

TALAWANDA CITY SCHOOL DISTRICT

BUTLER COUNTY

JULY 01, 1999 TO JUNE 30, 2000

PREPARED BY PLATTENBURG & ASSOCIATES, INC., CPA



STATE OF OHIO
OFFICE OF THE AUDITOR
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Board of Education
Talawanda City School District
Oxford, Ohio

We have reviewed the independent auditor's report of the Talawanda City School District, Butler County, prepared by Plattenburg & Associates, Inc., Certified Public Accountants, for the audit period July 1, 1999 through June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

December 15, 2000

Introductory Section

TALAWANDA CITY SCHOOL DISTRICT
Oxford, Ohio

Comprehensive Annual Financial Report
for the Year ended June 30, 2000

Board of Education

William Vollmer - President
Robert Sherman - Vice President
Donald Barnhart - Member
Mollie Hansel - Member
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Superintendent of Schools

Susan Cobb, Ph.D.

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Treasurer's Office

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Talawanda City School District, Ohio
Comprehensive Annual Financial Report

For Year Ended June 30, 2000

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OFFICE OF
THE TREASURER

TALAWANDA CITY SCHOOLS / 131 WEST CHESTNUT STREET, OXFORD, OHIO 45056
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September 22, 2000

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

The Comprehensive Annual Financial Report (CAFR) of the Talawanda City School District (the District) for the fiscal year ended June 30, 2000, is hereby submitted. This report was prepared by the Treasurer's Office, and includes the unqualified opinion of our independent auditors, Plattenburg and Associates. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The CAFR conforms to generally accepted accounting principals applicable to governmental entities.

The CAFR is presented in three sections: introductory, financial, and statistical. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officers. The Financial Section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multiyear basis.

Copies of this report will be distributed throughout the School District. A copy will be sent to all school buildings, the Chamber of Commerce, major taxpayers, Lane Public Library, Miami University Library, banks, and interested citizens.

This report includes all funds and account groups of the District. The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general and college preparatory levels; a broad range of co-curricular and extra curricular activities; adult and community education offerings; special education programs and facilities; and community recreation facilities.

In addition to providing these general activities, the District acts as fiscal agent for State funds distributed to private schools located within the District boundaries; therefore this activity is included in the reporting entity. The McGuffey Foundation School is the only school served. While the McGuffey Foundation shares operational and service similarities with the District, each are separate and distinct entities. Because of its independent nature, the McGuffey Foundation School's financial statements are not included in this report.

THE SCHOOL DISTRICT

The School District is located in the northwestern section of Butler County, Ohio, and encompasses the City of Oxford. The District has an area of 145 square miles and an approximate residential population of 24,866 and an approximate University population of 11,000. The District is primarily a residential and farming community.

The District had 3,153 students enrolled in its three elementary schools, middle school, and high school during the same period. In addition to the schools listed, the District maintained and operated a transportation facility, maintenance building, central office building, and several sports fields.

Talawanda City schools have a long and colorful history. We have detailed dates of significance below:

1811

Primary education began when Miami University opened the first schoolhouse, a log structure, under a tuition program.

1818

A brick schoolhouse was opened for white elementary school-aged children and served unofficially as Oxford's first free public school.

1826-1849

A Mission School was opened to serve Oxford's black children.

1849

Oxford's public school district was officially called the "Oxford Village School District" and District Number Seven."

1853

Union School was opened. It was Oxford's first public school facility, which was constructed totally from funds received through a voter-approved tax issue.

1874

A public high school program was started.

1887

Under a State Supreme Court ruling, the Oxford Board of Education was ordered to allow black students to attend any school in the district.

1892

The schoolhouse used only by blacks was closed. All students were then placed in common buildings.

1935

The Oxford Village School District was re-named the Oxford Local School District, and was chartered as such by the State Department of Education.

1946

Oxford Township Rural School District was merged with Oxford Local School District.

1953

Hanover Township Local School District was merged with the Oxford Local School District and was re-named the Oxford-Hanover Local School District. Later that same year, Somerville Local School District and Milford Township Local School District were merged with the new Oxford-Hanover Local School District. The above mergers were the direct result of new standards of the State Board of Education, which required all school districts to have comprehensive high schools or become dissolved.

1954

The Oxford-Hanover Local School District was re-named the Talawanda Local School District, and re-chartered as such by the State Board of Education.

1966

The Board of Education and the Talawanda Educators' Association entered into their first negotiated agreement.

1968

The Reily Township Local School District was merged with Talawanda Local School District because Reily was unable to meet new state standards.

1982

The District was re-chartered and re-named the Talawanda City School District.

ECONOMIC CONDITION AND OUTLOOK:

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

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

The District's economy is not solely tied to the University. Besides manufacturing and healthcare employers, many of our residents commute to the Cincinnati and Dayton areas each day. In general, the economy of the District continues to hold steady with moderate growth in new home construction. Commercial development is also occurring in the Southeast corner of the District

and within Oxford. In 1999, Oxford created a Community Improvement Corporation (CIC) to promote economic development within the City and Oxford Township.

ORGANIZATION OF THE SCHOOL DISTRICT

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

The Superintendent is the chief executive officer of the School District, responsible to the Board for total education and support operations. The Treasurer is the chief financial officer of the School District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds and investment of idle funds as specified by Ohio law. Other Board appointed officials, reporting to the Superintendent, are an Assistant Superintendent, building principals, and directors of various educational and support services.

EMPLOYEE RELATIONS

The District currently has approximately 386 full-time and part-time employees.

There are two organizations representing District employees. The District's administrators and central office personnel are not currently represented.

The District's 223 teachers are represented for collective bargaining purposes by the Talawanda Educators' Association (TEA), an affiliate of the Ohio Education Association. The District had a three-year collective bargaining agreement with TEA, which expired July 31, 2000. A new collective bargaining contract was not finalized at the time of this report.

The District's 130 non-teaching employees are represented for collective bargaining purposes by the Talawanda Classified Staff Association (TCSA), an affiliate of the Ohio Education Association. The District is had a three-year collective bargaining agreement with TCSA, which expired July 31, 2000. A new collective bargaining contract was not finalized at the time of this report.

DEPARTMENT FOCUS:

During the 1999-2000 school year, the Board of Education committed resources to hire a Director of Facilities with the primary job responsibility of improving and maintaining district-wide facilities.

The Talawanda School District operates 5 buildings with a maintenance department of just three individuals including the director. Primary responsibilities of the new director included the following:

- Complete inventory of district wide facilities including square footage, acreage, types of equipment, etc.
- Implementation of a preventative maintenance program.
- Complete inventory of materials and supplies and implementation of a prioritized work order system.
- Development of a capital improvement plan including the identification of short term and long term needs.

While many of these tasks are ongoing and require more than just a year for completion, significant improvements have been made in the appearance and operation of the Talawanda Facilities department. Under the leadership of Mr. Tony Butter, Director of Facilities, Talawanda is moving forward with a number of cost saving initiatives that will provide for both short term and long-term financial savings.

SERVICES PROVIDED

The District provides a wide variety of educational and support services as mandated by state statute or public desires. These include regular instruction and special instructional programs for handicapped students, student guidance and health services, as well as extracurricular activities. Enterprise fund services include adult education programs, educational supply service, and food service operation.

MAJOR INITIATIVES AND EVENTS

Educational

During the 1999-2000 school year there were a variety of important programs and initiatives introduced into the educational programs of the Talawanda City School District. Outlined below is a brief summary of the most notable of these initiatives.

Math Initiative: In October 1999, the District allocated nearly \$300,000 in resources to update the Math curriculum including the purchase of new K-12 textbooks and supplemental materials. In addition to the dollars allocated for supplies and materials, the Board of Education employed two additional sixth grade math teachers at Talawanda Middle School in an effort to reduce class size and increase minutes of instruction. Also, initiatives at Talawanda High School were implemented to provide additional support for the Algebra program. As a result, the district has seen vast improvement of math scores district wide.

Entry Year Program: During the 1999-2000 school year, the District continued to support the Entry Year Program designed to meet the needs of individuals in their first year of teaching and to prepare them for a performance assessment. Goals of the program are as follows:

- Identify potential mentors and provide mentor training
- Provide orientation for entry year teachers and mentors
- Assign every entry year teacher with a mentor
- Provide teacher assessment through Praxis III

High Schools That Work (HSTW): Talawanda High School faculty continues to research and implement the fundamentals of High Schools That Work (HSTW) into the THS system. Through HSTW the high school staff hopes to:

- Develop a plan for continuous improvement through curriculum development, professional development, and improved student achievement and workplace readiness
- Improve integration of vocational and academic curriculum at the high school
- Add educational and career options for students
- Improve academic and career achievement
- Reduce the general track and non-focused course selection
- Use data to drive curricular decisions
- Increase student, parent, and faculty accountability for student success

In-service: Talawanda recognizes that the classroom teacher is the heart of the instructional program and it is critical that efforts be made to provide on-going in-service support for these staff members. Through the use of grants, Miami University support, district funds, and individual financial support, district teachers have participated in in-service activities including some of the following topics:

-Cooperative Learning
-Environmental Studies
-Mentoring Skills
-Intervention
-Interdisciplinary Units
-Primary Mathematics Instruction
-Multiple Intelligence's

-Team Teaching
-Entry-year Teachers
-Learning Styles
-Parenting Skills
-Problem Solving
-Grouping Strategies
-Classroom of the Future

Continuous Improvement Plan: In October 1999, the district brought together 65 community members for an educational summit as part of the "Schoolhouse of Quality" initiative in conjunction with architects Steed, Hammond and Paul. This group's task was to help assess the district's further progress on meeting the goals of the 1995 Strategic Plan. During the Summit, the 97 action plans were evaluated as to their importance and success in meeting the 22 goals of the strategic plan. The 22 goals were then placed into one of four quadrants: Reallocate, Anticipate, Continue, and Improve. It was agreed at the Summit that the goals in the Reallocated and Anticipate quadrants would be removed at this time. The district would focus primarily on the accomplishment of the goals in the Continue and Improve quadrants.

In January 2000, the Ohio Department of Education released the Reference Guide to Continuous Improvement Planning. That document was used in the evolution of the district's strategic plan into this Talawanda City Schools Continuous Improvement Plan. As evidenced by the Board's commitment to Strategic Planning five years ago, Talawanda recognizes the importance of identifying goals. The Board of Education and the District Administrative Staff are fully committed to planning, implementing, evaluating, and as funds permit, supporting the action plans in the district Continuous Improvement Plan.

The Board of Education meets monthly, and has had a standing item for reports on strategic planning activities for the past four years. There is also opportunity for citizens comments at the beginning of each and every board meeting.

Individual school buildings within the district are at various stages of completion of their own continuous improvement plans, and during the past two years eight early release days were devoted for district-wide work on Continuous Improvement activities.

The school district encourages principals and staffs to implement school reform models. Our high school is a forerunner in the State on the High School That Work reform model. Our middle school and two of our three elementary schools have received Venture Capital funds for innovative instructional approaches. Our middle school has also received "raising the bar" recognition for innovative instructional practices.

