



**Auditor of State  
Betty Montgomery**



TECUMSEH LOCAL SCHOOL DISTRICT  
CLARK COUNTY

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**TECUMSEH LOCAL SCHOOL DISTRICT  
CLARK COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2003**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. Department of Agriculture</b>						
<i>Passed through Ohio Department of Education</i>						
Nutrition Cluster:						
Food Distribution Program	10.550	N/A		\$36,421		\$39,206
National School Breakfast Program	10.553	05-PU-02 05-PU-03	\$9,337 49,674 <u>59,011</u>		\$9,337 49,674 <u>59,011</u>	
National School Lunch Program	10.555	LL-P4-02 LL-P4-03	42,606 232,580 <u>275,186</u>		42,604 232,580 <u>275,184</u>	
Total National School Lunch Program						
Total U.S. Department of Agriculture - Nutrition Cluster			334,197	36,421	334,195	39,206
<b>U.S. Department of Education</b>						
<i>Passed through Ohio Department of Education</i>						
Title I	84.010	C1-S1-02-C C1-S1-02 C1-S1-03	72,117 360,111 <u>432,228</u>		28,723 109,420 364,516 <u>502,659</u>	
Total Title I						
Title I-C - Migrant Education	84.011	MG-S1-01 MG-S1-02 MG-S1-03	22,127 70,302 77,762 <u>170,191</u>		22,152 55,524 70,481 <u>148,157</u>	
Total Title I-C						
Special Education Grants to States IDEA Part B	84.027	SB-SD-03-P 6B-SF-02-P 6B-SF-03-P	18,067 70,178 283,982 <u>372,227</u>		4,445 46,754 304,651 <u>355,850</u>	
Total IDEA Part B						
Drug Free Schools	84.186	DR-S1-03	18,438		18,438	
Goals 2000	84.276	G2-S2-01 G2-S2-02			648 1,335 <u>1,983</u>	
Total Goals 2000						
Eisenhower Professional Development State Grant	84.281	MS-S1-01 MS-S1-02	1,887 <u>1,887</u>		652 15,859 <u>16,511</u>	
Total Eisenhower Professional Development State Grant						
Title VI - Innovative Education Program	84.298	C2-S1-03	12,550		18,656	
Title II-D - Technology Center Grant	84.318	TJ-S1-03	12,761		11,420	
Title I - Comprehensive Reform Grant	84.332	RF-S1-01 RF-S2-02	49,870 61,112 <u>110,982</u>		50,426 35,594 <u>86,020</u>	
Total Title I - Comprehensive Reform Grant						
Title VI-R - Class Reduction Grant	84.340	CR-S1-02	36,052		24,793	
School Renovation, IDEA and Technology	84.352A	AT-S3-02	9,200		9,200	
Title III-Immigrant Grant	84.365	T3-S1-03	16,878		15,793	
Improving Teacher Quality	84.367	TR-S1-03	127,183		121,157	
Total U.S. Department of Education			<u>\$1,320,577</u>	<u>\$0</u>	<u>\$1,330,637</u>	<u>\$0</u>
Total Federal Financial Assistance			<u>\$1,654,774</u>	<u>\$36,421</u>	<u>\$1,664,832</u>	<u>\$39,206</u>

See accompanying notes to the Schedule of Federal Awards Expenditures.

**TECUMSEH LOCAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDING JUNE 30, 2003**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – NUTRITION CLUSTER**

Non-monetary 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 and local funds. It is assumed federal monies are expended first.

**NOTE C - MATCHING REQUIREMENTS**

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



**Auditor of State  
Betty Montgomery**

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

Tecumseh Local School District  
Clark County  
9760 West National Road  
New Carlisle, Ohio 45344

To the Board of Education:

We have audited the accompanying financial statements of the Tecumseh Local School District, Clark County, (the District) as of and for the year ended June 30, 2003, wherein we noted that the District implemented GASB Statement 34, and have issued our report thereon dated December 22, 2003. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2003-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 22, 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 matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 22, 2003.

Tecumseh Local School District  
Clark County  
Independent Accountants' Report 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

December 22, 2003



## Auditor of State Betty Montgomery

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

Tecumseh Local School District  
Clark County  
9760 West National Road  
New Carlisle, Ohio 45344

To the Board of Education:

#### Compliance

We have audited the compliance of the Tecumseh Local School District, Clark 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, 2003. The District's major federal program is 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, Tecumseh Local School District, Clark County, 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, 2003.

#### Internal Control Over Compliance

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

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**Internal Control Over Compliance  
(Continued)**

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

We have audited the basic financial statements of Tecumseh Local School District, Clark County, as of and for the year ended June 30, 2003, and have issued our report dated December 22, 2003. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Betty Montgomery**  
Auditor of State

December 22, 2003

**TECUMSEH LOCAL SCHOOL DISTRICT  
CLARK COUNTY**

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

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any 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)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title 1, Part A, ESEA CFDA #84.010
<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**

<b>Finding Number</b>	<b>2003-001</b>
-----------------------	-----------------

**Ohio Rev. Code Section 5705.41(D)** prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

**TECUMSEH LOCAL SCHOOL DISTRICT  
CLARK COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 §.505  
FOR THE YEAR ENDED JUNE 30, 2003  
(Continued)**

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. **"Then and Now" certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$1,000 (\$3,000 after 4/7/03, see HB 454) may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the District.

2. **Blanket certificate** – Fiscal officers may prepare "blanket" certificates not exceeding \$5,000 against any specific line item account over a period not exceeding three months or running beyond the current year. (See HB 95, effective 9/26/03, which eliminates the \$5,000 and 3 month restrictions). The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super Blanket certificate** – The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any one line item appropriation.

The District did not properly certify the availability of funds prior to purchase commitment for 21 percent of expenditures tested and there was no evidence that the District followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District's funds exceeding budgetary spending limitations, we recommend that the District's Treasurer certify that the funds are or will be available prior to the obligation by the District. When prior certification is not possible, "then and now" certification should be used.

We recommend the District certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the District incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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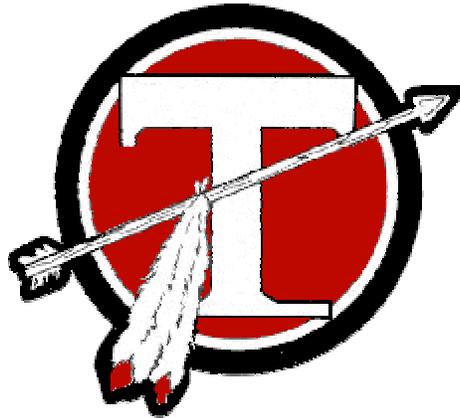
None

**TECUMSEH LOCAL SCHOOL DISTRICT  
CLARK COUNTY**

**SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid;
2002-001	Latchkey programs offered at various school buildings – consistent procedures should be implemented to maintain customer account balances.	Yes	

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TECUMSEH LOCAL SCHOOL DISTRICT

New Carlisle, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

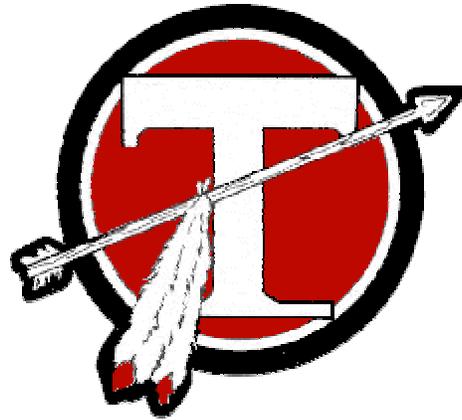
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Issued by

TREASURER'S OFFICE

Debra Decker  
Treasurer





**TECUMSEH LOCAL SCHOOL DISTRICT**

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**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

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**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

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**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

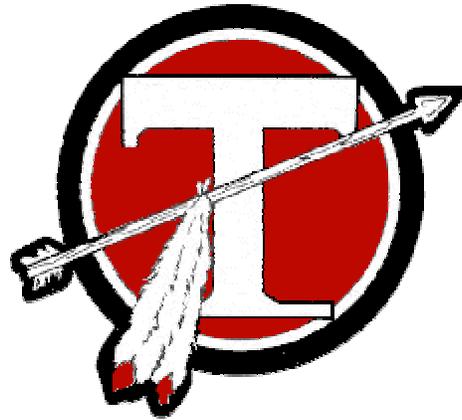
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**TECUMSEH LOCAL SCHOOL DISTRICT**



# TECUMSEH LOCAL SCHOOLS

9760 West National Road  
New Carlisle, Ohio 45344  
(937) 845-3576

**Jim Gay, Ph.D.**  
**Superintendent**  
**Matthew Curtis**  
**Assistant Superintendent**

**Paula Crew**  
**Director of Special Education &**  
**Professional Development**

**Mike Lucas**  
**Director**  
**Debra Decker**  
**Treasurer**

Tecumseh High School  
9830 West National Road  
New Carlisle, Ohio 45344  
845-4500

New Carlisle Middle School  
1203 Kennison Avenue  
New Carlisle, Ohio 45344  
845-4460

Olive Branch Middle School  
9712 West National Road  
New Carlisle, Ohio 45344  
845-4465

Donnelsville Elementary School  
P.O. Box 130  
150 East Main Street  
Donnelsville, Ohio 45319  
845-4540

Medway Elementary School  
116 Middle Street  
Medway, Ohio 45341  
845-4475

Park Layne Elementary School  
620 Cliffside Drive  
New Carlisle, Ohio 45344  
845-4470

Westlake Elementary School  
621 Walsh Avenue  
New Carlisle, Ohio 45344  
845-4480

McAdams Early Childhood Center  
1400 McAdams Drive  
New Carlisle, Ohio 45344  
845-4545

[www.tecumseh.k12.oh.us](http://www.tecumseh.k12.oh.us)

December 22, 2003

## **To the Citizens and Board of Education of the Tecumseh Local School District:**

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Tecumseh Local School District. The information reported is for the fiscal year ended June 30, 2003. The report contains financial statements, supplemental statements and schedules, as well as other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District for fiscal year 2003. The responsibility for the accuracy, completeness and fairness of this report rests with the School District and more specifically, the Office of the Treasurer. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects. Our report is designed to present fairly the financial position and results of operation of the District as measured by the financial activity of its various funds.

This report is prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative services, and is representative of the School District's continuing commitment to provide meaningful financial information to the citizens of the School District.

The CAFR report is divided into three sections:

The Introductory Section introduces the reader to the report and provides an overview of the School District and area. It also includes a table of contents, this transmittal letter, Certificate of Achievement for Excellence in Financial Reporting for fiscal year 2002 from GFOA and ASBO, an organizational chart, and list of principal officials.

The Financial Section includes the unqualified opinion of our independent auditor, Betty Montgomery, Auditor of State. It also includes the management discussion and analysis, basic financial statements and the combining statements by fund type and other schedules providing detailed information relative to the basic financial statements.

The Statistical Section includes selective financial, economic and demographic information generally presented on a multi-year basis for comparative purposes.

## **THE REPORTING ENTITY AND SERVICES PROVIDED**

The School District has reviewed its operating entity definition in order to insure 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 Tecumseh Local School District (the primary government) and its potential component units.

This report includes all funds and account groups of the School District. The funds and account groups are used to account for the primary government's assets, liabilities, fund balances, and results of operations (or revenues over/under expenses) for those activities.

This report includes all funds of the school district. The school district provides a full range of traditional and non-traditional education programs, services and facilities. These include all day pre-school and kindergarten, elementary and secondary curriculum at the general, college preparatory and vocational levels, a broad range of co-curricular and extracurricular activities, special education programs and facilities.

## **MISSION STATEMENT**

*The mission of the Tecumseh Local School District is to provide a variety of educational programs for students of all ages and abilities. Our school system strives to prepare learners to be responsible, contributing members of an ever-changing society, and to have a feeling of success, and a pride in community.*

## **SCHOOL DISTRICT DESCRIPTION AND ORGANIZATION**

The Tecumseh Local School District was established in 1875 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 50 square miles. It is located in Clark County, and includes all of the City of New Carlisle and portions of Bethel and Pike Townships, with some parcels of property located in Miami County.

The School District is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio to provide educational services as authorized by State statute and/or federal guidelines. The School District operates under a locally elected Board form of government consisting of five members elected at-large for staggered four-year terms. The Board appoints the Superintendent and the Treasurer. All departments, with the exception of the Treasurer's Office, are under the authority of the Superintendent's Office.

## **ECONOMIC CONDITION AND OUTLOOK**

The Tecumseh Local School District is located in southwestern Clark County, which is just north of Dayton, Ohio and slightly to the west of Springfield, Ohio. Interstate 70 and Interstate 675 are only a few miles away. These major thoroughfares permit easy commuting to the Cities of Dayton and Springfield, as well as Wright Patterson Air Force Base (one of the areas largest employers).

The School District's tax base is supported mainly through residential and agricultural property. New housing projects have continued to be strong throughout the area, as lending rates have remained at record low levels for the past few years. The School District anticipates assessed property values and new housing projects to increase slightly or remain stable over the foreseeable future.

## **MAJOR INITIATIVES**

**Primary accomplishments for school year 2002-2003 were as follows:**

### **Financial**

Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) of the United States and Canada for its Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2002. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR, whose content conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

Received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for its CAFR for fiscal year ended June 30, 2002. This award certifies that the CAFR substantially conformed to the principles and standards of financial reporting as recommended and adopted by ASBO.

### **Curriculum**

Revised quarterly benchmark assessments in math and language arts for grades K-5 aligning them with Ohio Content Standards

Developed Quarterly benchmark assessments in core academic subjects at middle school level (grades 6-8) aligning them with Ohio Content Standards

Utilized Ohio Proficiency and classroom assessment data to drive instruction and develop appropriate interventions for students not meeting proficient levels

Utilized technology to communicate ideas, collect data, and solve problems

Utilized the Baldrige Framework for School improvement to establish district and building goals in the area of student achievement

### **Staff Development**

Conducted Professional Development Workshops on Campus in the areas of:

Teaching English Language Learners

Teacher/Student Partnerships

Master Scheduling for the Middle School

Interactive Video Distance Learning

Baldrige

Phonemic Awareness

Ohio State Content Standards

Technology in the Classroom

Strategies to Assist students with ADHD, Inattention and Disorganization

Student led Conferencing

### **Facilities Initiatives**

Purchased three new school buses.

Replacement of asphalt and concrete at Tecumseh High School, Medway Elementary, Park Layne Elementary, New Carlisle Middle School, Spitzer Stadium, McAdams Early Childhood Center, Donnelsville Elementary, and Westlake Elementary

Constructed new athletic storage building at Spitzer Stadium

Replaced carpet at Tecumseh High School Library

Installed new security surveillance system at bus garage and transportation facility  
Installed new ventilation system at Tecumseh High School  
Purchased two rear mount mowers  
Replaced and repaired fence and gate at transportation department  
Removed, replaced, and installed overhead wiring to underground at transportation department  
Replaced and installed new carpet at Westlake Elementary

**Specific goals for the 2003-2004 school year are:**

**Finance**

Receive the Government Finance Officer's Association (GFOA) Certificate of Excellence in Financial Reporting for the District's 2003 Comprehensive Annual Financial Report.  
Receive the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting for the District's 2003 Comprehensive Annual Financial Report.  
Continued review of the District's internal control structure through the update of District policy and procedure manuals.  
Continued success in monitoring and budgeting District resources.

**Curriculum**

Continue to assess and revise quarterly Benchmark Assessments at all levels  
Implement new K-12 math curriculum  
Collect and review data from Ohio Graduation Test (OGT) and Ohio Proficiency Test (OPT) to develop strategies to promote student proficiency  
Continue to utilize the Baldrige Framework of School Improvement to increase student achievement  
Provide tutoring and focused supplemental supports for students at risk in reading.

**Staff Development**

Provide Strengthening Ohio Schools (SOS) training in Baldrige methods to classified and certified staff members  
Provide training opportunities for parents to develop skills to assist their children in learning to read  
Provide ongoing on site staff development to better understand the needs of ethnic minorities, LEP students, students with disabilities, and economically disadvantaged students  
To provide training in order to better establish a safe, caring educational environment for all students  
To provide training and improved technological capabilities to teachers to complete online gradebook and record keeping tasks

**FINANCIAL INFORMATION**

**Internal Accounting and Budgetary Control**

Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of

internal accounting controls should not exceed the benefits expected to be derived from their implementation. The management of the District is responsible for establishing and maintaining an internal control environment that provides reasonable assurance the District's financial statements are reliable, the District complied with applicable laws and regulations and the District is operating effectively and efficiently.

The 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.

The District maintains its accounts and accounting records to facilitate budgetary control as outlined by Ohio Revised Code. Before October 1<sup>st</sup> of each fiscal year the Board adopts its annual appropriation measure. These appropriations may be amended as needed by Board action. Annual appropriations and any amendments may not exceed the County Budget Commissions official estimate of resources. The County Auditor must certify that the Board's appropriation measures 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 for the General, Permanent Improvement and Food Service funds, and at the fund level for the remaining funds. All purchase order requests must be approved by the building principal, department supervisor, or appropriate central office director and must be certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests that exceed the available appropriations are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports which detail month and year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. Each administrator and school principal is furnished the reports showing the status of the budget accounts for which they are responsible. In addition, an on line inquiry system is available at each cost center site. As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond. Additional information on the District's budgetary accounts can also be found in notes to the general purpose financial statements.

## **Financial Condition**

This is the first year the School District has prepared financial statements following GASB statement 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the School District's financial activities as follows:

### Government-wide Financial Statements

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

### Fund Financial Statements

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

### Statement of Budgetary Comparisons

These statements present comparisons of actual information to both the original and final amended budget legally adopted by the School District. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Discussion and Analysis of the School District. This discussion follows this letter of transmittal, providing an assessment of the School District's finances for 2003 and the outlook for the future.

### **CASH MANAGEMENT**

The District's cash management program addresses the issues of safety, liquidity and yield while maximizing returns. All investments are spread among available investment options to insure maximum interest rates. Investment earnings for all funds during the fiscal year were \$74,628. The figure is lower than in the previous fiscal year due to lower cash balances available for investing purposes throughout the year, as well as lower interest rates available for investments.

### **RISK MANAGEMENT**

The District continues to protect its assets through a comprehensive insurance program. Insurance policies are in effect for fleet liability; property loss, boiler and machinery, school errors and omissions liability, and excess liability is purchased through the Marsh Insurance Company.

All employees are covered under the District's liability policy. The Superintendent and Board President are covered with a \$20,000 performance bond. The Treasurer is covered with a \$100,000 performance bond.

The District uses the State Workers' Compensation plan and pays the premium based on a rate per \$100 of salaries. The School District is a member of Ohio School Boards Association Workers' Compensation Group Rating Program.

### **INDEPENDENT AUDIT**

State statutes require the School District to be subjected to an annual examination by an independent auditor. Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of June 30, 2003. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Pursuant to statute, the State prescribed a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

### **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to governments that publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose content conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. The District is submitting this report to GFOA to

determine its eligibility for a certificate, which is the highest form of recognition in the area of governmental financial reporting.

The District will also seek the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2003. This award certifies that a Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an extensive review of the report by an expert panel of certified public accountants and practicing school business officials. The District believes our current report meets ASBO requirements.

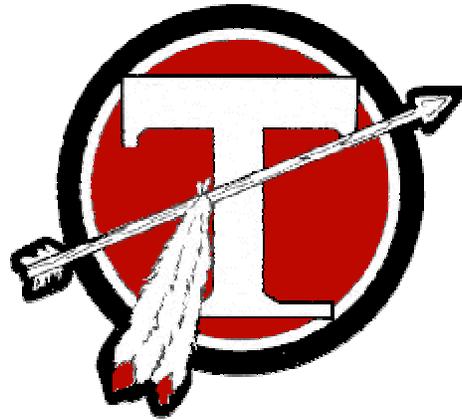
### **ACKNOWLEDGEMENTS**

The preparation of the 2003 Comprehensive Annual Financial Report was made possible by many, not only through effort but also through support. Thanks are extended to the Tecumseh Board of Education for their support of the Treasurer's office that allows reliable and progressive financial operations and reporting.

