



**Auditor of State  
Betty Montgomery**



TUSLAW LOCAL SCHOOL DISTRICT  
STARK COUNTY

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## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Tuslaw Local School District  
Stark County  
1835 Manchester Avenue, NW  
Massillon, Ohio 44647

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tuslaw Local School District, Stark County, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 11, 2006, wherein the non-major Special Revenue Food Service fund balance was restated as of July 1, 2004 due to the implementation of Governmental Accounting Standards Board Technical Bulletin No. 2004-2. 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 the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

In a separate letter to the District's management dated January 11, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

In a separate letter to the District's management dated January 11, 2006, we reported a matter related to noncompliance we deemed immaterial.

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Tuslaw Local School District  
Stark County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for 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

January 11, 2006



## Auditor of State Betty Montgomery

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

Tuslaw Local School District  
Stark County  
1835 Manchester Avenue, NW  
Massillon, Ohio 44647

To the Board of Education:

#### Compliance

We have audited the compliance of the Tuslaw Local School District, Stark County, Ohio, (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 apply to its major federal program for the year ended June 30, 2005. The summary of auditor's results section of the accompanying Schedule of Findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Tuslaw Local School District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2005.

#### Internal Control Over Compliance

The District's management 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 directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

#### **Federal Awards Receipts and Expenditures Schedule**

We have audited the basic financial statements of the governmental activities, each major fund and the remaining fund information of the District as of and for the year ended June 30, 2005, and have issued our report thereon dated January 11, 2006. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying Federal Awards Receipts and Expenditures Schedule 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.

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

January 11, 2006



TUSLAW LOCAL SCHOOL DISTRICT  
STARK COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

<i>Federal Grantor/ Pass Through Grantor/ Program Title</i>	<i>Pass Through Entity Number</i>	<i>Federal CFDA Number</i>	<i>Receipts</i>	<i>Non-Cash Receipts</i>	<i>Expenditures</i>	<i>Non-Cash Expenditures</i>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed through the Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution Program	Not Applicable	10.550		\$23,200		\$23,200
National School Lunch Program	Not Applicable	10.555	\$100,237		\$100,237	
<i>Total U.S. Department of Agriculture - Child Nutrition Cluster</i>			<b>100,237</b>	<b>23,200</b>	<b>100,237</b>	<b>23,200</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed through the Ohio Department of Education:</i>						
Special Education Grants to States	049957-6B-SF-05P	84.027	175,828		155,098	
Title I Grants to Local Educational Agencies	049957-C1-S1-05	84.010	119,833		119,833	
Innovative Education Program Strategies	049957-C2-S1-05	84.298	594		5,943	
Safe and Drug Free Schools and Communities State Grant	049957-DR-S1-04	84.186	6,416		7,823	
	049957-DR-S1-05	84.186	572			
<i>Total Safe and Drug Free Schools and Communities State Grant</i>			<b>6,988</b>		<b>7,823</b>	
Improving Teacher Quality	049957-TR-S1-04	84.367	3,736		5,357	
	049957-TR-S1-05	84.367	44,798		51,297	
<i>Total Improving Teacher Quality</i>			<b>48,534</b>		<b>56,654</b>	
Technology Grant	049957-TJ-S1-05	84.318	317		2,384	
Emergency School Repair Grant	049957-OSF-1	84.352A	117,390		167,700	
<i>Total U.S. Department of Education</i>			<b>469,484</b>	<b>0</b>	<b>515,435</b>	<b>0</b>
<b>Total Federal Assistance</b>			<b>\$569,721</b>	<b>\$23,200</b>	<b>\$615,672</b>	<b>\$23,200</b>

See Accompanying Notes to the Federal Awards Receipts and Expenditures Schedule.

**TUSLAW LOCAL SCHOOL DISTRICT  
STARK COUNTY**

**NOTES TO FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - FOOD DISTRIBUTION**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

**TUSLAW LOCAL SCHOOL DISTRICT  
STARK COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2005**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Federal Emergency Repair Program CFDA #84.352A
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.



# ***Tuslaw Local School District***

*1835 Manchester Avenue NW*

*Massillon, Ohio 44647*

## ***Comprehensive Annual Financial Report***



*For the Fiscal Year Ended June 30, 2005*



## **Introductory Section**





*Tuslaw Local School District*

*Massillon, Ohio*

*Comprehensive Annual Financial Report*

*For the Fiscal Year Ended June 30, 2005*



Issued by:  
Treasurer's Office

Sheryl Shaw Stewart  
Treasurer

*Tuslaw Local School District*  
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# *Tuslaw Local School District*

*1835 Manchester Avenue NW*  
*Massillon, Ohio 44647*

*Superintendent*  
330-837-7813

*Treasurer*  
330-837-7814

*Transportation/Food Service Director*  
330-837-7815

January 11, 2006

Board of Education Members and Residents  
of Tuslaw Local School District

We are pleased to submit Tuslaw Local School District's Comprehensive Annual Financial Report (CAFR). This report was prepared by the Treasurer's office, and contains basic financial statements, supplemental statements and statistical information to provide complete and full disclosure of all material financial aspects of the School District for fiscal year 2005. This CAFR includes an opinion from Betty Montgomery, Auditor of State of Ohio, and conforms to generally accepted accounting principles applicable to governmental entities as set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. This report will provide the taxpayers of Tuslaw Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The Introductory Section, which contains the Title Page, the Table of Contents, Letter of Transmittal, List of Principal Officials and an Organization Chart of the School District.
2. The Financial Section, which begins with the Independent Accountants' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the School District's financial position and operating results, and the Combining Statement for nonmajor funds and other schedules which provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section presents selected economic and financial information, presented on a multi-year basis.

## ***The School District***

The School District is a proud district with a rich history dating back to the early 1900's when the Tuscarawas Township Board of Education built a five-room brick building in the Myers area in 1930 and a two-room building in the Moffitt Heights area of Stark County. Both buildings were built to accommodate elementary students only. Lawrence Township built North Lawrence school in 1939 and had several other buildings that also accommodated elementary students only. High school students attended either Massillon, Dalton, Navarre or Brewster.

During the mid-1950's the Ohio legislature passed a new school law with two provisions that drastically affected both Lawrence and Tuscarawas Townships. All school districts that did not have a high school building would have to build one or lose their state funding. The new law also required that the enrollment of the new high school must be 240 students or more. Since both township enrollments were less than 240, the two townships decided to consolidate their schools and build a new high school building. The School District, created under O.R.C. 3311.26, was named Tuslaw Local School District. The School District's name was created by taking a syllable from each township's name, Tuscarawas and Lawrence. Lawrence brought two elementary school buildings into the new district, Newman and North Lawrence. Tuscarawas also brought two buildings, Moffitt Heights and Myers. The Tuslaw School District's high school was built during 1960.

Today the School District serves the Lawrence and Tuscarawas township areas. Over the past forty years enrollment has increased. Tuslaw is a rural area that lies on the outskirts of the City of Massillon and also borders the Fairless Local School District, Dalton Local School District and Northwest Local School District. Tuslaw is beginning to see growth as many of the farms are being sold and replaced with residential homes.

## ***Reporting Entity***

The School District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Tuslaw Local School District (the primary government) and its potential component units. The primary government consists of all funds, departments, agencies, boards, commissions and authorities that are not legally separate from the School District. For the Tuslaw Local School District this includes general operations, food service, and related student activities. There are no component units.

## ***Major Initiatives***

### ***Shared Vision for the Future***

Superintendent Al Osler and the Board of Education are moving forward to complete the priority areas identified in the School District's continuous improvement plan. The vision for the School District is to deliver quality education that meets the changing needs of all learners. The mission statement is "We are lifelong learners serving lifelong learners."

## ***Major Initiatives for School Year 2004-2005***

The School District plans to work toward the “excellent” school rating, the highest category according to the Learner Performance Accountability Standards (S.B. 55), by encompassing a wide range of innovative education improvement initiatives. These initiatives are closely aligned with the four cornerstones of the BEST Schools education improvement agenda. By achieving the goals included in the continuous improvement plan, the School District will improve the quality of education for every student in the School District.

The goals set forth will take place over a three year time period and will be evidenced by performance results indicators. The goals are:

1. Students will achieve higher scores on the state proficiency test in grade 4, 6, and 9, and on the Ohio Proficiency-Based Assessment test in grades 1, 2, 3, 4, 5, and 7.
2. All certified staff will participate in professional development that correlates with the School District’s continuous improvement plan, which will improve the quality of instruction.
3. The School District will increase community involvement within their schools.
4. The School District will allocate specific funding to provide technology and facilities which will lead to increased student learning.

## ***Curriculum and Instructional Focus***

The School District has taken the continuous improvement goals seriously and has several strategies in place to meet those goals. The School District has implemented a stronger phonics-based reading program for K-2 students to ensure that every child is reading at grade level by the end of third grade. “Take Home Book” reading programs have been implemented so that students have reading materials to read to their parents on a regular basis. The English course offerings have been restructured so that students have a wider range of courses to choose from and have the opportunity to take extra courses. Each course contains a rigorous writing requirement.

Data surveys will be compared yearly to see if there is an upward trend in attitudes towards reading, writing, and math. Students in grades 1-12 will be surveyed to find out their attitudes towards reading, writing, and math. Graphs and charts will be created to analyze the students’ attitudes and used to decide which approach will be taken to improve the students’ attitudes.

The School District has also implemented summer remediation classes for those students completing grades 3, 4, and 6 whose test scores reflect failing proficiency scores. Grades 9 through 12 also have the opportunity to attend a summer proficiency remediation class if they have not passed one or more of the targeted proficiency disciplines.

The School District desires one hundred percent of all staff to participate in staff development, which correlates with the continuous improvement plan. The first grade teachers will attend workshops relating to intensive phonics. Teachers will be instructed on how to use the results obtained from a reading diagnostics assessment to improve student improvement. The staff will also be provided with staff development to integrate technology in all curriculum areas.

## ***Economic Conditions and Outlook***

The School District is located in a rural area and encompasses Tuscarawas and Lawrence Townships. The School District borders the City of Massillon on its eastern side. The South, North and West boundaries of the School District are mostly rural as well. The School District does not generate a tremendous amount of money from industry. The School District is made up mostly of single family homes and agricultural lands.

Due to the access to county and city sewer and water lines, the School District has experienced property owners selling their land to local developers, and the developers have parceled off the land and intend to build single family homes. This will not only increase the School District's enrollment, but the real property valuation for the School District as well.

## ***Financial Condition***

This is the third year the School District has prepared financial statements following GASB Statement No. 34, "Basic Financial Statements - and Management Discussion and Analysis - for State and Local Governments." GASB 34 created 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 many businesses.

***Fund financial statements*** These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total on 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. Fiduciary funds use the accrual basis of accounting.

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

As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the School District. This discussion follows the Independent Accountants' Report, providing an assessment of the School District's finances for fiscal year 2005 and the outlook for the future. Because that discussion focuses on major funds, other nonmajor funds are discussed briefly in this letter.

## ***Financial Highlights - Fiduciary Fund.***

The School District functions as fiscal agent for students (in the case of activity group accounts); available assets are totally offset by liabilities.



### *Independent Audit*

State statutes require the School District to be subjected to an annual examination by the Auditor of State. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Betty Montgomery, Auditor of State, has rendered an opinion on the School District's financial statements as of and for the year ended June 30, 2005. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financing reporting for all governments in Ohio. The School District adopted that system effective with its annual financial report for the 1981 fiscal year.

### *Acknowledgments*

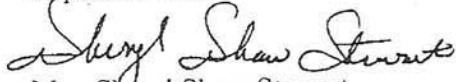
The publication of this report significantly increases the accountability of the School District to the taxpayers. This accomplishment would not have been possible without the support and efforts of the staff of the Treasurer's office and various administrators and employees of the School District. Assistance by the County Auditor's office staff and other outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to the State Auditor Betty Montgomery's office for their assistance in planning, designing and reviewing this financial report.

Respectfully,



Mr. Alan Osler  
Superintendent



Mrs. Sheryl Shaw Stewart  
Treasurer

***Tuslaw Local School District***

*List of Principal Officials*

*June 30, 2005*

***Board of Education***

Mrs. Vicki Horvath ..... President

Mr. Randall Bleigh ..... Vice -President

Mr. Robert Horner ..... Member

Mr. Ronnie Warner ..... Member

Mr. Jeffrey Combs ..... Member

***Treasurer***

Mrs. Sheryl Shaw Stewart

***Administration***

Mr. Alan Osler ..... Superintendent

Mr. Robert Sattler ..... High School Principal

Mr. Edward Warstler ..... High School Assistant Principal

Mrs. Renee Magnacca ..... Middle School Grades 3-5 School Principal

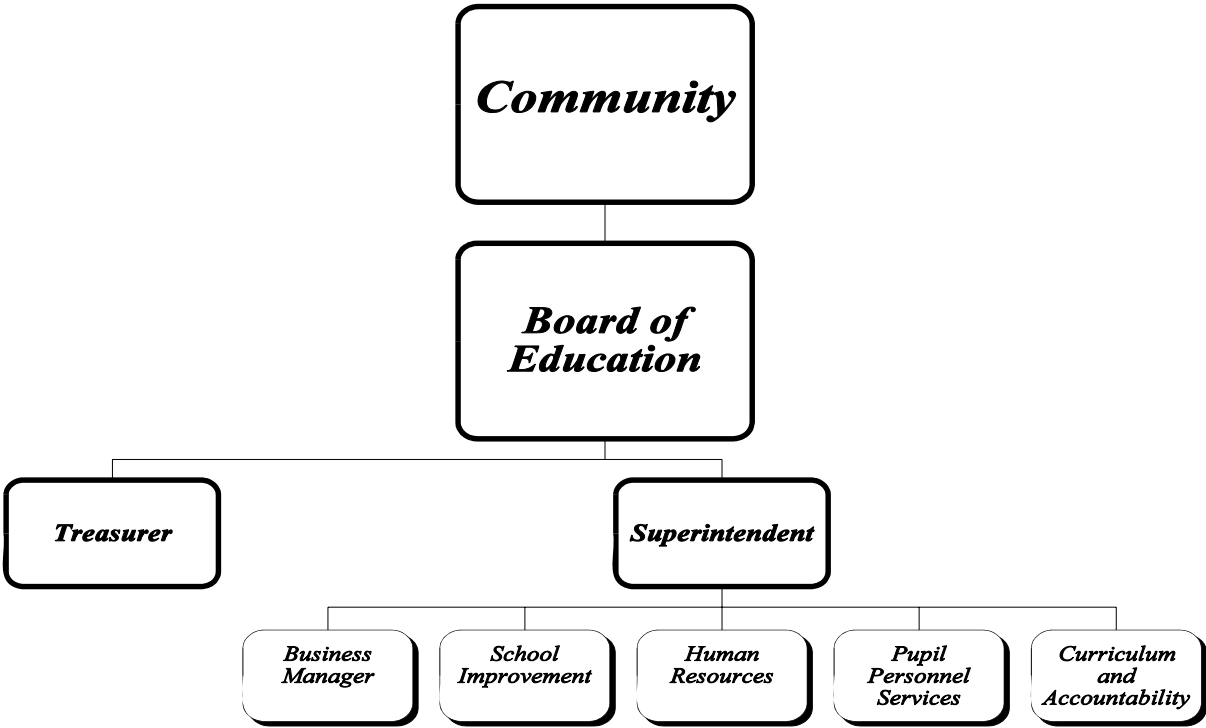
Mr. David Ryder ..... Middle School Grades 6-8 School Principal

Mr. Carol Carlin ..... Beech Grove Elementary Principal

Mrs. Linda Earp ..... Transportation/Food Service Director

Mr. Paul Ousley ..... Building and Grounds Supervisor

***TUSLAW LOCAL SCHOOL DISTRICT  
ORGANIZATION CHART***



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# **FINANCIAL SECTION**





## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Tuslaw Local School District  
Stark County  
1835 Manchester Avenue, NW  
Massillon, Ohio 44647

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tuslaw Local School District, Stark County, Ohio, (the District) as of and for the year ended June 30, 2005, 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 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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 the Tuslaw Local School District, Stark County, Ohio, as of June 30, 2005, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described more fully in Note 3, the nonmajor Special Revenue Food Service fund balance at July 1, 2004 was restated due to implementation of Governmental Accounting Standards Board Technical Bulletin No. 2004-2.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2006, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting 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 sections 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

January 11, 2006



***Tuslaw Local School District***  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2005*  
*Unaudited*

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The discussion and analysis of Tuslaw Local School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2005. 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, the financial statements and notes to those respective statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key Financial Highlights for 2005 are as follows:

- In total, net assets increased by \$1,089,242.
- Revenues for governmental activities totaled \$12,708,688 in 2005. Of this total, 83 percent consisted of General revenues while Program revenues accounted for the balance of 17 percent.
- Program expenses totaled \$11,619,446. Instructional expenses made up 53 percent of this total while support services accounted for 32 percent. Other expenses rounded out the remaining 15 percent.
- Outstanding general obligation debt was \$14,673,796 which will be paid over a twenty eight year period.

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

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

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

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

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

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during 2005?" The *Statement of Net Assets* and the *Statement of Activities* answers this question. These statements include all Non-Fiduciary assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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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 performance, demographic and socioeconomic factors and willingness of the community to support the School District. On the other hand, financial factors may include the School District's financial position, liquidity and solvency, fiscal capacity and risk and exposure.

In the Statement of Net Assets and the Statement of Activities, the School District is classified into governmental activities. All of the School District's Non-Fiduciary programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, operation of food service and extracurricular activities.

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

#### *Fund Financial Statements*

The School District's major funds are described on page 8. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, new facility capital projects fund and bond retirement fund.

