at end of year	\$ -	\$ 22,360	\$ 22,360

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

SchoolNet Professional Development Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 5,500	\$ 8,592	\$ 3,092
<u>Expenditures:</u>			
Total expenditures	-	-	-
Excess of revenues over expenditures	5,500	8,592	3,092
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 5,500</u>	<u>\$ 8,592</u>	<u>\$ 3,092</u>

Textbooks/Instructional Material Subsidy Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,964	1,964	-
Excess of revenues under expenditures	(1,964)	(1,964)	-
Fund balance at beginning of year	1,368	1,368	-
Prior year encumbrances appropriated	596	596	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Ohio Reads Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 10,000	\$ 10,000	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	10,349	6,180	4,169
Excess of revenues over (under) expenditures	(349)	3,820	4,169
Fund balance at beginning of year	549	549	-
Fund balance at end of year	\$ 200	\$ 4,369	\$ 4,169

Summer Intervention Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Other	20,220	20,220	-
Excess of revenues under expenditures	(20,220)	(20,220)	-
Fund balance at beginning of year	24,857	24,857	-
Fund balance at end of year	\$ 4,637	\$ 4,637	\$ -

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Extended Learning Opportunity Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	13,668	12,420	1,248
Support services:			
Pupils	34,675	33,233	1,442
Total expenditures	48,343	45,653	2,690
Excess of revenues under expenditures	(48,343)	(45,653)	2,690
Fund balance at beginning of year	39,849	39,849	-
Prior year encumbrances appropriated	8,494	8,494	-
Fund balance at end of year	\$ -	\$ 2,690	\$ 2,690

Miscellaneous State Grants Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 21,873	\$ 26,873	\$ 5,000
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,596	-	1,596
Vocational	400	346	54
Support services:			
Pupils	222,549	198,954	23,595
Instructional staff	1,765	-	1,765
Administration	7,897	1,000	6,897
Fiscal	50	50	-
Operation and maintenance of plant	10,883	10,883	-
Total expenditures	245,140	211,233	33,907
Excess of revenues under expenditures	(223,267)	(184,360)	38,907
Fund balance at beginning of year	97,255	97,255	-
Prior year encumbrances appropriated	126,012	126,012	-
Fund balance at end of year	\$ -	\$ 38,907	\$ 38,907

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Adult Basic Education Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 28,084	\$ -	\$ (28,084)
<u>Expenditures:</u>			
Total expenditures	-	-	-
Excess of revenues over expenditures	28,084	-	(28,084)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 28,084</u>	<u>\$ -</u>	<u>\$ (28,084)</u>

Eisenhower Math and Science Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 24,555	\$ 22,100	\$ (2,455)
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	36,290	2,632	33,658
Operation of non-instructional services	4,201	1,335	2,866
Total expenditures	40,491	3,967	36,524
Excess of revenues over (under) expenditures	(15,936)	18,133	34,069
Fund balance at beginning of year	39,317	39,317	-
Prior year encumbrances appropriated	5,607	5,607	-
Fund balance at end of year	<u>\$ 28,988</u>	<u>\$ 63,057</u>	<u>\$ 34,069</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Title VI-B Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 557,926	\$ 432,862	\$ (125,064)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	218,472	218,472	-
Support services:			
Pupils	139,259	139,259	-
Instructional staff	1,165	1,165	-
Administration	42,274	42,274	-
Operation of non-instructional services	106,948	106,948	-
Total expenditures	508,118	508,118	-
Excess of revenues over (under) expenditures	49,808	(75,256)	(125,064)
Fund balance at beginning of year	67,410	67,410	-
Prior year encumbrances appropriated	46,958	46,958	-
Fund balance at end of year	<u>\$ 164,176</u>	<u>\$ 39,112</u>	<u>\$ (125,064)</u>

Vocational Education Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 35,234	\$ 34,981	\$ (253)
<u>Expenditures:</u>			
Current:			
Instruction:			
Vocational	8,959	8,897	62
Support services:			
Pupils	2,000	1,998	2
Instructional staff	5,012	5,012	-
Central	6,908	6,717	191
Total expenditures	22,879	22,624	255
Excess of revenues over expenditures	12,355	12,357	2
<u>Other financing uses:</u>			
Advances out	(25,796)	(25,796)	-
Excess of revenues under expenditures and other financing uses	(13,441)	(13,439)	2
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	13,441	13,441	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Title I Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 460,473	\$ 460,473	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	417,135	388,115	29,020
Support services:			
Instructional staff	60,914	45,181	15,733
Operation of non-instructional services	26,288	21,789	4,499
Total expenditures	504,337	455,085	49,252
Excess of revenues over (under) expenditures	(43,864)	5,388	49,252
Fund balance at beginning of year	43,167	43,167	-
Prior year encumbrances appropriated	1,199	1,199	-
Fund balance at end of year	\$ 502	\$ 49,754	\$ 49,252

Title VI Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 42,799	\$ 17,630	\$ (25,169)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	9,240	9,240	-
Special	17,250	17,250	-
Support services:			
Instructional staff	500	500	-
Operation of non-instructional services	15,653	11,564	4,089
Total expenditures	42,643	38,554	4,089
Excess of revenues over (under) expenditures	156	(20,924)	(21,080)
Fund balance at beginning of year	34,298	34,298	-
Prior year encumbrances appropriated	514	514	-
Fund balance at end of year	\$ 34,968	\$ 13,888	\$ (21,080)

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Drug Free Schools Grant Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 34,270	\$ 29,490	\$ (4,780)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	5,789	5,491	298
Support services:			
Pupils	24,796	23,536	1,260
Operation of non-instructional services	2,176	460	1,716
Total expenditures	32,761	29,487	3,274
Excess of revenues over expenditures	1,509	3	(1,506)
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	34	34	-
Fund balance at end of year	\$ 1,543	\$ 37	\$ (1,506)

EHA Preschool Grant for Handicapped Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 106,234	\$ 71,056	\$ (35,178)
<u>Expenditures:</u>			
Current:			
Support services:			
Administration	80,846	48,776	32,070
Operation of non-instructional services	21,329	1,592	19,737
Total expenditures	102,175	50,368	51,807
Excess of revenues over expenditures	4,059	20,688	16,629
<u>Other financing uses:</u>			
Advances out	(4,692)	(4,692)	-
Excess of revenues over (under) expenditures and other financing uses	(633)	15,996	16,629
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	895	895	-
Fund balance at end of year	\$ 262	\$ 16,891	\$ 16,629

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Goals 2000 Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 2,500	\$ 2,500	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	27,500	26,799	701
Excess of revenues under expenditures	(25,000)	(24,299)	701
Fund balance at beginning of year	25,000	25,000	-
Fund balance at end of year	\$ -	\$ 701	\$ 701

Reducing Class Size Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 95,026	\$ 105,220	\$ 10,194
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	95,026	93,028	1,998
Excess of revenues over expenditures	-	12,192	12,192
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 12,192	\$ 12,192

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Miscellaneous Federal Grants Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 28,847	\$ 21,541	\$ (7,306)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	3,419	3,419	-
Vocational	2,112	1,956	156
Support services:			
Pupils	23,335	21,750	1,585
Instructional staff	790	789	1
Administration	3,092	3,092	-
Total expenditures	32,748	31,006	1,742
Excess of revenues under expenditures	(3,901)	(9,465)	(5,564)
<u>Other financing uses:</u>			
Advances out	(21,357)	(21,357)	-
Excess of revenues under expenditures and other financing uses	(25,258)	(30,822)	(5,564)
Fund balance at beginning of year	3,418	3,418	-
Prior year encumbrances appropriated	27,404	27,404	-
Fund balance at end of year	\$ 5,564	\$ -	\$ (5,564)