Appreciation for the preparation is extended to Clark, Schaefer, Hackett & Company, the Clark County Auditor's Office, and Richard Cost.

Respectfully submitted,

Debra G. Decker  
Treasurer/CFO



**TECUMSEH LOCAL SCHOOL DISTRICT**

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

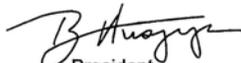


This Certificate of Excellence in Financial Reporting is presented to

**TECUMSEH LOCAL SCHOOL DISTRICT**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2002

Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

  
President

  
Executive Director

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

Tecumseh Local  
School District, Ohio

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

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



*William Robert Bate*

President

*Jeffrey R. Emery*

Executive Director

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**LIST OF PRINCIPAL OFFICIALS**  
**JUNE 30, 2003**

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**Board of Education**

Gary Cochran, Board President  
Jim Snyder, Board Vice President  
Dan Studebaker, Board Member  
Beverly Quinn, Board Member  
Jane Manemann, Board Member

**Administrative Team**

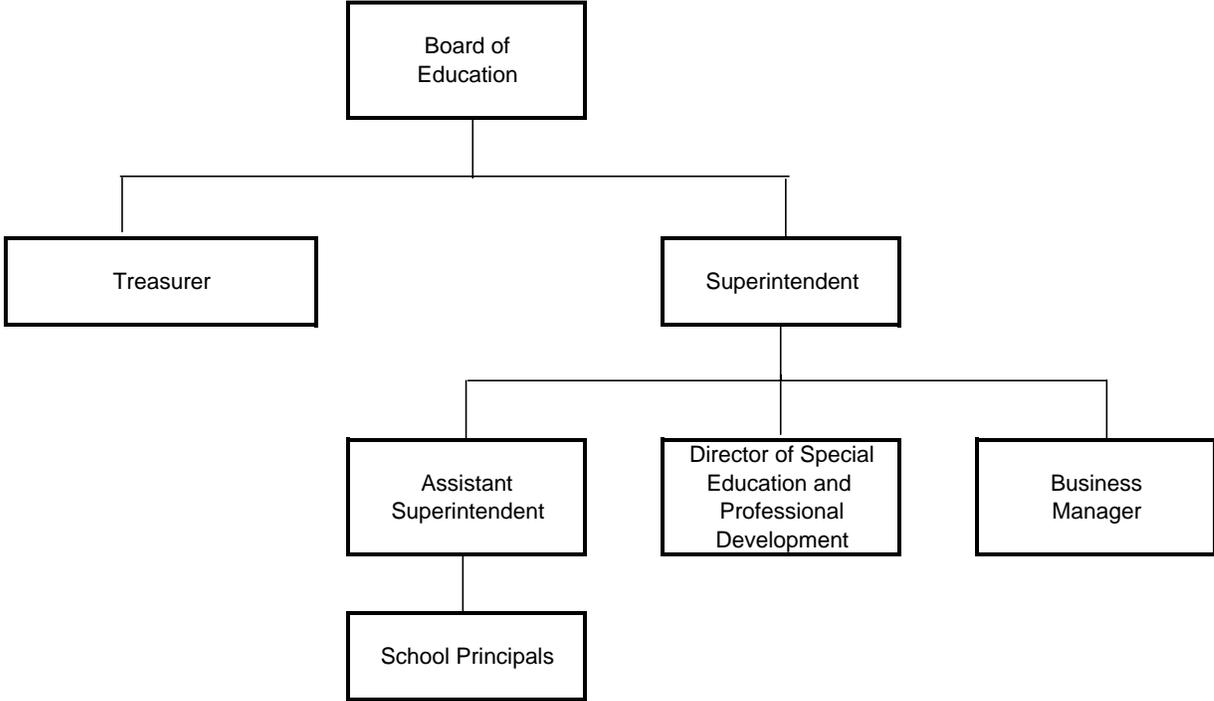
James Gay, Superintendent  
Matthew Curtis, Assistant Superintendent  
Mike Lucas, Director of Buildings, Grounds, Transportation and Food Service  
Paul Gerlach, Treasurer  
Paula Crew, Director of Special Education and Professional Development

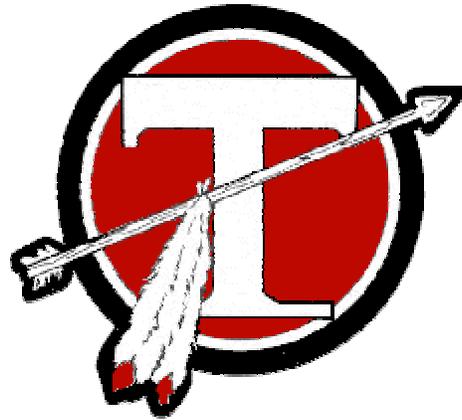
Michael Ostendorf, Principal, Tecumseh High School  
Kirk Saulsbury, Unit Principal, Tecumseh High School  
Mark Eatherton, Unit Principal, Tecumseh High School  
Rick Hayman, Principal, Olive Branch Middle School  
Greg Baker, Assistant Principal, Olive Branch Middle School  
Cecil Foley, Principal, New Carlisle Middle School  
Florence Krikke, Assistant Principal, New Carlisle Middle School  
Dennis Dyer, Principal, Westlake Elementary School  
Gayle Hines, Principal, Park Layne Elementary School  
James Williams, Principal, Medway Elementary School  
Pamela Young, Principal, Donnelsville Elementary School  
Sharon Powers, Principal, McAdams Early Childhood Center

Vinia Roberts, School Psychologist  
Selva Thompson, School Psychologist  
Jeffrey Broyles, School Psychologist  
Susan McCarroll, Title I Coordinator  
Cassie Rogers, Coordinator of Libraries and Technology  
Cindy Fisher, Curriculum Coordinator  
Karen Montgomery, Child Nutrition Director  
Michael Lucas, Athletic Director

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO  
ADMINISTRATIVE ORGANIZATION  
AS OF JUNE 30, 2003**

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**TECUMSEH LOCAL SCHOOL DISTRICT**

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANT'S REPORT

Tecumseh Local School District  
Clark County  
9760 West National Road  
New Carlisle, Ohio 45344

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

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

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

As described in Note 3, during the year ended June 30, 2003, the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2003, 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.

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

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



**Betty Montgomery**  
Auditor of State

December 22, 2003

# TECUMSEH LOCAL SCHOOL DISTRICT

Clark County, Ohio

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2003 (Unaudited)

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The discussion and analysis of the Tecumseh Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2003 are as follows:

#### *Overall:*

- Total net assets decreased \$1.3 million, which represents a 31.5 % percent decrease from fiscal year 2002. Decrease due primarily to the District having fixed sources of revenue while expenses are subject to inflation.
- Total assets of governmental activities decreased by \$1.9 million, attributed almost exclusively to the \$1.5 million decrease in pooled cash. The decrease in cash is due to the same reason noted above.
- General revenues accounted for \$23.6 million or 85 percent of total revenue. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions account for \$4.1 million or 15 percent of total revenues of \$27.8 million.
- Of the School District's \$29.1 million in expenses, only \$4.1 million were offset by program specific charges for services, grants or contributions. General revenues (primarily grants and entitlements, and property taxes) were used to cover the net expense of \$25 million.
- The General Fund, the only major fund, had \$23.8 million in revenues and \$25 million in expenditures representing 86 percent of the total governmental funds revenues and expenditures. The General Fund's balance decreased \$1.2 million over fiscal year 2002.

### **Using this Comprehensive Annual Financial Report (CAFR)**

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

# TECUMSEH LOCAL SCHOOL DISTRICT

Clark County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
(Unaudited)

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

## **Reporting the School District as a Whole**

### *Statement of Net Assets and the Statement of Activities*

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District does not have any business-type activities.

## **Reporting the School District's Most Significant Funds**

### *Fund Financial Statements*

The analysis of the School District's General Fund, the only major fund, begins on page 16. Fund financial reports provide detailed information about the General Fund. The School District uses many funds to account for a multitude of financial transactions. However, these funds financial statements focus on the School District's most significant funds, and therefore only the General Fund is presented separate from the other governmental funds.

# TECUMSEH LOCAL SCHOOL DISTRICT

Clark County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
(Unaudited)

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## Governmental Funds

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

### **The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2003 compared to 2002:

TABLE 1  
NET ASSETS (in 000's)

	<u>2003</u>	<u>2002</u>
<i>Assets</i>		
Current and Other Assets	\$ 13,379	\$ 14,847
Capital Assets	<u>1,786</u>	<u>1,846</u>
Total Assets	<u>15,165</u>	<u>16,693</u>
<i>Liabilities</i>		
Long-Term Liabilities	1,547	1,470
Other Liabilities	<u>10,657</u>	<u>11,793</u>
Total Liabilities	<u>12,204</u>	<u>13,263</u>
<i>Net Assets</i>		
Invested in Capital Assets, Net of Debt	1,375	1,846
Restricted	512	488
Unrestricted	<u>1,074</u>	<u>1,896</u>
Total Net Assets	\$ <u>2,961</u>	\$ <u>4,230</u>

The amount by which the School District's assets exceeded its liabilities is called net assets. As of June 30, 2003, the School District's net assets were \$3.0 million. Of that amount, approximately \$1.4 million was invested in capital assets, net of debt related to those assets. Another \$.5 million was subject to external restrictions upon its use. The remaining \$1.1 million was unrestricted and available for future use as directed by the Board of Education and the School District's Administration.

Table 2 shows the changes in net assets for fiscal year 2003. Since this is the first year the School District has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to fiscal year 2002 are not available. In future years, when prior-year information is available, a comparative analysis

**TECUMSEH LOCAL SCHOOL DISTRICT**

Clark County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
(Unaudited)

of district-wide data will be presented.

TABLE 2  
CHANGE IN NET ASSETS (in 000's)

	<u>2003</u>
<b>Revenues</b>	
Program Revenues:	
Charges for Services	\$ 2,000
Operating Grants and Contributions	2,125
Capital Grants and Contributions	136
General Revenues:	
Property Taxes	8,367
Grants and Entitlements	15,148
Other	<u>119</u>
Total Revenues	<u>27,895</u>
<b>Program Expenses</b>	
Instruction	15,750
Support Services:	
Pupils and Instructional Staff	3,159
Board of Education, Administration, Fiscal and Business	3,635
Plant Operation and Maintenance	2,974
Pupil Transportation	1,657
Central	44
Operation of Non-Instructional Services	1,467
Extracurricular Activities	444
Unallocated Depreciation	10
Interest and Fiscal Charges	<u>24</u>
Total Expenses	<u>29,164</u>
Decrease in Net Assets	\$ <u>(1,269)</u>

**Governmental Activities**

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. Property taxes made up 30 percent of revenues for governmental activities for the Tecumseh Local School District for fiscal year 2003. The last operating levy approved by voters in the School District occurred in 1995. The School District is extremely dependent upon intergovernmental revenues provided by the State of Ohio and the federal government; approximately 62 percent of the School District's total revenue was received from intergovernmental sources during fiscal year 2003.

Despite not having sought new operating funds through a property tax levy in the past three years, the School District has been able to maintain a stable financial footing, however, the fund balance for the general fund is declining and new operating funds will be sought in the coming year.

**TECUMSEH LOCAL SCHOOL DISTRICT**

Clark County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
(Unaudited)

Instruction comprises 54 percent of the School District's expenses for fiscal year 2003. Support services expenses make up 39 percent of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements. Comparisons to 2002 have not been made because they are not available.

Table 3  
Total and Cost of Program Services  
Governmental Activities  
For Fiscal Year 2003 (in 000's)

	Total Cost of Service	Net Cost of Service
Instruction	\$ 15,750	\$ 14,017
Support Services:		
Pupils and Instructional Staff	3,159	2,532
Board of Education, Administration, Fiscal and Business	3,635	3,479
Plant Operation and Maintenance	2,974	2,868
Pupil Transportation	1,657	1,588
Central	44	39
Operation of Non-Instructional Services	1,467	97
Extracurricular Activities	444	249
Unallocated Depreciation	10	10
Interest and Fiscal Charges	<u>24</u>	<u>24</u>
Total Expenses	\$ <u>29,164</u>	\$ <u>24,903</u>

Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Pupils and instructional staff include the activities involved with assisting the staff with the contents and process of teaching to pupils.

Board of education, administration, fiscal and business includes expenses associated with administrative and financial supervision of the District.

Plant operation and maintenance activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Central includes expenses related to planning, research, development and evaluation of support services, as

# TECUMSEH LOCAL SCHOOL DISTRICT

Clark County, Ohio

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2003 (Unaudited)

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well as the reporting of this information internally and to the public.

Operation of non-instructional services includes the preparation, delivery and servicing of lunches, snacks and other incidental meals to students and school staff in connection with school activities, as well as services provided to the community at-large.

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Unallocated depreciation represents current period depreciation charges associated with capital assets that are utilized by several different functions, typically school buildings throughout the District.

Interest and fiscal charges involves the transaction associated with the payment of interest and other related charges to debt of the School District.

### **The School District's Funds**

Information about the School District's General Fund, the only major fund, starts on page 16. This fund is accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$27.7 million and expenditures of \$28.9 million. The net change in fund balance was most significant in the General Fund, a decrease of \$1.1 million. Unreserved fund balance went from \$2 million in 2002 to \$.2 million. As previously discussed, the fund balance is decreasing therefore additional revenues will be sought in the coming year.

### **General Fund Budgeting Highlights**

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

During the course of fiscal year 2003, the School District amended its general fund budget numerous times, none significant. Budgetary adjustments were required due to unanticipated reductions in revenues from state budget cuts. Other revenue and expenditure line items were also reviewed.

For the General Fund, budget basis revenue was \$ 23.6 million as compared to the original budget estimates of \$ 24 million. This difference included intergovernmental revenues initially budgeted at \$15.5 million with budget basis revenues coming in at \$15 million and property tax revenues initially budgeted at \$7.7 million with budget basis revenues coming in at \$7.5 million.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$25.6 million, \$2 million above revenues, and \$1.7 million below original and final budget estimates.

### **Capital Assets**

At the end of fiscal year 2003, the School District had \$1.786 million invested in land, buildings, furniture

**TECUMSEH LOCAL SCHOOL DISTRICT**

Clark County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
(Unaudited)

and equipment, and vehicles in governmental activities. Additional capital asset information can be found in the notes to the basic financial statements.

Table 4 shows fiscal year 2003 balances compared to 2002:

Table 4  
Capital Assets at June 30 (in 000's)

	<u>2003</u>	<u>2002</u>
Land and Improvements	312	312
Building and Improvements	8,893	8,893
Equipment	1,248	1,255
Vehicles	1,778	1,668
Less: Accumulated Depreciation	<u>(10,445)</u>	<u>(10,281)</u>
Totals	<u>1,786</u>	<u>1,847</u>

Overall capital assets increased approximately \$103,250 from fiscal year 2002. Increases in capital assets (primarily vehicles and equipment) were offset by depreciation expense for the year.

For fiscal year 2000 and forward, Ohio law requires school districts to set aside three percent of certain revenues for capital improvements and an additional three percent for textbooks and instructional supplies. For fiscal year 2003, this amounts to \$493,973 for each set aside requirement. When fiscal year 2003 qualifying disbursements for the capital improvements and textbooks were netted against the cumulative set aside amounts for the year, no set aside for textbooks or capital improvements remained.

Capital asset acquisitions during fiscal year 2003 consisted primarily of 3 new school buses with a total purchase cost of \$172,000. Other acquisitions included data processing equipment and miscellaneous equipment.

The State of Ohio has determined that all of our school buildings are in need of replacement or renovation based on the age and condition of the structures. A statewide revitalization program, which operates under the direction of the Ohio Schools Facilities Commission (established through Senate Bill 272) uses resources from state bond funds and the tobacco settlement funds to match local dollars so that eligible districts can remodel or rebuild their aging infrastructures. On August 13, 2003 the members of the District's Board unanimously approved the plan to renovate or replace 8 school buildings, (replacing 5 and renovating 1 a total of 6 buildings replacing the 8 buildings) moving the District closer to a vision of providing students with a quality education in up-to-date facilities.

Since FY 1999-2000, district personnel and community members have worked with a team of architects to evaluate the physical facilities to prepare for the creation of a Facilities Master Plan. The Ohio School Facilities Commission has provided guidance in the development of a Master Plan. Also, the School District asked staff, parents, and members of the community to provide feedback so that safe, secure, student-centered

## TECUMSEH LOCAL SCHOOL DISTRICT

Clark County, Ohio

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2003 (Unaudited)

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learning environments will be provided to the students. Upon the plan's approval at the state level, the District became eligible to receive matching funds through the Ohio School Facilities Commission to complete the project at a cost to the School District of twenty-three cents on the dollar.

On November 4, 2003, the voters passed a 5.4 mill levy to provide funds for the local twenty-three percent match of the cost of this project, locally funded building initiatives, and for maintenance and upkeep of the new facilities. The State share for this project will amount to approximately \$67.3 million and the local share amounts to approximately \$20.1 million. A number of additional building updates and purchase of additional land was supported by the Tecumseh Local School District voters. Therefore an additional \$.5 million in local dollars will be spent to purchase auditorium stage lighting, high school auditorium air conditioning, relocate the tennis courts and softball diamond, and to purchase approximately 20 acres of real property adjacent to the present high school complex. The District plans to issue Bond Anticipation Notes in the amount of \$10 million dollars in December 2003 and to issue the balance of \$10.1 million of Bond Anticipation Notes in January 2004 to pay for the local share of the Classroom Facilities Assistance Program. It is anticipated that Bonds in Anticipation of Tax Receipts will be issued approximately 6-7 months later. However the exact amount of the bonds and the timing and number of the bond issues has not been determined at this time. Because of the magnitude of this project and that it will take three to five years to complete, the Master Plan will evolve over time. Therefore, the full financial impact of the remodeling or replacement of our school buildings can not be determined at this time.

#### **Debt Administration**

At June 30, 2003, the School District only had a five-year renewable tax anticipation note of \$411,000 in outstanding debt. The note was issued for permanent improvements to be made to the School District's stadium. The debt will be repaid from proceeds of a tax levy collected by the County Auditor. Principal payments for fiscal year 2003 totaled \$137,000, the balance of which was renewed for another year.

At June 30, 2003 the School District's overall legal debt margin was \$22.4 million and the unvoted debt margin was \$.2 million. Additional long-term debt information may be found in the notes to the basic financial statements.

#### **For the Future**

Long- range financial projections indicate there is a need for additional operating revenue, therefore, the School District has immediate plans to ask the voters to approve an operating levy. There was outstanding support from the local citizens and business community for the bond and maintenance levy. The School District has also implemented plans to increase operating efficiency in future years.

As a result of the Ohio Supreme Court's decision regarding the State's funding plan for schools to be unconstitutional, the State has increased funding through their Parity Aid Program. The School District received \$788,010 in FY03 as a result of the new Parity Aid Program, and is projecting to receive \$1.2 million in FY04. However, in FY04 the three-year average for ADM will be eliminated creating a loss of revenue.