The district's Belief Statements and Mission Statement are as follows:

Belief Statements

We believe that:

- self esteem is an important part of learning.
- learning is a lifelong process.
- public education is a cooperative effort among parents, students, staff and community.
- the family is the major influence in, and is responsible for, the child's development.
- schools provide the opportunity for learning basic and specialized knowledge and skills for growth.
- schools are influenced by an ever changing society.
- individuals have a capability and capacity to learn which are unique to them.
- all people have value.
- public schools are a valuable resource.
- schools are to operate in a legally, ethically, and financially responsible manner.

Mission Statement

The mission of the Talawanda City School District is to provide for the educational development of its students within a secure, nurturing environment. The Talawanda School District will provide a challenging and comprehensive curriculum that will draw upon the multiple strengths of the community and will be supported by a well-informed public. This will enable each student to reach his/her full potential, to become a responsible citizen and a contributing member of a diverse society.

Community

Business Advisory Committee: This Committee is comprised of local business and education leaders who have a sincere interest in preparing Talawanda's youth for today and tomorrow's job market. A major goal of the Committee is to establish close ties between the District and businesses in the District, and to have business leaders review and give input on District curriculum offerings.

State Funding

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school-funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program," which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$10,892,698 of school foundation support for its general fund. Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven " .. major areas warrant further attention, study, and development by the General Assembly....," including the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program. The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001. As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on the future State funding under this program and on its financial operations.

Operations

In April 1994, the Talawanda City School District transferred the operation of its bus fleet to a private contractor. The change was designed to improve the operational efficiency of our transportation services while putting new school buses on the road. Though the company providing the service is an independent contractor, the district has not relinquished its control over operational matters such as bus routes, pick-up times, student discipline or employee hiring standards and disciplinary procedures. The district just completed its first full five-year contract and is very pleased with the operational system and with the operational efficiency the district has been able to achieve. On June 28, 1999, the district renewed its contract with the private contractor for a period of four years.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund (and account group) is a distinct, self-balancing accounting entity. Records for general governmental operations and expendable trust funds are maintained on a cash basis system of accounting as prescribed by the Auditor of State. Cash basis accounting differs from generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board. GAAP, as more fully described in the notes to the financial statements, provides for a modified accrual basis of accounting for the general fund, special revenue funds, debt service funds, capital improvement funds, expendable trust funds, agency funds and for full accrual basis of accounting for all other funds.

Internal Accounting Control

Internal accounting control adequacy was given great consideration in developing the District's accounting system. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived.

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

Budgetary Controls

Budgetary controls were established to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. All accounts, appropriations and other financial records are maintained in accordance with the procedures established and prescribed by the Auditor of State.

It has been the practice of the district to modify estimated revenues and expenditures to match actual revenues and expenditures prior to closing the fiscal year.

Activities of all funds are included in the annual appropriation resolution. The level of budgetary control is established by using a system of function and object codes in the amounts established through Board resolution. All purchase order requests must be approved by the Superintendent, or his designee, and the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests, which exceed the available appropriations, are rejected until additional funds are secured. The encumbrance accounting system is a technique of accomplishing budgetary control and provides for the release of all unencumbered amounts at year-end.

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriations plus any additional appropriations made to date. The reports ascertain the status of a department's appropriations prior to authorizing additional purchases. In addition to interim financial reports, each administrator is furnished monthly reports showing the status of the budgetary accounts for which they are responsible. The reports detail monthly transactions and summarize the balances available to be spent from the appropriations allocated for goods and services.

Single Audit

Single audit requirements ensure that the District complies with applicable laws and regulations related to all Federal and State programs. The audit includes tests of the internal control system for reliance. This internal control structure is subject to periodic evaluation by management of the District. The results of the District's single audit for the fiscal year ended June 30, 2000, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

General Governmental Functions

The General Fund is the general operating fund of the District, used to account for all revenues and expenditures not required to be accounted for in another fund. Due to declining balances, the District is seeking an additional tax levy to help fund district operational expenses. On April 10, 2000, the Board of Education cut programs and services by approximately \$600,000 beginning in fiscal year 2001 in order to offset future budget deficits. As a result, the revised forecast reflects a positive balance through June 2002. Funding sources beyond the 1999-2000 fiscal year may be affected by the outcome of the November 7, 2000 tax levy and a school-funding lawsuit currently pending in the Ohio Supreme Court.

The following schedule presents a summary of the General Fund revenues for the fiscal years ended June 30, 2000 (GAAP basis):

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1999</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$7,724,150	39.45%	\$(1,851,327)	(19.33)%
Tuition and Fees	170,278	.87	81,135	91.02
Earnings on investments	448,941	2.29	106,241	31.00
Other Local Revenues	345,376	1.76	264,428	326.67
Intergovernmental				
State, Federal and Local	<u>10,892,698</u>	<u>55.63</u>	<u>3,136,359</u>	<u>40.44</u>
Total	\$19,581,443	100.00%	\$1,736,836	9.73%

Overall tax revenue decreased due to the amount available on June 30, 2000. Tuition and fees increased due to increased excess cost for special education students. Investment earnings have increased due to the significant increase in Intergovernmental revenue resulting in larger amounts to invest. Other local revenues increased due to a roof settlement and insurance settlement in 2000. Intergovernmental revenue increased because of \$3,000,000 in tax-exempt aid received in 2000.

The following schedule presents a summary of General Fund expenditures for the fiscal year ended June 30, 2000 (GAAP basis):

<u>Expenditures</u>	<u>Percent of Amount</u>	<u>Increase (Decrease) From 1999</u>	<u>Percent of Increase (Decrease)</u>	<u>Total</u>
Instruction:				
Regular	\$9,246,001	48.67%	\$745,796	8.77%
Special	1,576,009	8.30	88,094	5.92
Adult	0	0	(20,911)	(100.00)
Other	341,979	1.80	97,169	39.69
Support Services:				
Pupil	868,495	4.56	120,523	16.11
Instructional	812,380	4.27	(12,838)	(1.56)
General Admin.	51,370	.27	11,352	28.37
School Admin	1,340,229	7.05	(73,838)	(5.22)
Fiscal and Business	457,066	2.41	(4,557)	(.02)
Operations and Maint.	2,071,859	10.91	251,697	13.83
Pupil Transportation	1,646,206	8.67	342,774.	26.30
Central	22,231	0.12	13,995	170.00
Extra Curricular Act.	374,460	1.98	74,375	24.78
Capital Outlay	<u>188,903</u>	<u>.99</u>	<u>(132,677)</u>	<u>41.26</u>
Total	\$18,997,188	100.00%	\$1,500,954	8.58%

Increases in wages occurred at a rate of approximately 5% across the board. Regular instruction expenditures were up primarily due to the large math textbook adoption. Special instruction continues to grow due to the special education population. Adult expenditures decreased due to the elimination of the adult program. Other expenditures increased as a result of increased cost of tuition to other districts for the education of off-site special education students. Operations and maintenance expenditures increased due to a fire in one of the school buildings. Pupil transportation expenditures increased due to the purchase of four handicapped school buses.

Fiscal year 2000 saw general fund expenditures of \$18,997,188 below revenues of \$20,616,145 by \$1,618,957.

Special Revenue Funds

The Special Revenue Funds consisted primarily of Public Support, Athletic, Title VI-B and Title I and Miscellaneous Federal Grants. All Special Revenue Funds on a combined basis operated with \$1,159,874 in revenues and other resources (net) and \$1,303,249 in expenditures and other uses (net) in 2000.

Debt Service Fund

This section describes statutory and constitutional debt and ad valorem property tax limitations applicable to the Board and the District, and the Board's current outstanding note indebtedness.

Statutory Direct Debt Limitations: The Ohio Revised Code provides that the net principal amount of unvoted general obligation debt of a school district incurred without a vote of the electors, exclusive of certain exempt debt, may not exceed one-tenth of one percent of the total value of all property in the district as listed and assessed for taxation. The Board at present has no unvoted debt issued as June 30, 2000, subject to this limitation. The total net indebtedness of a board of education, voted and unvoted, but exclusive of exempt debt (tax anticipatory notes) may not exceed 9% of the total value, except upon declaration by the State Superintendent of Public Instruction that the district is a "special needs" district (which is not applicable or anticipated to be applicable to the District) in which case the 9% (imitation may be exceeded, although any such debt is subject to voter approval.

Ten-Mill Unvoted Tax Limitation: Article XI I, Section 2 of the Ohio Constitution and Section 5705.02 of the Ohio Revised Code limit the maximum aggregate mileage that may be levied for all purposes on any single parcel of property by all overlapping taxing subdivisions. The District and its largest overlapping subdivisions currently levy the entire ten mills as follows: the District 4.19 mills; City of Oxford 3.65 mills, Butler County 1.92 mills, Oxford Township .24 mills (Source: Butler County Auditor). The ten milts that may be levied as ad valorem taxes upon real property without a vote of the electors are referred to as the "inside mileage".

Ohio law presently requires that the inside mileage allocated to each overlapping taxing subdivision be used first for the payment of debt service on unvoted general obligation debt of the subdivision, unless provisions have been made for its payment from other sources, and that the balance be used for general fund purposes. To the extent the inside mileage required for debt service by a taxing subdivision exceeds the allocation to that subdivision, the amount that would

otherwise be available to the subdivision or its overlapping subdivisions for general fund purposes is reduced, subject to requirements that municipal corporations exhaust certain other revenue sources before they may cause such a mileage reallocation.

Debt Currently Outstanding: The following table lists the District's outstanding debt represented by Bond Anticipatory Notes and Construction Bonds at June 30, 2000, as compared to the two legal debt limitations.

Assessed Valuation of Talawanda City School District (2000)		\$440,255,109
Overall Direct Debt Limitation		39,622,960
Amount Available in Debt Service Fund		0
Gross indebtedness (all bonds and tax anticipation notes outstanding)	\$410,000	
Less Debt exempt from limitation	0	
Debt subject to 9% limitation		410,000
Legal Debt margin within 9% limitation		<u>\$39,212,960</u>
Unvoted Direct Debt Limitation (Unvoted debt limitation 0.1 % of assessed valuation)		\$440,255
Amount available in Debt Service Fund		0
Gross indebtedness authorized by the Board	0	
Less debt exempt from the limitation	0	
Debt subject to 0.1 % limitation		0
Legal debt margin within 0.1 % limitation		<u>\$440,255</u>

Capital Project Funds

The Capital Projects Funds are used to account for a Permanent Improvement Fund, which receives equity transfers from the General Fund and Construction activity as a result of a bond issue approved in November, 1987.

Proprietary Funds

The Enterprise Funds operated by the District include Food Service, Uniform School Supply and Adult Continuing Education. District Enterprise Funds operated in 2000 with \$1,044,343 in revenues and other resources and recorded net income of \$16,131.

General Fixed Assets

Fixed asset values were established in July 1, 1990 by an appraisal firm. The District's fixed assets have been automatically updated through June 30, 2000 by an interface with the accounting system. At June 30, 2000, General Fixed Assets totaled \$24,989,091.

Debt Administration

The ratio of bonded debt to assessed value was .09%. The legal restriction in the State of Ohio is 9% of assessed valuation.

Risk Management

The District continues to protect its assets through a comprehensive insurance program. The District maintains insurance coverage with private carriers for real property, building contents, vehicles and general liability insurance. General liability insurance policy limits are one million dollars per occurrence and five million dollars in the aggregate. The District also carries employees performance liability insurance on all employees.