#### *Governmental Funds*

Most of the School District's activities are reported as governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps 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.

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**The School District as a Whole**

You may 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 2005 compared to 2004:

**Table 1**  
**Net Assets**

	<i>Governmental Activities</i>	
	<i>2005</i>	<i>2004</i>
<b>Assets</b>		
Current and Other Assets	\$10,333,838	\$16,004,264
Capital Assets, Net	17,481,967	11,491,913
<i>Total Assets</i>	<i>27,815,805</i>	<i>27,496,177</i>
<b>Liabilities</b>		
Current and Other Liabilities	6,117,732	6,691,401
Long-term Liabilities		
Due Within One Year	473,832	463,301
Due in More than One Year	14,964,237	15,170,713
<i>Total Liabilities</i>	<i>21,555,801</i>	<i>22,325,415</i>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	3,072,238	3,314,811
Restricted	2,464,929	1,076,732
Unrestricted	722,837	779,219
<i>Total Net Assets</i>	<i>\$6,260,004</i>	<i>\$5,170,762</i>

Total assets increased by \$319,628. Cash and cash equivalents decreased by \$5,536,089. The decrease is attributed to the money spent on the construction in progress on the new high school. The general fund cash and cash equivalents increased by \$37,533.

Total liabilities decreased by \$769,614. The majority of the decrease can be attributed to contracts payable decreasing and retainage payable decreasing.

By comparing assets and liabilities, one can see the overall position of the School District has improved as evidenced by the increase in net assets of \$1,089,242.

The vast majority of revenue supporting all governmental activities is general revenue. General revenue totaled \$10,566,863 or 83 percent of the total revenue. The most significant portion of the general revenue is local property tax and state support. The remaining amount of revenue received was in the form of program revenues, which equated to \$2,141,825 or only 17 percent of total revenue.

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Table 2 shows a comparative analysis of government-wide changes in net assets data for fiscal year 2005 compared to fiscal year 2004.

**Table 2**  
**Changes in Net Assets**

	<i>Governmental Activities 2005</i>	<i>Governmental Activities 2004</i>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$1,309,774	\$637,971
Operating Grants and Contributions	701,746	609,706
Capital Grants and Contributions	130,305	50,310
<i>Total Program Revenues</i>	<u>2,141,825</u>	<u>1,297,987</u>
General Revenues:		
Property Taxes	5,164,288	4,681,757
Grants and Entitlements	5,188,149	4,883,466
Investments	136,311	178,658
Miscellaneous	78,115	612,374
<i>Total General Revenues</i>	<u>10,566,863</u>	<u>10,356,255</u>
<i>Total Revenues</i>	<u>12,708,688</u>	<u>11,654,242</u>
<b>Program Expenses</b>		
Instruction		
Regular	4,678,067	4,571,128
Special	1,331,871	1,116,539
Vocational	164,609	134,920
Support Services:		
Pupil	502,099	451,938
Instructional Staff	314,436	283,434
Board of Education	16,751	18,447
Administration	868,370	809,084
Fiscal	300,736	291,272
Business	30,638	28,456
Operation and Maintenance	969,098	632,941
Pupil Transportation	680,963	685,009
Operating of Non-Instructional Services	465,754	399,510
Extracurricular Activities	559,411	473,417
Interest and Fiscal Charges	736,643	615,814
<i>Total Program Expenses</i>	<u>11,619,446</u>	<u>10,511,909</u>
<i>Increase in Net Assets</i>	1,089,242	1,142,333
<i>Net Assets Beginning of Year</i>	<u>5,170,762</u>	<u>4,028,429</u>
<i>Net Assets End of Year</i>	<u>\$6,260,004</u>	<u>\$5,170,762</u>

**Governmental Activities**

The School District has carefully planned its financial existence by forecasting its revenues and expenses over the next five years. The School District has a continuing levy for a total of 7.5 mills, which currently generates an estimated \$691,000 in revenues and is up for renewal in 2007. Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset some operating costs.

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As one can see, approximately 53 percent of the School District's expense is used to fund instructional expenses. Additional support services for pupils, staff and business operations encompass an additional 32 percent. The remaining amount of program expenses, 15 percent, is to facilitate other obligations of the School District such as interest and fiscal charges, the food service program and numerous extracurricular activities.

Actual expenses were consistent with expectations and the School District even exhibited an increase in net assets in 2005 of \$1,089,242. This increase was primarily due to increased property tax revenues due to construction of housing developments.

The Statement of Activities shows the total net cost of program services. Table 3 shows the total cost of services for governmental activities and the net cost of those services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

***Table 3***  
***Governmental Activities***

	<i>Total Cost of Services 2005</i>	<i>Net Cost of Services 2005</i>
	<u>2005</u>	<u>2005</u>
Instruction		
Regular	\$4,678,067	(\$3,837,055)
Special	1,331,871	(914,570)
Vocational	164,609	(164,609)
Support Services:		
Pupil	502,099	(429,588)
Instructional Staff	314,436	(268,783)
Board of Education	16,751	(16,751)
Administration	868,370	(853,341)
Fiscal	300,736	(299,924)
Business	30,638	(29,888)
Operation and Maintenance	969,098	(969,098)
Pupil Transportation	680,963	(680,963)
Operation of Non-Instructional Services	465,754	11,846
Extracurricular Activities	559,411	(288,254)
Interest and Fiscal Charges	736,643	(736,643)
<i>Total</i>	<u>\$11,619,446</u>	<u>(\$9,477,621)</u>

As one can see, the reliance upon local tax revenues for governmental activities is crucial. Approximately 44 percent of total costs are directly supported by local property taxes. Grant and entitlements not restricted to specific programs support 45 percent of total costs, while investment and other miscellaneous type revenues support the remaining activity costs. Program revenues only account for 18 percent of all governmental expenses.

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**The School District's Funds**

Information regarding the School District's major funds can be found on page 22 and 23 of the notes to the basic financial statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues and other financing sources totaling \$12,973,838 and expenditures and other financing uses totaling \$18,213,707. The General Fund balance decreased \$148,771. The \$191,177 increase in fund balance in the debt service fund was due to collections of property taxes for an entire tax year cycle to retire bonded debt. The new facility capital projects fund balance decreased by \$5,230,577, due to money spent on the construction of a new high school.

**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 fund to be budgeted is the main operating fund of the School District, the general fund.

The School District uses a site-based style of budgeting and has in place systems that are designed to tightly control disbursements but provide flexibility for site based decision and management.

For the general fund, the final budget basis revenue estimate totaled \$9,263,700; no modifications were made to the revenues and other financing sources during the fiscal year. The budget basis expenditures and other financing uses estimate totaled \$10,111,505; no changes were made during the fiscal year.

The School District's general fund unencumbered ending cash balance totaled \$1,932,011, which was above the original budgeted amount, due to lower actual expenditures than budgeted.

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal 2005, the School District had \$17,481,967 invested in land, construction in progress, buildings and improvements, furniture and fixtures, vehicles, net of accumulated depreciation. Table 4 shows fiscal 2005 values compared to 2004.

**Tuslaw Local School District**  
*Management's Discussion and Analysis*  
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**Table 4**  
**Capital Assets at June 30**  
**(Net of Depreciation)**

	<i>Governmental Activities</i>	
	<i>2005</i>	<i>2004</i>
Land	\$463,537	\$463,537
Construction in Progress	312,080	7,901,246
Buildings and Improvements	17,785,463	4,114,397
Furniture and Fixtures	712,592	601,094
Vehicles	1,124,412	1,103,046
Accumulated Deprecation	(2,916,117)	(2,691,347)
<i>Totals</i>	<i>\$17,481,967</i>	<i>\$11,491,973</i>

All capital assets are reported at historical cost. For more information on capital assets refer to Note 9 of the basic financial statements.

*Debt*

Table 5 below summarizes the School District's debt outstanding.

**Table 5**  
**Outstanding Debt, at Year End**

	<i>Governmental Activities</i>	
	<i>2005</i>	<i>2004</i>
2002 OSFC General Obligation Bonds:		
Serial and Term Bonds	\$14,005,010	\$14,355,010
Capital Appreciation Bonds	284,990	284,990
Accretion on Capital Appreciation Bonds	128,796	73,565
Notes Payable	255,000	255,000
<i>Totals</i>	<i>\$14,673,796</i>	<i>\$14,968,565</i>

During fiscal year 2003, the School District issued \$15,000,000 in bonds and \$255,000 in a long-term note to build a new high school. The bonds will be repaid during a twenty-eight year period and the note will be retired in five years.

The School District exceeds its overall debt limitation. The school district requested and obtained consent to become a special needs district, thereby permitting the incurrence of additional debt based upon projected ten year growth of the school district's assessed valuation, as permitted by the Ohio Revised Code Section 133.06(E). For more information on debt refer to Note 16 of the basic financial statements.

***Tuslaw Local School District***  
*Management's Discussion and Analysis*  
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### **School District Outlook**

Tuslaw Local Schools has a strong financial outlook. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast and the School District Continuous Improvement Plan.

The financial future of the School District is not without its challenges though. These challenges are internal and external in nature. The internal challenges will continue to exist as the School District must rely heavily on local property taxes to fund its operations. External challenges continue to evolve as the State of Ohio determines the outcome of the Ohio Supreme Court case dealing with the unconstitutionality of the State's educational funding system.

Although the School District relies heavily on its property taxpayers to support its operations, the community support for the schools is quite strong. As mentioned earlier, the Tuslaw voters had renewed a five year 7.5 mill operating levy in November, 2002, which will help fund the general operations of the School District through the first half of fiscal year 2007. The School District is expecting to have a positive general fund balance through the end of the 2008 fiscal year. Additional revenue and/or reductions in expenditures will be necessary to maintain a positive general fund balance after the end of the 2008 fiscal year. The School District has communicated to the community they rely upon their support for the majority of its operations, and will continue to work diligently to plan expenses, staying carefully within the School District's financial five-year plan. The community also realizes the income generated by local levies remains relatively constant, therefore, forcing the School District to come back to the voters from time to time to ask for additional support.

Externally, the State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational funding system, one that was neither 'adequate' nor 'equitable'. Since 1997, the State has directed its additional financial support toward School Districts with little property tax wealth. In May of 2001, the Ohio Supreme Court again, ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes, which are inherently not 'equitable' nor 'adequate'. The court directed the Governor and the legislature to address the fundamental issue creating the inequities. In December, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding system. The decision reaffirmed earlier decisions that Ohio's current school funding system is unconstitutional. However, the Supreme Court also relinquished jurisdiction over the case and directed the "...the Ohio General Assembly to enact a school funding scheme that is thorough and efficient..."

Tuslaw Local School District has not anticipated any meaningful growth in State revenue due to the constraints set by the State for estimating state funding. The State has stated that the per pupil revenue for a minimum education should be increased at an inflationary rate of 2.8 percent per year for future years; however, that was cut to 2.2 percent in the biennial budget that encompasses fiscal years 2004 and 2005. The affect of a 2006 property reappraisal will have a negative affect on the State's share of per pupil funding. With 37.7 percent of the revenue for the School District coming from property taxes, one can see the significant impact this constraint would have on the School District and ultimately, the residential taxpayers.

As a result of the challenges mentioned above, it is imperative the School District's management continue to carefully and prudently plan in order to provide the resources required to meet student needs over the next several years.



***Tuslaw Local School District***  
*Management's Discussion and Analysis*  
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*Unaudited*

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

This financial report is designed to provide our citizens, taxpayers and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Sheryl Shaw Stewart, Treasurer, at Tuslaw Local School District, 1835 Manchester Ave. NW, Massillon, Ohio 44647, or email at [s\\_stewart@sparcc.org](mailto:s_stewart@sparcc.org).

# Tuslaw Local School District

## Statement of Net Assets

June 30, 2005

	<b><i>Governmental Activities</i></b>
<b><i>Assets</i></b>	
Equity in Pooled Cash and Cash Equivalents	\$5,105,068
Cash and Cash Equivalents in Segregated Accounts	134,288
Inventory Held for Resale	4,695
Intergovernmental Receivable	169,230
Prepaid Items	17,457
Taxes Receivable	4,903,100
Non-Depreciable Capital Assets	775,647
Depreciable Capital Assets, net	16,706,320
<b><i>Total Assets</i></b>	<b>27,815,805</b>
<b><i>Liabilities</i></b>	
Accounts Payable	90,199
Accrued Wages and Benefits	947,280
Contracts Payable	236,372
Intergovernmental Payable	239,326
Retainage Payable	134,288
Accrued Interest Payable	44,387
Deferred Revenue	4,425,880
Long-Term Liabilities:	
Due Within One Year	473,832
Due in More Than One Year	14,964,237
<b><i>Total Liabilities</i></b>	<b>21,555,801</b>
<b><i>Net Assets</i></b>	
Invested in Capital Assets, Net of Related Debt	3,072,238
Restricted for Debt Service	567,739
Restricted for Capital Outlay	1,640,345
Restricted for Other Purposes	256,845
Unrestricted	722,837
<b><i>Total Net Assets</i></b>	<b>\$6,260,004</b>

See Accompanying Notes to the Basic Financial Statements

**Tuslaw Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2005

	<i>Program Revenues</i>			<i>Net (Expenses)</i> <i>Revenue and</i> <i>Changes in Net</i> <i>Assets</i>	
	<i>Expenses</i>	<i>Charges for</i> <i>Services and</i> <i>Sales</i>	<i>Operating</i> <i>Grants and</i> <i>Contributions</i>		<i>Capital Grants</i> <i>and</i> <i>Contributions</i>
<b><i>Governmental Activities</i></b>					
Instruction:					
Regular	\$4,678,067	\$604,730	\$105,977	\$130,305	(\$3,837,055)
Special	1,331,871	97,277	320,024	0	(914,570)
Vocational	164,609	0	0		(164,609)
Support Services:					
Pupils	502,099	26,638	45,873	0	(429,588)
Instructional Staff	314,436	0	45,653	0	(268,783)
Board of Education	16,751	0	0	0	(16,751)
Administration	868,370	9,839	5,190	0	(853,341)
Fiscal	300,736	812	0	0	(299,924)
Business	30,638	0	750	0	(29,888)
Operation and Maintenance of Plant	969,098	0	0	0	(969,098)
Pupil Transportation	680,963	0	0	0	(680,963)
Operation of Non-Instructional Services	465,754	331,354	146,246	0	11,846
Extracurricular Activities	559,411	239,124	32,033	0	(288,254)
Interest and Fiscal Charges	736,643	0	0	0	(736,643)
<b><i>Totals</i></b>	<b>\$11,619,446</b>	<b>\$1,309,774</b>	<b>\$701,746</b>	<b>\$130,305</b>	<b>(\$9,477,621)</b>

***General Revenues***

Property Taxes Levied for:	
General Purposes	4,118,482
Debt Service	1,045,806
Grants and Entitlements not Restricted to Specific Programs	5,188,149
Investment Earnings	136,311
Miscellaneous	78,115
<b><i>Total General Revenues</i></b>	<b>10,566,863</b>
<b><i>Change in Net Assets</i></b>	<b>1,089,242</b>
<b><i>Net Assets Beginning of Year</i></b>	<b>5,170,762</b>
<b><i>Net Assets End of Year</i></b>	<b>\$6,260,004</b>

See Accompanying Notes to the Basic Financial Statements

**Tuslaw Local School District**

*Balance Sheet  
Governmental Funds  
June 30, 2005*

	<b>General Fund</b>	<b>Bond Retirement Fund</b>	<b>New Facility Capital Projects Fund</b>	<b>Other Governmental Funds</b>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,075,729	\$497,806	\$2,226,669	\$304,864
Cash and Cash Equivalents				
in Segregated Accounts	0	0	134,288	0
Inventory Held for Resale	0	0	0	4,695
Interfund Receivable	18,565	0	0	0
Intergovernmental Receivable	38,827	0	0	130,403
Prepaid Items	17,457	0	0	0
Taxes Receivable	3,897,074	1,006,026	0	0
<b>Total Assets</b>	<b>\$6,047,652</b>	<b>\$1,503,832</b>	<b>\$2,360,957</b>	<b>\$439,962</b>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable	\$67,197	\$0	\$175	\$22,827
Accrued Wages and Benefits	870,093	0	0	77,187
Contracts Payable	0	0	236,372	0
Intergovernmental Payable	138,793	0	0	22,853
Interfund Payable	0	0	0	18,565
Retainage Payable	0	0	134,288	0
Deferred Revenue	3,677,444	936,846	0	86,116
<b>Total Liabilities</b>	<b>4,753,527</b>	<b>936,846</b>	<b>370,835</b>	<b>227,548</b>
<b>Fund Balances</b>				
Reserved:				
Reserved for Encumbrances	100,321	0	1,266,383	134,992
Reserved for Property Taxes	219,630	69,180	0	0
Unreserved, Undesignated, Reported in:				
General Fund	974,174	0	0	0
Special Revenue Funds	0	0	0	69,582
Debt Service Fund	0	497,806	0	0
Capital Projects Funds	0	0	723,739	7,840
<b>Total Fund Balances</b>	<b>1,294,125</b>	<b>566,986</b>	<b>1,990,122</b>	<b>212,414</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$6,047,652</b>	<b>\$1,503,832</b>	<b>\$2,360,957</b>	<b>\$439,962</b>