The School District has also been affected by the ever-increasing enrollment in community schools. The cost to the School District for community schools in FY 2002 was \$58,449 and the obligation grew to 2.7 times

# **TECUMSEH LOCAL SCHOOL DISTRICT**

Clark County, Ohio

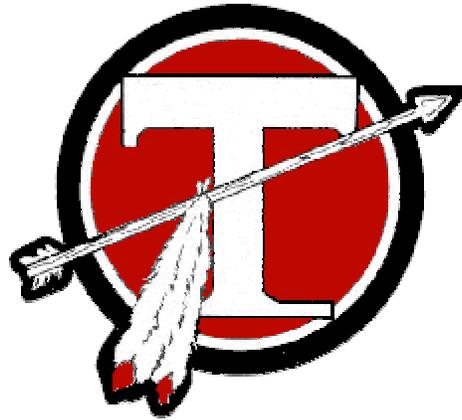
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
(Unaudited)

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that in FY2003, reaching over \$158,054. The loss of these dollars will have a continuing impact on the financial picture. The School District's responsibility is to make the necessary adjustments to work within the confines of the projected financial picture. The ability to react to the community school impact is hindered by the lack of solid enrollment data until after the new school year has begun which are several months away for next year. The School District will continue to make spending reductions to offset the increases in the community school obligation.

## **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Treasurer's Office at Tecumseh Local Schools, 9760 W. National Road, New Carlisle, Ohio 45344 or call (937)845-3576.



**TECUMSEH LOCAL SCHOOL DISTRICT**

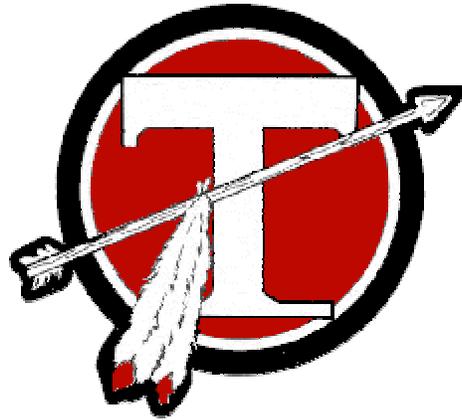
**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

STATEMENT OF NET ASSETS

JUNE 30, 2003

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 4,944,943
Cash and Cash Equivalents:	
In Segregated Accounts	2,500
Investments	2,000
Receivables:	
Property and other taxes	7,571,091
Accounts	21,936
Intergovernmental	453,889
Accrued Interest	5,344
Inventory of supplies and materials	193,427
Inventory held for resale	12,549
Prepaid items	90,802
Restricted Assets:	
Equity in pooled cash and cash equivalents	80,264
Depreciable capital assets, net	1,474,644
Non-depreciable capital assets	311,693
Total Assets	15,165,082
Liabilities:	
Accounts payable	268,342
Accrued wages and benefits payable	2,495,842
Intergovernmental payable	1,070,474
Deferred revenue	6,261,834
Accrued interest payable	10,989
Early retirement incentive payable	138,050
Tax anticipation note payable	411,000
Long Term Liabilities:	
Due within one year	63,428
Due in more than one year	1,483,926
Total Liabilities	12,203,885
Net Assets:	
Invested in capital assets, net of related debt	1,375,337
Restricted for:	
Endowment:	
Non-expendable	2,000
Other purpose	510,164
Unrestricted	1,073,696
Total Net Assets	2,961,197

See accompanying notes to the basic financial statements.



**TECUMSEH LOCAL SCHOOL DISTRICT**

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2003

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for services & sales	Operating grants and contributions	Capital grants and contributions	Total Governmental Activities
Governmental Activities:					
Instruction:					
Regular	12,133,889	891,842	321,862	-	(10,920,185)
Special	1,954,053	867	518,666	-	(1,434,520)
Vocational	625,390	-	-	-	(625,390)
Other	1,036,944	-	-	-	(1,036,944)
Support Services:					
Pupils	1,762,477	-	316,267	-	(1,446,210)
Instructional staff	1,396,954	-	311,613	-	(1,085,341)
Board of education	88,949	-	-	-	(88,949)
Administration	2,979,557	-	155,120	-	(2,824,437)
Fiscal	538,971	-	-	-	(538,971)
Business	26,716	-	-	-	(26,716)
Operation and maintenance of plant	2,973,783	-	28,000	77,958	(2,867,825)
Pupil transportation	1,657,153	-	9,652	58,538	(1,588,963)
Central	44,385	-	5,821	-	(38,564)
Operation of non-instructional services	1,467,373	912,895	457,812	-	(96,666)
Extracurricular activities	443,605	194,368	-	-	(249,237)
Interest and fiscal charges	24,090	-	-	-	(24,090)
Unallocated depreciation *	9,551	-	-	-	(9,551)
<b>Total Governmental Activities</b>	<b>29,163,840</b>	<b>1,999,972</b>	<b>2,124,813</b>	<b>136,496</b>	<b>(24,902,559)</b>

General Revenues:

Property taxes levied for general purposes	7,732,370
Property taxes levied for capital improvements	634,479
Grants and entitlements not restricted to specific programs	15,148,035
Investment earnings	74,628
Miscellaneous	44,723

Total General Revenues 23,634,235

Changes in net assets (1,268,324)

Net assets at beginning of year (see note 3) 4,229,521

Net assets at end of year 2,961,197

\* - This amount excludes the depreciation that is included in the direct expense of the various functions.

See accompanying notes to the basic financial statements.

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**COMBINED BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2003**

	General Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 3,913,999	\$ 1,030,944	\$ 4,944,943
Cash and Cash Equivalents:			
In Segregated Accounts	-	2,500	2,500
Investments	-	2,000	2,000
Receivables:			
Taxes	6,979,794	591,297	7,571,091
Accounts	21,936	-	21,936
Intergovernmental	-	453,889	453,889
Interfund	40,137	-	40,137
Accrued Interest	5,344	-	5,344
Prepaid Items	90,802	-	90,802
Inventory of Supplies and Materials	189,069	4,358	193,427
Inventory Held for Resale	-	12,549	12,549
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	80,264	-	80,264
<b>Total Assets</b>	<u>\$ 11,321,345</u>	<u>\$ 2,097,537</u>	<u>\$ 13,418,882</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ 121,533	\$ 146,809	\$ 268,342
Accrued Wages and Benefits	2,283,711	212,131	2,495,842
Intergovernmental Payable	559,956	88,215	648,171
Interfund Payable	-	40,137	40,137
Accrued Interest Payable	-	10,989	10,989
Deferred Revenue	6,122,164	727,312	6,849,476
Compensated Absences Payable	63,428	-	63,428
Early Retirement Incentive Payable	138,050	-	138,050
Tax Anticipation Notes Payable	-	411,000	411,000
<b>Total Liabilities</b>	<u>9,288,842</u>	<u>1,636,593</u>	<u>10,925,435</u>
<u>Fund Balances:</u>			
<u>Reserved for:</u>			
Encumbrances	609,624	172,049	781,673
Supplies Inventory	189,069	16,907	205,976
Property Taxes	857,630	65,224	922,854
Reserved for Endowment	-	2,000	2,000
Budget Stabilization	80,264	-	80,264
<u>Unreserved, Undesignated:</u>			
General Fund	295,916	-	295,916
Special Revenue Funds	-	418,751	418,751
Capital Projects Funds	-	(213,987)	(213,987)
<b>Total Fund Balances</b>	<u>2,032,503</u>	<u>460,944</u>	<u>2,493,447</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 11,321,345</u>	<u>\$ 2,097,537</u>	<u>\$ 13,418,882</u>

See accompanying notes to the basic financial statements

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO**  
**NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
 JUNE 30, 2003

Total Governmental Fund Balances:		\$ 2,493,447
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		1,786,337
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		587,642
Long-term liabilities which are not due and payable in the current period and therefore are not reported in the funds.		
Intergovernmental payable	(422,303)	
Compensated absences	<u>(1,483,926)</u>	
Total		<u>(1,906,229)</u>
Net Assets of Governmental Activities		<u><u>\$ 2,961,197</u></u>

See accompanying notes to the basic financial statements

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 7,724,754	\$ 633,384	\$ 8,358,138
Intergovernmental	15,196,939	2,056,037	17,252,976
Interest	71,401	3,227	74,628
Tuition and Fees	891,842	867	892,709
Charges for Services	-	912,895	912,895
Gifts and Donations	5,000	21,652	26,652
Extracurricular Activities	-	194,368	194,368
Miscellaneous	8,072	9,999	18,071
<b>Total Revenues</b>	<b>23,898,008</b>	<b>3,832,429</b>	<b>27,730,437</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	11,619,704	558,945	12,178,649
Special	1,487,670	479,109	1,966,779
Vocational	619,868	-	619,868
Other Instruction	857,250	118	857,368
<b>Support Services:</b>			
Pupils	1,419,322	361,164	1,780,486
Instructional Staff	1,067,360	317,120	1,384,480
Board of Education	88,949	-	88,949
Administration	2,819,687	134,574	2,954,261
Fiscal	528,484	14,129	542,613
Business	26,716	-	26,716
Plant Operation and Maintenance	2,650,611	442,451	3,093,062
Pupil Transportation	1,474,840	61,057	1,535,897
Central	37,513	6,872	44,385
Non-Instructional Services	3,130	1,448,991	1,452,121
Extracurricular Activities	329,432	111,475	440,907
<b>Debt Service:</b>			
Interest and Fiscal Charges	-	24,090	24,090
<b>Total Expenditures</b>	<b>25,030,536</b>	<b>3,960,095</b>	<b>28,990,631</b>
<b>Excess of Revenues Over(Under) Expenditures</b>	<b>(1,132,528)</b>	<b>(127,666)</b>	<b>(1,260,194)</b>
<b>Other Financing Sources (Uses):</b>			
Transfers-In	-	100,000	100,000
Transfers-Out	(100,000)	-	(100,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(100,000)</b>	<b>100,000</b>	<b>-</b>
<b>Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses</b>	<b>(1,232,528)</b>	<b>(27,666)</b>	<b>(1,260,194)</b>
<b>Fund Balance at Beginning of Year - Restated</b>	<b>3,265,031</b>	<b>488,610</b>	<b>3,753,641</b>
<b>Fund Balance at End of Year</b>	<b>\$ 2,032,503</b>	<b>\$ 460,944</b>	<b>\$ 2,493,447</b>

See accompanying notes to the basic financial statements

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

Net Change in Fund Balances - Total Governmental Funds		(1,260,194)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital asset additions	195,999	
Current year depreciation	<u>(251,261)</u>	
Total		(55,262)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets.		
		(5,100)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		165,079
Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Intergovernmental payable	(47,396)	
Compensated absences payable	<u>(65,451)</u>	
Total		<u>(112,847)</u>
Change in Net Assets of Governmental Activities		<u><u>(1,268,324)</u></u>

See accompanying notes to the basic financial statements

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>Revenues:</b>				
Taxes	\$ 7,746,500	\$ 7,656,500	\$ 7,491,298	\$ (165,202)
Intergovernmental	15,572,429	15,116,910	15,176,559	59,649
Interest	200,000	100,000	79,111	(20,889)
Tuition and Fees	451,375	827,675	835,148	7,473
Transportation	80,000	80,000	54,617	(25,383)
Gifts and Donations	-	5,000	5,000	-
Miscellaneous	10,855	11,855	8,072	(3,783)
<b>Total Revenues</b>	<u>24,061,159</u>	<u>23,797,940</u>	<u>23,649,805</u>	<u>(148,135)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	13,341,191	12,274,916	11,586,178	688,738
Special	1,793,753	1,652,001	1,479,917	172,084
Vocational	698,504	681,066	656,817	24,249
Other Instruction	389,712	868,033	867,405	628
<b>Support Services:</b>				
Pupils	1,379,925	1,463,100	1,411,861	51,239
Instructional Staff	1,109,709	1,538,923	1,080,658	458,265
Board of Education	68,805	142,486	100,392	42,094
Administration	2,695,897	2,865,925	2,845,154	20,771
Fiscal	677,563	628,569	532,124	96,445
Business	74,585	77,156	44,639	32,517
Plant Operation and Maintenance	2,852,047	2,885,313	2,835,522	49,791
Pupil Transportation	1,893,221	1,799,059	1,726,041	73,018
Central	119,261	105,709	49,589	56,120
Non-Instructional Services	-	3,600	3,130	470
Extracurricular Activities	227,316	337,693	330,064	7,629
Capital Outlay	18,570	16,511	7,886	8,625
<b>Total Expenditures</b>	<u>27,340,059</u>	<u>27,340,060</u>	<u>25,557,377</u>	<u>1,782,683</u>
<b>Excess of Revenues Over(Under)</b>				
Expenditures	<u>(3,278,900)</u>	<u>(3,542,120)</u>	<u>(1,907,572)</u>	<u>1,634,548</u>
<b>Other Financing Sources (Uses):</b>				
Refund of Prior Year Expenditures	11,000	21,000	20,381	(619)
Refund of Prior Year Receipts	(9,000)	(9,000)	-	9,000
Advances-Out	(200,000)	(200,000)	(40,138)	159,862
Transfers-Out	(1,000,000)	(1,000,000)	(100,000)	900,000
<b>Total Other Financing Sources (Uses)</b>	<u>(1,198,000)</u>	<u>(1,188,000)</u>	<u>(119,757)</u>	<u>1,068,243</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses</b>	<u>(4,476,900)</u>	<u>(4,730,120)</u>	<u>(2,027,329)</u>	<u>2,702,791</u>
<b>Fund Balance at Beginning of Year</b>	4,879,584	4,879,584	4,879,584	-
<b>Prior Year Encumbrances Appropriated</b>	<u>430,789</u>	<u>430,789</u>	<u>430,789</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 833,473</u>	<u>\$ 580,253</u>	<u>\$ 3,283,044</u>	<u>\$ 2,702,791</u>

See accompanying notes to the basic financial statements

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**JUNE 30, 2003**

	<u>AGENCY FUND</u>
<u>Assets:</u>	
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$       61,084
Total Assets	<u>\$       61,084</u>
<u>Liabilities</u>	
Liabilities:	
Accounts Payable	\$           580
Due to Students	<u>60,504</u>
Total Liabilities	<u>61,084</u>

See accompanying notes to the basic financial statements

## **TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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### **NOTE 1 - DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY**

Tecumseh Local School District (the "District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District operates under a locally elected Board form of government consisting of five members elected at-large for staggered four-year terms. The District provides educational services as authorized by State statute and/or federal guidelines.

The District was established in 1875 through the consolidation of existing land areas and school districts. The District serves an area of approximately 50 square miles. It is located in Clark County, and includes all of the City of New Carlisle and portions of Bethel and Pike Townships. It is staffed by 201 non-certified employees, 274 certificated full-time teaching personnel and 19 administrative employees who provide services to 3,602 students and other community members. The District currently operates 8 instructional buildings, 1 administrative building and 1 garage.

#### **Reporting Entity**

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

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

The District is associated with seven organizations, which are defined as jointly governed and one insurance purchasing pool. These organizations are discussed in Note 17 and 18 to the basic financial statements. These organizations are:

#### Jointly Governed Organizations:

- Miami Valley Educational Computer Association
- Southwestern Ohio Educational Purchasing Council
- Southwestern Ohio Instructional Technology Association
- Clark County Family and Children First Council
- Springfield/Clark County Joint Vocational School
- Tecumseh Education Foundation
- Miami Valley Special Education Regional Resource Center

#### Insurance Purchasing Pool:

- Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***A. Basis Of Presentation***

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

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

**Fund Financial Statements**

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

***B. Fund Accounting***

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

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental Funds

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

General Fund

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

The other governmental funds of the District account for grants and other resources, debt service, and capital projects of the District whose uses are restricted to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no funds, which are classified as trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund is used to account for resources that belong to various student groups in the District.

***C. Measurement Focus***

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the Statement of Net Assets.

Fund Financial Statements

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

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***D. Basis of Accounting***

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

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. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

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

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

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

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

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities 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

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

***E. Budget Data***

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue, are identified by the District. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2003.

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

***F. Cash and Cash Equivalents***

To improve cash management, cash received by the District is pooled. Monies for all funds, are maintained in this pool. Individual fund integrity is maintained through the District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet. The original contribution to the permanent fund is invested separately.

The District has segregated bank accounts for monies held separate from the District's central bank account. These interest bearing depository accounts are presented on the combined balance sheet as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the District Treasury. During fiscal year 2003, investments consisted of U.S. Treasury Obligations, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation notes, Federal National Mortgage Association Notes, U.S. Treasury Notes and a certificate of deposit.

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 deposit are reported at cost.

For purposes of the presentation on the financial statement, investments of the cash management pool and

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents.

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2003 amounted to \$71,401 which includes the general funds allocation as well as the allocations of all funds not specified in the Board's resolution. The non-major funds also earned interest in the amount of \$3,227.

***G. Inventory***

On government-wide financial statements, inventories are presented at the lower cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption, donated food, and purchased food. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds, which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

***H. Prepaid Items***

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

***I. Restricted Assets***

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the District for the purchase of textbooks and instructional materials and the creation of a reserve for budget stabilization. See Note 20 for additional information regarding set-sides.

***J. 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.

***K. Fixed Assets and Depreciation***

General capital assets generally result from expenditures in the governmental funds. These assets are reported within the governmental activities on the government-wide statement of net assets but are not reported in the fund statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements throughout the year. Donated fixed assets are recorded at their fair market values as of the date received. The

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

District maintains a capitalization threshold of five thousand dollars. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	30 years
Furniture and Equipment	5 – 10 years
Vehicles	10 years

***L. Interfund Activity***

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

***M. Compensated Absences***

Vacation benefits are accumulated throughout the year; however, vacation time may not be carried from one year to the next. Employees with accrued vacation balances at June 30, 2003 receive a cash payout on the last payroll check of the fiscal year. Therefore, no accrual has been recorded for vacation leave at the District.

Sick leave benefits are accrued as a liability using the vesting method which states that the District will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated sick leave for all employees after ten years of current service with the District.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount due to employees who were retired at June 30, 2003 but were not paid as of that date. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

***O. Net Assets***

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

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

***P. Fund Balance Reserves***

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for inventory of supplies and materials, property taxes, budget stabilization, and encumbrances.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money previously received through workers' compensation rebates which are required to be set-aside by statute to be spent on specific purposes.

**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT OF FUND BALANCE**

***A. Changes in Accounting Principles***

For fiscal year 2003, the School District has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus", GASB Statement No. 38, "Certain Financial Statement Note Disclosures", and GASB Interpretation No. 6 "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT OF FUND BALANCE  
(Continued)**

GASB 34 creates new basic financial statements for reporting on the District’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements combine the governmental activities into one column. The beginning net asset amount for governmental programs reflect the change in fund balance for governmental funds at June 30, 2002, caused by the conversion to the new reporting model.

***B. Restatement of Fund Balances/Retained Earnings***

During fiscal year 2003 the District adopted a \$5,000 capitalization threshold for capital assets. This new policy required the general capital assets to be restated as of June 30,2002. In addition, the food service and latchkey enterprise funds were reclassified to a nonmajor for GASB 34. These restatements had the following effect on fund balance of major and nonmajor funds of the District as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
Fund Balance June 30, 2002	\$3,265,031	\$ 397,990	\$3,663,021
GASB 34 Adjustment:			
Permanent Fund Reclassification	-	2,000	2,000
Enterprise Reclassification	-	88,620	88,620
Adjusted fund balance June 30, 2002	<u>\$3,265,031</u>	<u>\$488,610</u>	<u>3,753,641</u>
GASB 34 Adjustments:			
Capital assets, net			1,846,699
Long-term liabilities			(323,028)
Long-term compensated absences			(1,470,354)
Long-term (deferred) assets			<u>422,563</u>
Governmental Activities Net Assets June 30, 2002			<u>\$4,229,521</u>

The food service and latchkey enterprise funds were reclassified to special revenue funds which are considered to be nonmajor for GASB 34. These restatements had the following effect on the retained earnings of the District’s enterprise fund type as it was previously reported.