Cash Management

The District has an aggressive cash management program expediting the receipt of revenues and prudently investing available cash in obligations collateralized by instruments issued by the United States Government, State of Ohio, or insured by the Federal Deposit Insurance Corporation. The interest earned during fiscal year 2000 was \$463,869. Of this amount \$4,48,941 was credited to the General Fund, \$5,606 to the Capital Projects Funds, \$1,443 to Expendable Trust Funds, and \$7,863 to the Food Service Fund. The program is particularly successful because of computerization of daily balances which permits the Treasurer's Office to minimize cash on hand and maximize investment holdings. All investments are spread among available investment options to insure maximum interest rates.

The District's investment policy is to minimize credit and market risk while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits meet minimum state requirements. Investments held by the District during the year and at June 30, 1999, are classified in the categories of lowest to middle credit risk as defined by the Governmental Accounting Standards Board. However, as required under Ohio law, pooled securities have been pledged in an amount equal to 110% of the total deposits to secure the repayment of all public moneys deposited in a financial institution.

OTHER INFORMATION

Awards:

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1999. This was the eighth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ASBO Certificate of Excellence

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 1999 to the District. The Certificate of Excellence is the highest form of recognition for excellence in school district financial reporting and was awarded for this District's eighth annual report produced under Generally Accepted Accounting Principles.

This award certifies that the Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2000, will also conform to its principles and standards.

Acknowledgments

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

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

Sincerely,

James M. Rowan
CFO Treasurer

Susan Cobb
Superintendent of Schools

Certificate of Achievement for Excellence in Financial Reporting

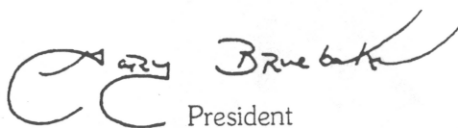
Presented to

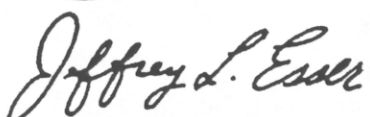
Talawanda City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

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




Cary Brubaker
President


Jeffrey L. Esser
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

TALAWANDA CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 1999

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

Sam Alleving
President

Ann K. Hagan
Executive Director

TALAWANDA CITY SCHOOL
DISTRICT APPOINTED OFFICIALS
AS OF JUNE 30, 2000

Official

Title

Susan Cobb

Superintendent

James M. Rowan

CFO/Treasurer

Philip Cagwin

Asst. Superintendent
of Administrative Services

David McDaniel

Director of Technology

Robert Phelps

Director of Special Education

Elected Officials

Term Expiration

Glenn Bailey

December 31, 2003

Donald D. Barnhart

December 31, 2003

Mollie Hansel

December 31, 2003

Robert Sherman

December 31, 2001

William R. Vollmer

December 31, 2001

TALAWANDA CITY SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
AS OF JUNE 30, 2000

Architects

Fanning/Howey Assoc. Inc.
540 E. Market Street
P.O. Box 71
Celina, OH 45822

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

Asbestos

Safe Space
James Bartley, President
68 South Main Street
Middletown, OH 45044

Bond Council

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

Independent Auditor

Plattenburg and Associates
8230 Montgomery Road
Cincinnati, OH 45236

Investment Counselors

Seasongood and Mayer
Municipal Bonds and Investment Securities
414 Walnut Street
Cincinnati, OH 45202

Legal Council

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

TALAWANDA CITY SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
AS OF JUNE 30, 2000

Official Depositories

Bank One, Middletown
20 W. High Street
Oxford, OH 45056

Society Bank
9 East High Street
Oxford, OH 45056

First National Bank
of Southwestern Ohio
25 West High Street Oxford, OH 45056

Fifth Third Bank
5950 Fairfield Road
Oxford, OH 45056

Star Bank
1 Lynn Ave
Oxford, OH 45056

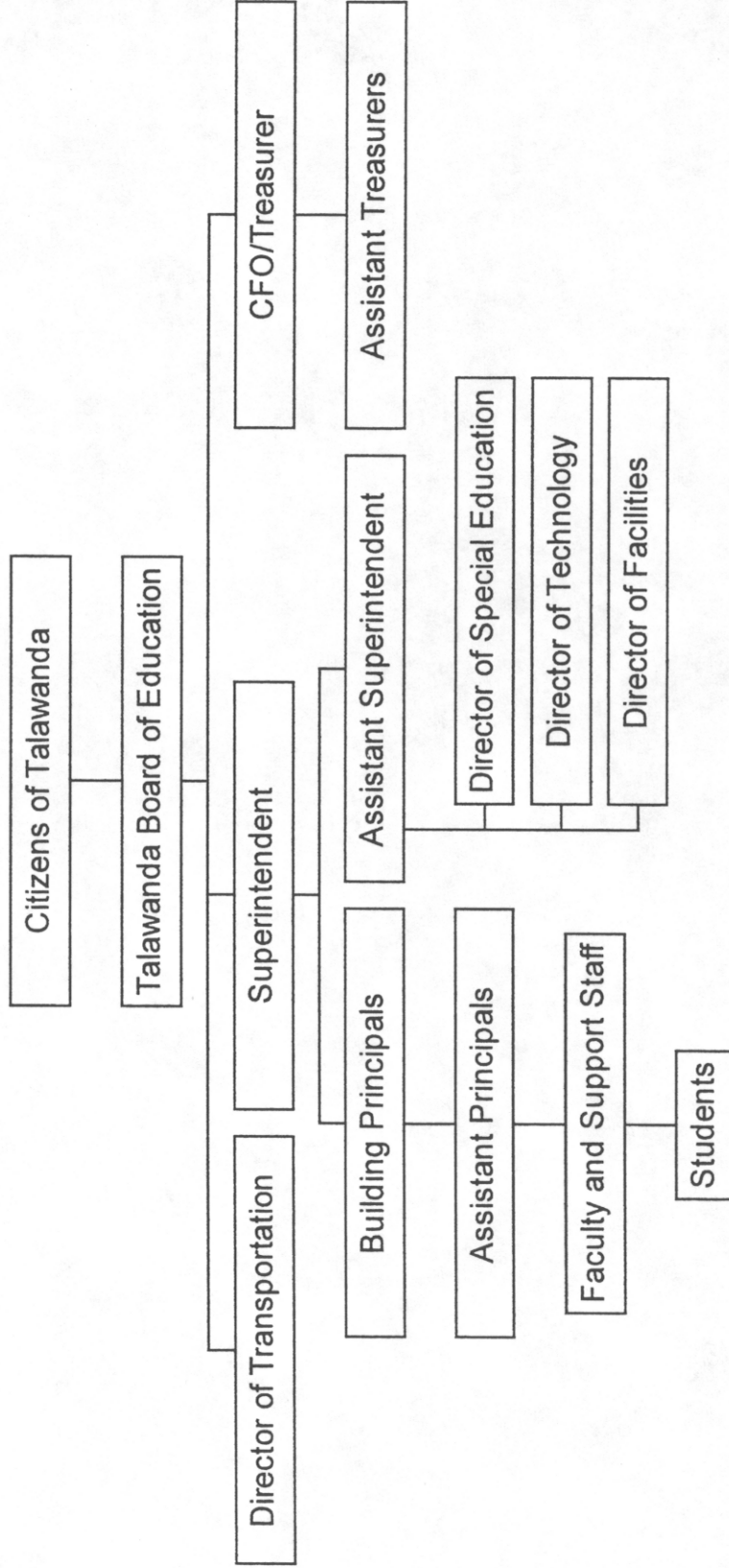
Workers Compensation

Gates McDonald
3455 Mill Run Dr.
Hilliard, Ohio 43026-9079

Talawanda City School District, Ohio

Organizational Chart

As of June 30, 2000



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Financial Section

Independent Auditor's Report

September 22, 2000

Board of Education
Talawanda City School District
Oxford, Ohio

We have audited the accompanying general purpose financial statements of the Talawanda City School District (the District), as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types and non-expendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Governmental Auditing Standards*, we have also issued a report dated September 22, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

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

Plattensburg & Associates, Inc.
Certified Public Accountants

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**TALAWANDA CITY SCHOOL DISTRICT, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 2000**

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS:				
Assets:				
Equity in pooled cash and investments	\$4,433,858	\$444,378	\$0	\$174,684
Restricted cash	438,495	0	0	0
Receivables:				
Taxes - current	8,543,201	0	0	0
Accounts	4,483	34,634	0	0
Accrued interest	34,317	0	0	507
Intergovernmental - federal	0	26,763	0	0
Prepayments	21,529	0	0	0
Material and supplies inventory	0	0	0	0
Property, plant and equipment (net of accumulated depreciation, where applicable)	0	0	0	0
Other Debits:				
Amount to be provided for retirement of General Long-term Obligations	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$13,475,883	\$505,775	\$0	\$175,191
LIABILITIES, FUND EQUITY AND OTHER CREDITS:				
Liabilities:				
Accounts payable	\$151,767	\$27,666	\$0	\$85
Accrued wages and benefits	1,923,559	56,336	0	30
Due to student groups	0	0	0	0
Due to others	0	0	0	0
Deferred revenue	7,363,842	0	0	0
General obligation bonds payable	0	0	0	0
Compensated absences payable	0	0	0	0
Total Liabilities	9,439,168	84,002	0	115
Fund Equity and Other Credits:				
Investment in general fixed assets	0	0	0	0
Retained earnings	0	0	0	0
Fund Balances:				
Reserved-				
Reserved for encumbrances	468,546	40,480	0	42,841
Reserved for set-asides	438,495	0	0	0
Reserved for tax advances	1,179,359	0	0	0
Reserved for prepaids	21,529	0	0	0
Unreserved-				
Undesignated	1,928,786	381,293	0	132,235
Total Fund Equity and Other Credits	4,036,715	421,773	0	175,076
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$13,475,883	\$505,775	\$0	\$175,191

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES		ACCOUNT GROUPS			Totals (Memorandum Only)
	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$327,154	\$0	\$113,825	\$0	\$0	\$5,493,899	
0	0	0	0	0	438,495	
0	0	0	0	0	8,543,201	
6,430	0	0	0	0	45,547	
873	0	136	0	0	35,833	
0	0	0	0	0	26,763	
0	0	0	0	0	21,529	
36,848	0	0	0	0	36,848	
44,868	0	0	24,989,091	0	25,033,959	
0	0	0	0	1,159,895	1,159,895	
\$416,173	\$0	\$113,961	\$24,989,091	\$1,159,895	\$40,835,969	
\$3,293	\$0	\$202	\$0	\$0	\$183,013	
120,220	0	65	0	154,713	2,254,923	
0	0	46,826	0	0	46,826	
0	0	8,365	0	0	8,365	
11,455	0	0	0	0	7,375,297	
0	0	0	0	410,000	410,000	
5,128	0	0	0	595,182	600,310	
140,096	0	55,458	0	1,159,895	10,878,734	
0	0	0	24,989,091	0	24,989,091	
276,077	0	0	0	0	276,077	
0	0	391	0	0	552,258	
0	0	0	0	0	438,495	
0	0	0	0	0	1,179,359	
0	0	0	0	0	21,529	
0	0	58,112	0	0	2,500,426	
276,077	0	58,503	24,989,091	0	29,957,235	
\$416,173	\$0	\$113,961	\$24,989,091	\$1,159,895	\$40,835,969	