See Accompanying Notes to the Basic Financial Statements

**Tuslaw Local School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2005*

<b><i>Total Governmental Funds</i></b>	<b><i>Total Governmental Fund Balances</i></b>	<b>\$4,063,647</b>
\$5,105,068	<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
134,288	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	17,481,967
4,695		
18,565		
169,230	Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	
17,457		
4,903,100		
\$10,352,403	Delinquent Property Taxes	188,410
	Intergovernmental Receivables	86,116
	<i>Total</i>	274,526
\$90,199	Intergovernmental payables includes contractually required pension obligations not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(77,680)
947,280		
236,372		
161,646		
18,565	In the Statement of Activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, an interest expenditure is reported when due.	(44,387)
134,288		
4,700,406		
6,288,756	Long-term liabilities, including bonds and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds.	
1,501,696	General Obligation Bonds	(14,005,010)
288,810	Capital Appreciation Bonds	(413,786)
	Notes Payable	(255,000)
974,174	Compensated Absences	(670,722)
69,582	Capital Leases	(93,551)
497,806		
731,579	<i>Total</i>	(15,438,069)
4,063,647	<i>Net Assets of Governmental Activities</i>	\$6,260,004
\$10,352,403		

See Accompanying Notes to the Basic Financial Statements

**Tuslaw Local School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2005*

	<b>General Fund</b>	<b>Bond Retirement Fund</b>	<b>New Facility Capital Projects Fund</b>	<b>Other Governmental Funds</b>
<b>Revenues</b>				
Property Taxes	\$4,065,212	\$1,032,606	\$0	\$0
Intergovernmental	5,059,657	128,492	0	718,902
Interest	79,626	0	56,685	0
Tuition and Fees	690,537	0	0	287
Rent	38,275	0	0	0
Extracurricular Activities	0	0	0	294,164
Gifts and Donations	0	0	0	32,033
Customer Sales and Services	0	0	0	328,587
Miscellaneous	30,958	0	0	81
<b>Total Revenues</b>	<b>9,964,265</b>	<b>1,161,098</b>	<b>56,685</b>	<b>1,374,054</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	4,549,837	0	0	171,266
Special	963,022	0	0	344,370
Vocational	160,240	0	0	0
Support Services:				
Pupils	434,741	0	0	60,720
Instructional Staff	228,524	0	0	78,812
Board of Education	16,751	0	0	0
Administration	825,720	0	0	14,706
Fiscal	272,069	17,362	0	812
Business	30,306	0	0	0
Operation and Maintenance of Plant	962,551	0	0	1,299
Pupil Transportation	717,929	0	0	0
Central	53	0	0	1,081
Operation of Non-Instructional Services	0	0	0	466,502
Extracurricular Activities	300,267	0	0	286,220
Capital Outlay	201,504	0	5,537,262	167,700
Debt Service:				
Principal	25,310	350,000	0	0
Interest and Fiscal Charges	6,476	602,559	0	0
<b>Total Expenditures</b>	<b>9,695,300</b>	<b>969,921</b>	<b>5,537,262</b>	<b>1,593,488</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>268,965</b>	<b>191,177</b>	<b>(5,480,577)</b>	<b>(219,434)</b>
<b>Other Financing Sources and Uses</b>				
Transfers In	0	0	250,000	167,736
Transfers Out	(417,736)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(417,736)</b>	<b>0</b>	<b>250,000</b>	<b>167,736</b>
<b>Net Change in Fund Balances</b>	<b>(148,771)</b>	<b>191,177</b>	<b>(5,230,577)</b>	<b>(51,698)</b>
<b>Fund Balances Beginning of Year (Restated)</b>	<b>1,442,896</b>	<b>375,809</b>	<b>7,220,699</b>	<b>264,112</b>
<b>Fund Balances End of Year</b>	<b>\$1,294,125</b>	<b>\$566,986</b>	<b>\$1,990,122</b>	<b>\$212,414</b>

See Accompanying Notes to the Basic Financial Statements

**Tuslaw Local School District**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2005*

<b>Total Governmental Funds</b>	<b>Net Change in Fund Balances - Total Governmental Funds</b>	(\$5,239,869)
	<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
\$5,097,818	Governmental funds report capital outlay as expenditures.	
5,907,051	However, in the statement of activities, the cost of those	
136,311	assets is allocated over their estimated useful lives as	
690,824	depreciation expense. In the current period, these amounts are:	
38,275		
294,164	Capital Assets Additions	6,268,954
32,033	Capital Assets Disposals	(3,399)
328,587	Current Year Depreciation	<u>(275,501)</u>
31,039	<i>Total</i>	5,990,054
<u>12,556,102</u>	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
	Intergovernmental Receivables	86,116
	Delinquent Property Taxes	<u>66,470</u>
	<i>Total</i>	152,586
4,721,103	Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
1,307,392		
160,240		
495,461	Bond Principal Retirement	350,000
307,336	Capital Lease Retirement	<u>25,310</u>
16,751	<i>Total</i>	375,310
840,426	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	
290,243		
30,306	Bond Accretion	(128,796)
963,850	Accrued Interest	<u>1,188</u>
717,929	<i>Total</i>	(127,608)
1,134	Some expenses reported in the statement of activities, such as compensated absences and pension obligations, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
466,502		
586,487		
5,906,466		
375,310	Compensated Absences	(52,930)
609,035	Pension Obligations	<u>(8,301)</u>
<u>17,795,971</u>	<i>Total</i>	<u>(61,231)</u>
(5,239,869)	<i>Changes in Net Assets of Governmental Activities</i>	<u>\$1,089,242</u>
417,736		
(417,736)		
<u>0</u>		
(5,239,869)		
9,303,516		
<u>\$4,063,647</u>		

See Accompanying Notes to the Basic Financial Statements

**Tuslaw Local School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
**General Fund**  
*For the Fiscal Year Ended June 30, 2005*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property Taxes	\$3,601,000	\$3,601,000	\$4,086,972	\$485,972
Intergovernmental	4,894,000	4,894,000	5,055,051	161,051
Interest	25,000	25,000	72,656	47,656
Tuition and Fees	679,000	679,000	680,659	1,659
Rent	40,000	40,000	38,275	(1,725)
Customer Sales and Services	14,000	14,000	0	(14,000)
Miscellaneous	10,700	10,700	26,371	15,671
<b>Total Revenues</b>	<b>9,263,700</b>	<b>9,263,700</b>	<b>9,959,984</b>	<b>696,284</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	4,485,041	4,485,041	4,484,999	42
Special	976,586	976,586	975,647	939
Vocational	153,855	153,855	153,422	433
Support Services:				
Pupils	437,708	437,708	437,646	62
Instructional Staff	224,232	224,232	223,843	389
Board of Education	20,365	20,365	16,828	3,537
Administration	809,107	809,107	809,008	99
Fiscal	281,956	281,956	278,686	3,270
Business	30,580	30,580	29,832	748
Operation and Maintenance of Plant	987,073	987,073	987,047	26
Pupil Transportation	746,192	746,192	709,205	36,987
Central	100	100	53	47
Extracurricular Activities	307,404	307,404	300,009	7,395
Capital Outlay	207,215	207,215	206,444	771
Debt Service:				
Principal	13,504	13,504	11,806	1,698
Interest and Fiscal Charges	5,587	5,587	5,389	198
<b>Total Expenditures</b>	<b>9,686,505</b>	<b>9,686,505</b>	<b>9,629,864</b>	<b>56,641</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(422,805)</b>	<b>(422,805)</b>	<b>330,120</b>	<b>752,925</b>
<b>Other Financing Sources and Uses</b>				
Advances In	0	0	20,600	20,600
Transfers Out	(425,000)	(425,000)	(417,736)	7,264
Advances Out	0	0	(39,165)	(39,165)
<b>Total Other Financing Sources and Uses</b>	<b>(425,000)</b>	<b>(425,000)</b>	<b>(436,301)</b>	<b>(11,301)</b>
<b>Net Change in Fund Balance</b>	<b>(847,805)</b>	<b>(847,805)</b>	<b>(106,181)</b>	<b>741,624</b>
<b>Fund Balance Beginning of Year</b>	<b>1,768,181</b>	<b>1,768,181</b>	<b>1,768,181</b>	<b>0</b>
Prior Year Encumbrances Appropriated	270,011	270,011	270,011	0
<b>Fund Balance End of Year</b>	<b>\$1,190,387</b>	<b>\$1,190,387</b>	<b>\$1,932,011</b>	<b>\$741,624</b>

See Accompanying Notes to the Basic Financial Statements



**Tuslaw Local School District**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2005*

	<b><i>Private Purpose Trust</i></b>	
	<b><i>Special Trust</i></b>	<b><i>Agency</i></b>
<b><i>Assets</i></b>		
Equity in Pooled Cash and Cash Equivalents	\$17,642	\$53,552
<i>Total Assets</i>	17,642	53,552
<b><i>Liabilities</i></b>		
Undistributed Monies	0	18,611
Due to Students	6,775	34,941
<i>Total Liabilities</i>	6,775	\$53,552
<b><i>Net Assets</i></b>		
Held in Trust for Scholarships	10,867	
<i>Total Net Assets</i>	\$10,867	

See Accompanying Notes to the Basic Financial Statements

**Tuslaw Local School District**  
*Statement of Changes in Fiduciary Net Assets*  
*Fiduciary Fund*  
*For the Fiscal Year Ended June 30, 2005*

	<i>Special Trust</i>
<b><i>Additions</i></b>	
Gifts and Contributions	\$7,200
Interest	0
<i>Total Additions</i>	7,200
<b><i>Deductions</i></b>	
Scholarships Awarded	8,125
<i>Decrease in Fiduciary Net Assets</i>	(925)
<i>Net Assets Beginning of Year</i>	11,792
<i>Net Assets End of Year</i>	\$10,867

See Accompanying Notes to the Basic Financial Statements

***Tuslaw Local School District***  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2005*

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**Note 1 - Description of the School District and Reporting Entity**

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

The School District serves an area of approximately forty four square miles. It is located in Stark and Wayne Counties and includes portions of Lawrence, Tuscarawas, and Perry Townships, and the City of Massillon. It is staffed by sixty two classified employees, eighty one certified teaching personnel, and nine administrative employees who provide services to 1,516 students and other community members. The School District currently operates four instructional/support buildings.

**Reporting Entity**

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

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

The School District is associated with organizations which are defined as jointly governed organizations and public entity risk pools. These organizations include the Stark-Portage Area Computer Consortium, Stark County Joint Vocational School, Stark County Schools Council of Government Workers’ Compensation Group Rating Program, the Stark County Schools Council of Government Health Benefits Program and the Ohio School Plan. These organizations are presented in Notes 17 and 18 to the basic financial statements.

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of Tuslaw 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 School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the School District’s accounting policies.

**Tuslaw Local School District**  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**A. Basis of Presentation**

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

***Government-wide Financial Statements*** The Statement of Net Assets and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

***Fund Financial Statements*** During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental 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 School 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 School 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 School District are grouped into the categories governmental and fiduciary.

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

***General Fund*** The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

**Tuslaw Local School District**  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**B. Fund Accounting** (continued)

***Bond Retirement Fund*** The bond retirement fund is used to account for the accumulation of property tax revenues for the payment of general obligation bonds issued for the construction of a new high school and renovations to the existing high school.

***New Facility Capital Project Fund*** The building fund accounts for bond proceeds and interest revenue to be used for the construction of a new high school and renovations to the existing high school.

The other governmental funds of the School District account for grants and other resources whose use is 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 School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has two private purpose trust funds which are used to account for college scholarships. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds reflect resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

**C. Measurement Focus**

***Government-wide Financial Statements*** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Assets. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets.

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

**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. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

**Tuslaw Local School District**  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**D. Basis of Accounting** (continued)

**Revenues - Exchange and Non-exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. 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 School District, available means expected to be received within sixty days of fiscal year end.

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

**Deferred Revenue** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2005, but which were levied to finance fiscal year 2006 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.

**Expenditures/Expenses** 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. Unused donated commodities are reported as deferred revenue.

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

***Tuslaw Local School District***  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**E. Budgetary Process**

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

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District treasurer. The amounts reported as the original 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 certificate of estimated resources issued during fiscal year 2005.

The appropriation resolution is subject to amendment by the Board of Education throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as 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 fiscal year 2005.

**F. Cash and Cash Equivalents**

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. "Cash and Cash Equivalents in Segregated Accounts" represent money held in escrow for retainage.

During fiscal year 2005, investments were limited to repurchase agreements, STAROhio, money market mutual funds, banker's acceptances, federal agency instruments and nonnegotiable certificates of deposit. Repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2005.

***Tuslaw Local School District***  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**F. Cash and Cash Equivalents** (continued)

As authorized by State statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund and capital improvements fund during fiscal year 2005 amounted to \$79,626 and \$56,685, respectively. The general fund interest includes \$19,859 assigned from other School District funds.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

**H. Inventory**

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

**I. Restricted Assets**

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other government or imposed by enabling legislation. There were no restricted assets at June 30, 2005.

**J. Capital Assets**

The School District's only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District capitalization threshold is \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, other than 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:



***Tuslaw Local School District***  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**J. Capital Assets** (continued)

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	30 years
Buildings and Buildings Improvements	20 - 75 years
Furniture and Fixtures	7 - 15 years
Vehicles	15 years

**K. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the statement of net assets.

**L. Compensated Absences**

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

Sick leave benefits are accrued as a liability using the termination method. The liability is based on an estimate of the amount of accumulated sick leave that will be paid as a termination benefit.

For governmental funds, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirement. These amounts are reported in the account "Matured Compensated Absences Payable" in the funds from which the employees will be paid.

**M. 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 and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

***Tuslaw Local School District***  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**N. Net Assets**

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

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

**O. Fund Balance Reserves**

The School District reserves those portions of fund equity which are legally segregated for 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 balance reserves are established for property taxes 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.

**P. Interfund Activity**

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

**Q. Estimates**

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

**R. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the School District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2005.

***Tuslaw Local School District***  
***Notes to the Basic Financial Statements (continued)***  
***For the Fiscal Year Ended June 30, 2005***

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**Note 3 – Change in Accounting Principles**

For fiscal year 2005, the School District has implemented GASB Statement No. 40, “Deposit and Investment Risk Disclosure” and GASB Technical Bulletin: 2004-2, “Recognition of Pension and Other Postemployment Benefit Expenditures and Liabilities by Cost-Sharing Employers”.

GASB Statement No. 40 establishes and modified disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modified disclosure requirements for custodial credit risk on deposits.

GASB Technical Bulletin 2004-2 addresses the amount that should be recognized as expenditures/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plan.

The implementation of GASB Statement No. 40 did not have an effect on the financial statements of the School District, however additional note disclosures can be found in Note 6. Due to the implementation of GASB Technical Bulletin 2004-2, the nonmajor Food Service fund balance at June 30, 2004 was restated. As a result, other governmental fund balances decreased \$14,590, from \$278,702 to \$264,112.

**Note 4 – Fund Deficits**

The Student Intervention and Improving Teacher Quality nonmajor special revenue funds had deficit fund balances of \$3,091 and \$10,456, respectively, at June 30, 2005. These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances result from adjustments for accrued liabilities.

**Note 5 - Budgetary Basis of Accounting**

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

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

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

**Tuslaw Local School District**  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

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**Note 5 - Budgetary Basis of Accounting** (continued)

	<b><i>General</i></b>
<i>GAAP Basis</i>	(\$148,771)
Net Adjustment for Revenues Accruals	(4,281)
Advances In	20,600
Net Adjustment for Expenditures	
Accruals	197,750
Advances Out	(39,165)
Adjustment for Encumbrances	(132,314)
<i>Budget Basis</i>	(\$106,181)

**Note 6 - Deposits and Investments**

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

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

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

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

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

Interim monies may be invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 security 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;

***Tuslaw Local School District***  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

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**Note 6 - Deposits and Investments** (continued)

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 2 percent and be marked to market daily, and 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 (STAROhio);
7. Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in the amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

***Deposits*** At fiscal year end, the carrying amount of the School District's deposits was \$438,708, exclusive of the \$12 repurchase agreement amount included in investments below. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2005, \$188,502 of the School District's bank balance of \$388,502 was exposed to custodial risk as discussed below, while \$200,000 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the School District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve bank in the name of the School District.

**Tuslaw Local School District**  
*Notes to the Basic Financial Statements (continued)*  
For the Fiscal Year Ended June 30, 2005

**Note 6 - Deposits and Investments** (continued)

**Investments** As of June 30, 2005, the School District had the following investments and maturities:

<i>Investment Type</i>	<i>Fair Value</i>	<i>6 months Or Less</i>
STAR Ohio	\$3,391,882	\$3,391,882
Repurchase Agreement	12	12
FNMA	986,748	986,748
FHLMC Discount Note	493,200	493,200
<i>Totals</i>	<u>\$4,871,842</u>	<u>\$4,781,842</u>

The weighted average maturity of the investment is .18 years

Interest rate risk arises because purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The School District's investment policy addresses interest rate risk by requiring that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

The School District's investments, except for the repurchase agreement as discussed above and STAR Ohio, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio and AAAM money market rating. The School District has no investment policy dealing with investment credit risk beyond the requirements in state statute. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The FNMA and FHLMC discount note are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the School District's name. The School District has no policy dealing with investment custodial risk beyond the requirement in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee." The following table includes the percentage of total of each investment type held by the School District at June 30, 2005:

<i>Investment Type</i>	<i>Fair Value</i>	<i>Percent Or Total</i>
STAROhio	\$3,391,882	69.62%
Repurchase Agreement	12	.01
FNMA	986,748	20.25
FHLMC Discount Note	493,200	10.12
<i>Totals</i>	<u>\$4,871,842</u>	<u>100.00%</u>

**Note 7 - Property Taxes**

Property taxes are levied and assessed on a calendar year basis, while the School District's fiscal year runs from July through June. First-half tax distributions are received by the School District in the second half of the fiscal year. Second-half tax distributions are received in the first half of the following fiscal year.