	<u>Enterprise</u>
Retained Earnings June 30, 2002	\$118,385
Capital assets	(98,236)
Compensated absences	43,825
Intergovernmental payable	24,646
Fund reclassification	<u>(88,620)</u>
Restated Retained Earnings June 30, 2002	<u><u>-</u></u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE**

***A. Accountability***

The following funds have fund equity deficits as of June 30, 2003:

	Deficit Fund <u>Equity</u>
Special Revenue:	
Title VI	\$6,106
Capital Projects:	
Permanent Improvement	\$46,285

The deficit fund balances resulted from adjustments for accrued liabilities. Management expects the deficits in these funds to be corrected in early fiscal year 2004. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

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

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

	Net Change in Fund Balance General Fund
GAAP Basis	\$ (1,232,528)
Revenue Accruals	(227,822)
Expenditure Accruals	188,384
Advances	(40,138)
Encumbrances	<u>(715,225)</u>
Budget Basis	<u>\$ (2,027,329)</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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**NOTE 6 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the 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 District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, debt interest rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

**NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)**

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."

**Deposits:** At year-end, the carrying amount of the District's deposits was \$3,798,588 and the bank balance was \$5,360,392. \$100,000 of the bank balance was covered by federal depository insurance and \$5,260,392 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation.

**Investments:** The District's investments are required to be categorized to give an indication of the level of risk assumed by the District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the 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 District's name.

	Category 2	Carrying/ Fair Value
U.S. Treasury Obligations	\$4,043	\$4,043
Federal Home Loan Bank Bonds	467,898	467,898
Federal Farm Credit Bank Bonds	69,994	69,994
Federal Home Loan Mortgage Corporation Notes	190,379	190,379
Federal National Mortgage Association Notes	450,262	450,262
U.S. Treasury Notes	<u>106,127</u>	<u>106,127</u>
Total	<u>\$1,288,703</u>	<u>\$1,288,703</u>

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9 entitled "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

A reconciliation between the classifications of cash and cash equivalents and investments on the basic financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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**NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)**

	Cash and Cash Equivalents	Investments
GASB Statement 9	\$ 5,088,791	\$ 2,000
Certificates of Deposit	2,000	(2,000)
Cash on Hand	(3,500)	-
Investments:		
U.S. Treasury Obligations	(4,043)	4,043
Federal Home Loan Bank Bonds	(467,898)	467,898
Federal Farm Credit Bank Bonds	(69,994)	69,994
Federal Home Loan Mortgage Corporation Notes	(190,379)	190,379
Federal National Mortgage Association Notes	(450,262)	450,262
U.S. Treasury Notes	<u>(106,127)</u>	<u>106,127</u>
 GASB Statement 3	 <u>\$ 3,798,588</u>	 <u>\$ 1,288,703</u>

**NOTE 7 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the school district. Real property tax revenue received in calendar 2003 represents collections of calendar year 2002 taxes. Real property taxes received in calendar year 2003 were levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

Tangible personal property tax revenue received during calendar 2003 (other than public utility property) represents the collection of 2003 taxes. Tangible personal property taxes received in calendar year 2003 were

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

**NOTE 7 - PROPERTY TAXES (Continued)**

levied after April 1, 2002, on the value as of December 31, 2002. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Clark County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

The amount available as an advance at June 30, 2003 was \$857,630 in the general fund and \$65,224 in the permanent improvement capital projects fund.

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

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

	<u>2003 First Half Collections</u>		<u>2002 Second Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$223,154,000	87.87%	\$220,345,160	88.71%
Public Utility	10,280,920	4.04%	9,930,650	3.99%
Tangible Personal Property	<u>20,526,103</u>	<u>8.09%</u>	<u>18,124,292</u>	<u>7.30%</u>
Total Assessed Value	<u>\$253,961,023</u>	<u>100%</u>	<u>\$248,400,102</u>	<u>100%</u>
Tax rate per \$1,000 of assessed valuation	\$42.60		\$44.10	

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2003, consisted of current and delinquent property taxes, accounts (student fees), intergovernmental grants and interfund transactions. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
<u>Governmental Activities:</u>	
Title I - Immigrant	34,338
Title VI-B Grant	97,168
Title III	13,920
Title I Grant	193,475
Title VI	8,737
Title VI-R Classroom Size Reduction Grant	40,660
Miscellaneous Federal Grants	796
Food Service	<u>64,795</u>
Total Intergovernmental Receivables	<u><u>453,889</u></u>

**NOTE 9 - FIXED ASSETS**

	Balance 6/30/02- Restated	Additions	Deductions	Balance 6/30/03
<b><u>Capital Assets, not being depreciated</u></b>				
Land	<u>\$311,693</u>	<u>-</u>	<u>-</u>	<u>\$ 311,693</u>
<b><u>Capital Assets, being depreciated</u></b>				
Buildings and Improvements	8,893,141	-	-	8,893,141
Furniture and Equipment	1,254,787	24,213	(30,626)	1,248,374
Vehicles	<u>1,668,273</u>	<u>171,786</u>	<u>(62,123)</u>	<u>1,777,936</u>
	<u>11,816,201</u>	<u>195,999</u>	<u>(92,749)</u>	<u>11,919,451</u>
<b><u>Less: Accumulated Depreciation</u></b>				
Buildings and Improvements	(8,650,830)	(11,885)	-	(8,662,715)
Furniture and Equipment	(815,570)	(106,497)	30,626	(891,441)
Vehicles	<u>(814,795)</u>	<u>(132,879)</u>	<u>57,023</u>	<u>(890,651)</u>
	<u>(10,281,195)</u>	<u>(251,261) *</u>	<u>87,649</u>	<u>(10,444,807)</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,846,699</u>	<u>(55,262)</u>	<u>(5,100)</u>	<u>\$ 1,786,337</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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**NOTE 9 - FIXED ASSETS (Continued)**

\* - Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 24,728
Special	1,299
Support Services:	
Instructional Staff	1,227
Administration	7,604
Fiscal	1,185
Operation and Maintenance of Plant	67,056
Pupil Transportation	126,515
Operation of Non-Instructional Services	9,398
Extracurricular Activities	2,698
	<hr/>
	241,710
Unallocated Depreciation	9,551
Total Depreciation Expense	<hr/> <u>\$ 251,261</u>

Unallocated depreciation is depreciation of the individual school buildings throughout the District which essentially serve all functions/programs, and therefore is not included as a direct expense of any function or program but disclosed as a separate expense.

**NOTE 10 - RISK MANAGEMENT**

***A. Property and Liability***

The 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. During fiscal year 2003, the District contracted with Marsh USA, Inc. for property, general liability and automobile insurance. Coverage provided by Marsh USA, Inc. is as follows:

Buildings and Contents – replacement cost (\$5,000 deductible)	\$61,065,800
Inland Marine Coverage (\$1,000 deductible)	Actual value
Crime Insurance	7,500
Automobile Liability (\$500 deductible)	1,000,000
Uninsured Motorists (\$250 deductible)	1,000,000
School Errors & Omissions Liability (\$1,000 deductible)	1,000,000
General Liability:	
Per occurrence	1,000,000
Total per year	3,000,000
Umbrella Liability	4,000,000

Settled claims have not exceeded this commercial coverage in any of the past five years. There have been no significant reductions in insurance coverage from last year.

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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**NOTE 10 - RISK MANAGEMENT (Continued)**

***B. Workers' Compensation***

For fiscal year 2003, the District participated in the Southwest Ohio Educational Purchasing Council of Worker's Compensation Group Rating Plan (GRP), a workers' compensation insurance purchasing pool (see Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc., provides administrative, cost control and actuarial services to the GRP.

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

***A. School Employees Retirement System***

The 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. The School Employees Retirement System issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$752,592, \$638,800, and \$778,041, respectively; 35 percent has been contributed for fiscal year 2003 and 100 percent for the fiscal years 2002 and 2001. \$490,847 represents the unpaid contribution for fiscal year 2003 and is recorded as a liability within the respective funds and the Statement of Net Assets.

***B. State Teachers Retirement System***

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

## TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

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

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### **NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations for the fiscal years ended June 30, 2003, 2002, and 2001 were \$ 1,813,728, \$ 1,756,624, and \$ 1,815,345 respectively; 83 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001.

### **NOTE 12 – POSTEMPLOYMENT BENEFITS**

State Teachers Retirement System of Ohio (STRS Ohio) provides comprehensive healthcare benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code (R.C.), the State Teachers Retirement Board (the Board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. The R.C. grants authority to STRS Ohio to provide health care coverage to benefit recipients, spouses and dependents.

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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**NOTE 12 – POSTEMPLOYMENT BENEFITS (Continued)**

By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For fiscal year ended June 30, 2003, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The balance in the Health Care Stabilization Fund was \$3.011 billion on June 30, 2002. For the District, this amount equaled \$129,552 during the 2003 fiscal year.

For the year ended June 30, 2002, net health care costs paid by STRS Ohio were \$354,697,000. There were 105,300 eligible benefit recipients.

For SERS, the Ohio Revised Code gives the discretionary authority to provide postretirement health care to retirees and their dependents. 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 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2002, the allocation rate is 5.83 percent. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established at \$12,400. For the School, the amount to fund health care benefits, including the surcharge, was \$485,814 for fiscal year 2003.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2002, were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, the Retirement System's net assets available for payment of health care benefits of \$335.2 million. The number of benefit recipients currently receiving health care benefits is approximately 50,000.

**NOTE 13 - EMPLOYEE BENEFITS**

***A. Compensated Absences***

**Accumulated Unpaid Sick Leave**

Sick leave may be accumulated up to a maximum of 220 days for all district employees. Upon retirement, payment is made for one-fourth of the total unused sick leave balance up to a maximum of thirty-five days for all employees with ten or more years of current service with the District. Twelve percent of the remaining accrued but unused sick leave is paid, not to exceed nine days. The total obligation for sick leave accrual for the District as a whole as of June 30, 2003 was \$1,547,354.

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

**NOTE 13 - EMPLOYEE BENEFITS (Continued)**

Early Retirement Incentive

The Board of Education approved an early retirement incentive program. Upon initial eligibility for STRS retirement benefits, the Board agreed to pay a one-time lump sum of \$1,000 times each year of Tecumseh LSD service, not to exceed \$20,000, provided that such unit member has at least ten years of Tecumseh LSD service, the final five years of which must be consecutive and be in a paid status immediately prior to retirement. This program is available to bargaining unit members for the time period July 1, 2001 to June 30, 2003.

At the end of the fiscal year 2003, the District had 6 employees who had chosen to accept the early retirement incentive. They will receive the payment 14 months following the effective date of separation. The liability at June 30, 2003, for these 6 employees has been recorded as an early retirement incentive liability in the fund from which the employees' salaries are paid.

***B. Health Care Benefits***

The District provides life insurance and accidental death and dismemberment insurance to employees through Medical Life Insurance Company. The District provides health insurance coverage through United Health Care of Ohio, Inc. Employee share of the total premium was 15 percent of the monthly premium. The premium varies with each employee depending on the terms of the union contract. Dental insurance is provided through CoreSource and vision benefits are provided through Vision Service Plan.

**NOTE 14 - LONG-TERM OBLIGATIONS**

The changes in the District's long-term obligations during fiscal year 2003 were as follows:

	Amount Outstanding June 30, 2002	Additions	Deductions	Amount Outstanding June 30, 2003	Amounts Due in One Year
Compensated Absences	1,470,354	157,641	80,641	1,547,354	63,428
Total Governmental Activities	1,470,354	157,641	80,641	1,547,354	63,428

Compensated absences will be paid from the fund from which the employees' salaries are paid.

The District's overall legal debt margin was \$22,445,492 with an unvoted debt margin of \$253,961 and an energy conservation debt margin of \$2,285,649 at June 30, 2003.

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

**NOTE 15 -SHORT-TERM OBLIGATION**

The following is a summary of the note activity for the School District for the year ended June 30, 2003:

	Balance June 30, 2002	Increase	Decrease	Balance June 30, 2003
Tax Anticipation Note 4.92%	548,000	411,000	(548,000)	411,000

The District issued a five-year tax anticipation note on December 15, 2000 for permanent improvements to be made to the School District's stadium. The debt will be repaid from proceeds of a tax levy collected by the County Auditor.

**NOTE 16 - INTERFUND ACTIVITY**

As indicated on the face of the Combined Balance Sheet, the interfund payable represents funds loaned from the general fund to special revenue funds that receive grants on a reimbursement basis. Funds are advanced to the special revenue funds to prevent negative fund balances that could result due to these funds receiving proceeds after expenses are incurred. It is anticipated that these funds will be repaid during fiscal year 2003 with the reimbursed funds.

For the year ended June 30, 2003, the general fund transferred \$100,000 to fund the cost of food service operations not recovered with charges for services. This transfer is permanent and will not be repaid by the nonmajor special revenue fund receiving the transfer.

**NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS**

**Miami Valley Educational Computer Association**

The District is a participant in the Miami Valley Educational Computer Association (MVECA) which is a computer consortium. MVECA is an association of public schools within the boundaries of Clark, Clinton, Fayette, Greene and Highland Counties and Cities of Springfield, Wilmington, Washington Court House, Xenia and Hillsboro. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts.

The governing board of MVECA consists of five Superintendents and two Treasurers of member school districts, with four of the five Superintendents and both Treasurers elected by a majority vote of all member school districts except the Greene County Career Center. The fifth Superintendent is from the Greene County Career Center. The District paid MVECA \$113,303 for services provided during the year. Financial information can be obtained from Gary Bosserman, who serves as Director, at 330 East Enon Road, Yellow Springs, Ohio 45387.

**Southwestern Ohio Educational Purchasing Cooperative**

The District is a member of the Southwestern Ohio Educational Purchasing Cooperative (SOEPC). SOEPC is made up of nearly 100 school districts in 12 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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**NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (Continued)**

fees, charges, or other assessments as established by the SOEPC.

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the General Fund. During fiscal year 2003, the District paid \$136,648 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Robert Brown, who serves as Director, at 1831 Harshman Road, Dayton, Ohio 45424.

**Southwestern Ohio Instructional Technology Association**

The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation organized to serve the educational needs of the area through television programming for the advancement of educational programs.

The Board of Trustees is comprised of twenty-one representatives of SOITA member schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e. Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby and Warren. Montgomery, Greene and Butler Counties elect two representatives per area. All others elect one representative per area. One at-large non-public representative is elected by the non-public school SOITA members from the State assigned SOITA service area. One at-large higher education representative is elected by higher education SOITA members from within the State assigned SOITA service area.

All member districts are obligated to pay all fees, charges or other assessments as established by SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the General Fund. During the fiscal year 2003, the District paid \$16,561 to SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Steve Strouse, who serves as Director, at 150 East Sixth Street, Franklin, Ohio 45005.

**Clark County Family and Children First Council**

The Clark County Family and Children First Council (the Council) is a voluntary association established for the purpose to coordinate and integrate services within Clark County which are available for families and children and to establish a comprehensive, coordinated, multi-disciplinary, interagency system for the delivery of these services in order to more effectively meet the needs of families and children.

The Board of Trustees is comprised of eighteen representatives of each of the members of the Council, including the Superintendent of the Clark County Educational Service Center, who was appointed by the Superintendents of the Clark County schools. All members are obligated to pay all dues as established by the Council to aid the financing of the operations and programs of the Council. The District does not pay dues since the Clark County Educational Service Center represents the District.

## **TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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### **NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (Continued)**

Any member withdrawing from the Council must give one hundred eighty days written notice to the Council after formal action of the member's governing board. To obtain financial information, write to the Clark County Family and Children First Council, Marilyn Demma, who serves as Treasurer, at 6 West High Street, Suite 500, Springfield, Ohio 45502.

#### **Springfield/Clark County Joint Vocational School**

The Springfield/Clark County Joint Vocational School District (the JVS) is a legally separate body politic and corporate. The Board of the JVS consists of one representative from the following: Clark-Shawnee Local School District, Greenon Local School District, Northeastern Local School District, Northwestern Local School District, Southeastern Local School District, Tecumseh Local School District and the Clark County Educational Service Center; and two members from the Springfield City School District. The Tecumseh Local School District is not able to impose its will on the JVS and no financial benefit/burden relationship exists. The JVS Board of Education is responsible for approving its own budgets, appointing personnel, and accounting and finance related activities. The District's students may attend the vocational school. During fiscal year 2003, the District did not contribute any money to the JVS. To obtain financial information, write to the Springfield/Clark County Joint Vocational School, Pam Ashbaugh, who serves as Treasurer, at 1901 Selma Road, Springfield, Ohio 45505.

#### **Tecumseh Education Foundation**

The Tecumseh Education Foundation (TEF) is a non-profit community organization of business, civic, industry and educational interests whose purpose is to secure and distribute contributions to assist the District in enabling students to achieve their individual potential. The Board of Trustees is comprised of eleven representatives who are nominated and elected by a majority vote by the present trustees. One member of the Tecumseh Local School District Board of Education is designated annually by the Tecumseh Local School District Board to serve as one of the eleven trustees. Each of elected trustee serves a three year term, with one-third of the trustees being elected every year. The Superintendent of the District will serve in an ex officio capacity on a continuing basis. Officers of the TEF are elected annually by the Board of Trustees. The officers of the foundation shall consist of a President, a Vice-President, a Secretary, a Treasurer and other offices as the Board of Trustees may appoint. The President and Vice-President of the Board of Trustees shall be members of the Board of Trustees. The Secretary and Treasurer need not be members of the Board of Trustees.

The District is not able to impose its will on the TEF and no financial benefit/burden relationship exists. The TEF is responsible for approving its own budgets, appointing personnel, and accounting and finance related activities. The District did not contribute any money to the TEF during fiscal year 2003. To obtain financial information, write to the Tecumseh Educational Foundation, Rita Lane, who serves as President, at P.O. Box 305, New Carlisle, Ohio 45344.

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

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**NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (Continued)**

**Miami Valley Special Education Regional Resource Center**

The Miami Valley Special Education Regional Resource Center (SERRC) is a jointly governed organization formed to initiate, expand, and improve special education programs and services for children with disabilities and their parents. The SERRC is governed by a fifty seven member board consisting of the superintendent of the thirty eight participating school districts and one representative from the University of Dayton. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained from Sharon Kindred, Montgomery County Educational Service Center, 200 S. Keowee Street, Dayton, Ohio 45402.

**NOTE 18 - INSURANCE PURCHASING POOL**

**Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan**

The District participates in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an eleven member Executive Committee consisting of the Chairperson, the Vice-Chairperson, a representative from the Montgomery County Educational Service Center and eight members elected by majority vote of all member school districts. The Chief Administrator of GRP serves as the coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**NOTE 19 - STATE SCHOOL FUNDING DECISION**

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

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

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

**NOTE 20 - SET-ASIDE CALCULATIONS AND FUND RESERVES**

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an amount for the acquisition and construction of capital improvements. Although the District had qualifying offsets and disbursements during the year that reduced the set-aside amount below zero for capital acquisitions, these extra amounts may not be used to reduce the set-aside requirement of future years. Excess disbursements related to the textbook reserve may be carried forward from year to year. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

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

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

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

**NOTE 20 - SET-ASIDE CALCULATIONS AND FUND RESERVES (Continued)**

	<u>Textbooks</u>	<u>Capital Acquisitions</u>	<u>Budget Stabilization</u>
Set-aside Reserve Balance as of June 30, 2002	\$ (329,726)	\$ -	\$ 80,264
Current Year Set-aside Requirement	493,973	493,973	-
Qualifying Disbursements	(468,661)	-	-
Current Year Offsets	-	(696,687)	-
Total	<u>(304,414)</u>	<u>(202,714)</u>	<u>80,264</u>
Set-aside Balances Carried Forward to Future Fiscal Years	\$ <u>(304,414)</u>	\$ _____	\$ <u>80,264</u>

Effective April 10, 2001, Am. Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. The portion of monies which had previously accumulated in the budget stabilization reserve that were not related to workers' compensation rebates received by the District, are now available for ordinary operating costs incurred by the District and therefore are reported as unreserved and undesignated fund balance in the General Fund. Current State statute requires the District to continue reporting funds received that were related to workers' compensation rebates in the budget stabilization reserve. Restrictions exist as to the manner in which these funds may be spent. As the District's budget stabilization account is comprised entirely of workers' compensation rebate funds, the entire \$80,264 is maintained on the governmental funds' balance sheet as a reservation of fund balance and restricted "equity in pooled cash and cash equivalents" in the General Fund.