TALAWANDA CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2000

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
From local sources:				
Taxes	\$7,724,150	\$0	\$0	\$0
Tuition	163,064	0	0	0
Transportation fees	7,214	0	0	0
Earnings on investments	448,941	0	0	5,606
Extracurricular activities	48,839	213,578	0	0
Classroom materials and fees	0	0	0	0
Other local revenues	296,537	59,861	0	0
Intergovernmental . State and Local	10,892,698	123,569	0	0
Intergovernmental - Federal	0	762,866	0	0
Total Revenues	19,581,443	1,159,874	0	5,606
Expenditures:				
Current:				
Instruction:				
Regular	9,246,001	229,822	0	3,539
Special	1,576,009	392,282	0	0
Adult	0	15,936	0	0
Other	341,979	0	0	0
Support services:				
Pupil	868,495	155,372	0	0
Instructional staff	812,380	243,816	0	35,346
General administration	51,370	0	0	0
School administration	1,340,229	88,277	0	0
Fiscal and business	457,066	0	0	0
Operations and maintenance	2,071,859	7,272	0	7,397
Pupil transportation	1,646,206	0	0	0
Central	22,231	0	0	0
Community Services	0	46,330	0	0
Extracurricular activities	374,460	124,142	0	0
Capital outlay	188,903	0	0	68,330
Debt service:				
Principal retirement	0	0	90,000	0
Interest and fiscal charges	0	0	22,750	0
Total Expenditures	18,997,188	1,303,249	112,750	114,612
Excess (deficiency) of revenues over (under) expenditures	584,255	(143,375)	(112,750)	(109,006)
Other Financing Sources (Uses):				
Operating transfers in	0	0	8,281	0
Operating transfers (out)	(8,281)	0	0	0
Proceeds of sale of fixed assets	1,710	0	0	5,000
Total Other Financing Sources (Uses)	(6,571)	0	8,281	5,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	577,684	(143,375)	(104,469)	(104,006)
Fund balance, July 1, 1999	3,459,031	565,148	104,469	279,082
Fund balance, June 30, 2000	\$4,036,715	\$421,773	\$0	\$175,076

The notes to the financial statements are an integral part of this statement

FIDUCIARY FUND TYPE	
Expendable	Totals
Trust	(Memorandum Only)
\$0	\$7,724,150
0	163,064
0	7,214
1,443	455,990
0	262,417
5,934	5,934
24,475	380,873
0	11,016,267
0	762,866
<hr/> 31,852	<hr/> 20,778,775
6,613	9,485,975
3,170	1,971,461
0	15,936
0	341,979
2,838	1,026,705
2,322	1,093,864
0	51,370
0	1,428,506
0	457,066
0	2,086,528
0	1,646,206
0	22,231
0	46,330
4,000	502,602
0	257,233
0	90,000
0	22,750
<hr/> 18,943	<hr/> 20,546,742
12,909	232,033
0	8,281
0	(8,281)
0	6,710
<hr/> 0	<hr/> 6,710
12,909	238,743
45,408	4,453,138
<hr/> \$58,317	<hr/> \$4,691,881

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000**

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
From local sources:						
Taxes	\$8,758,852	\$8,758,852	\$0	\$0	0	\$0
Tuition	166,562	166,562	0	0	0	0
Transportation fees	6,676	6,676	0	0	0	0
Earnings on investments	435,018	435,018	0	0	0	0
Extracurricular activities	48,839	48,839	0	191,384	191,384	0
Other local revenues	313,067	313,067	0	47,583	47,583	0
Intergovernmental - State & Local	10,877,698	10,877,698	0	158,181	158,181	0
Intergovernmental- Federal	0	0	0	810,658	810,658	0
Total Revenues	20,606,712	20,606,712	0	1,207,806	1,207,806	0
Expenditures:						
Current:						
Instruction:						
Regular	9,305,366	9,305,366	0	220,556	220,556	0
Special	1,568,378	1,568,378	0	394,096	394,096	0
Adult	0	0	0	16,349	16,349	0
Other	359,820	359,820	0	0	0	0
Support Services:						
Pupil	842,230	842,230	0	164,554	164,554	0
Instructional Staff	835,920	835,920	0	270,048	270,048	0
General Administration	50,446	50,446	0	0	0	0
School Administration	1,371,503	1,371,503	0	84,443	84,443	0
Fiscal and Business	467,976	467,976	0	0	0	0
Operations and maintenance	2,227,814	2,227,814	0	7,290	7,290	0
Pupil Transportation	1,760,862	1,760,862	0	0	0	0
Central and Community	23,221	23,221	0	45,618	45,618	0
Extracurricular Activities	364,391	364,391	0	127,057	127,057	0
Capital Outlay	291,590	291,590	0	(2,320)	(2,320)	0
Debt Service:						
Principal	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	19,469,517	19,469,517	0	1,327,691	1,327,691	0
Excess (deficiency) of revenues over (under) expenditures	1,137,195	1,137,195	0	(119,885)	(119,885)	0
Other Financing Sources (Uses):						
Sale & Loss of Assets	1,710	1,710	0	0	0	0
Refund of Prior Year Expenditures	0	0	0	0	0	0
Refund of Prior Year Receipts	0	0	0	(3,727)	(3,727)	0
Operating Transfers In	156,169	156,169	0	38,366	38,366	0
Operating Transfers (Out)	(164,450)	(164,450)	0	(38,366)	(38,366)	0
Advances In	45,000	45,000	0	0	0	0
Advances (Out)	(30,000)	(30,000)	0	(15,000)	(15,000)	0
Total Other Financing Sources (Uses)	8,429	8,429	0	(18,727)	(18,727)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	1,145,624	1,145,624	0	(138,612)	(138,612)	0
Fund Balance, July 1, 1999	2,632,861	2,632,861	0	462,184	462,184	0
Prior Year Encumbrances Appropriated	521,075	521,075	0	62,384	62,384	0
Fund Balance, June 30, 2000	\$4,299,560	\$4,299,560	\$0	\$385,956	\$385,956	\$0

The notes to the financial statements are an integral part of this statement.

DEBT SERVICE FUND			CAPITAL PROJECTS FUNDS			TOTALS (MEMORANDUM ONLY)		
Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Variance: Favorable (Unfavorable)	Variance: Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0	\$8,758,852	\$8,758,852	\$0
0	0	0	0	0	0	166,562	166,562	0
0	0	0	0	0	0	6,676	6,676	0
0	0	0	5,591	5,591	0	440,609	440,609	0
0	0	0	0	0	0	240,223	240,223	0
0	0	0	0	0	0	360,650	360,650	0
0	0	0	0	0	0	11,035,879	11,035,879	0
0	0	0	0	0	0	810,658	810,658	0
0	0	0	5,591	5,591	0	21,820,109	21,820,109	0
0	0	0	4,670	4,670	0	9,530,592	9,530,592	0
0	0	0	0	0	0	1,962,474	1,962,474	0
0	0	0	0	0	0	16,349	16,349	0
0	0	0	0	0	0	359,820	359,820	0
0	0	0	0	0	0	1,006,784	1,006,784	0
0	0	0	67,945	67,945	0	1,173,913	1,173,913	0
0	0	0	0	0	0	50,446	50,446	0
0	0	0	0	0	0	1,455,946	1,455,946	0
0	0	0	0	0	0	467,976	467,976	0
0	0	0	7,477	7,477	0	2,242,581	2,242,581	0
0	0	0	0	0	0	1,760,862	1,760,862	0
0	0	0	0	0	0	68,839	68,839	0
0	0	0	0	0	0	491,448	491,448	0
0	0	0	78,330	78,330	0	367,600	367,600	0
90,000	90,000	0	0	0	0	90,000	90,000	0
22,750	22,750	0	0	0	0	22,750	22,750	0
112,750	112,750	0	158,422	158,422	0	21,068,380	21,068,380	0
(112,750)	(112,750)	0	(152,831)	(152,831)	0	751,729	751,729	0
0	0	0	5,000	5,000	0	6,710	6,710	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	(3,727)	(3,727)	0
8,281	8,281	0	0	0	0	202,816	202,816	0
0	0	0	0	0	0	(202,816)	(202,816)	0
0	0	0	0	0	0	45,000	45,000	0
0	0	0	0	0	0	(45,000)	(45,000)	0
8,281	8,281	0	5,000	5,000	0	2,983	2,983	0
(104,469)	(104,469)	0	(147,831)	(147,831)	0	754,712	754,712	0
104,469	104,469	0	255,139	255,139	0	3,454,653	3,454,653	0
0	0	0	24,451	24,451	0	607,910	607,910	0
0	\$0	\$0	\$131,759	\$131,759	\$0	\$4,817,275	\$4,817,275	\$0

TALAWANDA CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
 FOR THE YEAR ENDED JUNE 30, 20000

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	Totals (Memorandum only)
	Enterprise	Internal Service	Non-expendable Trust	
Operating Revenues:				
Tuition and tees	\$148,819	\$0	\$0	\$148,819
Sales	593,541	0	0	593,541
Miscellaneous	7,863	0	0	7,863
Total Operating Revenues	750,223	0	0	750,223
Operating Expenses:				
Salaries and wages	348,809	0	0	348,809
Fringe benefits	152,366	0	0	152,366
Contract services	21,185	14	0	21,199
Supplies	501,265	15	0	501,280
Depreciation	4,587	0	0	4,587
Total Operating Expenses	1,028,212	29	0	1,028,241
Operating Income (Loss)	(277,989)	(29)	0	(278,018)
Nonoperating Revenues (Expenses):				
Operating grants - state and local	54,902	0	0	54,902
Operating grants - federal	185,549	0	0	185,549
Donated commodities	45,790	0	0	45,790
Interest revenue	7,879	0	0	7,879
Total Nonoperating Revenues (Expenses)	294,120	0	0	294,120
Net Income (Loss)	16,131	(29)	0	16,102
Retained Earnings/Fund Balance, July 1, 1999	259,946	29	186	260,161
Retained Earnings/Fund Balance, June 30, 2000	\$276,077	\$0	\$186	\$276,263

The notes to the financial statements are an integral part of this statement

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**TALAWANDA CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
 FOR THE YEAR ENDED JUNE 30, 2000**

	PROPRIETARY FUND TYPES		FIDUCIARY	Totals (Memorandum only)
	Enterprise	Internal Service	Non-expendable Trust	
Cash flows from operating activities:				
Cash received from tuition and fees	\$147,174	\$0	\$0	\$147,174
Cash received from sales	593,541	0	0	593,541
Cash received from miscellaneous	3,161	0	0	3,161
Cash payments for personal services	(494,747)	0	0	(494,747)
Cash payments for contract services	(19,672)	(14)	0	(19,686)
Cash payments for supplies and materials	(458,047)	(15)	0	(458,062)
Net cash provided by (used for) operating activities	(228,590)	(29)	0	(228,619)
Cash flows from noncapital financing activities:				
Cash received from operating grants	241,148	0		241,148
Net cash provided by (used for) noncapital financing activities	241,148	0	0	241,148
Cash flows from capital financing activities:				
Cash payments for capital acquisitions	(8,304)	0	0	(8,304)
Net cash provided by (used for) capital financing activities	(8,304)	0	0	(8,304)
Cash flows from investing activities:				
Cash received from interest	7,006	0	0	7,006
Net cash provided by (used for) investing activities	7,006	0	0	7,006
Net increase (decrease) in cash and cash equivalents	11,260	(29)	0	11,231
Cash and cash equivalents at beginning of year	315,894	29	186	316,109
Cash and cash equivalents at end of year	\$327,154	\$0	\$186	\$327,340
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	(277,989)	(29)	0	(278,018)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	4,587	0	0	4,587
Donated commodities used	45,790	0	0	45,790
Changes in assets and liabilities:				
(Increase) in accounts receivables	(6,347)	0	0	(6,347)
(Increase) in material and supplies inventory	(2,273)	0	0	(2,273)
Increase in accounts payable	1,923	0	0	1,923
Increase in accrued wages & benefits	7,114	0	0	7,114
(Decrease) in compensated absences payable	(686)	0	0	(686)
(Decrease) in deferred revenue	(709)	0	0	(709)
Net cash provided by operating activities	(\$228,590)	(\$29)	\$0	(\$228,619)

The notes to the financial statements are an integral part of this statement.