***Tuslaw Local School District***  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

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**Note 7 - Property Taxes** (continued)

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real and public utility property tax revenues received in calendar year 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at thirty-five percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 became a lien December 31, 2003, were levied after April 1, 2004 and are collected in 2005 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 2005 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the values as of December 31, 2004. 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. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. 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 Stark and Wayne Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2005, are available to finance fiscal year 2005 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2005 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 were levied to finance current fiscal year operations and are 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, 2005, was \$288,810 and is recognized as revenue. \$219,630 was available to the general fund and \$69,180 was available to the bond retirement debt service fund.

**Tuslaw Local School District**  
*Notes to the Basic Financial Statements (continued)*  
For the Fiscal Year Ended June 30, 2005

**Note 7 - Property Taxes** (continued)

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 2005 taxes were collected are:

	<i>2005 First Half Collections</i>		<i>2004 Second Half Collections</i>	
	<i>Amount</i>	<i>Percent</i>	<i>Amount</i>	<i>Percent</i>
Agricultural/Residential and Other Real Estate	\$150,452,600	88.08%	\$146,256,030	89.14%
Public Utility Personal	11,766,520	6.89	10,537,320	6.42
Tangible Personal Property	8,590,079	5.03	7,283,559	4.44
	\$170,809,199	100.00%	\$164,076,909	100.00%
Tax Rate per \$1,000 of assessed valuation	\$60.70		\$60.70	

**Note 8 - Receivables**

Receivables at June 30, 2005, consisted of property taxes, accounts (rent, tuition and fees), intergovernmental grants, accrued interest, and interfunds. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be collected within one year. A summary of the principal items of intergovernmental receivables follows:

<i>Governmental Activities</i>	<i>Amounts</i>
Tuition	\$950
E-Rate	5,475
CAFS	4,974
Educational Service Center Services	18,500
Grants	139,331
<i>Total Intergovernmental Receivables</i>	\$169,230



**Tuslaw Local School District**  
*Notes to the Basic Financial Statements (continued)*  
For the Fiscal Year Ended June 30, 2005

**Note 9 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	<i>Balance at</i> <i>7/01/04</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance at</i> <i>6/30/05</i>
<i>Governmental Activities:</i>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$463,537	\$0	\$0	\$463,537
Construction in Progress	7,901,216	5,702,719	(13,291,855)	312,080
<i>Total Capital Assets, not being depreciated</i>	<u>8,364,753</u>	<u>5,702,719</u>	<u>(13,291,855)</u>	<u>775,617</u>
<i>Capital Assets, being depreciated:</i>				
Buildings and Buildings Improvements	4,114,397	13,671,066	0	17,785,463
Furniture and Fixtures	601,094	127,097	(15,599)	712,592
Vehicles	1,103,046	59,897	(38,531)	1,124,412
<i>Total Capital Assets, being depreciated</i>	<u>5,818,537</u>	<u>13,858,060</u>	<u>(54,130)</u>	<u>19,622,467</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Building Improvements	(1,818,224)	(182,254)	0	(2,000,478)
Furniture and Fixtures	(334,439)	(37,295)	12,200	(359,534)
Vehicles	(538,684)	(55,952)	38,531	(556,105)
<i>Total Accumulated Depreciation</i>	<u>(2,691,347)</u>	<u>(275,501)</u>	<u>50,731</u>	<u>(2,916,117)</u>
<i>Governmental Activities Capital Assets Net</i>	<u>\$11,491,943</u>	<u>\$19,285,278</u>	<u>(\$13,295,254)</u>	<u>\$17,481,967</u>

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$96,944
Special	17,140
Vocational	2,651
<i>Support Services:</i>	
Pupil	9,202
Instructional Staff	5,018
Administration	20,689
Fiscal	5,884
Operation and Maintenance of Plant	43,444
Pupil Transportation	57,952
Operation of Non-Instructional Services	14,547
Extracurricular Activities	2,030
<b>Total Depreciation Expense</b>	<b>\$275,501</b>

**Note 10 - Interfund Transfers and Balances**

**A. Interfund Transfers**

During fiscal year 2005, the general fund transferred \$417,736. \$250,000 was transferred to the New Facility capital projects fund to pay for future building projects that will be funded partially by the Ohio School Facility Commission, \$162,000 to the Title I nonmajor special revenue fund and \$5,736 to the Improving Teacher Quality nonmajor special revenue fund to cover program costs.

**Tuslaw Local School District**  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

**Note 10 - Interfund Transfers and Balances** (continued)

**B. Interfund Balances**

As of June 30, 2005, the fund financial statements consist of the following interfund receivable/payables:

<i>Governmental Activities</i>	<i>Receivable</i>	<i>Payable</i>
General Fund	\$18,565	\$0
<i>Special Revenue Funds:</i>		
Ohio Reads	0	6,121
Student Intervention	0	1,096
Title VI	0	5,349
Miscellaneous Federal	0	2,067
Improving Teacher Quality	0	3,932
<i>Total Special Revenue Funds</i>	<u>0</u>	<u>18,565</u>
<i>Total Interfund Balances</i>	<u>\$18,565</u>	<u>\$18,565</u>

The loans from the general fund were made to the special revenue funds to support the programs until the federal grant monies have been received.

**Note 11 - Risk Management**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2005, the School District contracted with Leonard Insurance Services for both Property and fleet coverage and Harcum-Hyre Insurance Agency, Inc. for liability coverage. There has not been a significant reduction in coverage from the prior year and settled claims have not exceeded this commercial coverage in any of the past three years. Coverage type, limits and deductibles are as follows:

<i>Type of Coverage</i>	<i>Coverage</i>	<i>Deductible</i>
Buildings and Contents	\$41,875,807	\$5,000
Inland Marine Coverage	252,738	100
Automobile Liability	1,000,000	500
Uninsured Motorists	50,000	0
Medical Payments	5,000	0
Commercial Crime Insurance	50,000	1,000
<i>General Liability:</i>		
Per Occurrence	1,000,000	0
Aggregate	3,000,000	0
Umbrella	2,000,000	0

Governments Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School 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 savings 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 insures 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 of the GRP.

***Tuslaw Local School District***  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

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**Note 11 - Risk Management** (continued)

The School District has contracted with the Stark County Schools Council of Governments Health Benefits Program to provide employee medical/surgical and dental benefits. Rates are set through an annual calculation process. The School District pays a monthly contribution which is paid in a common fund from which claim payments are made for all participants regardless of claims flow. The board of directors has the right to return monies to an exiting school district subsequent to the settlements of all expenses and claims. The School District pays premiums of \$813.80 for family coverage and \$334.23 for single coverage per employee per month.

**Note 12 - Employee Benefits**

**A. Compensated Absences**

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn 10 to 20 days of vacation per year, depending upon length of service and hours worked. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and principals do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. There is a limit of 315 days of sick leave that may be accumulated for certified employees and classified employees. Upon retirement employees receive payment for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 68 days.

**B. Life Insurance**

The School District provides life insurance and accidental death and dismemberment insurance to most employees. Life insurance is provided through the Stark County Schools Council of Governments Health Benefits Program.

**Note 13 - Defined Benefit Pension Plans**

**A. State Teachers Retirement System**

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues publicly available general purpose financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are invested by the member, and the 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.

***Tuslaw Local School District***  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

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**Note 13 - Defined Benefit Pension Plans** (continued)

**A. State Teachers Retirement System** (continued)

A DB or Combined Plan member with five or more years of 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, 2005, plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the years ended June 30, 2005, 2004, and 2003 were \$542,815, \$518,934, and \$499,720, respectively; equal to the required contributions for each year. The full amount has been contributed for 2004 and 2003, 82 percent has been contributed for 2005, with the remainder being presented as "intergovernmental payable."

**B. School Employees Retirement System**

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or calling 614-222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employees are established and may be amended, up to statutory maximum amounts by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$145,470, \$109,315, and \$102,568, respectively; the full amount has been contributed for fiscal year 2004 and 2003, 47 percent has been contributed for fiscal year 2005, with the remainder being presented as "intergovernmental payable."

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. Three members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

***Tuslaw Local School District***  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

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**Note 14 - Postemployment Benefits**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By Ohio Law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. The STRS board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$41,755, for fiscal year 2005.

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

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 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, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay was established at \$27,400. For the School District, the amount contributed to fund health care benefits, including surcharge, equaled \$68,139 during the 2005 fiscal year.

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

**Tuslaw Local School District**  
*Notes to the Basic Financial Statements (continued)*  
For the Fiscal Year Ended June 30, 2005

**Note 15 - Capital Leases**

The School District has entered into capitalized leases for phone equipment and windows. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Capital assets consisting of furniture and fixtures have been capitalized in the amount of \$191,758. This amount represents the present value of the minimum lease payments at the time of acquisition. Principal payments in fiscal year 2005 totaled \$25,310 in the general fund. The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2005.

<i>Fiscal Year Ending June 30,</i>	<i>Amount</i>
2006	24,490
2007	17,195
2008	17,195
2009	17,195
2010	17,195
2011	17,193
<i>Total</i>	110,463
<i>Less: Amount Representing Interest</i>	(16,912)
<i>Present Value of Net Minimum</i>	\$93,551

**Note 16 - Long-Term Obligations**

Changes in long-term obligations of the School District during fiscal year 2005 were as follows:

	<i>Balance</i>			<i>Balance</i>	<i>Amounts Due</i>
	<i>6/30/04</i>	<i>Additions</i>	<i>Deductions</i>	<i>6/30/05</i>	<i>In One Year</i>
<i>Compensated Absences</i>	\$620,153	\$52,930	\$0	\$670,722	\$84,277
<i>Capital Leases:</i>					
Citibank - Window Replacement	98,284	0	(11,806)	86,478	12,482
Banc One – Telephone Equipment	20,577	0	(13,504)	7,073	7,073
<i>Total Capital Leases</i>	118,861	0	(25,310)	93,551	19,555
<i>Tax Anticipation Notes 3.50%</i>	255,000	0	0	255,000	0
<i>2002 OSFC High School Bonds:</i>					
\$14,715,000 2.00-5.00% Serial and Term Bonds	14,355,010	0	(350,000)	14,005,010	370,000
\$284,990 14.852% Capital Appreciation Bonds	284,990	0	0	284,990	0
Accretion on Capital Appreciation Bonds	0	128,796	0	128,796	0
<i>Total General Obligation Bonds</i>	14,640,000	128,796	(350,000)	14,418,796	370,000
<i>Total Governmental Activities</i>					
<i>Long-Term Liabilities</i>	\$15,634,014	\$181,726	(\$375,310)	\$15,438,069	\$473,832

***Tuslaw Local School District***  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

**Note 16 - Long-Term Obligations** (continued)

Compensated absences will be paid from the general fund and various federal grant funds. The capital leases will be paid from the general fund.

On October 24, 2002, the School District issued \$15,000,000 in general obligation school facilities construction and improvement bonds to pay off the bond anticipation notes. The bonds were issued for a twenty-eight year period with a final maturity at December 1, 2030. The bond issue consists of serial, term and capital appreciation bonds. Accretion in the amount of \$128,796 was added and represents the annual accretion of discounted interest for the capital appreciation bonds. At maturity, the final amount of the capital appreciation bonds will be \$1,030,000. The principal and interest requirements will be recorded in the debt service fund.

On January 22, 2003 the School District sold a \$255,000 long-term note. The note was issued for school facilities construction and improvements. The note was issued for five years and will reach final maturity at December 1, 2007. The interest rate on the note is 3.50 percent. This note will be retired from the debt retirement fund with tax collections.

The School District's overall debt margin is \$699,032 and the unvoted debt margin is \$170,809.

The following is a summary of the School District's future annual principal and interest requirements to retire the general obligation bonds and note:

<b><i>2002 OSFC General Obligation Bonds</i></b>		
<i>Fiscal Year</i>	<i>Serial and Term Bonds</i>	
<i>Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>
<i>2006</i>	\$370,000	\$586,434
<i>2007</i>	385,000	578,499
<i>2008</i>	420,000	569,014
<i>2009</i>	430,000	557,851
<i>2010</i>	445,000	545,264
<i>2011-2015</i>	925,000	2,660,020
<i>2016-2020</i>	2,625,000	2,266,339
<i>2021-2025</i>	3,285,000	1,599,599
<i>2026-2030</i>	4,165,000	724,325
<i>2031</i>	955,010	22,084
<i>Total</i>	\$14,005,010	\$10,109,429

**Tuslaw Local School District**  
*Notes to the Basic Financial Statements (continued)*  
For the Fiscal Year Ended June 30, 2005

**Note 16 - Long-Term Obligations** (continued)

<i>Fiscal Year</i> <i>Ending June 30,</i>	<b>2002 OSFC General Obligation Bonds</b>		<b>2002 OSFC General Obligation Notes</b>	
	<i>Capital Appreciation Bonds</i>		<i>Note</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2006	\$0	\$0	\$0	\$8,925
2007	0	0	0	8,925
2008	0	0	255,000	4,463
2009	0	0	0	0
2010	0	0	0	0
2011-2015	284,990	745,010	0	0
2016-2020	0	0	0	0
2021-2025	0	0	0	0
2026-2030	0	0	0	0
2031	0	0	0	0
<i>Total</i>	<u>\$284,990</u>	<u>\$745,010</u>	<u>\$255,000</u>	<u>\$22,313</u>

**Note 17 - Jointly Governed Organizations**

**A. Stark-Portage Area Computer Consortium**

Stark-Portage Area Computer Consortium (SPARCC) is a jointly governed organization among 31 School Districts. The jointly governed 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. Each of the governments of these schools supports SPARCC based on a per pupil charge. SPARCC is governed by a board consisting of superintendents from all participating school districts. This board has the responsibility to study, review and approve SPARCC's annual budget and ascertain that costs are divided equally among participating school districts.

**B. Stark County Area Joint Vocational School**

The Stark County Area Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a seven member Board, consisting of one representative from each of the six participating school district's elected boards and one board member that rotates from each participating school district. The Stark County Area Joint Vocational School possesses its own budgeting and taxing authority. The Stark County Area Joint Vocational School provides vocational instruction to students of participating districts. To obtain financial information write to the Stark County Area Joint Vocational School, 6805 Richville Drive, S.W., Massillon, Ohio 44646.



***Tuslaw Local School District***  
*Notes to the Basic Financial Statements (continued)*  
*For the Fiscal Year Ended June 30, 2005*

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**Note 18 - Public Entity Risk Pools**

**A. Stark County Schools Council of Government**

The Stark County Schools Council of Government (Council) is a shared risk pool which is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Council. All Council revenues are generated from charges for services. The Council has a Health Benefits Program which is a shared risk pool comprised of 15 Stark County school districts and a Workers Compensation Group Rating Program (GRP), an insurance purchasing pool. Each year, the participating school districts pay an enrollment fees to the GRP's to cover the costs of administering the program.

**B. Ohio School Plan**

The Ohio School Plan (Plan) is a shared liability, property and fleet insurance risk pool which is governed by a board of thirteen school superintendents, business managers and treasurers. Harcum-Hyre, the insurance agency, has one board seat. OSBA, BASA and OASBO executive directors serve as ex-officio members. 450 educational entities are served by the Plan. The Plan's board elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Plan. All Plan revenues are generated from charges for services. For more information write to The Ohio School Plan, Harcum-Hyre Insurance Agency, Inc., 246 Sycamore Street, Columbus, Ohio 43206.

**Note 19 - Contingencies**

The School District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2005.

**Note 20 - State School Funding Issue**

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 on its future State funding and on its financial operations.

**Tuslaw Local School District**  
*Notes to the Basic Financial Statements (continued)*  
For the Fiscal Year Ended June 30, 2005

**Note 21 - Set-Asides**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by 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 purpose in future years.

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

	<i>Textbooks</i>	<i>Capital Acquisition</i>
<i>Set-Aside Cash Balance as of June 30, 2004</i>	(\$47,428)	\$0
Current Year Set-Aside Requirement	190,321	190,321
Qualifying Disbursements	(209,974)	(785,693)
<i>Total</i>	(\$67,081)	(\$595,372)
<i>Set-Aside Cash Balance as of June 30, 2005</i>	\$0	\$0

Although the School District had qualifying disbursements during the fiscal year that reduced the capital acquisition set-aside amounts below zero, these extra amounts will not be used to reduce the set-aside requirements of future years. The negative amounts will not be presented as being carried forward to the next fiscal year.

**Note 22 – Contractual Commitments**

As of June 30, 2005, the following are the contractual commitments for the new facility construction project on the new high school and renovation to the middle school:

<i>Contractor</i>	<i>Contract Amount</i>	<i>Amount Paid at 6/30/05</i>
D&A Plumbing & Heating – High School	\$383,778	\$376,507
MKC Associates, Inc. – High School	851,963	821,972
Wood Electric Inc. – High School	1,170,270	1,149,099
C.T. Taylor, Inc. – High School	6,334,187	6,238,273
Wood Electric Inc. – Middle School	212,511	0
D&A Plumbing & Heating – Middle School	93,025	0
Rizzi Distributors – Middle School	52,850	0
C. T. Taylor Company – Middle School	236,950	0

*Tuslaw Local School District*

**Combining Statements and Individual Fund Schedules**

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## *Tuslaw Local School District*

### **Combining Statements - Nonmajor Funds**

#### **Nonmajor Special Revenue Funds**

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the School District's special revenue funds follows:

**Food Service Fund** - This fund accounts for operations of the School District's food service (lunch) program.

**Uniform School Supplies Fund** - This fund accounts for the receipts and expenditures in conjunction with certain School District programs.

**Latchkey Fund** - This fund accounts for revenues and expenditures related to after school childcare service offered to the School District's working parents.

**Public School Support Fund** - This fund accounts for School District site sales revenues and expenditures for field trips, assemblies, and other activity costs.