**NOTE 21 - CONTINGENCIES**

**A. Grants**

The 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 District at June 30, 2003.

**B. Litigation**

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

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**

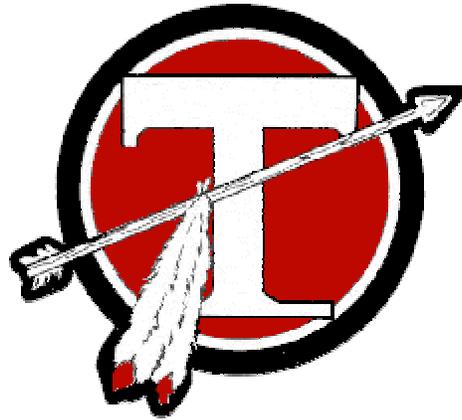
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003

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**NOTE 22 – SUBSEQUENT EVENT**

On November 4, 2003 voters in the Tecumseh Local School District community approved a 4.82 mill bond levy, anticipated to raise \$20 million to provide the local share of a \$87 million school facilities construction project. The District is responsible for twenty three percent of the cost of the project with the State of Ohio contributing the remaining seventy seven percent of the project cost, or \$67 million. The project will include the construction of 5 new school buildings and the renovation of the high school building. In December 2003, the District issued \$10 million in Bond Anticipation Notes to fund the construction that is anticipated to begin in 2004.

Of the 4.82 mills approved by the voters, .12 mill is specifically earmarked for improvements not covered under the project overseen by the State of Ohio.



**TECUMSEH LOCAL SCHOOL DISTRICT**

## COMBINING STATEMENTS – NONMAJOR GOVERNMENTAL FUNDS

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### NONMAJOR SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditure for specified purposes. The following are descriptions of each Special Revenue Fund.

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#### Public School Support

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

#### Other Grants

To account for monies received under a local grant to provide educational supplies to disadvantaged students who otherwise could not afford them.

#### Special School

To account for monies collected by the individual schools such as gifts and donations, which are to be used to help purchase supplies and materials deemed necessary at the schools.

#### School Improvement Model

To account for monies received per Section 5705.09 of the Ohio Revised Code. The revenue is used to implement educational programs.

#### District Managed Student Activities

To account for local funds generated to assist student activities, which are managed by District personnel.

#### Professional Development

To account for funds received under House Bill 117 to be used for locally held professional development and teacher training activities which are guided by Ohio's model competency based education programming or comparable models to support student achievement, including proficiency test performance.

#### Management Information Systems

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

#### Disadvantaged Pupil Impact Aid

To account for revenues received as part of the School Foundation Program to be used for dropout prevention, counseling services, student attendance or any program set up for the "targeted" students.

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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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 state funds provided for technology professional development within the District.

Textbook Subsidy

To account for state funds provided for the purchase of textbooks by the District.

Ohio Reads Grant

To account for state funds provided for developing and instituting programs to increase student reading comprehension skills.

Extended Learning Opportunities

To account for monies received for extended learning opportunity programs for reading for kindergarten through third grade students and for teachers to expand their knowledge of effective reading intervention strategies.

Miscellaneous State Grants

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

Title I Immigrant Grant

To account for monies received under a federal program for instructional programs of children of migratory agricultural workers; efforts to help youngsters who are deficient in oral English language facility and related language art skills; efforts to build foundation for expanded opportunities for useful adult employment.

Title II Grant

To account for monies received under a federal grant to assist schools in the enhancement of math and science programs.

Title VI-B Grant

To account for monies received under a federal grant to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full education opportunities to handicapped children at the elementary and secondary levels.

Title III

To account for monies received under a federal grant to develop and carry out elementary and secondary school programs to meet the educational needs of children of limited English proficiency.

Title I Grant

To account for monies received under a federal grant to assist schools in meeting the special needs of educationally deprived children.

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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Title VI

To account for monies received under a federal grant to assist schools with the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

Drug Free Schools Program

To account for monies received under a federal program to support the implementation of programs for drug abuse education and prevention.

Telecommunications Grant

To account for federal grant funds which are paid directly to the telecommunications provider of the District.

Continuous Improvement Grant

To account for competitive grants that are used to support a broad range of education improvement goals through an established network of schools that have developed a systematic improvement plan.

Classroom Reduction

To account for grant providing funding 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 monies received under federal grants which are not classified elsewhere.

Food Service Fund

To account for the financial transactions related to the food service operation of the School District.

Latchkey Fund

To account for the financial transactions related to the operation of after school latchkey programs at the various schools throughout the School District.

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NONMAJOR CAPITAL PROJECT FUNDS

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects. The following are descriptions of each Capital Projects Fund.

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Permanent Improvement

To account for the monies received through the District's two mill, permanent improvement levy that are used for the acquisition, construction or improvement of capital facilities other than those financed by the Non-Expendable Trust Fund.

NONMAJOR CAPITAL PROJECTS FUNDS (CONTINUED)

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SchoolNet Plus

To account for monies received through a State grant to help schools obtain computers and related educational technology equipment and/or the necessary infrastructure for educational technology.

Video Distance Learning

To account for monies received through a State grant to provide schools with the necessary equipment to facilitate video and teleconferencing capabilities to allow remote learning opportunities.

**TECUMSEH LOCAL SCHOOL DISTRICT**  
**CLARK COUNTY, OHIO**  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 630,525	\$ 400,419	-	\$ 1,030,944
Cash and Cash Equivalents in Segregated Accounts	2,500	-	-	2,500
Investments	-	-	2,000	2,000
Receivables:				
Taxes	-	591,297		591,297
Intergovernmental	453,889	-	-	453,889
Supplies Inventory	4,358	-	-	4,358
Inventory held for Resale	12,549	-	-	12,549
Total Assets	<u>\$ 1,103,821</u>	<u>\$ 991,716</u>	<u>\$ 2,000</u>	<u>\$ 2,097,537</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$ 59,270	\$ 87,539	\$ -	\$ 146,809
Accrued Wages and Benefits	212,131	-	-	212,131
Intergovernmental Payable	88,215	-	-	88,215
Accrued Interest Payable	-	10,989	-	10,989
Interfund Payable	40,137	-	-	40,137
Deferred Revenue	201,239	526,073	-	727,312
Tax Anticipation Notes Payable	-	411,000	-	411,000
Total Liabilities	<u>600,992</u>	<u>1,035,601</u>	<u>-</u>	<u>1,636,593</u>
Fund Equity:				
Reserved for Encumbrances	67,171	104,878	-	172,049
Reserved for Supplies Inventory	16,907	-	-	16,907
Reserved for Taxes		65,224		65,224
Reserved for Endowment	-	-	2,000	2,000
Unreserved	418,751	(213,987)	-	204,764
Total Fund Equity	<u>502,829</u>	<u>(43,885)</u>	<u>2,000</u>	<u>460,944</u>
Total Liabilities and Fund Equity	<u>\$ 1,103,821</u>	<u>\$ 991,716</u>	<u>\$ 2,000</u>	<u>\$ 2,097,537</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**COMBINING BALANCE SHEET**  
**ALL SPECIAL REVENUE FUNDS**  
**JUNE 30, 2003**

	PUBLIC SCHOOL SUPPORT	OTHER GRANTS	SPECIAL SCHOOL	SCHOOL IMPROVEMENT MODEL
<u>Assets:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 87,628	\$ 21,717	\$ 8,439	\$ 5,269
Cash in Segregated Accounts	-	-	-	-
Intergovernmental Receivable	-	-	-	-
Inventory Held for Resale	-	-	-	-
Supplies Inventory	-	-	-	-
Total Assets	<u>\$ 87,628</u>	<u>\$ 21,717</u>	<u>\$ 8,439</u>	<u>\$ 5,269</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$ 6,744	\$ -	\$ 264	\$ 936
Accrued Wages and Benefits	-	-	-	-
Intergovernmental Payable	-	570	-	-
Interfund Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>6,744</u>	<u>570</u>	<u>264</u>	<u>936</u>
Fund Equity:				
Reserved for Encumbrances	1,075	9,831	377	-
Reserved for Supplies Inventory	-	-	-	-
Unreserved	79,809	11,316	7,798	4,333
Total Fund Equity	<u>80,884</u>	<u>21,147</u>	<u>8,175</u>	<u>4,333</u>
Total Liabilities and Fund Equity	<u>\$ 87,628</u>	<u>\$ 21,717</u>	<u>\$ 8,439</u>	<u>\$ 5,269</u>

<u>DISTRICT MANAGED STUDENT ACTIVITIES</u>	<u>PROFESSIONAL DEVELOPMENT</u>	<u>MANAGEMENT INFORMATION SYSTEMS</u>	<u>DISADVANTAGED PUPIL IMPACT AID</u>	<u>DATA COMMUNICATIONS</u>
\$ 28,027	\$ -	\$ 7,323	\$ 20,110	\$ -
2,500	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 30,527</u>	<u>\$ -</u>	<u>\$ 7,323</u>	<u>\$ 20,110</u>	<u>\$ -</u>
\$ 1,878	\$ -	\$ -	\$ -	\$ -
-	-	-	3,637	-
-	-	152	509	-
-	-	-	-	-
-	-	-	-	-
<u>1,878</u>	<u>-</u>	<u>152</u>	<u>4,146</u>	<u>-</u>
5,896	-	-	-	-
-	-	-	-	-
<u>22,753</u>	<u>-</u>	<u>7,171</u>	<u>15,964</u>	<u>-</u>
<u>28,649</u>	<u>-</u>	<u>7,171</u>	<u>15,964</u>	<u>-</u>
<u>\$ 30,527</u>	<u>\$ -</u>	<u>\$ 7,323</u>	<u>\$ 20,110</u>	<u>\$ -</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**COMBINING BALANCE SHEET**  
**ALL SPECIAL REVENUE FUNDS**  
**JUNE 30, 2003**  
(Continued)

	<u>SCHOOL NET PROFESSIONAL DEVELOPMENT</u>	<u>TEXTBOOK SUBSIDY</u>	<u>OHIO READS GRANT</u>	<u>EXTENDED LEARNING OPPORTUNITIES</u>
<u>Assets:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 3,381	\$ 40,910	\$ 31,208	\$ 12,956
Cash in Segregated Accounts	-	-	-	-
Intergovernmental Receivable	-	-	-	-
Inventory Held for Resale	-	-	-	-
Supplies Inventory	-	-	-	-
Total Assets	<u>\$ 3,381</u>	<u>\$ 40,910</u>	<u>\$ 31,208</u>	<u>\$ 12,956</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 1,378	\$ -
Accrued Wages and Benefits	-	-	-	-
Intergovernmental Payable	-	-	1,835	-
Interfund Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>3,213</u>	<u>-</u>
Fund Equity:				
Reserved for Encumbrances	-	-	3,896	-
Reserved for Supplies Inventory	-	-	-	-
Unreserved	3,381	40,910	24,099	12,956
Total Fund Equity	<u>3,381</u>	<u>40,910</u>	<u>27,995</u>	<u>12,956</u>
Total Liabilities and Fund Equity	<u>\$ 3,381</u>	<u>\$ 40,910</u>	<u>\$ 31,208</u>	<u>\$ 12,956</u>

MISCELLANEOUS STATE GRANTS	TITLE I IMMIGRANT GRANT	TITLE II GRANT	TITLE VI-B GRANT	TITLE III GRANT
\$ 1,873	\$ 28,647	\$ -	\$ 14,129	\$ 13,921
-	-	-	-	-
-	34,338	-	97,168	13,920
-	-	-	-	-
<u>1,873</u>	<u>62,985</u>	<u>-</u>	<u>111,297</u>	<u>27,841</u>
\$ -	\$ -	\$ -	\$ 95	13,920
-	8,950	-	9,860	-
-	8,540	-	386	-
-	-	-	21,196	12,835
-	21,366	-	39,577	-
-	38,856	-	71,114	26,755
-	-	-	5,054	-
-	-	-	-	-
1,873	24,129	-	35,129	1,086
1,873	24,129	-	40,183	1,086
<u>1,873</u>	<u>62,985</u>	<u>-</u>	<u>111,297</u>	<u>27,841</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**COMBINING BALANCE SHEET**  
**ALL SPECIAL REVENUE FUNDS**  
**JUNE 30, 2003**  
(Continued)

	TITLE I GRANT	TITLE VI GRANT	DRUG FREE SCHOOLS GRANT	TELECOMMUN- ICATIONS GRANT	CONTINUOUS IMPROVEMENT GRANT
<u>Assets:</u>					
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 65,410	\$ -	\$ -	\$ 21,942	\$ 9,077
Cash in Segregated Accounts	-	-	-	-	-
Intergovernmental Receivable	193,475	8,737	-	-	-
Inventory Held for Resale	-	-	-	-	-
Supplies Inventory	-	-	-	-	-
Total Assets	<u>\$ 258,885</u>	<u>\$ 8,737</u>	<u>\$ -</u>	<u>\$ 21,942</u>	<u>\$ 9,077</u>
<u>Liabilities and Fund Equity:</u>					
Liabilities:					
Accounts Payable	\$ 10,912	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	65,132	-	-	-	-
Intergovernmental Payable	17,493	-	-	-	-
Interfund Payable	-	6,106	-	-	-
Deferred Revenue	115,587	8,737	-	-	-
Total Liabilities	<u>209,124</u>	<u>14,843</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Equity:					
Reserved for Encumbrances	5,077	-	-	-	-
Reserved for Supplies Inventory	-	-	-	-	-
Unreserved	44,684	(6,106)	-	21,942	9,077
Total Fund Equity	<u>49,761</u>	<u>(6,106)</u>	<u>-</u>	<u>21,942</u>	<u>9,077</u>
Total Liabilities and Fund Equity	<u>\$ 258,885</u>	<u>\$ 8,737</u>	<u>\$ -</u>	<u>\$ 21,942</u>	<u>\$ 9,077</u>

CLASSROOM REDUCTION	MISCELLANEOUS FEDERAL GRANTS	FOOD SERVICE	LATCHKEY	TOTAL
\$ 6,026	\$ 1,341	\$ 123,035	\$ 78,156	630,525
-	-	-	-	2,500
40,660	796	64,795	-	453,889
-	-	12,549	-	12,549
-	-	4,358	-	4,358
<u>\$ 46,686</u>	<u>\$ 2,137</u>	<u>\$ 204,737</u>	<u>\$ 78,156</u>	<u>\$ 1,103,821</u>
\$ -	\$ -	\$ 13,215	9,928	\$ 59,270
18,880	-	93,700	11,972	212,131
5,616	-	49,246	3,868	88,215
-	-	-	-	40,137
15,176	796	-	-	201,239
<u>39,672</u>	<u>796</u>	<u>156,161</u>	<u>25,768</u>	<u>600,992</u>
-	-	35,244	721	67,171
-	-	16,907	-	16,907
7,014	1,341	(3,575)	51,667	418,751
<u>7,014</u>	<u>1,341</u>	<u>48,576</u>	<u>52,388</u>	<u>502,829</u>
<u>\$ 46,686</u>	<u>\$ 2,137</u>	<u>\$ 204,737</u>	<u>\$ 78,156</u>	<u>\$ 1,103,821</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**COMBINING BALANCE SHEET**  
**ALL CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2003**

	PERMANENT IMPROVEMENT	SCHOOL NET PLUS	VIDEO DISTANCE LEARNING	TOTAL
<u>Assets:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 398,019	\$ -	\$ 2,400	\$ 400,419
Taxes Receivable	591,297	-	-	591,297
<b>Total Assets and Other Debits</b>	<b>\$ 989,316</b>	<b>\$ -</b>	<b>\$ 2,400</b>	<b>\$ 991,716</b>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$ 87,539	\$ -	\$ -	\$ 87,539
Accrued Interest Payable	10,989	-	-	10,989
Deferred Revenue	526,073	-	-	526,073
Tax Anticipation Notes Payable	411,000	-	-	411,000
<b>Total Liabilities</b>	<b>1,035,601</b>	<b>-</b>	<b>-</b>	<b>1,035,601</b>
Fund Equity:				
Fund Balances:				
Reserved for Encumbrances	102,478	-	2,400	104,878
Reserved for Taxes	65,224	-	-	65,224
Unreserved	(213,987)	-	-	(213,987)
<b>Total Fund Equity</b>	<b>(46,285)</b>	<b>-</b>	<b>2,400</b>	<b>(43,885)</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 989,316</b>	<b>\$ -</b>	<b>\$ 2,400</b>	<b>\$ 991,716</b>

**TECUMSEH LOCAL SCHOOL DISTRICT**  
**CLARK COUNTY, OHIO**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ -	\$ 633,384	\$ -	633,384
Intergovernmental	1,978,079	77,958	-	2,056,037
Interest	321	2,788	118	3,227
Tuition and Fees	867	-	-	867
Charges for Services	912,895	-	-	912,895
Gifts and Donations	21,652	-	-	21,652
Extracurricular Activities	194,368	-	-	194,368
Miscellaneous	9,999	-	-	9,999
<b>Total Revenues</b>	<u>3,118,181</u>	<u>714,130</u>	<u>118</u>	<u>3,832,429</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	447,832	111,113	-	558,945
Special	479,109	-	-	479,109
Other	-	-	118	118
<b>Support Services:</b>				
Pupils	361,164	-	-	361,164
Instructional Staff	256,724	60,396	-	317,120
Administration	120,896	13,678	-	134,574
Fiscal	-	14,129	-	14,129
Plant Operation and Maintenance	43,791	398,660	-	442,451
Pupil Transportation	4,395	56,662	-	61,057
Central	6,872	-	-	6,872
Non-Instructional Services	1,448,991	-	-	1,448,991
Extracurricular Activities	111,475	-	-	111,475
<b>Debt Service:</b>				
Interest and Fiscal Charges	-	24,090	-	24,090
<b>Total Expenditures</b>	<u>3,281,249</u>	<u>678,728</u>	<u>118</u>	<u>3,960,095</u>
<b>Excess of Revenues Over(Under) Expenditures</b>	(163,068)	35,402	-	(127,666)
<b>Other Financing Sources:</b>				
Transfers-In	100,000	-	-	100,000
<b>Total Other Financing Sources (Uses)</b>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
<b>Excess of Revenues and Other Financing Sources Over(Under) Expenditures</b>	(63,068)	35,402	-	(27,666)
<b>Fund Balance at Beginning of Year - Restated</b>	<u>565,897</u>	<u>(79,287)</u>	<u>2,000</u>	<u>488,610</u>
<b>Fund Balance at End of Year</b>	<u>\$ 502,829</u>	<u>\$ (43,885)</u>	<u>\$ 2,000</u>	<u>\$ 460,944</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**ALL SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	PUBLIC SCHOOL SUPPORT	OTHER GRANTS	SPECIAL SCHOOL	SCHOOL IMPROVEMENT MODEL
Revenues:				
Intergovernmental	\$ -	\$ 9,633	\$ -	\$ -
Interest	-	-	-	-
Charges for Services				
Tuition and Fees	867	-	-	-
Gifts and Donations	4,852	16,500	-	-
Extracurricular Activities	76,272	-	1,526	-
Miscellaneous	7,072	-	2,927	-
<b>Total Revenues</b>	<b>89,063</b>	<b>26,133</b>	<b>4,453</b>	<b>-</b>
Expenditures:				
Current:				
Instruction:				
Regular	90,364	17,091	-	9,771
Special	-	-	-	-
Support Services:				
Pupils	-	8,240	-	6,838
Instructional Staff	-	1,178	2,894	6,626
Administration	-	-	-	-
Plant Operation and Maintenance	-	-	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Non-Instructional Services	-	-	-	-
Extracurricular Activities	-	-	-	-
<b>Total Expenditures</b>	<b>90,364</b>	<b>26,509</b>	<b>2,894</b>	<b>23,235</b>
Excess of Revenues Over(Under) Expenditures	(1,301)	(376)	1,559	(23,235)
Other Financing Sources(Uses):				
Operating Transfers - In	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures	(1,301)	(376)	1,559	(23,235)
Fund Balance at Beginning of Year - Restated	82,185	21,523	6,616	27,568
<b>Fund Balance at End of Year</b>	<b>\$ 80,884</b>	<b>\$ 21,147</b>	<b>\$ 8,175</b>	<b>\$ 4,333</b>