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY
 FUND TYPES AND NON-EXPENDABLE TRUST FUND
 FOR THE YEAR ENDED JUNE 30, 2000**

Combined Balance Sheet

Equity in Pooled Cash and Investments		
All Fiduciary Fund Types - Trust and Agency		\$113,825

Less:

Trust and Agency Funds Reported on Combined Balance Sheet
 which are not Reported in Statement of Cash Flows:

Equity In Pooled Cash and Investments:

Expendable Trust Funds:

General Trust Fund		58,448
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Agency Funds:

Student Activity Fund	46,826	
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Unclaimed Monies Fund	8,365	55,191
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Total Trust and Agency Funds not Reported on Statement of Cash Flows		113,639
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Combined Statement of Cash Flows:

Cash and Cash Equivalents at end of year		
--	--	--

Non Expendable Trust Fund		<u>\$186</u>
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The notes to the financial statements are an integral part of this statement.

TALAWANDA CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, cont.
FOR THE YEAR ENDED JUNE 30, 2000

NOTE A - DESCRIPTION OF THE DISTRICT

The district was originally chartered by the Ohio State Legislature. In 1853 State Laws were enacted to create Local Boards of Education. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

The District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the district's instructional and support facilities staffed by 139 non-certificated personnel and 247 certificated full time teaching and administrative personnel to provide services to students and other community members. It currently operates 3 elementary schools (one school for grades K-3, one for grades K-4 and one for grades 4-5), 1 middle school (grades 6-8), and 1 comprehensive high school (grades 9-12).

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the district have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

THE REPORTING ENTITY

For financial reporting purposes the District's financial statements include all funds, account groups, and component units for which the District is financially accountable based upon criteria set forth in GASB Statement 14. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e. the District) are financially accountable. The District would consider an organization to be a component unit if:

1. The District appoints a voting majority of the organization's governing body AND (a) is able to impose its will on that organization OR (b) there is a potential for the organization to provide specific financial burdens on the District; OR
2. The organization is fiscally dependent upon the District; OR
3. The nature of the relationship between the District and the organization is such that the exclusion from the financial reporting entity would render the financial statements misleading.

TALAWANDA CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, cont.
FOR THE YEAR ENDED JUNE 30, 2000

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont.

The following organizations do not meet the above component unit criteria and, therefore, are excluded from the accompanying financial statements:

City of Oxford Ohio- The city government of Oxford is a separate body politic and corporate. A mayor and council are elected independent of any District relationships, and administer the provisions of traditional city services. Council acts as the taxing authority for these City services.

Private School- McGuffey Foundation is a private school located within the boundaries of the District.

Private schools, within the boundaries of the district, are operated independently *of* the district. Current state legislation provides funding to these private schools. These moneys are received and disbursed on behalf of the private schools by the Treasurer of the District as directed by the State of Ohio. The accounting for these receipts and disbursements is reflected in a Special Revenue Fund of the District as required by Ohio Law, but the private schools' operations are not reflected in the financial statements.

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the District are maintained on the basis of fund and account groups, each of which is considered a separate accounting entity. The operation *of* each fund is accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The following fund types and account groups are used by the District:

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

General Fund

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

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund

The Debt Service is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest related costs; and for the payment of interest on general obligation notes payable, as required by Ohio Law.

TALAWANDA CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, cont.
FOR THE YEAR ENDED JUNE 30, 2000

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont.

Capital Projects Funds

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

Proprietary Funds- Proprietary Funds are used to account for the Districts ongoing activities, which are similar to those most often found in the private sector. In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting", the District applies all GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The following are the District's Proprietary Fund Types:

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises-where the intent of the government body is that the cost (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability or other purposes.

Internal Services Fund

Internal Services Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost reimbursement basis.

Fiduciary Funds- Fiduciary Funds are used to account for the assets held by the district in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include Expendable Trust, Nonexpendable Trust and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Nonexpendable Trust Funds are accounted for in essentially the same manner as proprietary funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of result of operations.

TALAWANDA CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, cont.
FOR THE YEAR ENDED JUNE 30, 2000

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont.

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

General Fixed Assets Account Group

This group of accounts is established to account for all fixed assets of the District, other than those accounted for in the Proprietary Funds and Trust Funds.

General Long-Term Obligations Account Group

This group of accounts is established to account for all long-term obligations of the District, except those accounted for in the Proprietary Funds and Trust Funds.

MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement Focus: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

All Governmental Fund Types and Expendable Trust Funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Their reported fund balances are considered a measure of available spendable resources.

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

Basis of Accounting: The modified accrual basis of accounting is followed for Governmental, Expendable Trust and Agency Funds. Under this basis of accounting revenues are recognized when they become both measurable and available to finance expenditures for the current period, which for the district is 60 days after the fiscal year end. Revenue accrued at the end of the fiscal year included property taxes, interest, tuition, and state and federal grants. Property taxes measurable but neither available to finance the current fiscal year expenditures, nor intended to finance the current year expenditures are recognized as deferred revenue. Expenditures are recognized in the period in which the related fund liability is incurred, if measurable, except principal and interest on long-term debt are recorded as fund liabilities when due.

TALAWANDA CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, cont.
FOR THE YEAR ENDED JUNE 30, 2000

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont.

Proprietary Funds and Nonexpendable Trust Funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred.

BUDGETARY DATA

Budgetary basis of accounting: The District's budgetary process accounts for certain transactions on a basis other than GAAP. The major difference between the budgetary basis and the GAAP basis are:

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

Expenditures are recorded when encumbered, or paid in cash (budgetary), as opposed to when susceptible to accrual (GAAP).

The actual results of operations, compared to the final appropriation, which includes amendments to the original appropriation, for each fund type by expenditure function and revenue by source are presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances -Budget and Actual (NonGAAP Budgetary Basis). The reserve for encumbrances is carried forward as part of the budgetary authority for the next year and is included in the revised budget amounts shown in the budget to actual comparisons.

The District adopts an annual budget for all governmental Fund Types. The specific timetable is as follows:

Prior to January 15 of the preceding fiscal year, the Treasurer submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers comments. The expressed purpose of this budget document is to reflect the need for existing or increasing tax rates.

By no later than January 20, the board-adopted budget is filed with the Butler County Budget Commission for tax rate determination.

Prior to March 15, the Board of Education accepts by formal resolution, the tax rate as determined by the Budget Commission and receives the Commission Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final amended Certificate.

By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of

TALAWANDA CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, cont.
FOR THE YEAR ENDED JUNE 30, 2000

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont.

each year. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.

Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions must be approved by the Board of Education.

Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. All departments/ functions and funds completed the year within the amount of their legally authorized appropriation.

Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriation amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 1998-99 and none were significant.

Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

The original appropriation measure was reduced during the year by \$74,610.

ENCUMBRANCES

Encumbrance accounting is utilized by District Funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For Governmental Fund Types encumbrances outstanding at fiscal year end appear as a reserve of the fund balance on a GAAP basis and for all funds as the equivalent of expenditures/expenses on a non-GAAP budgetary basis in order to demonstrate legal compliance. Note O provides a reconciliation of the budgetary basis and GAAP basis of accounting.

CASH AND INVESTMENTS

Cash received by the District is deposited in one of the three bank accounts with individual fund balance integrity maintained throughout. Moneys for all funds are maintained in these accounts or are temporarily used to purchase short-term cash equivalent investments. State statute authorizes the District to invest in obligations of the U.S. Treasury, commercial paper and repurchase agreements. Under existing Ohio statutes, all investment earnings accrue to the General Fund except those specifically related to Agency Funds, Employee Benefits, certain trust funds and those funds individually authorized by Board resolution.

Investment earnings are allocated to these funds based on average monthly cash balances. Investment income earned in fiscal 2000 totaled \$463,869.

For purposes of the Statement of Cash Flows (GASB Statement No.9) all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

TALAWANDA CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, cont.
FOR THE YEAR ENDED JUNE 30, 2000

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont.

Investments in the Districts cash and investments are stated at fair value as determined by quoted market prices.

An analysis of the Treasurer's investment account at year-end, June 30, 2000 is provided in Note D.

RESTRICTED CASH

Restricted cash in the general fund represents cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. A fund balance reserve has also been established.

INVENTORY (MATERIALS AND SUPPLIES)

Inventories are valued at cost (first-in, first-out method) and are determined by physical count. Inventories are expensed when used rather than when purchased.

FIXED ASSETS AND DEPRECIATION

General Fixed Assets Account Group- General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Donated fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$250 and a useful life of less than 3 years. No depreciation is recognized on assets in the General Fixed Assets Account Group. The District does not possess any infrastructure.

Proprietary Funds - Property, plant and equipment reflected in the Proprietary Funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided, where appropriate, on a straight-line basis over the following estimated useful lives

ASSET	LIFE (YEARS)
Building	30 to 50
Building Improvements	10 to 40
Improvements other than Buildings	10 to 20
Furniture, Fixtures and Equipment	05 to 20

INTERGOVERNMENTAL REVENUE

In Governmental Funds, entitlements and non-reimbursable grants are recorded as receivables and revenue when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Grant for Proprietary Fund operations are recognized as revenue when measurable and earned.

TALAWANDA CITY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS, cont.
 FOR THE YEAR ENDED JUNE 30, 2000

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont.

INTERFUND TRANSACTIONS

During the course of normal operations the District has numerous transactions between funds. The most significant include:

Routine transfers of resources from one fund to another fund through which resources to be expended are recorded as operating transfers.

Reimbursements from one fund to another fund are treated as an expenditure/expense in the reimbursing fund, and a reduction of expenditure expense in the reimbursed fund.

Short-term interfund loans are reflected as interfund loans payable/receivable, while long-term interfund loans (greater than one year in length) are recorded as advances to/from other funds. The District has no long-term advances as of June 30, 2000.

An analysis of interfund loans is reflected in Note E.