DEBT SERVICE FUND

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

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

CAPITAL PROJECTS FUNDS

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

Permanent Improvement

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

Vocational Education Equipment

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

SchoolNet

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

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

	<u>Permanent Improvement</u>	<u>Vocational Education Equipment</u>	<u>SchoolNet</u>	<u>Total All Funds</u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 3,306	\$ -	\$ 921	\$ 4,227
Receivables:				
Intergovernmental	<u>-</u>	<u>-</u>	<u>82,240</u>	<u>82,240</u>
Total assets	<u>\$ 3,306</u>	<u>\$ -</u>	<u>\$ 83,161</u>	<u>\$ 86,467</u>
<u>Fund equity:</u>				
Fund balance:				
Unreserved, undesignated	<u>\$ 3,306</u>	<u>\$ -</u>	<u>\$ 83,161</u>	<u>\$ 86,467</u>

Cuyahoga Falls City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2002

	Permanent Improvement	Vocational Education Equipment	SchoolNet	Total All Funds
<u>Revenues:</u>				
Taxes	\$ 632,994	\$ -	\$ -	\$ 632,994
Intergovernmental	-	3,196	82,240	85,436
Interest	18,588	-	-	18,588
Rent	10,000	-	-	10,000
Total revenues	<u>661,582</u>	<u>3,196</u>	<u>82,240</u>	<u>747,018</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	-	53,103	53,103
Vocational	-	3,196	-	3,196
Support services:				
Instructional staff	-	-	3,104	3,104
Administration	-	-	676	676
Operation and maintenance of plant	-	-	1,889	1,889
Central	-	-	1,207	1,207
Capital outlay	1,298,585	-	-	1,298,585
Debt service:				
Interest and fiscal charges	22,994	-	-	22,994
Total expenditures	<u>1,321,579</u>	<u>3,196</u>	<u>59,979</u>	<u>1,384,754</u>
Excess of revenues over (under) expenditures	<u>(659,997)</u>	<u>-</u>	<u>22,261</u>	<u>(637,736)</u>
<u>Other financing sources:</u>				
Proceeds of notes	<u>634,780</u>	<u>-</u>	<u>-</u>	<u>634,780</u>
Excess of revenues and other financing sources over (under) expenditures	(25,217)	-	22,261	(2,956)
Fund balances at beginning of year	28,523	-	60,900	89,423
Fund balances end of the year	<u>\$ 3,306</u>	<u>\$ -</u>	<u>\$ 83,161</u>	<u>\$ 86,467</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Permanent Improvement Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Interest	\$ 16,378	\$ 18,588	\$ 2,210
Rent	10,000	10,000	-
Total revenues	<u>26,378</u>	<u>28,588</u>	<u>2,210</u>
<u>Expenditures:</u>			
Capital outlay	1,307,050	1,307,050	-
Excess of revenues under expenditures	<u>(1,280,672)</u>	<u>(1,278,462)</u>	<u>2,210</u>
<u>Other financing sources:</u>			
Proceeds of notes	634,780	634,780	-
Excess of revenues and other financing sources under expenditures	(645,892)	(643,682)	2,210
Fund balance at beginning of year	582,391	582,391	-
Prior year encumbrances appropriated	64,596	64,596	-
Fund balance at end of year	<u>\$ 1,095</u>	<u>\$ 3,305</u>	<u>\$ 2,210</u>

Vocational Education Equipment Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 7,990	\$ 3,196	\$ (4,794)
<u>Expenditures:</u>			
Current:			
Instruction:			
Vocational	3,196	3,196	-
Excess of revenues over expenditures	4,794	-	(4,794)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 4,794</u>	<u>\$ -</u>	<u>\$ (4,794)</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

	SchoolNet Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 80,160	\$ -	\$ (80,160)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	62,391	62,391	-
Support services:			
Instructional staff	3,104	3,104	-
Administration	676	676	-
Operation and maintenance of plant	7,156	1,889	5,267
Central	39,207	39,207	-
Total expenditures	112,534	107,267	5,267
Excess of revenues under expenditures	(32,374)	(107,267)	(74,893)
Fund balance at beginning of year	98,794	98,794	-
Prior year encumbrances appropriated	9,394	9,394	-
Fund balance at end of year	<u>\$ 75,814</u>	<u>\$ 921</u>	<u>\$ (74,893)</u>

ENTERPRISE FUNDS

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private sector business where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges. The following are descriptions of each of the School District's enterprise funds:

Food Service

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

Outdoor Education

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

Uniform School Supplies

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

Consumer Services

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

Adult Education

To account for transactions made in connection with adult education classes.

Cuyahoga Falls City School District
Combining Balance Sheet
All Enterprise Funds
June 30, 2002

	Food Service	Outdoor Education	Uniform School Supplies	Consumer Services
<u>Assets:</u>				
<u>Current assets:</u>				
Equity in pooled cash and cash equivalents	\$ 26,786	\$ 10,479	\$ 20,913	\$ 5,249
Receivables:				
Accounts	2,091	-	-	-
Intergovernmental	72	-	-	-
Inventory held for resale	36,352	-	-	-
Materials and supplies inventory	12,365	-	21,250	-
Total current assets	<u>77,666</u>	<u>10,479</u>	<u>42,163</u>	<u>5,249</u>
<u>Non-current Assets:</u>				
Fixed assets, (net of accumulated depreciation)	157,319	-	16,166	2,762
Total assets	<u>\$ 234,985</u>	<u>\$ 10,479</u>	<u>\$ 58,329</u>	<u>\$ 8,011</u>
 <u>Liabilities and fund equity :</u>				
<u>Current liabilities:</u>				
Accounts payable	\$ 3,205	\$ -	\$ 13	\$ 58
Accrued wages	29,641	-	-	-
Intergovernmental payable	48,050	-	-	-
Deferred revenue	20,710	-	-	-
Total current liabilities	<u>101,606</u>	<u>-</u>	<u>13</u>	<u>58</u>
<u>Long-term liabilities</u>				
Compensated absences payable	23,569	-	-	-
Total liabilities	<u>125,175</u>	<u>-</u>	<u>13</u>	<u>58</u>
<u>Fund equity:</u>				
Contributed capital	208,659	-	-	-
Retained earnings:				
Unreserved	(98,849)	10,479	58,316	7,953
Total fund equity	<u>109,810</u>	<u>10,479</u>	<u>58,316</u>	<u>7,953</u>
Total liabilities and fund equity	<u>\$ 234,985</u>	<u>\$ 10,479</u>	<u>\$ 58,329</u>	<u>\$ 8,011</u>

<u>Adult Education</u>	<u>Total All Funds</u>
\$ 4,714	\$ 68,141
-	2,091
-	72
-	36,352
-	33,615
<u>4,714</u>	<u>140,271</u>
1,283	177,530
<u>\$ 5,997</u>	<u>\$ 317,801</u>

\$ -	\$ 3,276
1,492	31,133
484	48,534
-	20,710
<u>1,976</u>	<u>103,653</u>
-	23,569
<u>1,976</u>	<u>127,222</u>
-	208,659
<u>4,021</u>	<u>(18,080)</u>
<u>4,021</u>	<u>190,579</u>
<u>\$ 5,997</u>	<u>\$ 317,801</u>