<u>DISTRICT MANAGED STUDENT ACTIVITIES</u>	<u>PROFESSIONAL DEVELOPMENT</u>	<u>MANAGEMENT INFORMATION SYSTEMS</u>	<u>DISADVANTAGED PUPIL IMPACT AID</u>	<u>DATA COMMUNICATIONS</u>
\$ -	\$ -	\$ 13,561	\$ 48,288	\$ 28,000
144	-	-	-	-
-	-	-	-	-
-	-	-	-	-
300	-	-	-	-
116,570	-	-	-	-
-	-	-	-	-
<u>117,014</u>	<u>-</u>	<u>13,561</u>	<u>48,288</u>	<u>28,000</u>
-	-	-	-	-
-	-	-	-	-
-	-	3,514	28,936	-
-	3,099	-	-	-
-	-	5,623	-	-
-	-	-	-	28,000
-	-	-	-	-
-	-	6,872	-	-
-	-	-	-	-
<u>111,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>111,475</u>	<u>3,099</u>	<u>16,009</u>	<u>28,936</u>	<u>28,000</u>
5,539	(3,099)	(2,448)	19,352	-
-	-	-	-	-
-	-	-	-	-
5,539	(3,099)	(2,448)	19,352	-
<u>23,110</u>	<u>3,099</u>	<u>9,619</u>	<u>(3,388)</u>	<u>-</u>
<u>\$ 28,649</u>	<u>\$ -</u>	<u>\$ 7,171</u>	<u>\$ 15,964</u>	<u>\$ -</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**ALL SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**  
(Continued)

	SCHOOL NET PROFESSIONAL DEVELOPMENT	TEXTBOOK SUBSIDY	OHIO READS GRANT	EXTENDED LEARNING OPPORTUNITIES
Revenues:				
Intergovernmental	\$ 4,600	\$ -	\$ 92,500	\$ -
Interest	-	-	-	-
Charges for Services				
Tuition and Fees	-	-	-	-
Gifts and Donations	-	-	-	-
Extracurricular Activities	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>4,600</b>	<b>-</b>	<b>92,500</b>	<b>-</b>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	70,184	-
Special	-	-	-	-
Support Services:				
Pupils	-	-	12,461	-
Instructional Staff	6,629	-	13,329	-
Administration	-	-	6,964	-
Plant Operation and Maintenance	-	-	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Non-Instructional Services	-	-	-	-
Extracurricular Activities	-	-	-	-
<b>Total Expenditures</b>	<b>6,629</b>	<b>-</b>	<b>102,938</b>	<b>-</b>
Excess of Revenues Over(Under) Expenditures	(2,029)	-	(10,438)	-
Other Financing Sources(Uses):				
Operating Transfers - In	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures	(2,029)	-	(10,438)	-
Fund Balance at Beginning of Year - Restated	5,410	40,910	38,433	12,956
Fund Balance at End of Year	\$ 3,381	\$ 40,910	\$ 27,995	\$ 12,956

MISCELLANEOUS STATE GRANTS	TITLE I IMIGRANT GRANT	TITLE II GRANT	TITLE VI-B GRANT	TITLE III GRANT
\$ 3,082	\$ 130,907	\$ 1,887	\$ 359,640	30,798
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,082</u>	<u>130,907</u>	<u>1,887</u>	<u>359,640</u>	<u>30,798</u>
1,549	52,605	-	-	21,070
-	33,906	-	62,128	-
3,082	71,700	-	180,880	-
-	-	15,246	2,601	8,642
-	(3,025)	-	110,965	-
-	2,455	-	-	-
-	4,395	-	-	-
-	-	-	-	-
-	3,787	-	-	-
-	-	-	-	-
<u>4,631</u>	<u>165,823</u>	<u>15,246</u>	<u>356,574</u>	<u>29,712</u>
(1,549)	(34,916)	(13,359)	3,066	1,086
-	-	-	-	-
-	-	-	-	-
(1,549)	(34,916)	(13,359)	3,066	1,086
<u>3,422</u>	<u>59,045</u>	<u>13,359</u>	<u>37,117</u>	<u>-</u>
<u>\$ 1,873</u>	<u>\$ 24,129</u>	<u>\$ -</u>	<u>\$ 40,183</u>	<u>\$ 1,086</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**ALL SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**  
(Continued)

	TITLE I GRANT	TITLE VI GRANT	DRUG FREE SCHOOLS GRANT	TELECOMMUN- ICATIONS GRANT	CONTINUOUS IMPROVEMENT GRANT
<b>Revenues:</b>					
Intergovernmental	\$ 569,813	\$ 12,550	\$ 18,438	\$ 21,942	\$ -
Interest	-	-	-	-	-
Charges for Services	-	-	-	-	-
Tuition and Fees	-	-	-	-	-
Gifts and Donations	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<b>569,813</b>	<b>12,550</b>	<b>18,438</b>	<b>21,942</b>	<b>-</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	48,082	-	-	-	1,699
Special	370,603	-	-	-	-
<b>Support Services:</b>					
Pupils	15,345	11,730	18,438	-	-
Instructional Staff	166,364	6,926	-	-	-
Administration	369	-	-	-	-
Plant Operation and Maintenance	-	-	-	-	-
Pupil Transportation	-	-	-	-	-
Central	-	-	-	-	-
Non-Instructional Services	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
<b>Total Expenditures</b>	<b>600,763</b>	<b>18,656</b>	<b>18,438</b>	<b>-</b>	<b>1,699</b>
<b>Excess of Revenues Over(Under)</b>					
Expenditures	(30,950)	(6,106)	-	21,942	(1,699)
<b>Other Financing Sources(Uses):</b>					
Operating Transfers - In	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenues and Other Financing</b>					
<b>Sources Over(Under) Expenditures</b>	<b>(30,950)</b>	<b>(6,106)</b>	<b>-</b>	<b>21,942</b>	<b>(1,699)</b>
<b>Fund Balance at Beginning of Year - Restated</b>	<b>80,711</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,776</b>
<b>Fund Balance at End of Year</b>	<b>\$ 49,761</b>	<b>\$ (6,106)</b>	<b>\$ -</b>	<b>\$ 21,942</b>	<b>\$ 9,077</b>

CLASSROOM REDUCTION	MISCELLANEOUS FEDERAL GRANTS	FOOD SERVICE	LATCHKEY	TOTAL
\$ 152,667	\$ 21,961	457,812	-	\$ 1,978,079
-	-	177	-	321
-	-	798,926	113,969	912,895
-	-	-	-	867
-	-	-	-	21,652
-	-	-	-	194,368
-	-	-	-	9,999
<u>152,667</u>	<u>21,961</u>	<u>1,256,915</u>	<u>113,969</u>	<u>3,118,181</u>
135,417	-	-	-	447,832
3,272	9,200	-	-	479,109
-	-	-	-	361,164
11,770	11,420	-	-	256,724
-	-	-	-	120,896
-	-	13,336	-	43,791
-	-	-	-	4,395
-	-	-	-	6,872
-	-	1,323,197	122,007	1,448,991
-	-	-	-	111,475
<u>150,459</u>	<u>20,620</u>	<u>1,336,533</u>	<u>122,007</u>	<u>3,281,249</u>
2,208	1,341	(79,618)	(8,038)	(163,068)
-	-	100,000	-	100,000
-	-	100,000	-	100,000
2,208	1,341	20,382	(8,038)	(63,068)
<u>4,806</u>	<u>-</u>	<u>28,194</u>	<u>60,426</u>	<u>565,897</u>
<u>\$ 7,014</u>	<u>\$ 1,341</u>	<u>\$ 48,576</u>	<u>\$ 52,388</u>	<u>\$ 502,829</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**ALL CAPITAL PROJECTS FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	PERMANENT IMPROVEMENT	SCHOOL NET PLUS	VIDEO DISTANCE LEARNING	TOTAL
Revenues:				
Taxes	\$ 633,384	\$ -	\$ -	\$ 633,384
Intergovernmental	77,958	-	-	77,958
Interest	2,788	-	-	2,788
<b>Total Revenues</b>	<b>714,130</b>	<b>-</b>	<b>-</b>	<b>714,130</b>
Expenditures:				
Current:				
Instruction:				
Regular	86,531	19,395	5,187	111,113
Support Services:				
Instructional Staff	25,470	14,643	20,283	60,396
Administration	13,678	-	-	13,678
Fiscal	14,129	-	-	14,129
Plant Operation and Maintenance	398,660	-	-	398,660
Pupil Transportation	56,662	-	-	56,662
Debt Service:				
Interest and Fiscal Charges	24,090	-	-	24,090
<b>Total Expenditures</b>	<b>619,220</b>	<b>34,038</b>	<b>25,470</b>	<b>678,728</b>
Excess of Revenues Over(Under) Expenditures	94,910	(34,038)	(25,470)	35,402
Fund Balance at Beginning of Year	(141,195)	34,038	27,870	(79,287)
Fund Balance at End of Year	<u>\$ (46,285)</u>	<u>\$ -</u>	<u>\$ 2,400</u>	<u>\$ (43,885)</u>

## **FIDUCIARY FUNDS**

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### **AGENCY FUNDS**

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

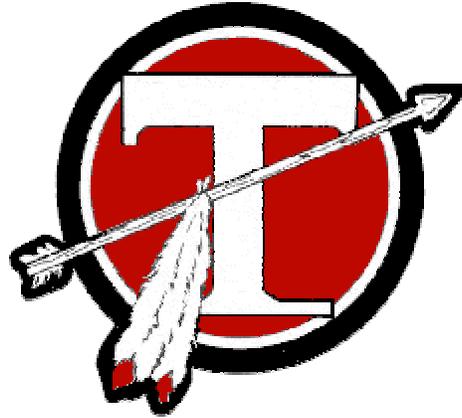
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### Student Managed Activities

To account for the resources that belongs to the various student groups in the District. The funds account for sales and other revenue generating activities by student activity programs, which have students, involved in the management of the program.

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING BALANCE</u>
<u>Student Managed Activities:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 54,735	\$ 78,768	\$ 72,419	\$ 61,084
Total Assets	<u>\$ 54,735</u>	<u>\$ 78,768</u>	<u>\$ 72,419</u>	<u>\$ 61,084</u>
Liabilities:				
Accounts Payable	\$ 1,587	\$ 580	\$ 1,587	\$ 580
Due to Students	53,148	78,768	71,412	60,504
Total Liabilities	<u>\$ 54,735</u>	<u>\$ 79,348</u>	<u>\$ 72,999</u>	<u>\$ 61,084</u>



**INDIVIDUAL FUND SCHEDULES OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL (BUDGET BASIS)**

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**FOOD SERVICE SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Charges for Services	\$ 780,500	\$ 783,550	\$ 798,926	\$ 15,376
Interest Earnings	125	125	177	52
Intergovernmental	<u>380,000</u>	<u>380,000</u>	<u>358,049</u>	<u>(21,951)</u>
Total Revenues	<u>1,160,625</u>	<u>1,163,675</u>	<u>1,157,152</u>	<u>(6,523)</u>
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	<u>12,860</u>	<u>20,236</u>	<u>20,236</u>	<u>-</u>
Total Support Services	<u>12,860</u>	<u>20,236</u>	<u>20,236</u>	<u>-</u>
Non-Instructional Services:				
Salaries and Wages	675,796	580,532	561,798	18,734
Fringe Benefits	214,959	193,487	192,652	835
Purchased Services	42,305	32,155	31,608	547
Materials and Supplies	500,330	478,873	465,893	12,980
Capital Outlay - New	1,000	500	-	500
Capital Outlay - Replacement	5,000	2,000	1,100	900
Other	<u>-</u>	<u>13</u>	<u>13</u>	<u>-</u>
Total Non-Instructional Services	<u>1,439,390</u>	<u>1,287,560</u>	<u>1,253,064</u>	<u>34,496</u>
Total Expenditures	<u>1,452,250</u>	<u>1,307,796</u>	<u>1,273,300</u>	<u>34,496</u>
Deficiency of Revenues Under Expenditures	<u>(291,625)</u>	<u>(144,121)</u>	<u>(116,148)</u>	<u>41,019</u>
Other Financing Sources (Uses):				
Operating Transfers-In	72,000	218,000	224,000	6,000
Operating Transfers-Out	<u>(72,000)</u>	<u>(124,000)</u>	<u>(124,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>94,000</u>	<u>100,000</u>	<u>6,000</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	<u>(291,625)</u>	<u>(50,121)</u>	<u>(16,148)</u>	<u>47,019</u>
Fund Equity at Beginning of Year	81,947	81,947	81,947	-
Prior Year Encumbrances Appropriated	<u>8,795</u>	<u>8,795</u>	<u>8,795</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ (200,883)</u>	<u>\$ 40,621</u>	<u>\$ 74,594</u>	<u>\$ 47,019</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**LATCHKEY SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
<b>Revenues:</b>				
Charges for Services	\$ 114,500	\$ 113,900	\$ 113,969	\$ 69
<b>Total Revenues</b>	<u>114,500</u>	<u>113,900</u>	<u>113,969</u>	<u>69</u>
<b>Expenditures:</b>				
Non-Instructional Services:				
Salaries and Wages	60,859	72,126	58,805	13,321
Fringe Benefits	33,109	36,106	27,223	8,883
Purchased Services	950	1,258	774	484
Materials and Supplies	31,573	24,174	17,383	6,791
Capital Outlay - New	2,271	19,322	13,996	5,326
Other	9,490	7,000	275	6,725
<b>Total Expenditures</b>	<u>138,252</u>	<u>159,986</u>	<u>118,456</u>	<u>41,530</u>
Deficiency of Revenues Under Expenditures	(23,752)	(46,086)	(4,487)	41,461
Fund Equity at Beginning of Year	71,929	71,929	71,929	-
Prior Year Encumbrances Appropriated	<u>124</u>	<u>124</u>	<u>124</u>	<u>-</u>
<b>Fund Equity at End of Year</b>	<u>\$ 48,301</u>	<u>\$ 25,967</u>	<u>\$ 67,566</u>	<u>\$ 41,461</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**PUBLIC SCHOOL SUPPORT SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Tuition and Fees	\$ -	\$ 900	\$ 867	\$ (33)
Extracurricular Activities	109,000	75,727	76,272	545
Gifts and Donations	2,000	4,852	4,852	-
Miscellaneous	<u>1,000</u>	<u>7,008</u>	<u>7,072</u>	<u>64</u>
Total Revenues	<u>112,000</u>	<u>88,487</u>	<u>89,063</u>	<u>576</u>
Expenditures:				
Current:				
Instruction:				
Regular	<u>182,249</u>	<u>135,937</u>	<u>92,169</u>	<u>43,768</u>
Total Expenditures	<u>182,249</u>	<u>135,937</u>	<u>92,169</u>	<u>43,768</u>
Deficiency of Revenues Under Expenditures	(70,249)	(47,450)	(3,106)	43,192
Fund Balance at Beginning of Year	77,086	77,086	77,086	-
Prior Year Encumbrances Appropriated	<u>5,830</u>	<u>5,830</u>	<u>5,830</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 12,667</u>	<u>\$ 35,466</u>	<u>\$ 79,810</u>	<u>\$ 43,192</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**OTHER GRANTS SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Intergovernmental	\$ -	\$ 9,623	\$ 9,633	\$ 10
Gifts and Donations	-	16,500	16,500	-
Total Revenues	-	26,123	26,133	10
Expenditures:				
Current:				
Instruction:				
Regular	12,794	30,368	27,021	3,347
Support Services:				
Pupils	1,538	7,719	7,670	49
Instructional Staff	2,349	2,349	1,178	1,171
Total Expenditures	16,681	40,436	35,869	4,567
Excess of Revenues Under Expenditures	(16,681)	(14,313)	(9,736)	4,557
Other Financing Uses:				
Refund of Prior Year Receipts	(45)	(45)	(45)	-
Total Other Financing Uses	(45)	(45)	(45)	-
Deficiency of Revenues Under Expenditures and Other Financing Uses	(16,726)	(14,358)	(9,781)	4,557
Fund Balance at Beginning of Year	8,404	8,404	8,404	-
Prior Year Encumbrances Appropriated	13,264	13,264	13,264	-
Fund Balance at End of Year	\$ 4,942	\$ 7,310	\$ 11,887	\$ 4,557