COMPENSATED ABSENCES

GASB Statement No. 16 specifies that compensated absences should be accrued as they are earned by employees if both of the following conditions are met:

1. The employee's rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment.

The District's policies regarding compensated absences are determined by state laws and/or negotiated agreements and include salary related payments if material. In summary, the policies are as follows:

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-certified</u>
How Earned	Not Eligible	20 days at start of each contract year.	5-25 days per year depending on length of service accumulated monthly
Maximum Accumulation	Not Applicable	60 days unless otherwise stated in the contract	75 days
Vested	Not Applicable	As Earned	As Earned
Termination Entitlements	Not Applicable	Paid Upon Termination	Paid Upon Termination
<u>Sick Leave</u>			
How Earned	1 ¼ days per month of employment (15 days per year)	1 ¼ days per month of employment (15 days per year)	1 ¼ days per month of employment (15 days per year)

TALAWANDA CITY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS, cont.
 FOR THE YEAR ENDED JUNE 30, 2000

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont.

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-certified</u>
Maximum Accumulation	188 days	260 days	188 days
Vested	As Earned	As Earned	As Earned
Termination Entitlement	Per Contract	Per Contract	Per Contract

For Governmental Funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the respective Governmental Fund. Amounts that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Obligations Account Group. Compensated absences of Proprietary Funds are recorded as an expense and liability of the respective proprietary fund.

LONG-TERM OBLIGATIONS

Long-term debt is recognized as a liability of a Governmental Fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available resources is reported as a fund liability of a Governmental Fund. The remaining portion of such obligations is reported in the General Long-Term Obligations Account Group. Long-term liabilities expected to be financed from Proprietary Fund operations are accounted for in those funds.

FUND EQUITY

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation, in future periods. Fund equity reserves are established for encumbrances, debt service, property taxes, prepaid items, and budgetary set-asides required under Ohio Law.

MEMORANDUM ONLY-TOTAL COLUMNS

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

TALAWANDA CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, cont.
FOR THE YEAR ENDED JUNE 30, 2000

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont.

ESTIMATES

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

NOTE C-FUND BALANCE DEFICITS

The Special Revenue Fund "EHA Preschool Handicapped Grant" had a deficit fund balance June 30, 2000 in the amount of \$322 due to the timing of revenue.

NOTE D-EQUITY IN POOLED CASH & INVESTMENTS

The District maintains a cash and investment pool used by all funds. Each fund types portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments".

State Statute requires the classification of moneys held by District into three categories:

Active Monies - Those moneys required to be kept in a "cash" or "near cash" status for immediate use by the District. Such moneys must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or money market deposit accounts.

Inactive Monies - Those moneys not required for use within the current two-year period of designated depositories. Ohio law permits inactive moneys to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies - Those moneys which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Ohio law permits interim moneys to be invested or deposited in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, noted, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited, 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;

TALAWANDA CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, cont.
FOR THE YEAR ENDED JUNE 30, 2000

NOTE D-EQUITY IN POOLED CASH & INVESTMENTS - cont.

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
6. The State Treasurer's investment pool (STAR Ohio);
7. 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.

Deposits

At year-end, the carrying amount of the District's deposits was \$55,085. The bank balance of deposits was \$482,830, of which \$200,000 was covered by federal depository insurance. Any remaining bank balance would be covered according to Chapter 135, Uniform Depository Act, of the Ohio Revised Code, which authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated

public depository may pledge a single pool of eligible securities to secure repayment of all public moneys deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance. This entire amount is defined by GAS13 Statement No. 3 as uncollateralized because the pooled securities are not in the District's name.

Investments:

The District's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are issued or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its department or agent, but not in the District's name. The District's investments in Star Ohio are not categorized because they are not evidenced by securities that exist in physical or book entry form.

TALAWANDA CITY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS, cont.
 FOR THE YEAR ENDED JUNE 30, 2000

NOTE D-EQUITY IN POOLED CASH & INVESTMENTS cont.

Based on the above criteria, the District's investments at June 30, 2000 are classified as follows:

<u>Investments</u>	<u>Risk Category</u>	<u>Carrying Value Fair Value</u>
Star Ohio	N/A	<u>\$5,877,309</u>
Total		<u>5,877,309</u>

During the year the District invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allow governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's quoted share price at year end.

NOTE E-INTERFUND RECEIVABLES/PAYABLES

There were no interfund receivables/payables outstanding as of June 30, 2000.

NOTE F - PROPERTY TAXES

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2000 were as follows:

Tangible Personal and Public Utility Personal	\$48,489,079
Public Utility Real and Real Estate	<u>391,766,030</u>
Total Assessed Property Value	<u>\$440,255,109</u>

In 2000, real property taxes were levied in January on the assessed values as of January 1, 1999, the lien date. Assessed values are established by the County Auditor at 35% of an appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical

update every third year. The most recent revaluation was completed in January, 1997. The most recent statistical update was completed in January, 2000. Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25% of true value (as defined). In 2000, each business was eligible to receive a \$10,000 exemption in assessed value, which was reimbursed to the District by the State.

Real property taxes are payable annually or semi-annually. In 2000, if paid annually, payment was due by February 8th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due February 8th with the remainder due on July 12th.

The County Auditor remits portions of the taxes collected to all taxing Districts with periodic settlements of Real and Public Utility property taxes in February and August and Tangible personal property taxes in June and October. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

TALAWANDA CITY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS, cont.
 FOR THE YEAR ENDED JUNE 30, 2000

NOTE F - PROPERTY TAXES cont'd

Accrued property taxes receivable represents real property, personal property, and public utility taxes, which became measurable as of the current year-end. Although total property tax collections for the next fiscal year are measurable, only the amount available for an advance at June 30, 2000 is intended to finance current operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available for advance and recognized as revenue for the current year-end was \$1,179,359.

NOTE G - RECEIVABLES

Receivables at June 30, 2000 consisted of taxes, accounts receivables, accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose of the nonpayment of taxes, the stable condition of State Programs, and the current year guarantee of Federal funds.

A summary of the principal items of receivables follows:

<u>Fund</u>	<u>Type of Receivable</u>	<u>Amount</u>
General Fund	Taxes	\$8,543,201
	Accounts	4,483
	Accrued Interest	34,317
Special Revenue	Accounts	34,634
	Intergovernmental	26,763
Capital Projects	Accrued Interest	507
Enterprise Funds	Accounts	6,430
	Accrued Interest	873

NOTE H-FIXED ASSETS

A summary of the changes in the General Fixed Assets Account Group during the fiscal year follows:

	<u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2000</u>
Land/Improvements	\$ 540,650	\$ 0	\$ 0	\$ 540,650
Bldg/Bldg Improvements	17,122,292	0	0	17,122,292
Furniture/Equipment	<u>6,761,669</u>	<u>808,953</u>	<u>244,473</u>	<u>7,326,149</u>
Total	<u>\$ 24,424,611</u>	<u>\$808,953</u>	<u>\$244,473</u>	<u>\$24,989,091</u>

A summary of the Proprietary Fund fixed assets at June 30, 2000 follows:

Furniture and Equipment	\$70,601
Less Accumulated Depreciation	<u>(25,733)</u>
Net Fixed Assets- Proprietary Fund	<u>\$44,868</u>

TALAWANDA CITY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS, cont.
 FOR THE YEAR ENDED JUNE 30, 2000

NOTE I- GENERAL LONG-TERM OBLIGATIONS

The current obligations bonds outstanding, issued to provide funds for the acquisition and construction of equipment and facilities, are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the General Long-Term Obligation Account Group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service Fund.

The Following is a description of the District's bonds outstanding as of June 30, 2000:

Purpose	Interest Rate	Issue Date	Maturity Date	Balance	New Issues	Retired	Balance
				June 30, 1999			June 30, 2000
Facilities	5.000%	7-01-93	10-01-03	\$500,000	\$0	\$90,000	\$410,000
				<u>\$500,000</u>	<u>\$0</u>	<u>\$90,000</u>	<u>\$410,000</u>

The annual maturities of the general obligation bonds as of June 30, 2000 and related interest payments are as follows:

Year Ending	Principal	Interest	Total
2001	\$ 95,000	\$18,125	\$113,125
2002	100,000	13,250	113,250
2003	105,000	8,125	113,125
2004	110,000	2,750	112,750
	\$ 410,000	\$42,250	\$452,250

During the year ended June 30, 2000 the following changes occurred in liabilities reported in the General Long Term Obligations Account Group. Compensated absences will be paid from the fund from which the employee is paid.

	<u>July 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2000</u>
Compensated Absences:				
Sick Leave and Vacation Leave	\$ 548,783	\$46,399	\$ 0	\$ 595,182
Accrued Wages and Benefits:				
School Employees Retirement	161,626	0	6,913	154,713
General Obligation Debt:				
Bonds	<u>500,000</u>	<u>0</u>	<u>90,000</u>	<u>410,000</u>
Total	<u>\$1,210,409</u>	<u>\$ 46,399</u>	<u>\$ 96,913</u>	<u>\$1,159,895</u>

TALAWANDA CITY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS, cont.
 FOR THE YEAR ENDED JUNE 30, 2000

NOTE J-LEGAL DEBT MARGIN

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District.

The effects of these debt limitations at June 30, 2000 are a voted debt margin of \$39,212,960 and an unvoted debt margin of \$440,255.

NOTE K-NOTE PAYABLE

At June 30, 2000, there are no bond anticipation notes outstanding.

NOTE L-SEGMENT INFORMATION

Enterprise Funds - The district maintains three Enterprise Funds to account for the operations of Food Service, Uniform School Supply and Adult Continuing Education. The table below reflects, in a summarized format, the more significant financial data relating to the Enterprise Funds of the District as of and for the year ended June 30, 2000.

NOTE L-SEGMENT INFORMATION cont'd

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Adult Continuing Education</u>	<u>Total</u>
Operating Revenues	\$601,404	\$148,659	\$160	\$750,223
Operating expenses before depreciation	845,821	138,189	39,615	1,023,625
Depreciation	4,397	-0-	190	4,587
Operating Income (Loss)	\$(248,814)	\$10,470	\$ (39,645)	\$(277,989)
Operating Grants	194,851	-0-	45,600	240,451
Interest	7,879	-0-	-0-	7,879
Donated Commodities	<u>45,790</u>	<u>-0-</u>	<u>-0-</u>	<u>45,790</u>
Net Income/(Loss)	<u>\$(294)</u>	<u>\$10,470</u>	<u>\$5,955</u>	<u>\$16,131</u>
Net Working Capital	\$105,877	\$88,314	\$37,018	\$231,209
Total Assets	\$282,102	\$89,468	\$ 44,603	\$416,173
Total Liability	\$132,417	\$1,154	\$6,525	\$140,096
Total Equity	\$149,685	\$88,314	\$38,078	\$276,077

TALAWANDA CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, cont.
FOR THE YEAR ENDED JUNE 30, 2000

NOTE M-EMPLOYEE RETIREMENT SYSTEMS

All District employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). District employees hired after April 1, 1986 are also currently covered under the Federal Social Security Act for the Medicare portion only. The District's employer contributions to both systems are based on a percentage of employee's salaries. State law requires the District to pay the employer share as determined by each Retirement System.

SCHOOL EMPLOYEES RETIREMENT SYSTEM

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credits to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute 14%. Their contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's contributions to SERS for the year ending June 30, 2000, 1999, and 1998 were \$461,598, \$377,310, and \$355,764, respectively; 50% has been contributed for fiscal year 2000 and 100% for fiscal years 1999 and 1998.