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

	Food Service	Outdoor Education	Uniform School Supplies	Consumer Services
<u>Operating revenues:</u>				
Tuition	\$ -	\$ -	\$ -	\$ -
Sales	1,036,522	-	41,673	-
Charges for services	-	-	-	14,151
Total operating revenues	<u>1,036,522</u>	<u>-</u>	<u>41,673</u>	<u>14,151</u>
<u>Operating expenses:</u>				
Salaries	477,938	-	-	-
Fringe benefits	238,347	-	-	-
Purchased services	20,611	-	1,560	-
Material and supplies	53,069	-	31,010	13,977
Cost of sales	607,671	-	-	-
Depreciation	28,759	-	2,118	-
Other operating expense	70	-	-	-
Total operating expenses	<u>1,426,465</u>	<u>-</u>	<u>34,688</u>	<u>13,977</u>
Operating income (loss)	<u>(389,943)</u>	<u>-</u>	<u>6,985</u>	<u>174</u>
<u>Non-operating revenues (expenses):</u>				
Federal donated commodities	71,061	-	-	-
Operating grants	329,950	-	-	-
Interest	653	-	-	-
Loss on disposal of fixed assets	-	-	-	-
Total non-operating revenues (expenses)	<u>401,664</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	11,721	-	6,985	174
Retained earnings at beginning of year, as restated (Note 3)	(110,570)	10,479	51,331	7,779
Retained earnings at end of year	<u>\$ (98,849)</u>	<u>\$ 10,479</u>	<u>\$ 58,316</u>	<u>\$ 7,953</u>

<u>Adult Education</u>	<u>Total All Funds</u>
\$ 3,776	\$ 3,776
-	1,078,195
-	14,151
<u>3,776</u>	<u>1,096,122</u>
821	478,759
2,022	240,369
-	22,171
193	98,249
-	607,671
225	31,102
-	70
<u>3,261</u>	<u>1,478,391</u>
<u>515</u>	<u>(382,269)</u>
-	71,061
-	329,950
-	653
<u>(16,856)</u>	<u>(16,856)</u>
<u>(16,856)</u>	<u>384,808</u>
(16,341)	2,539
20,362	(20,619)
<u>\$ 4,021</u>	<u>\$ (18,080)</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Food Service Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 1,162,037	\$ 1,037,422	\$ (124,615)
Interest	573	653	80
Operating grants	387,390	329,950	(57,440)
Total revenues	<u>1,550,000</u>	<u>1,368,025</u>	<u>(181,975)</u>
<u>Expenses:</u>			
Salaries	682,085	518,022	164,063
Fringe benefits	224,250	216,350	7,900
Purchased services	29,719	27,093	2,626
Materials and supplies	619,078	592,687	26,391
Capital outlay new	21,452	21,420	32
Other	70	70	-
Total expenses	<u>1,576,654</u>	<u>1,375,642</u>	<u>201,012</u>
Excess of revenues under expenses	(26,654)	(7,617)	19,037
Fund equity at beginning of year	23,335	23,335	-
Prior year encumbrances appropriated	3,319	3,319	-
Fund equity at end of year	<u>\$ -</u>	<u>\$ 19,037</u>	<u>\$ 19,037</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Outdoor Education Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenses:</u>			
Other	8,225	-	8,225
Excess of revenues under expenses	(8,225)	-	8,225
Fund equity at beginning of year	10,479	10,479	-
Fund equity at end of year	<u>\$ 2,254</u>	<u>\$ 10,479</u>	<u>\$ 8,225</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Uniform School Supplies Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 29,498	\$ 41,673	\$ 12,175
<u>Expenses:</u>			
Purchased services	1,560	1,560	-
Materials and supplies	47,000	42,622	4,378
Total expenses	48,560	44,182	4,378
Excess of revenues under expenses	(19,062)	(2,509)	16,553
Advances out	(10,897)	(10,897)	-
Operating transfers out	(300)	-	300
Excess of revenues under expenses, advances and operating transfers	(30,259)	(13,406)	16,853
Fund equity at beginning of year	20,688	20,688	-
Prior year encumbrances appropriated	13,618	13,618	-
Fund equity at end of year	<u>\$ 4,047</u>	<u>\$ 20,900</u>	<u>\$ 16,853</u>

Consumer Services Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for services	\$ 12,123	\$ 14,151	\$ 2,028
<u>Expenses:</u>			
Materials and supplies	17,143	14,649	2,494
Excess of revenues under expenses	(5,020)	(498)	4,522
Fund equity at beginning of year	4,610	4,610	-
Prior year encumbrances appropriated	610	610	-
Fund equity at end of year	<u>\$ 200</u>	<u>\$ 4,722</u>	<u>\$ 4,522</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Adult Education Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Tuition	\$ 2,456	\$ 3,776	\$ 1,320
<u>Expenses:</u>			
Salaries	2,568	1,739	829
Fringe benefits	340	231	109
Materials and supplies	193	193	-
Total expenses	3,101	2,163	938
Excess of revenues over (under) expenses	(645)	1,613	2,258
Fund equity at beginning of year	3,101	3,101	-
Fund equity at end of year	\$ 2,456	\$ 4,714	\$ 2,258

Cuyahoga Falls City School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 2002

	Food Service	Outdoor Education	Uniform School Supplies	Consumer Services
<u>Cash flows from operating activities:</u>				
Cash received from tuition and fees	\$ -	\$ -	\$ -	\$ -
Cash received from sales/charges for services	1,037,422	-	41,673	14,151
Cash payments to suppliers for goods and services	(622,802)	-	(44,169)	(14,122)
Cash payments to employees for services	(518,022)	-	-	-
Cash payments for employee benefits	(216,214)	-	-	-
Cash payments for other operating expenses	(70)	-	-	-
Net cash provided by (used for) operating activities	<u>(319,686)</u>	<u>-</u>	<u>(2,496)</u>	<u>29</u>
<u>Cash flows from noncapital financing activities:</u>				
Operating grants	329,950	-	-	-
Advances out	-	-	(10,897)	-
Net cash provided by (used for) noncapital financing activities	<u>329,950</u>	<u>-</u>	<u>(10,897)</u>	<u>-</u>
<u>Cash flows from capital financing activities:</u>				
Acquisition of capital assets	(10,785)	-	-	-
Net cash used for capital financing activities	<u>(10,785)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Cash flows from investing activities:</u>				
Interest on investments	653	-	-	-
Net cash provided by investing financing	<u>653</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	132	-	(13,393)	29
Cash and cash equivalents at beginning of year, as restated (Note 3)	26,654	10,479	34,306	5,220
Cash and cash equivalents at end of year	<u>\$ 26,786</u>	<u>\$ 10,479</u>	<u>\$ 20,913</u>	<u>\$ 5,249</u>
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</u>				
Operating income (loss)	\$ (389,943)	\$ -	\$ 6,985	\$ 174
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	28,759	-	2,118	-
Federal donated commodities	71,061	-	-	-
Change in assets and liabilities:				
(Increase) decrease in assets:				
Inventory	(10,636)	-	(11,604)	-
Accounts receivable	(780)	-	-	-
Increase (decrease) in liabilities:				
Accounts payable	(1,432)	-	5	(145)
Accrued wages	(1,524)	-	-	-
Compensated absences payable	(15,745)	-	-	-
Intergovernmental payable	(682)	-	-	-
Deferred revenue	1,236	-	-	-
Total adjustments	<u>70,257</u>	<u>-</u>	<u>(9,481)</u>	<u>(145)</u>
Net cash provided by (used for) operating activities	<u>\$ (319,686)</u>	<u>\$ -</u>	<u>\$ (2,496)</u>	<u>\$ 29</u>

Noncash Activities:

Donated commodities are received from the federal government in the Food Service enterprise fund in the amount of \$71,061. Enterprise fixed assets were disposed at a cost of \$27,900 with accumulated depreciation of \$11,044, resulting in a loss on disposals of \$16,856.