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**SPECIAL SCHOOL SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
<b>Revenues:</b>				
Extracurricular Activities	\$ 1,000	\$ 1,000	\$ 1,526	\$ 526
Gifts and Donations	100	100	-	(100)
Miscellaneous	<u>4,830</u>	<u>4,830</u>	<u>2,927</u>	<u>(1,903)</u>
<b>Total Revenues</b>	<u>5,930</u>	<u>5,930</u>	<u>4,453</u>	<u>(1,477)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Support Services:</b>				
Instructional Staff	<u>7,513</u>	<u>12,033</u>	<u>3,087</u>	<u>8,946</u>
<b>Total Expenditures</b>	<u>7,513</u>	<u>12,033</u>	<u>3,087</u>	<u>8,946</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,583)	(6,103)	1,366	7,469
Fund Balance at Beginning of Year	6,433	6,433	6,433	-
Prior Year Encumbrances Appropriated	<u>184</u>	<u>184</u>	<u>184</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 5,034</u>	<u>\$ 514</u>	<u>\$ 7,983</u>	<u>\$ 7,469</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**SCHOOL IMPROVEMENT MODEL SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	12,009	12,009	12,009	-
Support Services:				
Pupils	6,411	6,411	6,411	-
Instructional Staff	14,544	14,574	14,574	-
Administration	<u>62</u>	<u>62</u>	<u>62</u>	<u>-</u>
Total Expenditures	<u>33,026</u>	<u>33,056</u>	<u>33,056</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>(33,026)</u>	<u>(33,056)</u>	<u>(33,056)</u>	<u>-</u>
Fund Balance at Beginning of Year	19,137	19,137	19,137	-
Prior Year Encumbrances Appropriated	<u>19,188</u>	<u>19,188</u>	<u>19,188</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5,299</u>	<u>\$ 5,269</u>	<u>\$ 5,269</u>	<u>\$ -</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**DISTRICT MANAGED STUDENT ACTIVITIES SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Interest	\$ -	\$ 110	\$ 144	\$ 34
Extracurricular Activities	127,700	135,343	116,570	(18,773)
Gifts and Donations	2,500	2,300	300	(2,000)
Miscellaneous	<u>4,125</u>	<u>4,125</u>	<u>-</u>	<u>(4,125)</u>
Total Revenues	<u>134,325</u>	<u>141,878</u>	<u>117,014</u>	<u>(24,864)</u>
Expenditures:				
Current:				
Extracurricular Activities	<u>168,722</u>	<u>162,980</u>	<u>118,014</u>	<u>44,966</u>
Total Expenditures	<u>168,722</u>	<u>162,980</u>	<u>118,014</u>	<u>44,966</u>
Deficiency of Revenues Under Expenditures	(34,397)	(21,102)	(1,000)	20,102
Fund Balance at Beginning of Year	15,059	15,059	15,059	-
Prior Year Encumbrances Appropriated	<u>10,272</u>	<u>10,272</u>	<u>10,272</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (9,066)</u>	<u>\$ 4,229</u>	<u>\$ 24,331</u>	<u>\$ 20,102</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**PROFESSIONAL DEVELOPMENT SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Total Revenues	-	-	-	-
Expenditures:				
Current:				
Support Services:				
Instructional Staff	3,134	3,099	3,099	-
Total Expenditures	3,134	3,099	3,099	-
Deficiency of Revenues Under Expenditures	(3,134)	(3,099)	(3,099)	-
Fund Balance at Beginning of Year	3,099	3,099	3,099	-
Fund Balance at End of Year	<u>\$ (35)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**MANAGEMENT INFORMATION SYSTEMS SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ -	\$ 13,561	\$ 13,561	\$ -
Total Revenues	<u>-</u>	<u>13,561</u>	<u>13,561</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils	2,275	3,969	3,507	462
Administration	4,550	6,741	5,623	1,118
Central	<u>8,800</u>	<u>8,800</u>	<u>6,872</u>	<u>1,928</u>
Total Expenditures	<u>15,625</u>	<u>19,510</u>	<u>16,002</u>	<u>3,508</u>
Deficiency of Revenues Under Expenditures	(15,625)	(5,949)	(2,441)	3,508
Fund Balance at Beginning of Year	<u>9,765</u>	<u>9,765</u>	<u>9,765</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (5,860)</u>	<u>\$ 3,816</u>	<u>\$ 7,324</u>	<u>\$ 3,508</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**DISADVANTAGED PUPIL IMPACT AID SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ 48,300	\$ 48,300	\$ 48,288	\$ (12)
Total Revenues	<u>48,300</u>	<u>48,300</u>	<u>48,288</u>	<u>(12)</u>
Expenditures:				
Current:				
Support Services:				
Pupils	<u>49,748</u>	<u>49,748</u>	<u>29,626</u>	<u>20,122</u>
Total Expenditures	<u>49,748</u>	<u>49,748</u>	<u>29,626</u>	<u>20,122</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,448)	(1,448)	18,662	(20,110)
Fund Balance at Beginning of Year	<u>1,448</u>	<u>1,448</u>	<u>1,448</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,110</u>	<u>\$ (20,110)</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**DATA COMMUNICATIONS SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ -	\$ 28,000	\$ 28,000	\$ -
Total Revenues	<u>-</u>	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Plant Operation and Maintenance	-	28,000	28,000	-
Total Expenditures	<u>-</u>	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**SCHOOLNET PROFESSIONAL DEVELOPMENT SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ 3,450	\$ 8,050	\$ 4,600	\$ (3,450)
Total Revenues	<u>3,450</u>	<u>8,050</u>	<u>4,600</u>	<u>(3,450)</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>5,410</u>	<u>6,706</u>	<u>6,629</u>	<u>77</u>
Total Expenditures	<u>5,410</u>	<u>6,706</u>	<u>6,629</u>	<u>77</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,960)	1,344	(2,029)	(3,373)
Fund Balance at Beginning of Year	<u>5,410</u>	<u>5,410</u>	<u>5,410</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,450</u>	<u>\$ 6,754</u>	<u>\$ 3,381</u>	<u>\$ (3,373)</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**TEXTBOOK SUBSIDY SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Total Revenues	-	-	-	-
Expenditures:				
Current:				
Instruction:				
Regular	-	40,909	-	40,909
Total Expenditures	-	40,909	-	40,909
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(40,909)	-	40,909
Fund Balance at Beginning of Year	40,910	40,910	40,910	-
Fund Balance at End of Year	<u>\$ 40,910</u>	<u>\$ 1</u>	<u>\$ 40,910</u>	<u>\$ 40,909</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**OHIO READS SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Intergovernmental	\$ 67,500	\$ 92,500	\$ 92,500	\$ -
Total Revenues	<u>67,500</u>	<u>92,500</u>	<u>92,500</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	66,954	85,401	66,112	19,289
Support Services:				
Pupils	5,137	11,078	11,078	-
Instructional Staff	17,196	17,515	15,841	1,674
Administration	7,183	7,230	6,964	266
Pupil Transportation	<u>2,103</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>98,573</u>	<u>121,224</u>	<u>99,995</u>	<u>21,229</u>
Deficiency of Revenues Under Expenditures	(31,073)	(28,724)	(7,495)	21,229
Other Financing Uses:				
Refund of Prior Year Receipts	<u>-</u>	<u>(14,645)</u>	<u>(14,645)</u>	<u>-</u>
Total Other Financing Uses	<u>-</u>	<u>(14,645)</u>	<u>(14,645)</u>	<u>-</u>
Deficiency of Revenues Under Expenditures and Other Financing Uses	(31,073)	(43,369)	(22,140)	21,229
Fund Balance at Beginning of Year	27,876	27,876	27,876	-
Prior Year Encumbrances Appropriated	<u>20,197</u>	<u>20,197</u>	<u>20,197</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 17,000</u>	<u>\$ 4,704</u>	<u>\$ 25,933</u>	<u>\$ 21,229</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**EXTENDED LEARNING OPPORTUNITIES SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Total Revenues	-	-	-	-
Expenditures:				
Current:				
Instruction:				
Regular	<u>23</u>	<u>23</u>	<u>14</u>	<u>9</u>
Total Expenditures	<u>23</u>	<u>23</u>	<u>14</u>	<u>9</u>
Deficiency of Revenues Under Expenditures	(23)	(23)	(14)	9
Fund Balance at Beginning of Year	12,947	12,947	12,947	-
Prior Year Encumbrances Appropriated	<u>23</u>	<u>23</u>	<u>23</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 12,947</u>	<u>\$ 12,947</u>	<u>\$ 12,956</u>	<u>\$ 9</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**MISCELLANEOUS STATE GRANTS SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ -	\$ 3,082	\$ 3,082	\$ -
Total Revenues	<u>-</u>	<u>3,082</u>	<u>3,082</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	1,526	2,857	1,549	1,308
Support Services:				
Pupils	-	3,082	3,082	-
Instructional Staff	<u>-</u>	<u>565</u>	<u>-</u>	<u>565</u>
Total Expenditures	<u>1,526</u>	<u>6,504</u>	<u>4,631</u>	<u>1,873</u>
Deficiency of Revenues Under Expenditures	(1,526)	(3,422)	(1,549)	1,873
Fund Balance at Beginning of Year	1,896	1,896	1,896	-
Prior Year Encumbrances Appropriated	<u>1,526</u>	<u>1,526</u>	<u>1,526</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,896</u>	<u>\$ -</u>	<u>\$ 1,873</u>	<u>\$ 1,873</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**TITLE I IMIGRANT GRANT SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ 316,630	\$ 209,630	\$ 170,192	\$ (39,438)
Total Revenues	<u>316,630</u>	<u>209,630</u>	<u>170,192</u>	<u>(39,438)</u>
Expenditures:				
Current:				
Instruction:				
Regular	89,125	44,975	44,044	931
Special	19,905	29,555	28,680	875
Support Services:				
Pupils	79,082	88,893	67,176	21,717
Administration	10,242	2,592	(2,676)	5,268
Plant Operation and Maintenance	4,260	3,567	2,683	884
Pupil Transportation	8,944	6,547	4,467	2,080
Non-Instructional Services	<u>8,500</u>	<u>7,162</u>	<u>3,783</u>	<u>3,379</u>
Total Expenditures	<u>220,058</u>	<u>183,291</u>	<u>148,157</u>	<u>35,134</u>
Excess of Revenues Over Expenditures	<u>96,572</u>	<u>26,339</u>	<u>22,035</u>	<u>(4,304)</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	-	(9,079)	(9,079)	-
Operating Transfers-In	-	21,366	21,366	-
Operating Transfers-Out	<u>-</u>	<u>(21,366)</u>	<u>(21,366)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(9,079)</u>	<u>(9,079)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	96,572	17,260	12,956	(4,304)
Fund Balance at Beginning of Year	14,845	14,845	14,845	-
Prior Year Encumbrances Appropriated	<u>846</u>	<u>846</u>	<u>846</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 112,263</u>	<u>\$ 32,951</u>	<u>\$ 28,647</u>	<u>\$ (4,304)</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**TITLE II GRANT SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ -	\$ 1,887	\$ 1,887	\$ -
Total Revenues	<u>-</u>	<u>1,887</u>	<u>1,887</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>15,859</u>	<u>16,511</u>	<u>16,511</u>	<u>-</u>
Total Expenditures	<u>15,859</u>	<u>16,511</u>	<u>16,511</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	(15,859)	(14,624)	(14,624)	-
Other Financing Uses:				
Refund of Prior Year Receipts	<u>(653)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Uses	<u>(653)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deficiency of Revenues Under Expenditures and Other Financing Uses	(16,512)	(14,624)	(14,624)	-
Fund Balance at Beginning of Year	<u>14,624</u>	<u>14,624</u>	<u>14,624</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (1,888)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**TITLE VI-B GRANT SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ 439,395	\$ 481,395	\$ 372,227	\$ (109,168)
Total Revenues	<u>439,395</u>	<u>481,395</u>	<u>372,227</u>	<u>(109,168)</u>
Expenditures:				
Current:				
Instruction:				
Special	65,963	87,420	53,313	34,107
Support Services:				
Pupils	222,492	230,411	184,906	45,505
Instructional Staff	-	8,963	7,223	1,740
Administration	<u>128,030</u>	<u>131,107</u>	<u>115,556</u>	<u>15,551</u>
Total Expenditures	<u>416,485</u>	<u>457,901</u>	<u>360,998</u>	<u>96,903</u>
Excess of Revenues Over Expenditures	<u>22,910</u>	<u>23,494</u>	<u>11,229</u>	<u>(12,265)</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	-	(1,758)	(1,758)	-
Advances-In	<u>-</u>	<u>-</u>	<u>21,196</u>	<u>21,196</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,758)</u>	<u>19,438</u>	<u>21,196</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	22,910	21,736	30,667	8,931
Fund Balance at Beginning of Year	(22,273)	(22,273)	(22,273)	-
Prior Year Encumbrances Appropriated	<u>606</u>	<u>606</u>	<u>606</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,243</u>	<u>\$ 69</u>	<u>\$ 9,000</u>	<u>\$ 8,931</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**TITLE III GRANT SPECIAL REVENUE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ 33,756	\$ 30,593	\$ 16,878	\$ (13,715)
Total Revenues	<u>33,756</u>	<u>30,593</u>	<u>16,878</u>	<u>(13,715)</u>
Expenditures:				
Current:				
Instruction:				
Regular	9,403	21,949	21,070	879
Support Services:				
Pupils	7,475	8,142	8,142	-
Instructional Staff	<u>-</u>	<u>500</u>	<u>500</u>	<u>-</u>
Total Expenditures	<u>16,878</u>	<u>30,591</u>	<u>29,712</u>	<u>879</u>
Excess (Deficiency) of Revenues Over(Under) Expenditures	<u>16,878</u>	<u>2</u>	<u>(12,834)</u>	<u>(12,836)</u>
Other Financing Sources :				
Advances-In	<u>-</u>	<u>-</u>	<u>12,835</u>	<u>12,835</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>12,835</u>	<u>12,835</u>
Excess of Revenues and Other Financing Sources Over Expenditures	16,878	2	1	(1)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 16,878</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ (1)</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**TITLE I GRANT SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ 611,686	\$ 816,511	\$ 543,211	\$ (273,300)
<b>Total Revenues</b>	<u>611,686</u>	<u>816,511</u>	<u>543,211</u>	<u>(273,300)</u>
Expenditures:				
Current:				
Instruction:				
Regular	15,811	104,975	45,806	59,169
Special	586,426	516,905	373,808	143,097
Support Services:				
Pupils	24,522	33,416	13,335	20,081
Instructional Staff	227,818	211,000	171,351	39,649
Administration	3,040	1,369	369	1,000
Plant Operation and Maintenance	1,100	1,100	-	1,100
<b>Total Expenditures</b>	<u>858,717</u>	<u>868,765</u>	<u>604,669</u>	<u>264,096</u>
Deficiency of Revenues Under Expenditures	<u>(247,031)</u>	<u>(52,254)</u>	<u>(61,458)</u>	<u>(9,204)</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	-	(2,754)	(2,754)	-
Operating Transfers-In	-	-	44,179	44,179
Operating Transfers-Out	(28,723)	(44,179)	(44,179)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(28,723)</u>	<u>(46,933)</u>	<u>(2,754)</u>	<u>44,179</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(275,754)	(99,187)	(64,212)	34,975
Fund Balance at Beginning of Year	99,274	99,274	99,274	-
Prior Year Encumbrances Appropriated	<u>14,359</u>	<u>14,359</u>	<u>14,359</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ (162,121)</u>	<u>\$ 14,446</u>	<u>\$ 49,421</u>	<u>\$ 34,975</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**TITLE VI GRANT SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ -	\$ 26,087	\$ 12,550	\$ (13,537)
Total Revenues	<u>-</u>	<u>26,087</u>	<u>12,550</u>	<u>(13,537)</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	7,287	-	7,287
Support Services:				
Pupils	-	-	-	-
Instructional Staff	-	11,730	11,730	-
Board of Education	<u>-</u>	<u>7,000</u>	<u>6,926</u>	<u>74</u>
Total Expenditures	<u>-</u>	<u>26,017</u>	<u>18,656</u>	<u>7,361</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	70	(6,106)	(6,176)
Other Financing Sources:				
Advances-In	<u>-</u>	<u>-</u>	<u>6,106</u>	<u>6,106</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>6,106</u>	<u>6,106</u>
Excess of Revenues and Other Financing Sources Over Expenditures		70	-	(70)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ -</u>	<u>\$ (70)</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**DRUG FREE SCHOOLS GRANT SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ -	\$ 18,438	\$ 18,438	\$ -
Total Revenues	<u>-</u>	<u>18,438</u>	<u>18,438</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils	-	18,438	18,438	-
Total Expenditures	<u>-</u>	<u>18,438</u>	<u>18,438</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**TELECOMMUNICATIONS GRANT SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ -	\$ 21,942	\$ 21,942	\$ -
Total Revenues	<u>-</u>	<u>21,942</u>	<u>21,942</u>	<u>-</u>
Expenditures:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	21,942	21,942	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 21,942</u>	<u>\$ 21,942</u>	<u>\$ -</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**CONTINUOUS IMPROVEMENT GRANT SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ -	\$ 1,776	\$ -	\$ (1,776)
Total Revenues	<u>-</u>	<u>1,776</u>	<u>-</u>	<u>(1,776)</u>
Expenditures:				
Current:				
Instruction:				
Regular	13,176	12,834	1,983	10,851
Support Services:				
Instructional Staff	<u>(1,788)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>11,388</u>	<u>12,834</u>	<u>1,983</u>	<u>10,851</u>
Deficiency of Revenues Under Expenditures	(11,388)	(11,058)	(1,983)	9,075
Other Financing Uses:				
Refund of Prior Year Receipts	<u>-</u>	<u>(60)</u>	<u>(60)</u>	<u>-</u>
Total Other Financing Uses	<u>-</u>	<u>(60)</u>	<u>(60)</u>	<u>-</u>
Deficiency of Revenues Under Expenditures and Other Financing Uses	(11,388)	(11,118)	(2,043)	9,075
Fund Balance at Beginning of Year	<u>11,119</u>	<u>11,119</u>	<u>11,119</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (269)</u>	<u>\$ 1</u>	<u>\$ 9,076</u>	<u>\$ 9,075</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**CLASSROOM REDUCTION GRANT SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ 36,051	\$ 203,894	\$ 163,234	\$ (40,660)
Total Revenues	<u>36,051</u>	<u>203,894</u>	<u>163,234</u>	<u>(40,660)</u>
Expenditures:				
Current:				
Instruction:				
Regular	137,168	161,960	134,179	27,781
Support Services:				
Instructional Staff	<u>30,675</u>	<u>30,675</u>	<u>11,770</u>	<u>18,905</u>
Total Expenditures	<u>167,843</u>	<u>192,635</u>	<u>145,949</u>	<u>46,686</u>
Excess (Deficiency) of Revenues Over(Under) Expenditures	(131,792)	11,259	17,285	6,026
Fund Balance at Beginning of Year	<u>(11,259)</u>	<u>(11,259)</u>	<u>(11,259)</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (143,051)</u>	<u>\$ -</u>	<u>\$ 6,026</u>	<u>\$ 6,026</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**MISCELLANEOUS FEDERAL GRANTS SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ -	\$ 22,609	\$ 21,961	\$ (648)
Total Revenues	<u>-</u>	<u>22,609</u>	<u>21,961</u>	<u>(648)</u>
Expenditures:				
Current:				
Instruction:				
Special	-	9,200	9,200	-
Support Services:				
Instructional Staff	<u>-</u>	<u>13,409</u>	<u>11,420</u>	<u>1,989</u>
Total Expenditures	<u>-</u>	<u>22,609</u>	<u>20,620</u>	<u>1,989</u>
Excess of Revenues Over Expenditures	-	-	1,341	1,341
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,341</u>	<u>\$ 1,341</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
<b>Revenues:</b>				
Taxes	\$ 620,500	\$ 620,500	\$ 615,940	\$ (4,560)
Intergovernmental	78,500	78,500	77,958	(542)
Interest	5,200	5,200	2,788	(2,412)
Miscellaneous	450	450	-	(450)
<b>Total Revenues</b>	<u>704,650</u>	<u>704,650</u>	<u>696,686</u>	<u>(7,964)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	25,924	115,330	113,194	2,136
<b>Support Services:</b>				
Instructional Staff	-	25,470	25,470	-
Administration	14,573	16,980	13,678	3,302
Fiscal	18,700	18,700	14,129	4,571
Plant Operation and Maintenance	506,410	506,410	449,729	56,681
Pupil Transportation	71,552	73,552	73,512	40
Non-Instructional Services	-	3,734	3,734	-
<b>Debt Service:</b>				
Principal Retirement	137,000	137,000	137,000	-
Interest and Fiscal Charges	27,579	27,579	27,579	-
<b>Total Expenditures</b>	<u>801,738</u>	<u>924,755</u>	<u>858,025</u>	<u>66,730</u>
<b>Excess of Revenues Under Expenditures</b>	<u>(97,088)</u>	<u>(220,105)</u>	<u>(161,339)</u>	<u>58,766</u>
<b>Fund Balance at Beginning of Year</b>	187,744	187,744	187,744	-
<b>Prior Year Encumbrances Appropriated</b>	<u>185,760</u>	<u>185,760</u>	<u>185,760</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 276,416</u>	<u>\$ 153,399</u>	<u>\$ 212,165</u>	<u>\$ 58,766</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**SCHOOLNET PLUS CAPITAL PROJECTS FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Total Revenues	-	-	-	-
Expenditures:				
Current:				
Instruction:				
Regular	94,885	98,199	98,199	-
Support Services:				
Instructional Staff	-	14,643	14,643	-
Plant Operation and Maintenance	<u>2,298</u>	<u>1,918</u>	<u>1,918</u>	-
Total Expenditures	<u>97,183</u>	<u>114,760</u>	<u>114,760</u>	-
Excess of Revenues Under Expenditures	(97,183)	(114,760)	(114,760)	-
Fund Balance at Beginning of Year	17,577	17,577	17,577	-
Prior Year Encumbrances Appropriated	<u>97,183</u>	<u>97,183</u>	<u>97,183</u>	-
Fund Balance at End of Year	<u>\$ 17,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**VIDEO DISTANCE LEARNING CAPITAL PROJECTS FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Total Revenues	-	-	-	-
Expenditures:				
Current:				
Instruction:				
Regular	2,400	7,573	7,573	-
Support Services:				
Instructional Staff	<u>25,470</u>	<u>20,283</u>	<u>20,283</u>	-
Total Expenditures	<u>27,870</u>	<u>27,856</u>	<u>27,856</u>	-
Deficiency of Revenues Under Expenditures	(27,870)	(27,856)	(27,856)	-
Other Financing Uses:				
Refund of Prior Year Receipts	-	(14)	(14)	-
Total Other Financing Uses	-	(14)	(14)	-
Deficiency of Revenues Under Expenditures and Other Financing Uses	(27,870)	(27,870)	(27,870)	-
Fund Balance at Beginning of Year	2,400	2,400	2,400	-
Prior Year Encumbrances Appropriated	<u>25,470</u>	<u>25,470</u>	<u>25,470</u>	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**  
**PERMANENT FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Interest	-	118	118	-
Total Revenues	-	118	118	-
Expenditures:				
Current:				
Instruction:				
Regular	-	118	118	-
Total Expenditures	-	118	118	-
Deficiency of Revenues Under Expenditures	-	-	-	-
Fund Balance at Beginning of Year	2,000	2,000	2,000	-
Fund Balance at End of Year	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>

## **STATISTICAL SECTION**

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

The School District does not have, and has not had over the last ten years, any revenue bonds payable from the enterprise funds nor any general obligation bonded debt. Therefore, related statistical tables are not presented.