STATE TEACHERS RETIREMENT SYSTEM

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer public employee retirement system. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes 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 43215-3771.

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions to STRS for the years ending June 30, 2000, 1999, and 1998 were \$1,383,792, \$1,330,000, and \$1,263,936, respectively, equal to the required contributions for each year; 83.3% has been contributed for fiscal year 2000 and 100% for fiscal years 1999 and 1998.

NOTE N - POSTEMPLOYMENT BENEFITS

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

TALAWANDA CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, cont.
FOR THE YEAR ENDED JUNE 30, 2000

NOTE N-POSTEMPLOYMENT BENEFITS cont.

The State Teacher 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 the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Retirement Board allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund. The Health Care Reserve Allocation for the year ended June 30, 2000 will be 8% of covered payroll.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund was \$2,783 million at June 30, 1999. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 6.30 percent of covered payroll, an increase from 4.98 percent for fiscal year 1999. 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 the fiscal year 2000, the minimum pay has been established at \$12,400. 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, 1999, were \$126,380,984 and the target level was \$189.9 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 51,000 participants currently receiving health care benefits.

NOTE O-BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. A reconciliation of the nature and amounts of the adjustments necessary to convert the GAAP financial statements to the budgetary basis follows on the next page:

TALAWANDA CITY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS, cont.
 FOR THE YEAR ENDED JUNE 30, 2000

Reconciliation of Excess of Revenues and Other Financing Sources
 Over (Under) Expenditures and Other Financing Uses From GAAP
 Basis to Budgetary Basis

<u>Governmental Fund Types</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>
GAAP Basis	\$577,684	\$(143,375)	\$(104,469)	\$(104,006)
Net Adjustment for Revenue Accruals	1,025,269	44,206	0	(15)
Net Adjustment for Expenditure Accruals	100,464	33,981	0	(885)
Net Adjustment for Interfund Loan Transactions	15,000	(15,000)	0	0
Net Adjustment for Proceeds of Notes	0	0	0	0
Net Adjustment for Operating Transfers	0	0	0	0
Net Adjustment for Encumbrances	<u>(572,793)</u>	<u>(58,424)</u>	<u>0</u>	<u>(42,925)</u>
Budgetary Basis	<u>\$1,145,624</u>	<u>\$(138,612)</u>	<u>\$(104,469)</u>	<u>\$(147,831)</u>

NOTE P-COMPLIANCE AND ACCOUNTABILITY

State statute requires all funds to have expenditures and encumbrances within approved appropriation limits. All funds of the District had expenditures and encumbrances within the approved appropriations.

State statute also requires all funds to have appropriations within the total resources available per the Amended Certificate of Estimated Resources. All funds of the District had appropriations within the total resources available per the Amended Certificate of Estimated Resources.

NOTE Q-JOINTLY GOVERNED ORGANIZATION

The Southwest Ohio Computer Association (SWOCA) is a jointly governed organization among a three county consortium of Ohio school districts. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions of the member districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized. SWOCA is governed by a Board of Directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating school district is limited to its representation on the Board. The Board consists of one representative from each of the participating 29 school districts. During the 2000 fiscal year the District paid \$29,262 to SWOCA for services. The financial statements for SWOCA are available at the Butler County Career Center, 3603 Hamilton-Middletown Road, Hamilton, Ohio 45012.

TALAWANDA CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS, cont.
FOR THE YEAR ENDED JUNE 30, 2000

NOTE R-CONTINGENT LIABILITIES

GRANTS

The District receives significant financial assistance from numerous federal, state and local 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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2000.

LEGAL PROCEEDINGS

The District is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The District's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect on the financial condition of the District.

SCHOOL FUNDING

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program," which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$10,892,698 of school foundation support for its general fund. Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court.

The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, if found seven "... major areas warrant further attention, study, and development by the General Assembly...", including the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program. The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001. As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on the future State funding under this program and on its financial operations.

NOTE S-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 2000, the School District contracted with Nationwide Insurance Company for general liability insurance with

TALAWANDA CITY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS, cont.
 FOR THE YEAR ENDED JUNE 30, 2000

NOTE S-RISK MANAGEMENT

\$1,000,000 single occurrence limit and a \$5,000,000 aggregate. An umbrella liability policy is also secured in the amount of \$2,000,000 each occurrence and aggregate. Buildings, contents, and school vehicles are protected through a local insurance agent. There were no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage during the past three fiscal years.

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The School District has elected to provide employee medical/surgical benefits, dental, and life insurance through the Butler County Health Plan administered through Coresource.

NOTE T - STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2000, the reserve activity (cash-basis) was as follows:

	Textbook <u>Reserve</u>	Capital Maintenance <u>Reserve</u>	Budget Stabilization <u>Reserve</u>
Balance, Beginning of Year	\$0	\$0	\$230,192
Required Set-Aside	398,826	398,826	208,303
Offset Credits	0	0	0
Qualifying Expenditures	<u>(398,826)</u>	<u>(398,826)</u>	<u>0</u>
Balance, End of Year	\$0	\$0	\$438,495

Expenditures for textbook activity during the year totaled \$428,296, which exceeded the amount required for the set-aside.

Expenditures for capital activity during the year totaled \$407,211, which exceeded the amount required for the set-aside.

**COMBINING FINANCIAL STATEMENTS
AND
INDIVIDUAL FUND
AND
ACCOUNT GROUPS**

GENERAL FUND

The General Fund is used to account for all activities of the District not included in other specified funds. This includes, but is not limited to, general instruction, pupil services, operations and maintenance of buildings and grounds, pupil transportation, and the administration of District functions.

TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF EXPENDITURES
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	\$6,596,631	\$6,596,631	\$0
Fringe benefits	1,711,801	1,711,801	0
Purchased services	144,568	144,568	0
Supplies and materials	496,099	496,099	0
Equipment purchased	350,542	350,542	0
Other Expenditures	5,725	5,725	0
Total Regular	9,305,366	9,305,366	0
Special:			
Salaries and wages	1,198,974	1,198,974	0
Fringe benefits	349,175	349,175	0
Purchased services	8,346	8,346	0
Supplies and materials	11,319	11,319	0
Equipment purchased	439	439	0
Other expenditures	125	125	0
Total Special	1,568,378	1,568,378	0
Other:			
Purchased services	359,820	359,820	0
Total Other	359,820	359,820	0
Support Services:			
Pupil:			
Salaries and wages	637,634	637,634	0
Fringe benefits	165,040	165,040	0
Purchased services	32,142	32,142	0
Supplies and materials	6,353	6,353	0
Equipment purchased	1,061	1,061	0
Total Pupil	842,230	842,230	0
Instructional Staff:			
Salaries and wages	583,748	583,748	0
Fringe benefits	156,422	156,422	0
Purchased services	25,293	25,293	0
Supplies and materials	34,281	34,281	0
Equipment purchased	36,176	36,176	0
Total Instructional Staff	835,920	835,920	0
General Administration:			
Salaries and wages	7,920	7,920	0
Fringe benefits	743	743	0
Purchased services	20,176	20,176	0
Other expenditures	21,607	21,607	0
Total General Administration	50,446	50,446	0

Cont'd

TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF EXPENDITURES
BUDGET ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2000 (Cont'd)

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
School Administration:			
Salaries and wages	\$947,763	\$947,763	\$0
Fringe benefits	252,688	252,688	0
Purchased services	90,621	90,621	0
Supplies and materials	32,571	32,571	0
Equipment purchased	34,526	34,526	0
Other expenditures	13,334	13,334	0
Total School Administration	1,371,503	1,371,503	0
Fiscal and Business:			
Salaries and wages	185,503	185,053	0
Fringe benefits	55,557	55,557	0
Purchased services	26,291	26,291	0
Supplies and materials	4,451	4,451	0
Equipment purchased	528	528	0
Other expenditures	195,646	195,646	0
Total Fiscal and Business	467,976	467,976	0
Operations and Maintenance:			
Salaries and wages	828,200	828,200	0
Fringe benefits	235,187	235,187	0
Purchased services	948,817	948,817	0
Supplies and materials	141,413	141,413	0
Equipment purchased	74,197	74,197	0
Total Operations and Maintenance	2,227,814	2,227,814	0
Pupil Transportation:			
Purchased services	1,409,779	1,409,779	0
Supplies and materials	113,013	113,013	0
Equipment purchased	238,070	238,070	0
Total Pupil Transportation	1,760,862	1,760,862	0
Central Services:			
Fringe benefits	159	159	0
Purchased services	23,062	23,062	0
Total Central Services	23,221	23,221	0
Extracurricular Activities:			
Salaries and wages	278,926	278,926	0
Fringe benefits	50,506	50,506	0
Purchased service	10,000	10,000	0
Equipment purchased	24,959	24,959	0
Total Extracurricular Activities	364,391	364,391	0
Capital Outlay:			
Purchased services	20,590	20,590	0
Equipment purchased	271,000	271,000	0
Total Capital Outlay	291,590	291,590	0
Total Expenditures	\$19,469,517	\$19,469,517	\$0

SPECIAL REVENUE FUNDS

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

Public School Support

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

Venture Capital

To account for state funds which are provided for staff development.

Athletic

To account for those student activity programs which have student participation in the activity, but do not have student management of the programs.

Auxiliary Service

A fund used to account for state funds which provide services and materials to pupils attending non-public schools within the boundaries of the District as provided for in state law. Expenditures are primarily for educational supplies, materials, and testing.

Professional Development Grant

To account for state funds which are provided for staff development for certificated employees.

Management Information stem

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

Disadvantaged Pupil Impact Aid (DPIA)

To account for state funds which are designated to assist economically disadvantaged children in the learning process.

Entry Year Program

To account for state funds which are to provide inservice for entry year teachers.

School Net Professional Development

To account for state funds which are provided for staff development in the area of technology.

Instructional Material Subsidy

To account for state funds to purchase instructional materials used to support proficiency test objectives.

Ohio Reads Grant

To account for state funds which are designated reading.

Miscellaneous State Grants

To account for state funds which are designated for specific purposes. Two particular programs are for environmental awareness and adult education.

Adult Basic Education

To account for instructional programs for persons 16 years of age and older who are not enrolled in school and who have less than a twelfth grade education or equivalent; development of basic educational skills; increase opportunities for useful employment; improvement of attitudes toward self, family and community.

Eisenhower Grant

To account for the training of teachers in new techniques and methodologies in the areas of mathematics and science.

Title VI-B

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

Title I

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

Title VI

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

Drug Free Schools

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

EHA Preschool Handicapped

To account for programs for preschool handicapped children.

ERATE

To account for federal funds which are designated for telecommunications.

Miscellaneous Federal Grants

To account for federal funds which are designated for specific purposes. One particular program is for the development of a School to Work model curriculum for grades kindergarten through adult.