Adult Education	Total All Funds
\$ 3,776	\$ 3,776
-	1,093,246
(193)	(681,286)
(1,739)	(519,761)
(231)	(216,445)
-	(70)
<u>1,613</u>	<u>(320,540)</u>
-	329,950
-	<u>(10,897)</u>
-	<u>319,053</u>
-	<u>(10,785)</u>
-	<u>(10,785)</u>
-	<u>653</u>
-	<u>653</u>
1,613	(11,619)
3,101	79,760
<u>\$ 4,714</u>	<u>\$ 68,141</u>
<u>\$ 515</u>	<u>\$ (382,269)</u>
225	31,102
-	71,061
-	(22,240)
-	(780)
-	(1,572)
517	(1,007)
-	(15,745)
356	(326)
-	1,236
<u>1,098</u>	<u>61,729</u>
<u>\$ 1,613</u>	<u>\$ (320,540)</u>

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one fund of the School District to other funds of the School District on a cost reimbursement basis. The title of the fund indicates the type of service provided. The internal service funds are:

Rotary

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

Intra-District Services

A series of two funds to provide distribution of district transportation and printing services.

Self Insurance

To account for the cost of medical benefits provided to the School District's employees.

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

	<u>Rotary</u>	<u>Intra-District Services</u>	<u>Self Insurance</u>	<u>Total All Funds</u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 87,170	\$ -	\$ -	\$ 87,170
<u>Liabilities and fund equity :</u>				
<u>Current liabilities:</u>				
Accounts payable	\$ 5,461	\$ -	\$ -	\$ 5,461
Accrued wages	5,461	-	-	5,461
Intergovernmental payable	3,167	-	-	3,167
Claims payable	-	-	72,220	72,220
Total liabilities	<u>14,089</u>	<u>-</u>	<u>72,220</u>	<u>86,309</u>
<u>Fund equity:</u>				
Retained earnings:				
Unreserved	73,081		(72,220)	861
Total liabilities and fund equity	<u>\$ 87,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,170</u>

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

	Rotary	Intra-District Services	Self Insurance	Total All Funds
<u>Operating revenues:</u>				
Tuition	\$ 22,650	\$ -	\$ -	\$ 22,650
Sales	84,143	-	-	84,143
Charges for services	11,680	-	2,138,847	2,150,527
Total operating revenues	<u>118,473</u>	<u>-</u>	<u>2,138,847</u>	<u>2,257,320</u>
<u>Operating expenses:</u>				
Salaries	11,164	-	-	11,164
Fringe benefits	4,036	-	-	4,036
Purchased services	-	-	503,040	503,040
Material and supplies	91,594	-	-	91,594
Claims	-	-	3,361,624	3,361,624
Total operating expenses	<u>106,794</u>	<u>-</u>	<u>3,864,664</u>	<u>3,971,458</u>
Operating income (loss)	<u>11,679</u>	<u>-</u>	<u>(1,725,817)</u>	<u>(1,714,138)</u>
<u>Non-operating revenues:</u>				
Interest	-	-	512	512
Income (loss) before operating transfers	<u>11,679</u>	<u>-</u>	<u>(1,725,305)</u>	<u>(1,713,626)</u>
Operating transfers in	<u>-</u>	<u>-</u>	<u>2,013,651</u>	<u>2,013,651</u>
Net income	11,679	-	288,346	300,025
Retained earnings at beginning of year	61,402	-	(360,566)	(299,164)
Retained earnings at end of year	<u>\$ 73,081</u>	<u>\$ -</u>	<u>\$ (72,220)</u>	<u>\$ 861</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Rotary Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Tuition	\$ 2,190	\$ 22,650	\$ 20,460
Sales	81,756	84,143	2,387
Total revenues	<u>83,946</u>	<u>106,793</u>	<u>22,847</u>
<u>Expenses:</u>			
Salaries	29,133	15,633	13,500
Fringe benefits	1,413	-	1,413
Purchased services	678	678	-
Materials and supplies	126,914	92,636	34,278
Capital outlay new	299	299	-
Total expenses	<u>158,437</u>	<u>109,246</u>	<u>49,191</u>
Excess of revenues under expenses	(74,491)	(2,453)	72,038
Fund equity at beginning of year	76,709	76,709	-
Prior year encumbrances appropriated	6,340	6,340	-
Fund equity at end of year	<u>\$ 8,558</u>	<u>\$ 80,596</u>	<u>\$ 72,038</u>

Intra - District Services Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenses:</u>			
Other	6,912	-	6,912
Excess of revenues under expenses	(6,912)	-	6,912
Advances in	6,912	-	(6,912)
Excess of revenues and advances over (under) expenses	-	-	-
Fund equity at beginning of year	-	-	-
Fund equity at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Self Insurance Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for services	\$ 3,736,119	\$ 2,171,701	\$ (1,564,418)
Interest	512	512	-
Total revenues	<u>3,736,631</u>	<u>2,172,213</u>	<u>(1,564,418)</u>
<u>Expenses:</u>			
Fringe benefits	3,824,889	3,805,689	19,200
Purchased services	503,039	503,039	-
Total expenses	<u>4,327,928</u>	<u>4,308,728</u>	<u>19,200</u>
Excess of revenues under expenses	<u>(591,297)</u>	<u>(2,136,515)</u>	<u>(1,545,218)</u>
Operating transfers in	<u>2,013,651</u>	<u>2,013,651</u>	<u>-</u>
Excess of revenues and operating transfers over (under) expenses	1,422,354	(122,864)	(1,545,218)
Fund equity at beginning of year	122,864	122,864	-
Fund equity at end of year	<u>\$ 1,545,218</u>	<u>\$ -</u>	<u>\$ (1,545,218)</u>

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

	Rotary	Intra-District Services	Self Insurance	Total All Funds
<u>Cash flows from operating activities:</u>				
Cash received from tuition and fees	\$ 22,650	\$ -	\$ -	\$ 22,650
Cash received from sales/charges for services	84,143	-	2,171,701	2,255,844
Cash payments to suppliers for goods and services	(87,039)	-	(503,039)	(590,078)
Cash payments to employees for services	(15,633)	-	-	(15,633)
Cash payments for claims	-	-	(3,805,689)	(3,805,689)
Net cash provided by (used for) operating activities	<u>4,121</u>	<u>-</u>	<u>(2,137,027)</u>	<u>(2,132,906)</u>
<u>Cash flows from noncapital financing activities:</u>				
Transfer in	-	-	2,013,651	2,013,651
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>2,013,651</u>	<u>2,013,651</u>
<u>Cash flows from investing activities:</u>				
Interest on investments	-	-	512	512
Net cash provided by investing financing	<u>-</u>	<u>-</u>	<u>512</u>	<u>512</u>
Net increase (decrease) in cash and cash equivalents	4,121	-	(122,864)	(118,743)
Cash and cash equivalents at beginning of year, as restated (Note 3)	83,049	-	122,864	205,913
Cash and cash equivalents at end of year	<u>\$ 87,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,170</u>
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</u>				
Operating income (loss)	\$ 11,679	\$ -	\$ (1,725,817)	\$ (1,714,138)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	-	-	32,855	32,855
Increase (decrease) in liabilities:				
Accounts payable	4,555	-	-	4,555
Accrued wages	846	-	-	846
Intergovernmental payable	(1,279)	-	-	(1,279)
Claims payable	-	-	(444,065)	(444,065)
Deferred revenue	(11,680)	-	-	(11,680)
Total adjustments	<u>(7,558)</u>	<u>-</u>	<u>(411,210)</u>	<u>(418,768)</u>
Net cash provided by (used for) operating activities	<u>\$ 4,121</u>	<u>\$ -</u>	<u>\$ (2,137,027)</u>	<u>\$ (2,132,906)</u>

TRUST AND AGENCY FUNDS

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

EXPENDABLE TRUST

Special Trust

To account for assets held by the School District in a trustee capacity for individuals and/or private organizations which benefit the student body or the local community.