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**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**GENERAL FUND EXPENDITURES BY FUNCTION AND OTHER FINANCING USES**  
**LAST TEN FISCAL YEARS**

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
<b>Current:</b>										
<b>Instruction:</b>										
Regular	\$ 11,619,704	\$ 11,117,101	\$ 10,469,893	\$ 9,908,671	\$ 9,911,967	\$ 9,537,289	\$ 8,834,734	\$ 8,276,130	\$ 7,785,739	\$ 7,978,742
Special	1,487,670	1,574,406	1,521,798	1,400,857	1,444,932	1,264,838	1,320,400	1,291,790	1,177,727	1,048,348
Vocational	619,868	588,243	481,547	459,044	467,574	452,030	450,675	420,221	448,834	453,709
Other	857,250	421,655	526,582	-	-	-	-	-	-	-
<b>Support Services:</b>										
Pupils	1,419,322	1,210,360	1,149,863	1,136,357	1,002,600	1,108,806	872,505	780,095	771,311	863,905
Instructional Staff	1,067,360	1,002,271	838,933	727,545	600,972	581,790	545,237	388,482	354,802	342,559
Board of Education	88,949	67,056	46,024	44,253	37,625	38,439	30,446	29,623	32,695	29,760
Administration	2,819,687	2,542,112	2,323,350	2,227,355	2,120,631	1,692,055	1,594,409	1,359,622	1,366,087	1,393,394
Fiscal	528,484	480,254	436,743	413,572	407,135	348,243	346,059	297,362	328,941	284,432
Business	26,716	12,887	17,661	24,011	61,520	8,231	36,282	24,119	26,955	14,479
Plant Operation & Maintenance	2,650,611	2,590,197	2,406,213	2,110,292	2,203,206	2,010,469	1,943,005	1,715,372	1,573,291	1,685,222
Pupil Transportation	1,474,840	1,342,450	1,316,185	1,318,810	1,292,724	1,009,407	1,043,818	1,027,192	867,398	865,190
Central	37,513	31,309	35,176	25,100	30,608	34,083	36,933	29,692	25,453	30,968
Non-Instructional Services	3,130	-	-	-	-	-	-	-	-	-
Extracurricular Activities	329,432	311,391	295,724	299,298	280,408	291,792	252,007	232,245	228,010	219,386
Capital Outlay	-	6,249	10,045	5,265	5,300	3,047	4,114	13,627	5,555	14,048
Debt Service	-	-	-	-	-	100,000	-	-	5,691	8,181
<b>Total</b>	<b>\$ 25,030,536</b>	<b>\$ 23,297,941</b>	<b>\$ 21,875,737</b>	<b>\$ 20,100,430</b>	<b>\$ 19,867,202</b>	<b>\$ 18,480,519</b>	<b>\$ 17,310,624</b>	<b>\$ 15,885,572</b>	<b>\$ 14,998,489</b>	<b>\$ 15,232,323</b>

Source: School District Financial Records

(1) Information is presented on modified accrual basis.

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**GENERAL FUND REVENUES BY SOURCE AND OTHER FINANCING SOURCES**  
**LAST TEN FISCAL YEARS**

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Taxes	\$ 7,724,754	\$ 7,639,512	\$ 6,329,825	\$ 7,641,221	\$ 7,434,664	\$ 6,134,798	\$ 7,089,354	\$ 5,437,263	\$ 4,780,335	\$ 4,784,931
Intergovernmental	15,196,939	14,688,007	13,841,488	13,444,597	12,950,484	11,879,945	11,102,166	10,745,657	9,785,903	9,427,417
Interest	71,401	157,263	391,912	353,229	252,317	239,535	203,269	132,177	103,151	68,841
Tuition and Fees	891,842	432,766	263,615	193,160	159,948	142,307	149,689	132,029	139,847	120,670
Transportation	-	-	82,226	-	-	-	-	-	-	-
Rent	-	75,458	-	1,750	-	-	-	-	-	-
Gifts and Donations	5,000	-	5,750	-	-	-	-	-	-	-
Miscellaneous	8,072	23,319	93,144	4,415	11,637	131,039	5,197	6,897	24,225	33,639
<b>Total</b>	<b>\$ 23,898,008</b>	<b>\$ 23,016,325</b>	<b>\$ 21,007,960</b>	<b>\$ 21,638,372</b>	<b>\$ 20,809,050</b>	<b>\$ 18,527,624</b>	<b>\$ 18,549,675</b>	<b>\$ 16,454,023</b>	<b>\$ 14,833,461</b>	<b>\$ 14,435,498</b>

Source: School District Financial Records

(1) Information is presented on modified accrual basis.

**TECUMSEH LOCAL SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN YEARS**

YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	ACCUMULATED OUTSTANDING DELINQUENT TAXES	PERCENTAGE OF ACCUMULATED DELINQUENT TAXES TO TOTAL TAX LEVY
2003	\$ 8,388,825	\$ 7,249,362	\$ 389,855	\$ 7,639,217	91.06%	\$ 749,608	8.94%
2002	9,499,314	7,977,459	443,463	8,420,922	88.65%	1,078,392	11.35%
2001	8,202,954	6,548,835	416,945	6,965,780	84.92%	1,237,174	15.08%
2000	8,020,829	7,148,489	391,656	7,540,145	94.01%	480,684	5.99%
1999	7,755,165	7,059,941	429,847	7,489,788	96.58%	265,377	3.42%
1998	7,225,406	6,409,112	389,590	6,798,702	94.09%	426,704	5.91%
1997	7,194,164	6,466,752	386,159	6,852,911	95.26%	341,253	4.74%
1996	7,631,720	6,718,817	457,388	7,176,205	94.03%	455,515	5.97%
1995	5,923,896	5,164,625	368,294	5,532,919	93.40%	390,977	6.60%
1994	5,929,749	5,069,297	386,072	5,455,369	92.00%	474,380	8.00%

Source: Clark County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

Includes state reimbursements of homestead and rollback exemptions. In addition, the tax information for collection 1994 does not include tangible personal property taxes as information could not practically be obtained by the County Auditor's Office.

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY**  
**LAST TEN YEARS**

COLLECTION YEAR	Real Estate		Public Utility Real and Personal		Tangible Personal		Total		Assessed Value Ratio
	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	
2003	\$ 223,154,000	\$ 637,582,857	\$ 10,280,920	\$ 29,374,057	\$ 20,526,103	\$ 89,243,926	\$ 253,961,023	\$ 756,200,840	35.00%
2002	220,345,160	629,557,600	9,930,650	11,284,830	18,124,292	72,497,168	248,400,102	713,339,598	35.00%
2001	204,034,560	582,955,886	14,049,160	15,964,955	16,515,230	66,060,920	234,598,950	664,981,760	35.28%
2000	201,715,160	576,329,029	15,650,590	17,784,761	15,393,791	61,575,164	232,759,541	655,688,954	35.50%
1999	199,533,980	570,097,086	14,756,850	16,769,148	14,400,288	57,601,152	228,691,118	644,467,385	35.49%
1998	172,513,370	492,895,343	13,044,240	14,823,000	12,018,698	48,074,792	197,576,308	555,793,135	35.55%
1997	170,430,840	486,945,257	10,544,150	11,981,989	15,203,210	60,812,840	196,178,200	559,740,086	35.05%
1996	168,218,330	480,623,800	10,823,970	12,299,966	13,780,810	55,123,240	192,823,110	548,047,006	35.18%
1995	154,972,390	442,778,257	12,517,400	14,224,318	11,475,959	45,903,836	178,965,749	502,906,411	35.59%
1994	153,238,540	437,824,400	11,105,000	12,619,318	12,597,810	50,391,240	176,941,350	500,834,958	35.33%

Source: Clark County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

- (1) This amount is calculated based on the following percentages:  
 Real Estate is assessed at 35 percent of actual value  
 Public Utility Real is assessed at 35 percent of actual value  
 Tangible Personal Property is assessed at 25 percent of actual value  
 Public Utility Personal is assessed at 88 percent of true value (with certain exceptions)

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
(PER \$1,000 OF ASSESSED VALUATION)  
**LAST TEN YEARS**

COLLECTION YEAR	SCHOOL LEVY	COUNTY LEVY	JVS LEVY	CITY OF NEW CARLISLE		TOTAL LEVY (1)	CITY OF DONNELLSVILLE LEVY (2)	BETHEL TOWNSHIP		PIKE TOWNSHIP LEVY (3)	LIBRARY DISTRICT LEVY (3)
				LEVY	\$			LEVY (3)	\$		
2003	\$ 42.60	\$ 13.09	\$ 3.00	\$ 9.00	\$ 67.69	\$ 9.50	\$ 8.20	\$ 10.60	\$ 0.16		
2002	44.10	13.10	3.00	8.00	68.20	10.30	6.00	10.40	0.24		
2001	44.10	13.10	3.00	8.00	68.20	10.30	6.00	10.40	0.24		
2000	44.40	13.00	3.00	9.00	69.40	10.30	6.00	10.40	0.24		
1999	44.40	13.75	3.00	9.00	70.15	10.30	6.00	7.40	0.24		
1998	45.63	13.85	3.00	9.00	71.48	10.30	6.00	7.40	0.24		
1997	46.18	13.85	3.00	10.80	73.83	10.30	6.00	7.40	0.24		
1996	46.67	13.80	3.00	10.80	74.27	8.30	6.00	7.40	0.20		
1995	39.40	13.80	3.00	10.80	67.00	8.30	5.00	7.40	0.20		
1994	39.55	12.80	3.00	10.80	66.15	8.30	4.00	7.40	0.20		

Source: Clark County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

- (1) Amount represents the total for City of New Carlisle residents
- (2) City of Donnelsville resides entirely within the Tecumseh Local School District
- (3) Certain portions of Bethel and Pike Townships, as well as the County Library are within the Tecumseh Local School District and are subject to the School Levy.

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT**  
**JUNE 30, 2003**

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JURISDICTION	NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING (1)	PERCENTAGE APPLICABLE TO SCHOOL DISTRICT	AMOUNT APPLICABLE TO SCHOOL DISTRICT
Tecumseh Local School District	\$ -	100.00%	\$ -
Clark County	6,595,000	11.74% (2)	774,253
			\$ 774,253

Source: Clark County Auditor; Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

(1) - Includes all general obligation bonded debt less fund balance in debt service fund

(2) - Percentage of County's valuation within the School District compared to the total valuation of the County

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**JUNE 30, 2003**

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Assessed Value	\$ <u>253,961,023</u>
Bonded Debt Limit - 9% of Assessed Value (1)	<u>22,856,492</u>
Amount of Debt Applicable to Debt Limit:	
Tax Anticipation Note	411,000
Amount Available in Debt Service Fund	<u>-</u>
Net Bonded Debt	<u>411,000</u>
Overall Debt Margin	<u>22,445,492</u>
Energy Conservation Debt Limit - 9/10 of 1% of Assessed Value (1)	2,285,649
Amount of Debt Applicable	<u>-</u>
Energy Conservation Debt Margin	<u>2,285,649</u>
Unvoted Debt Limit - .10% of Assessed Value (1)	253,961
Amount of Debt Applicable	<u>-</u>
Unvoted Debt Margin	<u>253,961</u>

Source: County Auditor and School District's financial records

(1) Ohio Bond Law sets a limit of 9% for voted debt, 9/10 of 1% for energy conservation and 1/10 of 1% for unvoted debt.

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**STUDENT ENROLLMENT DATA**  
**LAST TEN FISCAL YEARS/TEN YEAR PROJECTION**

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ACTUAL ENROLLMENT (1)

<u>FISCAL YEAR</u>	<u>SCHOOL ENROLLMENT</u>
2003	3,602
2002	3,616
2001	3,623
2000	3,772
1999	3,853
1998	3,783
1997	3,813
1996	3,875
1995	3,854
1994	3,752

TEN YEAR ENROLLMENT PROJECTION (2)

<u>FISCAL YEAR</u>	<u>SCHOOL ENROLLMENT</u>
2004	3,967
2005	4,059
2006	4,114
2007	4,148
2008	4,172
2009	4,177
2010	4,197
2011	4,213
2012	4,218
2013	4,238

(1) Source: District Records

(2) The ten year enrollment projection is required by Ohio law. The process of predicting enrollment is difficult at best, and should be considered only a judgement based on present information. The degree of potential error becomes greater each year into the future, particularly after the point at which predictions are made concerning children not yet born.

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**DEMOGRAPHIC STATISTICS**  
**LAST TEN YEARS**

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<u>FISCAL YEAR</u>	<u>POPULATION (1)</u>	<u>SCHOOL ENROLLMENT (2)</u>	<u>UNEMPLOYMENT RATE (3)</u>
2003	19,554	3,602	7.1%
2002	19,933	3,616	5.9%
2001	19,352	3,623	4.5%
2000	19,381	3,772	4.3%
1999	19,422	3,853	4.2%
1998	19,503	3,783	4.6%
1997	19,622	3,813	5.6%
1996	19,651	3,875	4.7%
1995	19,669	3,854	4.6%
1994	19,689	3,752	6.1%

Source:

(1) District Estimate

(2) School District Records

(3) Ohio Bureau of Employment Services  
 Estimated unemployment rate for Clark County

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**PROPERTY VALUE, CONSTRUCTION PERMITS AND BANK DEPOSITS**  
**LAST TEN YEARS**

YEAR	NUMBER OF BUILDING PERMITS ALL TYPE (1)	VALUATION OF CONSTRUCTION (1)	CERTIFIED COMMERCIAL BANK DEPOSITS (1)	ASSESSED PROPERTY VALUE (2)
2003	1,747	\$ 38,237,769	\$ 593,820,000	\$ 253,961,023
2002	1,227	41,904,244	630,634,000	248,400,102
2001	1,060	37,351,282	490,007,000	234,598,950
2000	1,167	46,322,022	462,453,000	232,759,541
1999	1,401	51,916,019	464,700,000	228,691,118
1998	1,310	40,102,393	437,272,000	197,576,308
1997	943	48,921,315	430,977,000	196,178,200
1996	859	41,487,154	436,256,000	192,823,110
1995	896	46,135,309	426,767,000	178,965,749
1994	881	43,473,920	419,682,000	176,941,350

(1) Source: Clark County, Ohio Annual Comprehensive Financial Report. Amounts reported are for Clark County as information specific to the District was not available. Information is presented on a calendar basis, the manner in which it is maintained by the County.

(2) Source: Clark County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**PRINCIPAL TAXPAYERS - REAL PROPERTY**  
**DECEMBER 31, 2002**

NAME OF TAXPAYER	ASSESSED VALUE (1)	PERCENT OF TOTAL ASSESSED VALUE
STUDEBAKER NURSERIES INC	\$ 2,169,630	0.96%
BODNER PROPERTIES 4 LIMITED	2,165,250	0.95%
STONYRIDGE INC	1,947,100	0.86%
KROHN STEEL SERVICE CENTER	1,809,640	0.80%
SUBURBAN INVESTMENT COMPANY	1,674,990	0.74%
NEW CARLISLE ASSOCIATES	1,671,010	0.74%
LAYNECREST ASSOCIATES LIMITED	1,578,400	0.70%
DAYVIEW CARE CENTER INC	1,456,360	0.64%
SMART PROPERTIES LTD	1,314,600	0.58%
HARRUFF FAMILY LIMITED PARTNERSHIP	<u>1,288,920</u>	<u>0.57%</u>
Subtotal	17,075,900	7.52%
All Other Taxpayers	<u>209,868,370</u>	<u>92.48%</u>
Total Assessed Valuation	<u>\$ 226,944,270</u>	<u>100.00%</u>

Source: Clark County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

(1) Assessed Values are for collection year 2002

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**PRINCIPAL TAXPAYERS - TANGIBLE PERSONAL PROPERTY**  
**DECEMBER 31, 2002**

NAME OF TAXPAYER	ASSESSED VALUE (1)	PERCENT OF TOTAL ASSESSED VALUE
METALS USACARBON FLAT ROLLED INC	\$ 1,595,230	9.10%
HAL GILLIAM FORD SALES INC	1,028,600	5.87%
MARTIN CHEVROLET-OLDSMOBILE INC	830,370	4.74%
AMERICAN AGGREGATE COMPANY	824,600	4.71%
BEACH MANUFACTURING COMPANY	747,070	4.26%
NEW CARLISLE CHRYSLER PLYMOUTH DODGE INC	670,700	3.83%
STAPLETON BUICK - GMC INC	468,800	2.67%
PARTS FABRICATORS INC	446,660	2.55%
HILLTOP BASIC RESOURCES INC	440,470	2.51%
CARMICHAEL MACHINE CORPORATION	<u>338,440</u>	<u>1.93%</u>
Subtotal	7,390,940	42.17%
All Other Taxpayers	<u>10,134,929</u>	<u>57.83%</u>
Total Assessed Valuation	<u>\$ 17,525,869</u>	<u>100.00%</u>

Source: Clark County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

(1) Assessed Values are for collection year 2003

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO**  
**COST PER PUPIL**  
**LAST TEN FISCAL YEARS**

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<u>FISCAL YEAR</u>	<u>GENERAL FUND EXPENDITURES (1)</u>	<u>AVERAGE DAILY MEMBERSHIP (2)</u>	<u>PER PUPIL COST</u>
2003	\$ 25,030,536	3,602	\$ 6,949
2002	23,297,941	3,616	6,443
2001	21,875,737	3,623	6,038
2000	20,100,430	3,772	5,329
1999	19,867,202	3,853	5,156
1998	18,480,519	3,783	4,885
1997	17,310,624	3,813	4,540
1996	15,885,572	3,875	4,100
1995	14,998,489	3,854	3,892
1994	15,232,323	3,752	4,060

(1) Information is presented on modified accrual basis.

(2) Source: School District Financial Records



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Betty Montgomery**

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**TECUMSEH LOCAL SCHOOL DISTRICT**

**CLARK COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 5, 2004**