**Athletic and Music Fund** - This fund accounts for gate receipts and other revenue from athletic events and all costs (except supplemental coaching contracts) of the School District's athletic program.

**Management Information Systems Fund** - This fund accounts for State monies which support the development of hardware and software or other costs associated with the requirements of the Management Information System.

**Entry Year Teacher Fund** - This fund accounts for intergovernmental revenues received from the State to be used to cover costs associated with mentoring a first year teacher.

**Onenet Fund** - This fund accounts for intergovernmental revenues received from the State to be used to cover costs associated with network connectivity.

**School Net Professional Development Fund** - This fund accounts for intergovernmental revenues received from the State to be used to cover costs associated with providing teachers and administrators with the knowledge and skills necessary to effectively integrate technology into the classroom or district to promote student achievement.

**Ohio Reads Fund** - This fund accounts for State monies which supports the primary literacy reading program.

**Student Intervention Fund** - This fund accounts for intergovernmental revenues received from the State to be used to cover costs associated with providing intervention services to grades 4 through 6 students in reading.

**Miscellaneous State Grants Fund** - This fund accounts for State monies which support academic and enrichment programs for the student body.

(continued)

## *Tuslaw Local School District*

### **Combining Statements - Nonmajor Funds**

#### **Nonmajor Special Revenue Funds (continued)**

**Title VI-B Fund** - This federal program assists schools in the identification of disabled children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provisions of full education opportunities to disabled children at the preschool, elementary and secondary levels.

**Title I Fund** - This fund accounts for federal monies used to assist the School District in meeting the special needs of educationally deprived children.

**Title VI Fund** - This fund accounts for federal monies which support the implementation of computer education programs, gifted and talented programs, in-service training and staff development.

**Drug Free Fund** - This fund accounts for federal monies which support the implementation of drug abuse education and prevention programs.

**Improving Teacher Quality Fund** - The fund accounts for federal monies which support the hiring, recruiting and training of additional classroom teachers.

**Miscellaneous Federal Fund** - This fund accounts for federal monies which support expenditures related to attaining the goals set forth in the School District's continuous improvement plan.

## *Tuslaw Local School District*

### **Combining Statements - Nonmajor Funds**

#### **Nonmajor Capital Projects Funds**

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

**Permanent Improvements Fund** - This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by enterprise funds).

**School Net Fund** - This fund accounts for State grant monies used to purchase computer hardware and software.

**Federal Emergency Fund** - This fund accounts for a federal grant awarded to the School District to pay for costs associated with the installation of sewer lines to the new high school and existing middle school.

**Tuslaw Local School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2005*

	<i><b>Nonmajor Special Revenue Funds</b></i>	<i><b>Nonmajor Capital Projects Funds</b></i>	<i><b>Total Nonmajor Governmental Funds</b></i>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$297,024	\$7,840	\$304,864
Inventory Held for Resale	4,695	0	4,695
Intergovernmental Receivables	130,403	0	130,403
<i>Total Assets</i>	<u>\$432,122</u>	<u>\$7,840</u>	<u>\$439,962</u>
<b>Liabilities</b>			
Accounts Payable	\$22,827	\$0	\$22,827
Accrued Wages and Benefits	77,187	0	77,187
Interfund Payable	18,565	0	18,565
Intergovernmental Payable	22,853	0	22,853
Deferred Revenue	86,116	0	86,116
<i>Total Liabilities</i>	<u>227,548</u>	<u>0</u>	<u>227,548</u>
<b>Fund Balances</b>			
Reserved:			
Reserved for Encumbrances	134,992	0	134,992
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	69,582	0	69,582
Capital Projects Funds	0	7,840	7,840
<i>Total Fund Balances</i>	<u>204,574</u>	<u>7,840</u>	<u>212,414</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$432,122</u>	<u>\$7,840</u>	<u>\$439,962</u>



**Tuslaw Local School District**  
*Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2005*

	<i><b>Nonmajor Special Revenue Funds</b></i>	<i><b>Nonmajor Capital Projects Funds</b></i>	<i><b>Total Nonmajor Governmental Funds</b></i>
<b>Revenues</b>			
Intergovernmental	\$588,597	\$130,305	\$718,902
Tuition and Fees	287	0	287
Extracurricular Activities	294,164	0	294,164
Contributions and Donations	32,033	0	32,033
Customer Sales and Services	328,587	0	328,587
Miscellaneous	81	0	81
<i>Total Revenues</i>	<u>1,243,749</u>	<u>130,305</u>	<u>1,374,054</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	158,351	12,915	171,266
Special	344,370	0	344,370
Support Services:			
Pupils	60,720	0	60,720
Instructional Staff	78,812	0	78,812
Administration	14,706	0	14,706
Fiscal	812	0	812
Operation and Maintenance of Plant	1,299	0	1,299
Central	1,081	0	1,081
Operation of Non-Instructional Services	466,502	0	466,502
Extracurricular Activities	286,220	0	286,220
Capital Outlay	0	167,700	167,700
<i>Total Expenditures</i>	<u>1,412,873</u>	<u>180,615</u>	<u>1,593,488</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(169,124)</u>	<u>(50,310)</u>	<u>(219,434)</u>
<b>Other Financing Sources</b>			
Transfers In	167,736	0	167,736
<i>Total Other Financing Sources</i>	<u>167,736</u>	<u>0</u>	<u>167,736</u>
<i>Net Change in Fund Balances</i>	(1,388)	(50,310)	(51,698)
<i>Fund Balances Beginning of Year</i>	<u>205,962</u>	<u>58,150</u>	<u>264,112</u>
<i>Fund Balances End of Year</i>	<u><u>\$204,574</u></u>	<u><u>\$7,840</u></u>	<u><u>\$212,414</u></u>

**Tuslaw Local School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2005*

	<i>Food Service</i>	<i>Uniform School Supplies</i>	<i>Latchkey</i>	<i>Public School Support</i>	<i>Athletic and Music</i>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$133,027	\$1,461	\$5,213	\$57,520	\$28,293
Inventory Held for Resale	4,695	0	0	0	0
Intergovernmental Receivables	12,658	0	0	0	0
<i>Total Assets</i>	<u>\$150,380</u>	<u>\$1,461</u>	<u>\$5,213</u>	<u>\$57,520</u>	<u>\$28,293</u>
<b>Liabilities</b>					
Accounts Payable	\$231	\$0	\$0	\$178	\$8,328
Accrued Wages and Benefits	26,751	0	0	0	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	14,983	0	0	0	0
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>41,965</u>	<u>0</u>	<u>0</u>	<u>178</u>	<u>8,328</u>
<b>Fund Balances</b>					
Reserved:					
Reserved for Encumbrances	304	0	0	231	24,068
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	108,111	1,461	5,213	57,111	(4,103)
<i>Total Fund Balances</i>	<u>108,415</u>	<u>1,461</u>	<u>5,213</u>	<u>57,342</u>	<u>19,965</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$150,380</u>	<u>\$1,461</u>	<u>\$5,213</u>	<u>\$57,520</u>	<u>\$28,293</u>

<i><b>School Net Professional Development</b></i>	<i><b>Ohio Reads</b></i>	<i><b>Student Intervention</b></i>	<i><b>Miscellaneous State</b></i>	<i><b>Title VI-B</b></i>	<i><b>Title I</b></i>
\$4,603	\$122	\$0	\$2,697	\$20,730	\$42,784
0	0	0	0	0	0
0	17,538	0	0	83,715	0
<u>\$4,603</u>	<u>\$17,660</u>	<u>\$0</u>	<u>\$2,697</u>	<u>\$104,445</u>	<u>\$42,784</u>
\$0	\$5,538	\$1,351	\$1,485	\$0	\$0
0	0	0	0	6,760	34,556
0	6,121	1,096	0	0	0
0	157	644	0	1,066	4,665
0	2,401	0	0	83,715	0
<u>0</u>	<u>14,217</u>	<u>3,091</u>	<u>1,485</u>	<u>91,541</u>	<u>39,221</u>
262	6,248	1,531	0	102,298	50
4,341	(2,805)	(4,622)	1,212	(89,394)	3,513
<u>4,603</u>	<u>3,443</u>	<u>(3,091)</u>	<u>1,212</u>	<u>12,904</u>	<u>3,563</u>
<u>\$4,603</u>	<u>\$17,660</u>	<u>\$0</u>	<u>\$2,697</u>	<u>\$104,445</u>	<u>\$42,784</u>

(continued)

**Tuslaw Local School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2005*

	<u><i>Title VI</i></u>	<u><i>Drug Free</i></u>	<u><i>Improving Teacher Quality</i></u>	<u><i>Miscellaneous Federal</i></u>	<u><i>Total Nonmajor Special Revenue Funds</i></u>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$0	\$572	\$2	\$0	\$297,024
Inventory Held for Resale	0	0	0	0	4,695
Intergovernmental Receivables	5,349	5,144	3,932	2,067	130,403
<i>Total Assets</i>	<u>\$5,349</u>	<u>\$5,716</u>	<u>\$3,934</u>	<u>\$2,067</u>	<u>\$432,122</u>
<b>Liabilities</b>					
Accounts Payable	\$0	\$5,716	\$0	\$0	\$22,827
Accrued Wages and Benefits	0	0	9,120	0	77,187
Interfund Payable	5,349	0	3,932	2,067	18,565
Intergovernmental Payable	0	0	1,338	0	22,853
Deferred Revenue	0	0	0	0	86,116
<i>Total Liabilities</i>	<u>5,349</u>	<u>5,716</u>	<u>14,390</u>	<u>2,067</u>	<u>227,548</u>
<b>Fund Balances</b>					
Reserved:					
Reserved for Encumbrances	0	0	0	0	134,992
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	0	0	(10,456)	0	69,582
<i>Total Fund Balances</i>	<u>0</u>	<u>0</u>	<u>(10,456)</u>	<u>0</u>	<u>204,574</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,349</u>	<u>\$5,716</u>	<u>\$3,934</u>	<u>\$2,067</u>	<u>\$432,122</u>

**Tuslaw Local School District**  
*Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
For the Fiscal Year Ended June 30, 2005

	<i><b>Food Service</b></i>	<i><b>Uniform School Supplies</b></i>	<i><b>Latchkey</b></i>	<i><b>Public School Support</b></i>
<b>Revenues</b>				
Intergovernmental	\$146,246	\$0	\$0	\$0
Tuition and Fees	0	287	0	0
Extracurricular Activities	0	0	0	115,314
Gifts and Donations	0	0	0	2,394
Customer Sales and Services	301,738	0	26,849	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>447,984</u>	<u>287</u>	<u>26,849</u>	<u>117,708</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	0	21,150
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	28,082
Instructional Staff	0	0	0	0
Administration	0	0	0	5,878
Fiscal	0	0	0	0
Operation and Maintenance of Plant	1,299	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	441,677	0	22,005	2,820
Extracurricular Activities	0	0	0	63,760
<i>Total Expenditures</i>	<u>442,976</u>	<u>0</u>	<u>22,005</u>	<u>121,690</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,008</u>	<u>287</u>	<u>4,844</u>	<u>(3,982)</u>
<b>Other Financing Sources and Uses</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	5,008	287	4,844	(3,982)
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year (Restated)</i>	<u>103,407</u>	<u>1,174</u>	<u>369</u>	<u>61,324</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$108,415</u>	<u>\$1,461</u>	<u>\$5,213</u>	<u>\$57,342</u>

(continued)

**Tuslaw Local School District**  
*Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
For the Fiscal Year Ended June 30, 2005

	<i>Athletic and Music</i>	<i>Management Information Systems</i>	<i>Entry Year Teacher</i>	<i>Onenet</i>	<i>School Net Professional Development</i>
<b>Revenues</b>					
Intergovernmental	\$0	\$5,000	\$3,300	\$12,000	\$2,925
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	178,850	0	0	0	0
Gifts and Donations	29,639	0	0	0	0
Customer Sales and Services	0	0	0	0	0
Miscellaneous	81	0	0	0	0
<i>Total Revenues</i>	<u>208,570</u>	<u>5,000</u>	<u>3,300</u>	<u>12,000</u>	<u>2,925</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	0	0	0	12,000	0
Special	0	0	0	0	0
Support Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	0	3,300	0	1,525
Administration	0	4,188	0	0	0
Fiscal	0	812	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	222,460	0	0	0	0
<i>Total Expenditures</i>	<u>222,460</u>	<u>5,000</u>	<u>3,300</u>	<u>12,000</u>	<u>1,525</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(13,890)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,400</u>
<b>Other Financing Sources and Uses</b>					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(13,890)	0	0	0	1,400
<i>Fund Balances (Deficit)</i>					
<i>Beginning of Year (Restated)</i>	<u>33,855</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,203</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$19,965</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$4,603</u></u>

<i>Ohio Reads</i>	<i>Student Intervention</i>	<i>Miscellaneous State</i>	<i>Title VI-B</i>	<i>Title I</i>	<i>Title VI</i>
\$35,099	\$19,177	\$0	\$175,828	\$119,833	\$5,943
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>35,099</u>	<u>19,177</u>	<u>0</u>	<u>175,828</u>	<u>119,833</u>	<u>5,943</u>
48,031	24,798	1,865	0	0	0
0	0	0	139,186	199,241	5,943
0	0	0	19,098	0	0
4,815	1,273	0	0	57,576	0
0	0	0	4,640	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,081	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>53,927</u>	<u>26,071</u>	<u>1,865</u>	<u>162,924</u>	<u>256,817</u>	<u>5,943</u>
<u>(18,828)</u>	<u>(6,894)</u>	<u>(1,865)</u>	<u>12,904</u>	<u>(136,984)</u>	<u>0</u>
0	0	0	0	162,000	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>162,000</u>	<u>0</u>
(18,828)	(6,894)	(1,865)	12,904	25,016	0
<u>22,271</u>	<u>3,803</u>	<u>3,077</u>	<u>0</u>	<u>(21,453)</u>	<u>0</u>
<u>\$3,443</u>	<u>(\$3,091)</u>	<u>\$1,212</u>	<u>\$12,904</u>	<u>\$3,563</u>	<u>\$0</u>

(continued)

**Tuslaw Local School District**  
*Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
 For the Fiscal Year Ended June 30, 2005

	<i>Drug Free</i>	<i>Improving Teacher Quality</i>	<i>Miscellaneous Federal</i>	<i>Total Nonmajor Special Revenue Funds</i>
<b>Revenues</b>				
Intergovernmental	\$12,132	\$48,730	\$2,384	\$588,597
Tuition and Fees	0	0	0	287
Extracurricular Activities	0	0	0	294,164
Gifts and Donations	0	0	0	32,033
Customer Sales and Services	0	0	0	328,587
Miscellaneous	0	0	0	81
<i>Total Revenues</i>	<u>12,132</u>	<u>48,730</u>	<u>2,384</u>	<u>1,243,749</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	48,123	2,384	158,351
Special	0	0	0	344,370
Support Services:				
Pupils	13,540	0	0	60,720
Instructional Staff	0	10,323	0	78,812
Administration	0	0	0	14,706
Fiscal	0	0	0	812
Operation and Maintenance of Plant	0	0	0	1,299
Central	0	0	0	1,081
Operation of Non-Instructional Services	0	0	0	466,502
Extracurricular Activities	0	0	0	286,220
<i>Total Expenditures</i>	<u>13,540</u>	<u>58,446</u>	<u>2,384</u>	<u>1,412,873</u>
<i>Excess of Revenues Over (Under)</i>				
<i>Expenditures</i>	<u>(1,408)</u>	<u>(9,716)</u>	<u>0</u>	<u>(169,124)</u>
<b>Other Financing Sources and Uses</b>				
Transfers In	0	5,736	0	167,736
Transfers Out	0	0	0	0
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>5,736</u>	<u>0</u>	<u>167,736</u>
<i>Net Change in Fund Balances</i>	(1,408)	(3,980)	0	(1,388)
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year (Restated)</i>	<u>1,408</u>	<u>(6,476)</u>	<u>0</u>	<u>205,962</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$0</u>	<u>(\$10,456)</u>	<u>\$0</u>	<u>\$204,574</u>



**Tuslaw Local School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2005*

	<u><i>Permanent Improvement</i></u>	<u><i>Total Nonmajor Capital Projects Funds</i></u>
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$7,840	\$7,840
<i>Total Assets</i>	<u>\$7,840</u>	<u>\$7,840</u>
<b>Liabilities</b>		
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>		
Unreserved, Undesignated, Reported in:		
Capital Projects Fund	7,840	7,840
<i>Total Fund Balances</i>	<u>7,840</u>	<u>7,840</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,840</u>	<u>\$7,840</u>

**Tuslaw Local School District**  
*Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 Nonmajor Capital Projects Funds  
 For the Fiscal Year Ended June 30, 2005*

	<i><b>Permanent Improvement</b></i>	<i><b>SchoolNet</b></i>	<i><b>Federal Emergency</b></i>	<i><b>Total Nonmajor Capital Projects Funds</b></i>
<b>Revenues</b>				
Intergovernmental	\$0	\$12,915	\$117,390	\$130,305
<i>Total Revenues</i>	<u>0</u>	<u>12,915</u>	<u>117,390</u>	<u>130,305</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	12,915	0	12,915
Capital Outlay	<u>0</u>	<u>0</u>	<u>167,700</u>	<u>167,700</u>
<i>Total Expenditures</i>	<u>0</u>	<u>12,915</u>	<u>167,700</u>	<u>180,615</u>
<i>Excess of Revenues Under Expenditures</i>	<u>0</u>	<u>0</u>	<u>(50,310)</u>	<u>(50,310)</u>
<i>Net Change in Fund Balances</i>	0	0	(50,310)	(50,310)
<i>Fund Balances Beginning of Year</i>	<u>7,840</u>	<u>0</u>	<u>50,310</u>	<u>58,150</u>
<i>Fund Balances End of Year</i>	<u><u>\$7,840</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$7,840</u></u>