AGENCY

District Agency Funds

This fund is used to account for those assets held by School District as an agent for employee groups and other governmental units. The following are District Agency funds:

Kent State University Aviation Fund – To account for the financial activity of a compact class that teaches the students to learn to fly airplanes.

Alumni Association Fund – To account for the assets of the Alumni Association, a separate not-for-profit corporation.

Sunshine and Staff Fund – To account for the assets belonging to the teachers of the various schools, and used to purchase flowers for various reasons.

Vocational Compact Fund – To account for the financial activity of a cooperative agreement to provide for the vocational and special education needs of the students of the six participating districts.

Mid-Eastern Ohio Special Education Regional Resource Center (MEO/SERRC) Fund – To account for resources used to provide local school districts with resources designed to improve the quality of instruction for handicapped children through the delivery of instruction materials and methodologies.

Student Managed Activity

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

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

	Expendable Trust Fund	All Agency Funds	Totals
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 43,867	\$ 223,160	\$ 267,027
Cash and cash equivalents:			
In segregated accounts	-	10,605	10,605
Investments:			
In segregated accounts	-	279,932	279,932
Receivables:			
Intergovernmental	-	454,469	454,469
Total assets	<u>\$ 43,867</u>	<u>\$ 968,166</u>	<u>\$ 1,012,033</u>
 <u>Liabilities and fund equity :</u>			
<u>Liabilities:</u>			
Accounts payable	\$ -	\$ 49,243	\$ 49,243
Accrued wages	-	78,049	78,049
Compensated absences payable	-	4,684	4,684
Due to other governments	-	449,142	449,142
Intergovernmental payable	-	18,358	18,358
Undistributed monies	-	311,383	311,383
Due to students	-	57,307	57,307
Total liabilities	<u>-</u>	<u>968,166</u>	<u>968,166</u>
 <u>Fund equity:</u>			
Unreserved, undesignated	<u>43,867</u>	<u>-</u>	<u>43,867</u>
Total liabilities and fund equity	<u>\$ 43,867</u>	<u>\$ 968,166</u>	<u>\$ 1,012,033</u>

Cuyahoga Falls City School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2002

Special Trust Fund

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Interest	\$ 764	\$ 877	\$ 113
Extracurricular activities	1,000	-	(1,000)
Gifts and donations	-	1,000	1,000
Total revenues	<u>1,764</u>	<u>1,877</u>	<u>113</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	4,750	3,000	1,750
Special	1,455	-	1,455
Support services:			
Pupils	3,367	538	2,829
Instructional staff	104	-	104
Operation of non-instructional services	1,141	250	891
Total expenditures	<u>10,817</u>	<u>3,788</u>	<u>7,029</u>
Excess of revenues under expenditures	(9,053)	(1,911)	7,142
Fund balance at beginning of year	43,928	43,928	-
Prior year encumbrances appropriated	1,850	1,850	-
Fund balance at end of year	<u>\$ 36,725</u>	<u>\$ 43,867</u>	<u>\$ 7,142</u>

Cuyahoga Falls City School District
Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2002

	Beginning Balance July 1, 2001	Additions	Deductions	Ending Balance June 30, 2002
<u>Kent State University Aviation Fund</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ -	\$ 1,800	\$ -	\$ 1,800
<u>Liabilities:</u>				
Undistributed monies	\$ -	\$ 1,800	\$ -	\$ 1,800
 <u>Alumni Association Fund</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 336,886	\$ -	\$ 317,840	\$ 19,046
Cash and cash equivalents:				
In segregated accounts	-	10,605	-	10,605
Investments:				
In segregated accounts	-	279,932	-	279,932
Receivables:				
Intergovernmental	-	454,469	-	454,469
Total assets	<u>\$ 336,886</u>	<u>\$ 745,006</u>	<u>\$ 317,840</u>	<u>\$ 764,052</u>
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 49,243	\$ -	\$ 49,243
Accrued wages	-	58,950	-	58,950
Interfund payable	43,223	-	43,223	-
Due to other governments	-	327,918	-	327,918
Intergovernmental	-	18,358	-	18,358
Undistributed monies	293,663	34,857	18,937	309,583
Total liabilities	<u>\$ 336,886</u>	<u>\$ 489,326</u>	<u>\$ 62,160</u>	<u>\$ 764,052</u>
 <u>Sunshine & Staff Fund</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 13,871	\$ -	\$ 2,620	\$ 11,251
Receivables:				
Accounts	529	-	529	-
Total assets	<u>\$ 14,400</u>	<u>\$ -</u>	<u>\$ 3,149</u>	<u>\$ 11,251</u>
<u>Liabilities:</u>				
Due to other governments	<u>\$ 14,400</u>	<u>\$ -</u>	<u>\$ 3,149</u>	<u>\$ 11,251</u>
 <u>Vocational Compact Fund</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 43,605	\$ 9,602	\$ -	\$ 53,207
<u>Liabilities:</u>				
Due to other governments	<u>\$ 43,605</u>	<u>\$ 9,602</u>	<u>\$ -</u>	<u>\$ 53,207</u>

Cuyahoga Falls City School District
Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2002

	Beginning Balance July 1, 2001	Additions	Deductions	Ending Balance June 30, 2002
<u>MEO/SERRC Fund</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 266,029	\$ -	\$ 185,480	\$ 80,549
Receivables:				
Intergovernmental	382,651	-	382,651	-
Total assets	<u>\$ 648,680</u>	<u>\$ -</u>	<u>\$ 568,131</u>	<u>\$ 80,549</u>
<u>Liabilities:</u>				
Accrued wages	\$ 67,872	\$ 19,099	\$ 67,872	\$ 19,099
Compensated absences payable	14,331	4,684	14,331	4,684
Due to other governments	556,879	-	500,113	56,766
Intergovernmental payable	9,598	-	9,598	-
Total liabilities	<u>\$ 648,680</u>	<u>\$ 23,783</u>	<u>\$ 591,914</u>	<u>\$ 80,549</u>
<u>Student Managed Activity Fund</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	<u>\$ 64,908</u>	<u>\$ -</u>	<u>\$ 7,601</u>	<u>\$ 57,307</u>
<u>Liabilities:</u>				
Interfund payable	\$ 4,128	\$ -	\$ 4,128	\$ -
Due to students	60,780	-	3,473	57,307
Total liabilities	<u>\$ 64,908</u>	<u>\$ -</u>	<u>\$ 7,601</u>	<u>\$ 57,307</u>
<u>Total All Agency Funds</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 725,299	\$ 11,402	\$ 513,541	\$ 223,160
Cash and cash equivalents:				
In segregated accounts	-	10,605	-	10,605
Investments:				
In segregated accounts	-	279,932	-	279,932
Receivables:				
Accounts	529	-	529	-
Intergovernmental	382,651	454,469	382,651	454,469
Total assets	<u>\$ 1,108,479</u>	<u>\$ 756,408</u>	<u>\$ 896,721</u>	<u>\$ 968,166</u>
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 49,243	\$ -	\$ 49,243
Accrued wages	67,872	78,049	67,872	78,049
Compensated absences payable	14,331	4,684	14,331	4,684
Interfund payable	47,351	-	47,351	-
Due to other governments	614,884	337,520	503,262	449,142
Intergovernmental payable	9,598	18,358	9,598	18,358
Undistributed monies	293,663	36,657	18,937	311,383
Due to students	60,780	-	3,473	57,307
Total liabilities	<u>\$ 1,108,479</u>	<u>\$ 524,511</u>	<u>\$ 664,824</u>	<u>\$ 968,166</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets is a balanced group of accounts used to establish control and accountability for the costs of all real property and movable equipment owned by the School Board. The investment in General Fixed Assets is carried until the disposition of the property and ownership is relinquished. Depreciation on general fixed assets is not recorded.

Cuyahoga Falls City School District
Schedule of General Fixed Assets by Source
For the Fiscal Year Ended June 30, 2002

General Fixed Assets:

Land and Improvements	\$	1,337,462
Buildings and Improvements		22,414,794
Furniture and Equipment		11,569,948
Vehicles		<u>1,597,023</u>
Total General Fixed Assets	\$	<u><u>36,919,227</u></u>

Investment in General Fixed Assets

By Source:

General Fund	\$	10,557,320
State and Federal grants		4,360,900
Acquisitions prior to June 30, 1986		21,055,380
Other Sources		<u>945,627</u>
Total General Fixed Assets	\$	<u><u>36,919,227</u></u>

Cuyahoga Falls City School District
Schedule of General Fixed Assets by Function and Activity
For the Fiscal Year Ended June 30, 2002

Function	Land and Improvements	Buildings and Improvements	Furniture and Equipment	Vehicles	Total
Instruction	\$ 1,337,462	\$ 20,792,852	\$ 8,277,246	\$ -	\$ 30,407,560
Support services:					
Pupil services	-	-	47,923	-	47,923
Instructional staff	-	-	29,940	-	29,940
Board of education	-	-	3,157	-	3,157
Administrative	-	37,880	1,191,887	11,730	1,241,497
Business	-	-	3,204	-	3,204
Plant operation and maintenance	-	320,949	982,955	336,942	1,640,846
Pupil transportation	-	14,744	9,699	1,248,351	1,272,794
Central	-	-	349,337	-	349,337
Extracurricular	-	69,451	107,295	-	176,746
Capital outlay	-	1,178,918	567,305	-	1,746,223
Total General Fixed Assets	<u>\$ 1,337,462</u>	<u>\$ 22,414,794</u>	<u>\$ 11,569,948</u>	<u>\$ 1,597,023</u>	<u>\$ 36,919,227</u>

Cuyahoga Falls City School District
Schedule of Changes in General Fixed Assets by Function
For the Fiscal Year Ended June 30, 2002

Function	Balance June 30, 2001	Additions	Deletions	Balance June 30, 2002
Instruction	\$ 30,295,139	\$ 135,587	23,166	\$ 30,407,560
Support services:				
Pupil services	16,924	30,999	-	47,923
Instructional Staff	9,262	20,678	-	29,940
Board of education	3,157	-	-	3,157
Administrative	1,235,254	6,243	-	1,241,497
Business	-	3,204	-	3,204
Plant operation and maintenance	1,116,313	524,533	-	1,640,846
Pupil transportation	1,142,010	130,784	-	1,272,794
Central	97,982	251,355	-	349,337
Extracurricular	168,252	8,494	-	176,746
Capital outlay	1,183,613	563,348	738	1,746,223
Total General Fixed Assets	\$ 35,267,906	\$ 1,675,225	\$ 23,904	\$ 36,919,227

STATISTICAL SECTION



Cuyahoga Falls City School District
General Fund Revenues by Source and Expenditures by Function
Last Ten Fiscal Years

	Fiscal Year Ended June 30, 2002	Fiscal Year Ended June 30, 2001	Fiscal Year Ended June 30, 2000	Fiscal Year Ended June 30, 1999
<u>Revenues:</u>				
Property and other local taxes	\$ 18,042,609	\$ 18,106,361	\$ 18,021,921	\$ 16,608,259
Intergovernmental -State	14,978,819	13,867,142	13,182,957	12,845,511
Interest	108,878	320,006	307,804	461,312
Tuition and fees	339,562	195,439	81,739	17,114
Customer services	6,983	-	-	-
Rent	200,323	-	-	-
Other local revenues	-	370,320	405,306	321,324
Other revenue	307,940	26,937	34,140	35,717
Total revenues	<u>\$ 33,985,114</u>	<u>\$ 32,886,205</u>	<u>\$ 32,033,867</u>	<u>\$ 30,289,237</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	\$ 16,259,570	\$ 16,391,067	\$ 15,552,686	\$ 14,925,589
Special	2,855,611	2,739,707	2,512,137	2,291,915
Vocational	812,640	816,730	742,905	816,171
Adult/continuing	-	707,240	681,043	985,665
Other	830,118	-	-	-
Support services:				
Pupils	1,795,635	2,017,853	2,202,301	1,900,753
Instructional staff	1,436,959	898,051	876,347	798,634
Board of education	81,490	55,151	57,137	43,525
Administration	2,369,817	2,385,869	2,208,833	2,053,791
Fiscal	617,954	627,849	599,845	604,693
Business	262,146	351,163	328,624	315,454
Operation and maintenance of plant	4,328,808	4,314,521	4,070,602	3,940,037
Pupil transportation	903,710	947,179	1,206,361	908,438
Central	230,728	210,737	111,669	91,527
Extracurricular activities	511,636	499,599	447,603	439,901
Capital outlay	-	-	403,393	-
Debt service	106,109	162,268	133,287	212,297
Total expenditures	<u>\$ 33,402,931</u>	<u>\$ 33,124,984</u>	<u>\$ 32,134,773</u>	<u>\$ 30,328,390</u>

Source: School District financial records.

Fiscal Year Ended June 30, 1998	Fiscal Year Ended June 30, 1997	Fiscal Year Ended June 30, 1996	Fiscal Year Ended June 30, 1995	Fiscal Year Ended June 30, 1994	Fiscal Year Ended June 30, 1993
\$ 11,923,109	\$ 11,684,188	\$ 15,014,352	\$ 15,096,784	\$ 15,118,235	\$ 14,644,882
12,183,501	12,045,837	11,306,567	11,096,557	11,435,306	11,291,286
444,400	445,832	386,029	407,001	354,486	206,721
38,079	72,439	276,239	259,103	188,456	241,608
-	-	-	-	-	-
-	-	-	-	-	-
353,518	293,383	286,086	304,382	266,465	271,373
221,082	-	-	-	-	-
<u>\$ 25,163,689</u>	<u>\$ 24,541,679</u>	<u>\$ 27,269,273</u>	<u>\$ 27,163,827</u>	<u>\$ 27,362,948</u>	<u>\$ 26,655,870</u>
\$ 15,066,498	\$ 14,527,596	\$ 15,002,594	\$ 14,581,054	\$ 14,731,823	\$ 14,431,868
2,133,763	2,059,630	1,658,588	1,517,949	1,404,806	1,322,056
681,887	716,722	712,614	695,258	730,408	731,986
394,114	721,847	-	-	-	-
-	-	-	-	-	-
1,696,088	1,704,154	1,660,739	1,575,412	1,743,077	1,708,292
703,618	834,509	727,143	883,923	716,863	771,009
51,608	59,939	56,861	52,961	58,158	46,741
2,054,541	1,994,000	1,960,796	2,052,263	1,982,765	1,882,334
583,109	584,959	559,534	545,587	497,473	532,780
310,427	313,735	327,276	289,268	306,973	296,140
3,507,620	3,382,186	3,011,090	3,436,236	3,257,529	3,423,276
763,278	614,169	709,783	513,535	716,141	584,884
81,121	55,193	149,570	153,176	168,966	193,791
414,648	381,808	383,921	391,629	398,719	380,973
-	-	-	-	-	-
263,836	265,879	574,192	536,389	149,194	521,959
<u>\$ 28,706,156</u>	<u>\$ 28,216,326</u>	<u>\$ 27,494,701</u>	<u>\$ 27,224,640</u>	<u>\$ 26,862,895</u>	<u>\$ 26,828,089</u>