*Tuslaw Local School District*

**Individual Fund Schedules of Revenues,  
Expenditures/Expenses and Changes in Fund Balances  
- Budget and Actual (Budget Basis)**

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in*  
*Fund Balance - Budget and Actual (Budget Basis)*  
**General Fund**  
*For the Fiscal Year Ended June 30, 2005*

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Property Taxes	\$3,601,000	\$3,601,000	\$4,086,972	\$485,972
Intergovernmental	4,894,000	4,894,000	5,055,051	161,051
Interest	25,000	25,000	72,656	47,656
Tuition and Fees	679,000	679,000	680,659	1,659
Rent	40,000	40,000	38,275	(1,725)
Customer Sales and Services	14,000	14,000	0	(14,000)
Miscellaneous	10,700	10,700	26,371	15,671
<i>Total Revenues</i>	<u>9,263,700</u>	<u>9,263,700</u>	<u>9,959,984</u>	<u>696,284</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,515,543	2,515,543	2,515,543	0
Fringe Benefits	845,887	845,887	845,887	0
Purchased Services	756,933	756,933	756,933	0
Materials and Supplies	183,792	183,792	183,750	42
Capital Outlay - New	173,053	173,053	173,053	0
Capital Outlay - Replacement	9,833	9,833	9,833	0
Total Regular	<u>4,485,041</u>	<u>4,485,041</u>	<u>4,484,999</u>	<u>42</u>
Special:				
Salaries and Wages	516,497	516,497	516,383	114
Fringe Benefits	177,361	177,361	176,908	453
Purchased Services	270,171	270,171	270,021	150
Materials and Supplies	12,557	12,557	12,335	222
Total Special	<u>976,586</u>	<u>976,586</u>	<u>975,647</u>	<u>939</u>
Vocational:				
Salaries and Wages	108,632	108,632	108,569	63
Fringe Benefits	34,942	34,942	34,874	68
Purchased Services	2,908	2,908	2,908	0
Materials and Supplies	6,178	6,178	6,113	65
Capital Outlay - New	500	500	431	69
Capital Outlay - Replacement	695	695	527	168
Total Vocational	<u>153,855</u>	<u>153,855</u>	<u>153,422</u>	<u>433</u>
Total Instruction	<u>5,615,482</u>	<u>5,615,482</u>	<u>5,614,068</u>	<u>1,414</u>

(continued)

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**General Fund (continued)**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
Support Services:				
Pupils:				
Salaries and Wages	\$236,718	\$236,718	\$236,718	\$0
Fringe Benefits	88,089	88,089	88,089	0
Purchased Services	67,750	67,750	67,750	0
Materials and Supplies	2,251	2,251	2,189	62
Other	42,900	42,900	42,900	0
Total Pupils	437,708	437,708	437,646	62
Instructional Staff:				
Salaries and Wages	143,859	143,859	143,470	389
Fringe Benefits	50,439	50,439	50,439	0
Purchased Services	11,381	11,381	11,381	0
Materials and Supplies	17,135	17,135	17,135	0
Capital outlay - New	1,418	1,418	1,418	0
Total Instructional Staff	224,232	224,232	223,843	389
Board of Education:				
Salaries and Wages	7,896	7,896	5,440	2,456
Fringe Benefits	913	913	862	51
Purchased Services	7,145	7,145	6,115	1,030
Materials and Supplies	2,266	2,266	2,266	0
Other	2,145	2,145	2,145	0
Total Board of Education	20,365	20,365	16,828	3,537
Administration:				
Salaries and Wages	556,509	556,509	556,452	57
Fringe Benefits	214,093	214,093	214,093	0
Purchased Services	22,974	22,974	22,951	23
Materials and Supplies	5,227	5,227	5,227	0
Capital Outlay - New	333	333	314	19
Capital Outlay - Replacement	7,673	7,673	7,673	0
Other	2,298	2,298	2,298	0
Total Administration	809,107	809,107	809,008	99
Fiscal:				
Salaries and Wages	112,937	112,937	112,903	34
Fringe Benefits	47,715	47,715	47,646	69
Purchased Services	13,789	13,789	12,898	891
Materials and Supplies	3,301	3,301	3,266	35
Capital Outlay - New	982	982	982	0
Capital Outlay - Replacement	2,241	2,241	0	2,241
Other	100,991	100,991	100,991	0
Total Fiscal	281,956	281,956	278,686	3,270

(continued)

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in*  
*Fund Balance - Budget and Actual (Budget Basis)*  
**General Fund (continued)**  
*For the Fiscal Year Ended June 30, 2005*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>Business:</b>				
Salaries and Wages	\$21,958	\$21,958	\$21,210	\$748
Fringe Benefits	7,206	7,206	7,206	0
Purchased Services	244	244	244	0
Materials and Supplies	1,172	1,172	1,172	0
<b>Total Business</b>	<b>30,580</b>	<b>30,580</b>	<b>29,832</b>	<b>748</b>
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	329,690	329,690	329,664	26
Fringe Benefits	119,715	119,715	119,715	0
Purchased Services	404,536	404,536	404,536	0
Materials and Supplies	102,562	102,562	102,562	0
Capital Outlay - New	30,570	30,570	30,570	0
<b>Total Operation &amp; Maintenance of Plant</b>	<b>987,073</b>	<b>987,073</b>	<b>987,047</b>	<b>26</b>
<b>Pupil Transportation:</b>				
Salaries and Wages	348,720	348,720	348,207	513
Fringe Benefits	140,148	140,148	133,650	6,498
Purchased Services	64,954	64,954	42,279	22,675
Materials and Supplies	109,810	109,810	109,777	33
Capital Outlay - New	20,015	20,015	14,887	5,128
Capital Outlay - Replacement	62,000	62,000	59,897	2,103
Other	545	545	508	37
<b>Total Pupil Transportation</b>	<b>746,192</b>	<b>746,192</b>	<b>709,205</b>	<b>36,987</b>
<b>Central:</b>				
Salaries and Wages	47	47	0	47
Purchased Services	53	53	53	0
<b>Total Central</b>	<b>100</b>	<b>100</b>	<b>53</b>	<b>47</b>
<b>Total Support Services</b>	<b>3,537,313</b>	<b>3,537,313</b>	<b>3,492,148</b>	<b>45,165</b>
<b>Extracurricular Activities:</b>				
<b>Academic Oriented Activities:</b>				
Salaries and Wages	56,190	56,190	56,075	115
Fringe Benefits	9,439	9,439	9,439	0
Materials and Supplies	350	350	350	0
<b>Total Academic Oriented Activities</b>	<b>65,979</b>	<b>65,979</b>	<b>65,864</b>	<b>115</b>

(continued)

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**General Fund (continued)**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
Sport Oriented Activities:				
Salaries and Wages	\$172,660	\$172,660	\$172,660	\$0
Fringe Benefits	41,701	41,701	34,421	7,280
Purchased Services	4,848	4,848	4,848	0
Materials and Supplies	3,778	3,778	3,778	0
Capital Outlay - New	18,438	18,438	18,438	0
Total Sport Oriented Activities	241,425	241,425	234,145	7,280
Total Extracurricular Activities	307,404	307,404	300,009	7,395
Capital Outlay:				
Site Improvement Services:				
Purchased Services	8,495	8,495	8,103	392
Total Site Improvement Services	8,495	8,495	8,103	392
Building Acquisition & Construction				
Purchased Services	107,648	107,648	107,647	1
Materials and Supplies	77,140	77,140	77,062	78
Capital Outlay - New	13,720	13,720	13,632	88
Other	212	212	0	212
Total Building Acquisition & Construction	198,720	198,720	198,341	379
Total Capital Outlay	207,215	207,215	206,444	771
Debt Service:				
Principal Retirement	13,504	13,504	11,806	1,698
Interest and Fiscal Charges	5,587	5,587	5,389	198
Total Debt Service	19,091	19,091	17,195	1,896
<i>Total Expenditures</i>	<u>9,686,505</u>	<u>9,686,505</u>	<u>9,629,864</u>	<u>56,641</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(422,805)</u>	<u>(422,805)</u>	<u>330,120</u>	<u>752,925</u>
<b>Other Financing Sources and Uses</b>				
Advances In	0	0	20,600	20,600
Transfers Out	(425,000)	(425,000)	(417,736)	7,264
Advances Out	0	0	(39,165)	(39,165)
<i>Total Other Financing Sources and Uses</i>	<u>(425,000)</u>	<u>(425,000)</u>	<u>(436,301)</u>	<u>(11,301)</u>
<i>Net Change in Fund Balance</i>	<u>(847,805)</u>	<u>(847,805)</u>	<u>(106,181)</u>	<u>741,624</u>
<i>Fund Balance Beginning of Year</i>	1,768,181	1,768,181	1,768,181	0
Prior Year Encumbrances Appropriated	270,011	270,011	270,011	0
<i>Fund Balance End of Year</i>	<u>\$1,190,387</u>	<u>\$1,190,387</u>	<u>\$1,932,011</u>	<u>\$741,624</u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Bond Retirement Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Property and Other Local Taxes	\$951,422	\$951,422	\$1,049,126	\$97,704
Intergovernmental	149,261	149,261	128,492	(20,769)
<i>Total Revenues</i>	<u>1,100,683</u>	<u>1,100,683</u>	<u>1,177,618</u>	<u>76,935</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Other	17,429	17,429	17,362	67
Total Support Services	<u>17,429</u>	<u>17,429</u>	<u>17,362</u>	<u>67</u>
Debt Service:				
Principal Retirement	362,000	362,000	350,000	12,000
Interest and Fiscal Charges	602,853	602,853	602,559	294
Total Debt Service	<u>964,853</u>	<u>964,853</u>	<u>952,559</u>	<u>12,294</u>
<i>Total Expenditures</i>	<u>982,282</u>	<u>982,282</u>	<u>969,921</u>	<u>12,361</u>
<i>Net Change in Fund Balance</i>	118,401	118,401	207,697	89,296
<i>Fund Balance Beginning of Year</i>	<u>290,108</u>	<u>290,108</u>	<u>290,108</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$408,509</u></u>	<u><u>\$408,509</u></u>	<u><u>\$497,805</u></u>	<u><u>\$89,296</u></u>



**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**New Facility Capital Projects Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Interest	\$100,000	\$100,000	\$97,866	(\$2,134)
<i>Total Revenues</i>	<u>100,000</u>	<u>100,000</u>	<u>97,866</u>	<u>(2,134)</u>
<b>Expenditures</b>				
Capital Outlay:				
Site Improvement Services:				
Purchased Services	1,132,706	1,132,706	1,019,231	113,475
Materials and Supplies	2,000	2,000	1,679	321
Capital Outlay - New	871	871	0	871
Total Site Improvement Services	<u>1,135,577</u>	<u>1,135,577</u>	<u>1,020,910</u>	<u>114,667</u>
Building Acquisition and Construction Services:				
Purchased Services	6,179,281	6,179,281	6,178,240	1,041
Materials and Supplies	14,000	14,000	13,571	429
Capital Outlay - New	366,000	366,000	365,150	850
Total Building Acquisition and Construction Services	<u>6,559,281</u>	<u>6,559,281</u>	<u>6,556,961</u>	<u>2,320</u>
<i>Total Expenditures</i>	<u>7,694,858</u>	<u>7,694,858</u>	<u>7,577,871</u>	<u>116,987</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(7,594,858)</u>	<u>(7,594,858)</u>	<u>(7,480,005)</u>	<u>114,853</u>
<b>Other Financing Sources</b>				
Transfers In	0	0	250,000	250,000
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>250,000</u>
<i>Net Change in Fund Balance</i>	(7,594,858)	(7,594,858)	(7,230,005)	364,853
<i>Fund Balance Beginning of Year</i>	1,711,713	1,711,713	1,711,713	0
Prior Year Encumbrances Appropriated	<u>6,257,987</u>	<u>6,257,987</u>	<u>6,257,987</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$374,842</u></u>	<u><u>\$374,842</u></u>	<u><u>\$739,695</u></u>	<u><u>\$364,853</u></u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Food Service Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Intergovernmental	\$83,910	\$83,910	\$103,278	\$19,368
Customer Sales and Services	306,048	306,048	301,738	(4,310)
Interest	1,200	1,200	0	(1,200)
<i>Total Revenues</i>	<u>391,158</u>	<u>391,158</u>	<u>405,016</u>	<u>13,858</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Operation and Maintenances of Plant:				
Purchased Services	1,697	1,697	1,603	94
Total Support Services	<u>1,697</u>	<u>1,697</u>	<u>1,603</u>	<u>94</u>
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	165,044	165,044	164,158	886
Fringe Benefits	59,948	59,948	59,589	359
Purchased Services	2,698	2,698	2,656	42
Materials and Supplies	164,240	164,240	164,168	72
Capital Outlay - New	68	68	0	68
Capital Outlay - Replacement	1,451	1,451	1,446	5
Total Operation of Non-Instructional Services	<u>393,449</u>	<u>393,449</u>	<u>392,017</u>	<u>1,432</u>
<i>Total Expenditures</i>	<u>395,146</u>	<u>395,146</u>	<u>393,620</u>	<u>1,526</u>
<i>Net Change in Fund Balance</i>	(3,988)	(3,988)	11,396	15,384
<i>Fund Balance Beginning of Year</i>	119,879	119,879	119,879	0
Prior Year Encumbrances Appropriated	<u>1,446</u>	<u>1,446</u>	<u>1,446</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$117,337</u></u>	<u><u>\$117,337</u></u>	<u><u>\$132,721</u></u>	<u><u>\$15,384</u></u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Uniform School Supplies Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Tuition and Fees	\$46	\$46	\$287	\$241
<i>Total Revenues</i>	46	46	287	241
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	1,000	1,000	0	1,000
<i>Total Expenditures</i>	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	(954)	(954)	287	1,241
<i>Fund Balance Beginning of Year</i>	1,174	1,174	1,174	0
<i>Fund Balance End of Year</i>	\$220	\$220	\$1,461	\$1,241

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Latchkey Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Customer Sales and Services	\$17,601	\$24,601	\$26,849	\$2,248
<i>Total Revenues</i>	<u>17,601</u>	<u>24,601</u>	<u>26,849</u>	<u>2,248</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	13,078	18,078	17,806	272
Fringe Benefits	2,632	2,632	2,628	4
Purchased Services	0	0	0	0
Materials and Supplies	1,399	1,399	1,380	19
Capital Outlay - New	225	225	191	34
<i>Total Expenditures</i>	<u>17,334</u>	<u>22,334</u>	<u>22,005</u>	<u>329</u>
<i>Net Change in Fund Balance</i>	267	2,267	4,844	2,577
<i>Fund Balance Beginning of Year</i>	<u>371</u>	<u>371</u>	<u>371</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$638</u></u>	<u><u>\$2,638</u></u>	<u><u>\$5,215</u></u>	<u><u>\$2,577</u></u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Public School Support Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Extracurricular Activities	\$114,083	\$114,083	\$115,314	\$1,231
Contributions and Donations	4,357	4,357	2,394	(1,963)
Miscellaneous	525	525	0	(525)
<i>Total Revenues</i>	<u>118,965</u>	<u>118,965</u>	<u>117,708</u>	<u>(1,257)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	9,884	11,884	10,750	1,134
Materials and Supplies	11,638	11,638	9,886	1,752
Capital Outlay - New	1,878	1,878	745	1,133
Total Instruction	<u>23,400</u>	<u>25,400</u>	<u>21,381</u>	<u>4,019</u>
Support Services:				
Pupils:				
Purchased Services	5,328	5,328	3,502	1,826
Materials and Supplies	7,789	7,789	24,504	(16,715)
Capital Outlay - New	336	336	0	336
Other	352	352	39	313
Total Pupils	<u>13,805</u>	<u>13,805</u>	<u>28,045</u>	<u>(14,240)</u>
Administration:				
Purchased Services	2,227	2,227	1,390	837
Materials and Supplies	2,385	2,385	2,354	31
Capital Outlay - New	3,121	3,121	273	2,848
Capital Outlay - Replacement	72	72	0	72
Other	3,400	3,400	1,861	1,539
Total Administration	<u>11,205</u>	<u>11,205</u>	<u>5,878</u>	<u>5,327</u>
Operation and Maintenance of Plant:				
Purchased Services	315	315	0	315
Total Operation and Maintenance of Plant	<u>315</u>	<u>315</u>	<u>0</u>	<u>315</u>
Total Support Services	<u>25,325</u>	<u>25,325</u>	<u>33,923</u>	<u>(8,598)</u>
Operation of Non-Instructional Services:				
Food Service Operations:				
Materials and Supplies	4,711	4,711	2,820	1,891
Total Operation of Non-Instructional Services	<u>4,711</u>	<u>4,711</u>	<u>2,820</u>	<u>1,891</u>

(continued)

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Public School Support Fund (continued)**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
Extracurricular Activities:				
Academic Oriented Activities:				
Purchased Services	\$40,885	\$48,885	\$48,873	\$12
Materials and Supplies	22,064	22,064	14,887	7,177
Total Extracurricular Activities	62,949	70,949	63,760	7,189
<i>Total Expenditures</i>	116,385	126,385	121,884	4,501
<i>Excess of Revenues Over (Under) Expenditures</i>	2,580	(7,420)	(4,176)	3,244
<b>Other Financing Sources and Uses</b>				
Transfers In	3,000	3,000	0	(3,000)
Transfers Out	(3,120)	(3,120)	0	3,120
<i>Total Other Financing Sources and Uses</i>	(120)	(120)	0	120
<i>Net Change in Fund Balance</i>	2,460	(7,540)	(4,176)	3,364
<i>Fund Balance Beginning of Year</i>	60,519	60,519	60,519	0
Prior Year Encumbrances Appropriated	802	802	802	0
<i>Fund Balance End of Year</i>	\$63,781	\$53,781	\$57,145	\$3,364