Cuyahoga Falls City School District

Property Tax Levies and Collections Real, Public Utility Tax and Tangible Personal Property (1)

Last Ten Calendar Years

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collections	Percent of		Total Collection as a Percent of Total Levy	Delinquent Collection	Total Collection	Delinquent Taxes Receivable
					Current Levy Collected	Delinquent Collection				
2001	\$ 21,412,147	\$ 996,921	\$ 22,409,068	\$ 20,694,434	96.65%	\$ 557,193	94.83%	\$ 21,251,627	\$ 1,157,441	
2000	21,594,068	685,311	22,279,379	21,015,902	97.32%	482,718	96.50%	21,498,620	780,759	
1999	14,548,079	649,816	15,197,895	14,201,964	97.62%	456,187	96.45%	14,658,151	539,744	
1998	21,128,490	800,923	21,929,413	20,675,011	97.85%	379,287	96.01%	21,054,298	875,115	
1997	18,208,159	847,866	19,056,025	17,794,050	97.73%	531,888	96.17%	18,325,938	730,087	
1996	17,202,997	846,785	18,049,782	16,803,090	97.68%	463,401	95.66%	17,266,491	783,291	
1995	17,397,317	1,024,862	18,422,179	17,043,220	97.96%	493,889	95.20%	17,537,109	885,070	
1994	15,193,231	542,339	15,735,570	14,869,268	97.87%	269,463	96.21%	15,138,731	596,839	
1993	15,193,231	542,339	15,735,570	14,869,268	97.87%	269,463	96.21%	15,138,731	596,839	
1992	14,725,241	642,525	15,367,766	14,413,463	97.88%	341,402	96.01%	14,754,865	612,901	

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

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

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

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

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

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2002	\$ 660,669,170	\$ 1,887,626,200	\$ 10,687,260	\$ 12,144,614	\$ 46,351,101	\$ 185,404,404	\$ 717,707,531	\$ 2,085,175,218
2001	655,857,840	1,873,879,543	14,381,440	16,342,545	46,876,653	187,506,612	717,115,933	2,077,728,700
2000	651,512,170	1,861,463,343	15,258,960	17,339,727	45,314,624	181,258,496	712,085,754	2,060,061,566
1999	581,353,600	1,661,010,286	16,453,600	18,697,273	42,509,623	170,038,492	640,316,823	1,849,746,050
1998	569,064,070	1,625,897,343	16,587,610	18,849,557	37,434,678	149,738,712	623,086,358	1,794,485,612
1997	566,965,030	1,619,900,086	16,985,740	19,301,977	37,265,346	149,061,384	621,216,116	1,788,263,447
1996	451,203,450	1,289,152,714	17,977,390	20,428,852	37,265,346	149,061,384	506,446,186	1,458,642,951
1995	449,237,970	1,283,537,057	21,708,860	24,669,159	37,852,754	151,411,016	508,799,584	1,459,617,232
1994	445,573,610	1,273,067,457	19,076,440	21,677,773	34,180,868	136,723,472	498,830,918	1,431,468,702
1993	394,881,730	1,128,233,514	18,645,500	21,188,068	34,386,374	137,545,496	447,913,604	1,286,967,078

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

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

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

Collection Year		School Levy	County Levy	City Levy	Total Levy
2001	City of Cuyahoga Falls	\$ 57.23	\$ 13.07	\$ 11.00	\$ 81.30
	Village of Silver Lake	57.23	13.07	13.75	84.05
2000	City of Cuyahoga Falls	57.63	12.27	11.00	80.90
	Village of Silver Lake	57.63	12.27	13.75	83.65
1999	City of Cuyahoga Falls	57.87	12.27	11.00	81.14
	Village of Silver Lake	57.87	12.27	13.75	83.89
1998	City of Cuyahoga Falls	53.83	11.65	12.00	77.48
	Village of Silver Lake	53.83	11.65	13.75	79.23
1997	City of Cuyahoga Falls	53.93	11.39	12.00	77.32
	Village of Silver Lake	53.93	11.39	13.75	79.07
1996	City of Cuyahoga Falls	53.98	13.99	12.00	79.97
	Village of Silver Lake	53.98	13.99	13.75	81.72
1995	City of Cuyahoga Falls	53.98	14.16	12.00	80.14
	Village of Silver Lake	53.98	14.16	13.75	81.89
1994	City of Cuyahoga Falls	54.10	12.31	12.00	78.41
	Village of Silver Lake	54.10	12.31	13.75	80.16
1993	City of Cuyahoga Falls	54.18	12.59	12.00	78.77
	Village of Silver Lake	54.18	12.59	13.75	80.52
1992	City of Cuyahoga Falls	54.16	12.59	12.00	78.75
	Village of Silver Lake	54.16	12.59	13.75	80.50

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

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

Cuyahoga Falls City School District

Computation of Legal Debt Margin

June 30, 2002

Assessed Valuation (2002)		<u>\$ 717,707,531</u>
Bonded Debt Limit - 9% of Assessed Value (1)		64,593,678
Outstanding debt:		
General Obligation Bonds	7,815,000	
Energy Conservation Bonds	600,000	
Asbestos Removal Loan	276,819	
IP Phone System Loan	648,000	
Less: Amount available in debt service fund	<u>(202,297)</u>	
Total outstanding debt	<u>\$ 9,137,522</u>	
Amount of debt applicable to debt limit		<u>9,137,522</u>
Voted Debt Margin		<u>\$ 55,456,156</u>
Bonded Debt Limit - .10% of Assessed Value (1)		\$ 717,708
Outstanding debt:		
General Obligation Bonds		7,815,000
Energy Conservation Bonds		600,000
Asbestos Removal Loan		276,819
IP Phone System Loan		648,000
Less: Amount available in debt service fund		<u>(202,297)</u>
Total outstanding debt		<u>\$ 9,137,522</u>
Less exemptions:		
General Obligation Bonds		7,815,000
Energy Conservation Bonds		600,000
Asbestos Removal Loan		276,819
IP Phone System Loan		648,000
Less: Amount available in debt service fund		<u>(202,297)</u>
Total exemptions		<u>\$ 9,137,522</u>
Amount of debt applicable to debt limit		-
Unvoted Debt Margin		<u>\$ 717,708</u>

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

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

Cuyahoga Falls City School District

**Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years**

<u>Collection Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value</u>	<u>Population (2)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2002	\$ 9,137,522	\$ 717,707,531	52,393	1.27%	174.40
2001	8,110,457	717,115,933	52,393	1.13%	154.80
2000	8,781,518	712,085,754	52,393	1.23%	167.61
1999	9,598,382	640,316,823	52,002	1.50%	184.58
1998	2,362,332	623,086,358	52,002	0.38%	45.43
1997	2,784,547	621,216,116	52,002	0.45%	53.55
1996	3,222,171	506,446,186	52,002	0.64%	61.96
1995	3,624,774	508,799,584	52,002	0.71%	69.70
1994	1,447,141	498,830,918	52,002	0.29%	27.83
1993	1,691,620	447,913,604	52,002	0.38%	32.53

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

(1) No debt is applicable to enterprise funds.