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Athletic and Music Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Extracurricular Activities	\$147,854	\$182,854	\$178,850	(\$4,004)
Contributions and Donations	831	30,831	29,639	(1,192)
Miscellaneous	0	0	81	81
<i>Total Revenues</i>	<u>148,685</u>	<u>213,685</u>	<u>208,570</u>	<u>(5,115)</u>
<b>Expenditures</b>				
Current:				
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	459	459	500	(41)
Fringe Benefits	77	77	77	0
Purchased Services	4,629	4,629	4,619	10
Materials and Supplies	19,680	49,680	49,680	0
Capital Outlay - Replacement	700	700	671	29
Total Academic Oriented Activities	<u>25,545</u>	<u>55,545</u>	<u>55,547</u>	<u>(2)</u>
Sport Oriented Activities:				
Salaries and Wages	2,984	2,984	2,984	0
Fringe Benefits	438	438	438	0
Purchased Services	46,120	73,120	73,120	0
Materials and Supplies	70,672	93,655	93,655	0
Capital Outlay - New	464	4,464	4,464	0
Capital Outlay - Replacement	269	269	269	0
Other	12,159	16,159	16,159	0
Total Sport Oriented Activities	<u>133,106</u>	<u>191,089</u>	<u>191,089</u>	<u>0</u>
<i>Total Expenditures</i>	<u>158,651</u>	<u>246,634</u>	<u>246,636</u>	<u>(2)</u>
<i>Net Change in Fund Balance</i>	(9,966)	(32,949)	(38,066)	(5,117)
<i>Fund Balance Beginning of Year</i>	17,019	17,019	17,019	0
Prior Year Encumbrances Appropriated	<u>17,981</u>	<u>17,981</u>	<u>17,981</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$25,034</u>	<u>\$2,051</u>	<u>(\$3,066)</u>	<u>(\$5,117)</u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Management Information Systems Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Intergovernmental	\$5,100	\$5,100	\$5,000	(\$100)
<i>Total Revenues</i>	<u>5,100</u>	<u>5,100</u>	<u>5,000</u>	<u>(100)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Administration:				
Salaries and Wages	3,450	3,450	3,421	29
Capital Outlay - Replacement	<u>800</u>	<u>800</u>	<u>767</u>	<u>33</u>
Total Administration	<u>4,250</u>	<u>4,250</u>	<u>4,188</u>	<u>62</u>
Fiscal:				
Capital Outlay - Replacement	<u>850</u>	<u>850</u>	<u>812</u>	<u>38</u>
Total Fiscal	<u>850</u>	<u>850</u>	<u>812</u>	<u>38</u>
<i>Total Expenditures</i>	<u>5,100</u>	<u>5,100</u>	<u>5,000</u>	<u>100</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>



**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Entry Year Teacher Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Intergovernmental	\$3,300	\$3,300	\$3,300	\$0
<i>Total Revenues</i>	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	3,300	3,300	3,300	0
<i>Total Expenditures</i>	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Onenet Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Intergovernmental	\$12,000	\$24,000	\$12,000	(\$12,000)
<i>Total Revenues</i>	<u>12,000</u>	<u>24,000</u>	<u>12,000</u>	<u>(12,000)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	12,000	24,000	12,000	12,000
<i>Total Expenditures</i>	<u>12,000</u>	<u>24,000</u>	<u>12,000</u>	<u>12,000</u>
<i>Excess of Revenues Over Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources and Uses</b>				
Transfers In	0	0	3,600	3,600
Transfers Out	0	0	(3,600)	(3,600)
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**School Net Professional Development Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Intergovernmental	\$500	\$3,500	\$2,925	(\$575)
<i>Total Revenues</i>	<u>500</u>	<u>3,500</u>	<u>2,925</u>	<u>(575)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	3,300	6,225	1,787	4,438
<i>Total Expenditures</i>	<u>3,300</u>	<u>6,225</u>	<u>1,787</u>	<u>4,438</u>
<i>Net Change in Fund Balance</i>	(2,800)	(2,725)	1,138	3,863
<i>Fund Balance Beginning of Year</i>	3,103	3,103	3,103	0
Prior Year Encumbrances Appropriated	<u>100</u>	<u>100</u>	<u>100</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$403</u></u>	<u><u>\$478</u></u>	<u><u>\$4,341</u></u>	<u><u>\$3,863</u></u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in*  
*Fund Balance - Budget and Actual (Budget Basis)*  
**Ohio Reads Fund**  
*For the Fiscal Year Ended June 30, 2005*

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Intergovernmental	\$40,500	\$46,500	\$19,962	(\$26,538)
<i>Total Revenues</i>	<u>40,500</u>	<u>46,500</u>	<u>19,962</u>	<u>(26,538)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	5,000	11,000	5,053	5,947
Fringe Benefits	1,000	1,000	606	394
Materials and Supplies	51,278	51,278	50,999	279
Total Instruction	<u>57,278</u>	<u>63,278</u>	<u>56,658</u>	<u>6,620</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	3,200	3,200	3,091	109
Fringe Benefits	500	500	455	45
Purchased Services	5,900	5,900	5,636	264
Total Instructional Staff	<u>9,600</u>	<u>9,600</u>	<u>9,182</u>	<u>418</u>
Central:				
Purchased Services	1,500	1,500	1,081	419
Total Central	<u>1,500</u>	<u>1,500</u>	<u>1,081</u>	<u>419</u>
Total Support Services	<u>11,100</u>	<u>11,100</u>	<u>10,263</u>	<u>837</u>
<i>Total Expenditures</i>	<u>68,378</u>	<u>74,378</u>	<u>66,921</u>	<u>7,457</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(27,878)</u>	<u>(27,878)</u>	<u>(46,959)</u>	<u>(19,081)</u>
<b>Other Financing Sources</b>				
Advances In	0	0	6,121	6,121
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>6,121</u>	<u>6,121</u>
<i>Net Change in Fund Balance</i>	<u>(27,878)</u>	<u>(27,878)</u>	<u>(40,838)</u>	<u>(12,960)</u>
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(1,704)</u>	<u>(1,704)</u>	<u>(1,704)</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>30,878</u>	<u>30,878</u>	<u>30,878</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$1,296</u>	<u>\$1,296</u>	<u>(\$11,664)</u>	<u>(\$12,960)</u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Student Intervention Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Intergovernmental	\$38,395	\$48,395	\$29,844	(\$18,551)
<i>Total Revenues</i>	<u>38,395</u>	<u>48,395</u>	<u>29,844</u>	<u>(18,551)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	26,095	26,886	18,114	8,772
Fringe Benefits	0	3,000	1,889	1,111
Materials and Supplies	12,964	17,859	14,770	3,089
Total Instruction	<u>39,059</u>	<u>47,745</u>	<u>34,773</u>	<u>12,972</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	1,150	1,150	1,136	14
Fringe Benefits	150	150	137	13
Total Support Services	<u>1,300</u>	<u>1,300</u>	<u>1,273</u>	<u>27</u>
<i>Total Expenditures</i>	<u>40,359</u>	<u>49,045</u>	<u>36,046</u>	<u>12,999</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,964)</u>	<u>(650)</u>	<u>(6,202)</u>	<u>(5,552)</u>
<b>Other Financing Sources and Uses</b>				
Advances In	0	0	14,096	14,096
Advances Out	0	0	(13,000)	(13,000)
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>1,096</u>	<u>1,096</u>
<i>Net Change in Fund Balance</i>	<u>(1,964)</u>	<u>(650)</u>	<u>(5,106)</u>	<u>(4,456)</u>
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(10,741)</u>	<u>(10,741)</u>	<u>(10,741)</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>12,964</u>	<u>12,964</u>	<u>12,964</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$259</u>	<u>\$1,573</u>	<u>(\$2,883)</u>	<u>(\$4,456)</u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Miscellaneous State Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$0	\$0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	3,077	3,077	1,865	1,212
<i>Total Expenditures</i>	<u>3,077</u>	<u>3,077</u>	<u>1,865</u>	<u>1,212</u>
<i>Net Change in Fund Balance</i>	(3,077)	(3,077)	(1,865)	1,212
<i>Fund Balance Beginning of Year</i>	<u>3,077</u>	<u>3,077</u>	<u>3,077</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$1,212</u></u>	<u><u>\$1,212</u></u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Title VI-B Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Intergovernmental	\$259,543	\$259,543	\$175,828	(\$83,715)
<i>Total Revenues</i>	<u>259,543</u>	<u>259,543</u>	<u>175,828</u>	<u>(83,715)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	27,000	27,000	26,660	340
Fringe Benefits	7,400	7,400	7,395	5
Purchased Services	200,143	200,143	199,603	540
Total Instruction	<u>234,543</u>	<u>234,543</u>	<u>233,658</u>	<u>885</u>
Support Services:				
Pupils:				
Salaries and Wages	17,500	17,500	16,642	858
Fringe Benefits	2,500	2,500	2,456	44
Total Pupils	<u>20,000</u>	<u>20,000</u>	<u>19,098</u>	<u>902</u>
Administration:				
Salaries and Wages	4,400	4,400	4,042	358
Fringe Benefits	600	600	598	2
Total Administration	<u>5,000</u>	<u>5,000</u>	<u>4,640</u>	<u>360</u>
Total Support Services	<u>25,000</u>	<u>25,000</u>	<u>23,738</u>	<u>1,262</u>
<i>Total Expenditures</i>	<u>259,543</u>	<u>259,543</u>	<u>257,396</u>	<u>2,147</u>
<i>Net Change in Fund Balance</i>	0	0	(81,568)	(81,568)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>(\$81,568)</u>	<u>(\$81,568)</u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Title I Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Intergovernmental	\$119,833	\$119,833	\$119,833	\$0
<i>Total Revenues</i>	119,833	119,833	119,833	0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	140,500	140,500	140,124	376
Fringe Benefits	46,700	56,326	55,930	396
Purchased Services	833	833	543	290
Materials and Supplies	598	598	597	1
Total Instruction	188,631	198,257	197,194	1,063
Support Services:				
Instructional Staff:				
Salaries and Wages	28,000	28,000	27,956	44
Fringe Benefits	23,000	23,000	22,794	206
Purchased Services	4,698	4,698	4,642	56
Materials and Supplies	1,000	1,000	412	588
Total Support Services	56,698	56,698	55,804	894
<i>Total Expenditures</i>	245,329	254,955	252,998	1,957
<i>Excess of Revenues Under Expenditures</i>	(125,496)	(135,122)	(133,165)	1,957
<b>Other Financing Sources</b>				
Transfer In	125,000	125,000	162,000	37,000
<i>Total Other Financing Sources</i>	125,000	125,000	162,000	37,000
<i>Net Change in Fund Balance</i>	(496)	(10,122)	28,835	38,957
<i>Fund Balance Beginning of Year</i>	13,403	13,403	13,403	0
Prior Year Encumbrances Appropriated	496	496	496	0
<i>Fund Balance End of Year</i>	\$13,403	\$3,777	\$42,734	\$38,957



**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Title VI Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Intergovernmental	\$5,943	\$5,943	\$594	(\$5,349)
<i>Total Revenues</i>	<u>5,943</u>	<u>5,943</u>	<u>594</u>	<u>(5,349)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	5,943	5,943	5,943	0
<i>Total Expenditures</i>	<u>5,943</u>	<u>5,943</u>	<u>5,943</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>0</u>	<u>0</u>	<u>(5,349)</u>	<u>(5,349)</u>
<b>Other Financing Sources</b>				
Advances In	0	0	5,349	5,349
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>5,349</u>	<u>5,349</u>
<i>Net Change in Fund Balance</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Drug Free Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Intergovernmental	\$13,540	\$13,540	\$6,988	(\$6,552)
<i>Total Revenues</i>	<u>13,540</u>	<u>13,540</u>	<u>6,988</u>	<u>(6,552)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Purchased Services	13,540	13,540	13,540	0
<i>Total Expenditures</i>	<u>13,540</u>	<u>13,540</u>	<u>13,540</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	(6,552)	(6,552)
<i>Fund Balance (Deficit) Beginning of Year</i>	(6,416)	(6,416)	(6,416)	0
Prior Year Encumbrances Appropriated	<u>7,824</u>	<u>7,824</u>	<u>7,824</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$1,408</u></u>	<u><u>\$1,408</u></u>	<u><u>(\$5,144)</u></u>	<u><u>(\$6,552)</u></u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Improving Teacher Quality Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Intergovernmental	\$48,702	\$48,703	\$44,798	(\$3,905)
<i>Total Revenues</i>	<u>48,702</u>	<u>48,703</u>	<u>44,798</u>	<u>(3,905)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	27,067	37,397	34,045	3,352
Fringe Benefits	<u>12,000</u>	<u>12,000</u>	<u>11,780</u>	<u>220</u>
Total Instruction	<u>39,067</u>	<u>49,397</u>	<u>45,825</u>	<u>3,572</u>
Support Services:				
Instructional Staff:				
Purchased Services	<u>11,823</u>	<u>11,823</u>	<u>10,828</u>	<u>995</u>
Total Support Services	<u>11,823</u>	<u>11,823</u>	<u>10,828</u>	<u>995</u>
<i>Total Expenditures</i>	<u>50,890</u>	<u>61,220</u>	<u>56,653</u>	<u>4,567</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,188)</u>	<u>(12,517)</u>	<u>(11,855)</u>	<u>662</u>
<b>Other Financing Sources and Uses</b>				
Transfers In	0	11,000	5,736	(5,264)
Advances In	0	0	7,932	7,932
Advances Out	<u>0</u>	<u>0</u>	<u>(4,000)</u>	<u>(4,000)</u>
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>11,000</u>	<u>9,668</u>	<u>(1,332)</u>
<i>Net Change in Fund Balance</i>	(2,188)	(1,517)	(2,187)	(670)
<i>Fund Balance Beginning of Year</i>	1,365	1,365	1,365	0
Prior Year Encumbrances Appropriated	<u>823</u>	<u>823</u>	<u>823</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$671</u></u>	<u><u>\$1</u></u>	<u><u>(\$670)</u></u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Miscellaneous Federal Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Intergovernmental	\$3,172	\$3,172	\$317	(\$2,855)
<i>Total Revenues</i>	<u>3,172</u>	<u>3,172</u>	<u>317</u>	<u>(2,855)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	3,172	3,172	2,384	788
<i>Total Expenditures</i>	<u>3,172</u>	<u>3,172</u>	<u>2,384</u>	<u>788</u>
<i>Excess of Revenues Under Expenditures</i>	<u>0</u>	<u>0</u>	<u>(2,067)</u>	<u>(2,067)</u>
<b>Other Financing Sources</b>				
Advances In	0	0	2,067	2,067
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>2,067</u>	<u>2,067</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Permanent Improvement Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<i>Fund Balance Beginning of Year</i>	\$7,840	\$7,840	\$7,840	\$0
<i>Fund Balance End of Year</i>	\$7,840	\$7,840	\$7,840	\$0

**Tuslaw Local School District**  
*Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
**Federal Emergency Repair Fund**  
For the Fiscal Year Ended June 30, 2005

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget Over (Under)</i>
	<i>Original</i>	<i>Final</i>		
<b>Revenues</b>				
Intergovernmental	\$118,000	\$118,000	\$117,390	(\$610)
<i>Total Revenues</i>	<u>118,000</u>	<u>118,000</u>	<u>117,390</u>	<u>(610)</u>
<b>Expenditures</b>				
Current:				
Capital Outlay:				
Building Acquisition and Construction Services:				
Capital Outlay - New	167,700	167,700	167,700	0
<i>Total Expenditures</i>	<u>167,700</u>	<u>167,700</u>	<u>167,700</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(49,700)	(49,700)	(50,310)	(610)
<i>Fund Balance Beginning of Year</i>	<u>50,310</u>	<u>50,310</u>	<u>50,310</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$610</u></u>	<u><u>\$610</u></u>	<u><u>\$0</u></u>	<u><u>(\$610)</u></u>

**Tuslaw Local School District**  
*Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Fiscal Year Ended June 30, 2005*

	Beginning Balance July 1, 2004	Additions	Deductions	Ending Balance June 30, 2005
<b><i>Student Activities</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$33,732	\$60,306	\$59,097	\$34,941
<i>Total Assets</i>	<u>\$33,732</u>	<u>\$60,306</u>	<u>\$59,097</u>	<u>\$34,941</u>
<b>Liabilities</b>				
Due to Students	\$33,732	\$60,306	\$59,097	\$34,941
<i>Total Liabilities</i>	<u>\$33,732</u>	<u>\$60,306</u>	<u>\$59,097</u>	<u>\$34,941</u>
<b><i>Stadium Renovation</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$43,471	\$200	\$25,060	\$18,611
<i>Total Assets</i>	<u>\$43,471</u>	<u>\$200</u>	<u>\$25,060</u>	<u>\$18,611</u>
<b>Liabilities</b>				
Undistributed Monies	\$43,471	\$200	\$25,060	\$18,611
<i>Total Liabilities</i>	<u>\$43,471</u>	<u>\$200</u>	<u>\$25,060</u>	<u>\$18,611</u>
<b><i>Total - All Agency</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$77,203	\$60,506	\$84,157	\$53,552
<i>Total Assets</i>	<u>\$77,203</u>	<u>\$60,506</u>	<u>\$84,157</u>	<u>\$53,552</u>
<b>Liabilities</b>				
Undistributed Monies	\$43,471	\$200	\$25,060	\$18,611
Due to Students	33,732	60,306	59,097	34,941
<i>Total Liabilities</i>	<u>\$77,203</u>	<u>\$60,506</u>	<u>\$84,157</u>	<u>\$53,552</u>