(2) Population data for 1993 through 1999 was assumed to be the same as the 1990 census as interim data was not available, 2000 through 2002 was assumed to be same as the 2000 census.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures (Percentages)</u>
2002	\$ 616,364	\$ 391,135	\$ 1,007,499	\$ 33,402,931	3.02%
2001	810,000	408,310	1,218,310	33,124,984	3.68%
2000	765,000	444,166	1,209,166	32,134,773	3.76%
1999	530,000	339,704	869,704	30,328,390	2.87%
1998	430,000	147,419	577,419	28,706,156	2.01%
1997	430,000	170,181	600,181	28,216,326	2.13%
1996	430,000	192,744	622,744	27,494,701	2.26%
1995	457,686	182,627	640,313	27,224,640	2.35%
1994	230,000	92,719	322,719	26,862,895	1.20%
1993	230,000	105,081	335,081	26,828,089	1.25%

Source: School District financial records.

Cuyahoga Falls City School District

Demographic Statistics

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

Source: U.S. Bureau of the Census

Data used for City of Cuyahoga Falls and Silver Lake Village

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

<u>Year</u>	<u>Total Assessed Values</u>	<u>Certified Bank Deposits (in billions)</u>	<u>Value of New Construction</u>
2001	\$ 717,707,531	\$ 7,870,201,000	\$ 3,686,880
2000	717,115,933	7,920,486,000	3,715,270
1999	712,085,754	7,133,568,000	5,061,500
1998	640,316,823	4,486,230,000	8,732,730
1997	623,086,358	4,421,560,000	2,492,910
1996	621,216,116	4,342,660,000	5,092,340
1995	506,446,186	4,267,009,000	4,679,850
1994	508,799,584	4,199,905,000	4,392,410
1993	498,830,918	3,792,255,000	8,918,250
1992	447,913,604	3,737,694,000	N/A

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

N/A - Information not available.

Cuyahoga Falls City School District
Principal Taxpayers

Top Taxpayers	Assessed Valuations				Estimated Actual Valuations			
	Real Property	Tangible Personal	Public Utility	Total	Real Property	Tangible Personal	Public Utility	Total
Newpart Limited Partnership	\$ 7,087,530	\$ -	\$ -	\$ 7,087,530	\$ 20,250,086	\$ -	\$ -	\$ 20,250,086
Yorkshire Woods Apartments	6,304,260	-	-	6,304,260	18,012,171	-	-	18,012,171
Ohio Bell Telephone	-	-	5,647,400	5,647,400	-	-	6,417,500	6,417,500
State Road Associates Et al	4,575,360	-	-	4,575,360	13,072,457	-	-	13,072,457
Portage Towers Apartments Inc.	3,711,310	-	-	3,711,310	10,603,743	-	-	10,603,743
Heslop Inc	3,626,560	-	-	3,626,560	10,361,600	-	-	10,361,600
Plaza Chapel Hill Co.	3,129,410	-	-	3,129,410	8,941,171	-	-	8,941,171
SGS Tool Company	-	3,098,590	-	3,098,590	-	12,394,360	-	12,394,360
Dayton Hudson Corporation	2,998,090	-	-	2,998,090	8,565,971	-	-	8,565,971
HD Development of Mayland	2,889,360	-	-	2,889,360	8,255,314	-	-	8,255,314
Total Top Ten Taxpayers	\$ 34,321,880	\$ 3,098,590	\$ 5,647,400	\$ 43,067,870	\$ 98,062,513	\$ 12,394,360	\$ 6,417,500	\$ 116,874,373
Total All Assessed Valuations	\$ 660,669,170	\$ 46,351,101	\$ 10,687,260	\$ 717,707,531				
								100.00%

Sources: Summit County Fiscal Officer

Cuyahoga Falls City School District
Computation of Direct and Overlapping Bonded Debt
June 30, 2002

<u>Jurisdiction</u>	<u>Assessed Valuation</u>	<u>Net General Tax Supported Debt (1)</u>	<u>Percent Overlapping</u>	<u>Amount Applicable Cuyahoga Falls City School District</u>
Direct:				
Cuyahoga Falls City School District	\$ 717,707,531	<u>\$ 9,137,522</u>	100.00%	<u>\$ 9,137,522</u>
Overlapping:				
Summit County	10,686,054,179	89,646,628	6.72%	6,020,937
Metro Regional Transit Authority	10,686,054,179	1,765,000	6.72%	118,543
Cuyahoga Falls City	906,768,220	30,884,960	70.90%	21,897,474
Silver Lake Village	74,807,772	<u>-</u>	100.00%	<u>-</u>
Total overlapping:		<u>122,296,588</u>		<u>28,036,954</u>
Total direct and overlapping debt:		<u>\$ 131,434,110</u>		<u>\$ 37,174,476</u>

Sources: Summit County Fiscal Officer

(1) All debt reported as of December 31, 2001, except for Cuyahoga Falls City School District which is reported as of June 30, 2002.

Cuyahoga Falls City School District

Enrollment Statistics

Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Membership</u>	<u>Per Pupil Cost</u>
2002	\$ 33,402,931	\$ 5,244	\$ 6,370
2001	33,124,984	5,463	6,064
2000	32,134,773	5,315	6,046
1999	30,328,390	5,597	5,419
1998	28,706,156	5,777	4,969
1997	28,216,326	5,826	4,843
1996	27,494,701	5,924	4,641
1995	27,224,640	5,862	4,644
1994	26,862,895	5,875	4,572
1993	26,828,089	5,926	4,527

Source: School District Financial Records

Cuyahoga Falls City School District

Teacher Education and Experience

June 30, 2002

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total Teachers</u>
Bachelor's Degree	43	13.23%
Bachelor's Degree plus 15 hours	2	0.62%
Bachelor's Degree plus 150 hours	152	46.77%
Master's Degree	80	24.62%
Master's Degree plus 15 hours	32	9.85%
Master's Degree plus 30 hours	14	4.31%
Ph.D.	2	0.60%
Total number of teachers	<u>325</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total Teachers</u>
0 to 5	106	32.62%
6 to 10	68	20.92%
11 and over	151	46.46%
Total number of teachers	<u>325</u>	<u>100.00%</u>

Source: School District Personnel Records

Cuyahoga Falls City School District

School District Report Card Data

2000-2001 Academic Year

<u>Performance Standard</u>	<u>The School District (1)</u>	<u>Minimum State Performance Standard (1)</u>
<u>Grade 4</u>		
Citizenship	70.5%	75.0%
Mathematics	60.2%	75.0%
Reading	59.8%	75.0%
Writing	87.9%	75.0%
Science	57.9%	75.0%
<u>Grade 6</u>		
Citizenship	67.4%	75.0%
Mathematics	59.3%	75.0%
Reading	57.5%	75.0%
Writing	84.6%	75.0%
Science	57.2%	75.0%
<u>Grade 9 (9th Grade)</u>		
Citizenship	87.2%	75.0%
Mathematics	72.4%	75.0%
Reading	94.4%	75.0%
Writing	92.6%	75.0%
Science	82.6%	75.0%
<u>Grade 9 (10th Grade)</u>		
Citizenship	93.7%	85.0%
Mathematics	88.4%	85.0%
Reading	98.3%	85.0%
Writing	99.5%	85.0%
Science	91.9%	85.0%
<u>Grade 12</u>		
Citizenship	82.6%	60.0%
Mathematics	63.6%	60.0%
Reading	84.1%	60.0%
Writing	90.2%	60.0%
Science	75.5%	60.0%
Student Attendance Rate	94.3%	93.0%
Graduation Rate	82.8%	90.0%

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

(1) Information represents 2000-2001 Proficiency Scores. 2001-2002 Data is not available.

Cuyahoga Falls City School District

Directory of School Facilities

June 30, 2002

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

Source: Cuyahoga Falls City School District records



**Auditor of State
Betty Montgomery**

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800-282-0370
Facsimile 614-466-4490

CUYAHOGA FALLS CITY SCHOOL DISTRICT

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 11, 2003**