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# **STATISTICAL SECTION**



**Tuslaw Local School District**  
 General Governmental  
 Revenues by Source and Expenses/Expenditures by Function  
 Last Ten Fiscal Years

	2005		2004		2003		2000	1999	1998	1997	1996
	Full	Modified	Full	Modified	Full	Modified					
	Accrual	Accrual	Accrual	Accrual	Accrual	Accrual					
<b>Program Revenues:</b>											
Charges for Services	\$1,309,774	\$0	\$637,971	\$0	\$846,051	\$0	\$0	\$0	\$0	\$0	\$0
Operating Grants and Contributions	701,746	0	609,706	0	466,711	0	0	0	0	0	0
Capital Grants and Contributions	130,305	0	50,310	0	0	0	0	0	0	0	0
<b>General Revenues:</b>											
Taxes	5,164,288	5,097,818	4,681,757	4,675,846	4,115,823	4,122,354	3,532,006	3,410,645	3,199,846	2,990,339	3,077,617
Intergovernmental	5,188,149	5,907,051	4,883,466	5,494,768	4,676,576	5,251,821	4,345,043	3,807,446	3,303,382	2,815,997	2,814,495
Interest	136,311	136,311	178,658	178,658	341,712	341,712	60,365	134,705	75,211	62,105	63,425
Tuition and Fees	0	690,824	0	635,957	0	121,110	55,182	60,034	51,771	26,249	26,449
Extracurricular	0	294,164	0	252,222	0	274,579	165	425	812	0	0
Rents	0	38,275	0	20,125	0	56,981	21,834	18,670	506	0	0
Charges for Services	0	328,587	0	318,284	0	276,736	0	0	0	0	0
Contributions	0	32,033	0	48,714	0	8,101	0	0	0	0	0
Miscellaneous	78,115	31,039	612,374	23,758	474,660	21,431	19,115	71,726	31,041	25,745	53,595
<b>Total</b>	<b>\$12,708,688</b>	<b>\$12,556,102</b>	<b>\$11,654,242</b>	<b>\$11,648,332</b>	<b>\$10,921,533</b>	<b>\$10,474,825</b>	<b>\$8,033,710</b>	<b>\$7,503,651</b>	<b>\$6,487,656</b>	<b>\$5,920,435</b>	<b>\$6,035,581</b>
<b>Expenses/Expenditures:</b>											
<b>Current:</b>											
Instruction:											
Regular	\$4,678,067	\$4,721,103	\$4,571,128	\$4,596,414	\$3,403,756	\$3,791,657	\$3,516,236	\$3,403,756	\$2,803,409	\$2,845,636	\$2,787,868
Special	1,331,871	1,307,392	1,116,539	1,112,240	768,811	1,078,029	757,773	768,811	683,754	652,792	530,326
Vocational	164,609	160,240	134,920	135,175	121,635	132,563	129,889	121,635	118,849	97,608	89,705
Support Services:											
Pupils	502,099	495,461	451,938	435,097	297,556	382,644	334,427	297,556	271,583	251,676	233,558
Instructional Staff	314,436	307,336	283,434	280,102	142,429	272,339	178,718	142,429	127,314	121,487	115,856
Board of Education	16,751	16,751	18,447	18,639	13,637	12,935	21,073	13,637	19,815	13,029	16,114
Administration	868,370	840,426	809,084	818,035	751,263	780,685	704,169	751,263	734,681	727,993	656,197
Fiscal	300,736	290,243	291,272	296,864	223,343	258,667	234,525	223,343	226,990	208,330	182,114
Business	30,638	30,306	28,456	28,355	0	24,902	15,707	0	0	0	0
Operation and											
Maintenance of Plant	969,098	963,850	632,941	854,686	967,310	818,342	961,563	967,310	765,300	732,436	627,412
Pupil Transportation	680,963	717,929	685,009	696,735	606,266	675,248	681,945	606,266	558,948	493,774	424,534
Central	0	1,134	0	0	0	0	0	0	0	0	0
Non-Instructional Services	465,754	466,502	399,510	402,840	16,652	385,275	17,781	16,652	14,263	12,189	10,903
Extracurricular Activities	559,411	586,487	473,417	484,829	160,849	477,186	223,290	160,849	148,669	133,694	118,273
Capital Outlay	0	5,906,466	0	7,086,159	115,400	1,823,993	104,843	115,400	6,000	0	0
Debt Service	736,643	984,345	615,814	1,001,444	13,295	15,764,899	36,286	13,295	1,500	0	0
<b>Total</b>	<b>\$11,619,446</b>	<b>\$17,795,971</b>	<b>\$10,511,909</b>	<b>\$18,247,614</b>	<b>\$7,602,202</b>	<b>\$26,679,364</b>	<b>\$7,918,225</b>	<b>\$7,602,202</b>	<b>\$6,893,386</b>	<b>\$6,376,032</b>	<b>\$5,792,860</b>

Source: School Districts Financial Records

Note: 1995-2003 data includes General Fund, 2004-2005 data includes General Governmental Activities

***Tuslaw Local School District***  
*Property Tax Levies and Collections - Real and Public Utility*  
*Last Ten Calendar Years*

<u>Tax Year</u>	<u>Total Tax Levy</u>	<u>Current Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Percent of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes(2)</u>	<u>Percent of Outstanding Delinquent Taxes to Total Tax Levy</u>
2004	\$4,918,834	\$4,613,839	93.80%	\$133,805	4,747,644	96.52%	\$304,995	6.20%
2003	4,918,834	4,312,513	87.67%	114,668	4,427,181	90.00%	606,321	12.33%
2002	3,769,330	3,316,361	87.98%	120,758	3,437,119	91.19%	452,969	12.02%
2001	3,824,674	3,371,600	88.15%	113,373	3,484,973	91.12%	453,074	11.85%
2000	4,356,496	3,558,662	81.69%	374,398	3,933,060	90.28%	423,436	9.72%
1999	3,931,193	3,465,948	88.17%	77,204	3,543,152	90.13%	387,041	9.85%
1998	3,656,568	3,156,216	86.32%	110,062	3,266,278	89.33%	\$390,290	10.67%
1997	3,768,821	3,239,961	85.97%	123,893	3,363,854	89.25%	\$404,967	10.75%
1996	3,551,221	3,133,363	88.23%	97,908	3,231,271	90.99%	\$319,950	9.01%
1995	3,462,406	3,114,028	89.94%	84,320	3,198,348	92.37%	\$264,058	7.63%

Source: Stark County Auditor- Data is presented on a calendar year basis

(1) Represents collection year. 2005 information cannot be presented because all collections have not been made by June 30.

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

***Tuslaw Local School District***  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Calendar Years*

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	
2005	\$150,452,600	\$429,864,571	\$11,766,520	\$13,371,045	\$8,590,079	\$35,791,996	\$170,809,199	\$479,027,612	36 %
2004	146,256,030	417,874,371	10,537,320	11,974,227	7,283,559	30,348,163	164,076,909	460,196,761	36
2003	146,921,940	419,776,971	10,429,400	11,851,591	7,906,975	31,627,900	165,258,315	463,256,462	36
2002	126,306,330	360,875,229	11,341,900	12,888,523	8,275,346	33,101,384	145,923,576	406,865,136	36
2001	98,264,700	280,756,286	12,974,120	14,743,318	7,637,159	30,548,636	118,875,979	326,048,240	36
2000	94,627,970	270,365,629	12,700,000	14,431,818	7,322,375	29,289,500	114,650,345	314,086,947	37
1999	91,357,260	261,020,743	12,713,600	14,447,273	3,691,897	14,767,588	107,762,757	290,235,604	37
1998	75,489,910	215,685,457	12,579,490	14,294,875	7,097,492	28,389,968	95,166,892	258,370,300	37
1997	73,025,870	208,645,343	13,239,980	15,045,432	5,321,331	21,285,324	91,587,181	244,976,099	37
1996	70,957,800	202,736,571	15,110,570	17,171,102	5,339,021	21,356,084	91,407,391	241,263,758	38

Source: Stark County Auditor- Data is presented on a calendar year basis

***Tuslaw Local School District***  
*Property Tax Rates - Direct and Overlapping Governments*  
*(per \$1,000 Assessed Valuation)*  
*Last Ten Calendar Years*

Year	Tuslaw School Levy	Stark County Levy	Lawrence Township Levy	Tuscarawas Township Levy	Massillon City Levy	JVS Levy	MRDD Levy
2005	60.70	11.50	13.80	4.70	3.20	2.00	1.50
2004	60.70	11.50	13.80	4.70	3.20	2.00	1.50
2003	60.70	9.60	13.80	4.70	3.20	2.00	0.75
2002	60.70	9.60	12.80	4.70	3.20	2.00	0.75
2001	53.90	9.60	12.80	4.70	3.20	3.20	0.75
2000	53.90	9.60	12.80	4.70	3.20	3.30	0.75
1999	53.90	9.60	13.30	4.70	3.20	3.50	0.75
1998	53.90	9.60	13.30	4.70	3.20	3.50	0.75
1997	53.90	9.60	13.30	4.70	3.20	3.50	0.75
1996	53.90	10.10	13.30	4.70	3.20	2.00	0.75

Source: Stark County Auditor- Data is presented on a calendar year basis

***Tuslaw Local School District***  
*Ratio of Net General Obligation Bonded Debt to Assessed Value*  
*and Net General Obligation Bonded Debt Per Capita*  
*Last Three Years (1)*

<u>Year</u>	<u>Population</u>	<u>Assessed Valuation</u>	<u>Gross Bonded Debt</u>	<u>Debt Service Monies Avaiialble</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2005	8,156	\$170,809,199	\$14,418,796	\$566,986	\$13,851,810	0.08	\$1,698
2004	8,023	164,076,909	14,640,000	375,809	14,264,191	0.09	1,778
2003	7,854	165,258,315	15,000,000	266,781	14,733,219	0.09	1,876

Source: District Treasurer Records, Stark County Auditor and Bureau of the Census

(1) Prior to fiscal year 2003, the School District had no bonded debt outstanding.

***Tuslaw Local School District***  
*Computation of Legal Debt Margin*  
*June 30, 2005*

Assessed Valuation (2005)		<u><u>\$170,809,199</u></u>
Overall Debt Limit - 9% of Assessed Valuation (1)		\$15,372,828
Amount of Debt Applicable to Debt Limit:		
General Obligation Note	255,000	
General Obligation Bonds	<u>14,418,796</u>	
Net Bonded Debt		<u>14,673,796</u>
<i>Overall Debt Margin</i>		<u><u>\$699,032</u></u>
Unvoted Debt Limit - .10% of Assessed Value (1)		\$170,809
Amount of Debt Applicable		<u>0</u>
<i>Unvoted Debt Margin</i>		<u><u>\$170,809</u></u>

Source: Stark County Auditor and School District Financial Records

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



***Tuslaw Local School District***  
*Computation of Direct and Overlapping General Obligation Debt*  
*June 30, 2005*

<u>Jurisdiction</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to School District</u>	<u>Amount Applicable to School District</u>
Tuslaw Local School District	\$14,673,796	100.00%	\$14,673,796
Massillon City	24,836,232	8.65%	<u>2,148,334</u>
Total			<u><u>\$16,822,130</u></u>

(1) Represents general obligation bonds payable from property taxes.

(2) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2005 collection year.

***Tuslaw Local School District***  
*Ratio of Annual Debt Service Expenditures for*  
*General Obligation Bonded Debt to Total General Government Expenditures*  
*Last Three Fiscal Years (1)*

Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Governmental Expenditures	Ratio of Total Debt Service to Total General Governmental Expenditures
2005	\$350,000	\$593,634	\$943,634	\$17,795,971	5.30%
2004	360,000	600,734	960,734	18,247,614	5.26%
2003	0	364,279	364,279	26,679,364	1.37%

Source: District Treasurer Records

(1) Prior to fiscal year 2003, the School District had no bonded debt outstanding.

***Tuslaw Local School District***  
*Property Value, Industrial Employment, and Bank Deposits*  
*Last Ten Years*

<u>Year</u>	<u>Assessed Value Real and Personal Property</u>	<u>Industrial Employment (1)</u>	<u>Financial Institution Deposits (000's) Banks (2)</u>
2005	\$170,809,199	NA	\$2,032,017
2004	164,076,909	NA	2,081,380
2003	165,258,315	NA	2,293,551
2002	145,923,576	NA	1,029,891
2001	118,875,979	NA	1,021,596
2000	114,650,345	NA	916,844
1999	107,762,757	NA	843,638
1998	95,166,892	171,193	1,623,273
1997	91,587,181	167,591	1,570,223
1996	91,407,391	164,874	1,589,558

Source: Ohio Bureau of Employment Services  
Federal Reserve Bank

(1) Represents Stark County, information is not available past 1998

(2) Represents deposits made to all banks headquarters in Stark County

***Tuslaw Local School District***

*Principal Taxpayers*

*Real Estate Tax*

*December 31, 2005*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Grief Bros. Corp. of Ohio, Inc.	\$1,068,730	0.71 %
Elms Massillon Inc.	664,170	0.44
Crown Cork and Seal Company USA Inc.	484,620	0.32
John O Clay Exploration Inc.	463,840	0.31
Stonehenge Apartments of Stark County LTD	443,030	0.29
Donald G. and Nancy L. Hendricks	440,580	0.29
Leo M & Wilma J. Frank Trustees	439,200	0.29
Kenneth L. Rohr	413,270	0.27
Dean L. & Shirley A. Speicher	406,350	0.27
Holmes Limestone Co.	<u>401,640</u>	<u>0.27</u>
Total	<u>\$5,225,430</u>	<u>3.47 %</u>
Total Assessed Value	<u>\$150,452,600</u>	

Source: Stark County Auditor

(1) Assessed values are for the 2005 collection year.

***Tuslaw Local School District***

*Principal Taxpayers*

*Tangible Personal Property Tax*

*December 31, 2005*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Grief Bros. Corp. of Ohio, Inc.	\$5,953,330	69.30 %
Miller Weldmaster Corp	299,480	3.49
Oster Sand and Gravel Inc.	293,750	3.42
Stark Truss Company Inc.	151,110	1.76
GMR Building Inc.	147,280	1.71
Hendricks Vacuum Forming Inc.	137,560	1.60
B F Plastics Inc.	127,070	1.48
Massillon Cable TV Inc.	125,708	1.46
B F Plastics Inc.	127,070	1.48
Ohio Drilling Co. Inc.	125,230	1.46
Victory Steel Products Inc.	<u>116,740</u>	<u>1.36</u>
<i>Total</i>	<u><u>\$7,604,328</u></u>	<u><u>88.52</u></u> %
<i>Total Assessed Value</i>	<u><u>\$8,590,079</u></u>	

Source: Stark County Auditor

(1) Assessed values are for the 2005 collection year.

***Tuslaw Local School District***

*Demographic Statistics*

*Last Ten Years*

<u>Year</u>	<u>Stark County Population (1)</u>	<u>Average School Enrollment (2)</u>	<u>Stark County Unemployment Rate (3)</u>
2005	376,780	1,516	5.60%
2004	381,229	1,417	6.60
2003	377,519	1,368	6.40
2002	377,940	1,358	5.30
2001	377,438	1,368	3.90
2000	378,098	1,362	4.10
1999	373,174	1,367	4.30
1998	373,112	1,369	4.10
1997	373,719	1,365	4.80
1996	374,406	1,384	5.30

(1) U.S. Bureau of the Census and Ohio Department of Development,  
Office of Strategic Research

(2) School District Financial Records

(3) Ohio Bureau of Employment Services

***Tuslaw Local School District***

*Miscellaneous Statistics*

*Last Ten Fiscal Years*

<u>Year</u>	<u>Average Student Enrollment</u>	<u>Total Spending Per Pupil</u>	<u>Median Household Income</u>	<u>Teacher Attendance Rate</u>	<u>Student Attendance Rate</u>	<u>High School Graduation Rate</u>	<u>High School Dropout Rate</u>
2005	1,516	\$6,307	\$30,180	94.10%	95.40%	94.20%	5.80%
2004	1,417	6,056	30,510	96.00%	95.80%	87.00%	13.00%
2003	1,368	6,010	30,181	97.20%	95.50%	94.40%	5.60%
2002	1,358	6,205	30,742	96.00%	95.50%	92.70%	7.30%
2001	1,368	5,870	29,903	94.80%	95.50%	86.70%	13.30%
2000	1,362	5,091	30,711	95.50%	95.20%	90.10%	9.90%
1999	1,367	5,002	27,654	95.90%	95.70%	86.40%	13.60%
1998	1,369	4,883	25,091	96.90%	95.30%	85.50%	14.50%
1997	1,365	4,692	24,589	95.20%	95.10%	85.20%	14.50%
1996	1,384	4,524	25,354	96.10%	95.50%	85.90%	11.30%

Source: School District Annual Report Card, Ohio Department of Education

***Tuslaw Local School District***  
*Teacher Education and Experience*  
*June 30, 2005*

<u>Degree</u>	<u>Number of Teachers (1)</u>	<u>Percentage of Total</u>
Bachelor's Degree	38	49%
Master's Degree	39	51
Total	<u>77</u>	<u>100 %</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Teachers</u>
0 - 5	23	30 %
6 - 10	18	23
11 and over	36	47
Total	<u>77</u>	<u>100 %</u>

Sources: School District Personnel Records

(1) Does not include administrators or support services personnel





**Auditor of State  
Betty Montgomery**

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**TUSLAW LOCAL SCHOOL DISTRICT**

**STARK 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 14, 2006**