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**TALAWANDA CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS**

	Public School Support	Venture Capital Program	Athletic	Auxiliary Service
ASSETS:				
Equity in pooled cash and investments	\$145,216	\$0	\$36,865	\$21,809
Receivables:				
Accounts	14,719	0	19,915	0
Intergovernmental-federal	0	0	0	0
TOTAL ASSETS	159,935	0	56,780	21,809
LIABILITIES AND FUND EQUITY:				
Liabilities:				
Accounts payable	7,194	0	4,998	3,052
Accrued wages and benefits	0	0	0	0
Total Liabilities	7,194	0	4,998	3,052
Fund Equity:				
Fund Balances:				
Reserved-				
Reserved for encumbrances	10,756	0	6,405	663
Unreserved-				
Undesignated	141,985	0	45,377	18,094
Total Fund Equity	152,741	0	51,782	18,757
TOTAL LIABILITIES AND FUND EQUITY	\$159,935	\$0	\$56,780	\$21,809

Professional Development	Management Information System	Disadvantaged Pupil Impact Aid	Entry Year Program	SchoolNet Professional Development	Instructional Material Subsidy	Ohio Reads Grants
8,048	11,574	7,515	0	15,858	5,986	6,853
0	0	0	0	0	0	0
0	0	0	0	0	0	0
8,048	11,574	7,515	0	15,858	5,986	6,853
375	0	0	0	624	0	3,221
48	0	105	0	0	0	0
423	0	105	0	624	0	3,221
774	0	0	0	11,811	0	466
6,851	11,574	7,410	0	3,423	5,986	3,166
7,625	11,574	7,410	0	15,234	5,986	3,632
8,048	11,574	7,515	0	15,858	5,986	6,853

Cont'd

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 # June 30, 2000**

	Miscellaneous State Grants	Adult Basic Education	Eisenhower Grant	Title VIB
ASSETS:				
Equity in pooled cash and investments	\$3,684	\$6,629	\$8,481	\$43,660
Receivables:				
Accounts	0	0	0	0
Intergovernmental - federal	0	0	0	0
TOTAL ASSETS	3,684	6,629	8,481	43,660
LIABILITIES AND FUND EQUITY:				
Liabilities:				
Accounts payable	\$0	\$105	\$3,746	\$2,391
Accrued wages and benefits	0	664	0	10,774
Total Liabilities	0	769	3,746	13,165
Fund Equity:				
Fund Balances:				
Reserved-				
Reserved for encumbrances	0	756	0	7,287
Unreserved-				
Undesignated	3,684	5,104	4,735	23,208
Total Fund Equity	3,684	5,860	4,735	30,495
TOTAL LIABILITIES AND FUND EQUITY	\$3,684	\$6,629	\$8,481	\$43,660

Title 1	Title VI	Drug Free Schools	EHA Preschool Handicapped	Erate	Misc. Federal Grants	Total
47,933	24,975	2,866	53	21,641	24,732	444,378
0	0	0	0	0	0	34,634
0	0	0	0	1,763	25,000	26,763
47,933	24,975	2,866	53	23,404	49,732	505,775
0	0	0	0	0	1,960	27,666
33,010	329	0	375	0	11,031	56,336
33,010	329	0	375	0	12,991	84,002
0	599	0	0	0	963	40,480
14,923	24,047	2,866	(322)	23,404	35,778	381,293
14,923	24,646	2,866	(322)	23,404	36,741	421,773
47,933	24,975	2,866	53	23,404	49,732	505,775

TALAWANDA CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2000

	Public School Support	Venture Capital Program	Athletic	Auxiliary Service
Revenues:				
From local sources:				
Extracurricular activities	\$118,872	\$0	\$94,706	\$0
Other local revenue	21,757	0	38,104	0
Intergovernmental - State and Local	0	0	0	40,466
Intergovernmental - Federal	0	0	0	0
Total Revenues	140,629	0	132,810	40,466
Expenditures:				
Current:				
Instruction:				
Regular	963	2	0	0
Special	0	0	0	0
Adult	0	0	0	0
Support services:				
Pupil	124,507	0	0	0
Instructional staff	26,450	0	0	0
School administration	0	0	0	0
Operations and maintenance	0	0	182	0
Community Services	0	0	0	46,038
Extracurricular activities	603	0	123,539	0
Total Expenditures	152,523	2	123,721	46,038
Excess (deficiency) of revenues over (under) expenditures	(11,894)	(2)	9,089	(5,572)
Fund balance, July 1, 1999	164,635	2	42,693	24,329
Fund balance, June 30, 2000	\$152,741	\$0	\$51,782	\$18,757

Professional Development	Management Information System	Disadvantaged Pupil Impact Aid	Entry Year Program	SchoolNet Professional Development	Instructional Material Subsidy	Ohio Reads Grants
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
15,506	9,681	26,907	0	10,325	0	17,000
0	0	0	0	0	0	0
15,506	9,681	26,907	0	10,325	0	17,000
0	0	0	0	0	81,687	11,368
0	0	19,609	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	2,000
17,472	3,201	90	32	68,582	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
17,472	3,201	19,699	32	68,582	81,687	13,368
(1,966)	6,480	7,208	(32)	(58,257)	(81,687)	3,632
9,591	5,094	202	32	73,491	87,673	0
\$7,625	\$11,574	\$7,410	\$0	\$15,234	\$5,986	\$3,632

Cont'd

TALAWANDA CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2000

	Miscellaneous State Grants	Adult Basic Education	Eisenhower Grant	Title VIB
Revenues:				
From local sources:				
Extracurricular activities	\$0	\$0	\$0	\$0
Other local revenue	0	0	0	0
Intergovernmental - State and Local	3,684	0	0	0
Intergovernmental - Federal	0	40,218	13,747	134,722
Total Revenues	3,684	40,218	13,747	134,722
Expenditures:				
Current:				
Instruction:				
Regular	26	0	1,320	0
Special	0	0	0	27,778
Adult	0	15,936	0	0
Support services:				
Pupil	0	0	0	6,410
Instructional staff	0	20,499	14,733	8,314
School administration	0	0	0	88,101
Operations and maintenance	0	0	0	0
Community Services	0	0	0	0
Extracurricular activities	0	0	0	0
Total Expenditures	26	36,435	16,053	130,603
Excess (deficiency) of revenues over (under) expenditures	3,658	3,783 (2,306)		4,119
Fund balance, July 1, 1999	26	2,077	7,041	26,376
Fund balance, June 30, 2000	\$3,684	\$5,860	\$4,735	\$30,495

Title I	Title VI	Drug Free Schools	EHA Preschool Handicapped	Erate	Misc. Federal Grant	Total
0	0	0	0	0	0	213,578
0	0	0	0	0	0	59,861
0	0	0	0	0	0	123,569
324,687	16,439	24,034	4,892	30,494	173,633	762,866
324,687	16,439	24,034	4,892	30,494	173,633	1,159,874
0	7,372	0	0	0	127,084	229,822
339,163	0	0	5,732	0	0	392,282
0	0	0	0	0	0	15,936
0	0	22,254	0	0	201	155,372
3,857	0	0	0	0	80,586	243,816
0	0	0	0	0	176	88,277
0	0	0	0	7,090	0	7,272
292	0	0	0	0	0	46,330
0	0	0	0	0	0	124,142
343,312	7,372	22,254	5,732	7,090	208,047	1,303,249
(18,625)	9,067	1,780	(840)	23,404	(34,414)	(143,375)
33,548	15,579	1,086	518	0	71,155	565,148
14,923	24,646	2,866	(322)	23,404	36,741	421,773

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Extracurricular activities	\$116,403	\$116,403	\$0
Other local revenue	9,670	9,670	0
Total Revenues	126,073	126,073	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies and materials	963	963	0
Total Regular	963	963	0
Support Services:			
Pupil:			
Purchased services	47,075	47,074	0
Supplies and materials	77,711	77,711	0
Equipment purchased	9,030	9,030	0
Other expenditures	72	72	0
Total Pupil	133,888	133,888	0
Instructional Staff:			
Supplies and materials	26,493	26,493	0
Total Instructional Staff	26,493	26,493	0
Extracurricular Activities:			
Supplies and materials	728	728	0
	728	728	0
Total Expenditures	162,072	162,072	0
Excess (deficiency) of revenues over (under) expenditures	(35,999)	(35,999)	0
Other Financing Sources(Uses)			
Operating transfers in	10,350	10,350	0
Operating transfers out	(10,350)	(10,350)	0
Total Other Financing Sources(Uses)	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(35,999)	(35,999)	0
Fund Balance, July 1, 1999	158,454	158,454	0
Prior Year Encumbrances Appropriated	9,245	9,245	0
Fund Balance, June 30, 2000	131,700	131,700	0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
VENTURE CAPITAL SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies and materials	2	2	0
Total Regular	2	2	0
Total Expenditures	2	2	0
Excess (deficiency) of revenues over (under) expenditures	(2)	(2)	0
Fund Balance, July 1, 1999	2	2	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Balance, June 30, 2000	\$0	\$0	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
ATHLETIC SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Extracurricular activities	\$74,981	\$74,981	\$0
Other local revenues	37,913	37,913	0
Total Revenues	112,894	112,894	0
Expenditures:			
Current:			
Support Services:			
Operations and maintenance:			
Purchased services	200	200	0
Total Operations and Maintenance	200	200	0
Extracurricular Activities:		2,646	
Salaries and wages	2,646	45,169	0
Purchased services	45,169	106,170	0
Supplies and materials	10,617	31,493	0
Equipment purchased	31,493	36,404	0
Other Expenditures	36,404	36,404	0
Total Extracurricular. Activities	126,329	126,329	0
Total Expenditures	126,529	126,529	0
Excess (deficiency) of revenues over (under) expenditures	(13,635)	(13,635)	0
Fund Balance, July 1, 1999	38,755	38,755	0
Prior Year Encumbrances Appropriated	4,890	4,890	0
Fund Balance, June 30, 2000	\$30,010	\$30,010	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State and Local	\$41,403	\$41,403	\$0
Total Revenues	41,403	41,403	0
Expenditures:			
Current:			
Community Services:			
Supplies and materials	43,258	43,258	0
Equipment purchased	1,885	1,885	0
Other Expenditures	1,380	1,380	0
Total Community	46,523	46,523	0
Total Expenditures	46,523	46,523	0
Excess (deficiency) of revenues over (under) expenditures	(5,120)	(5,120)	0
Other Financing Sources (Uses)			
Refund of prior year receipt	(937)	(937)	0
Total Other Financing Sources (Uses)	(937)	(937)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(6,057)	(6,057)	0
Fund Balance, July 1, 1999	1,641	1,641	0
Prior Year Encumbrances Appropriated	22,760	22,760	0
Fund Balance, June 30, 2000	\$18,344	\$18,344	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
PROFESSIONAL DEVELOPMENT GRANT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State and Local	\$15,506	\$15,506	\$0
Total Revenues	15,506	15,506	0
Expenditures:			
Current:			
Support Service:			
Instructional Staff:			
Salaries and wages	8,051	8,051	0
Fringe benefits	365	365	0
Purchased services	6,229	6,229	0
Supplies and materials	3,489	3,489	0
Total Instructional Staff	18,134	18,134	0
Total Expenditures	18,134	18,134	0
Excess (deficiency) of revenues over (under) expenditures	(2,628)	(2,628)	0
Fund Balance, July 1, 1999	9,828	9,828	0
Prior Year Encumbrances Appropriated	73	73	0
Fund Balance, June 30, 2000	\$7,273	\$7,273	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
MANAGEMENT INFORMATION SYSTEM SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State and Local	\$9,681	\$9,681	\$0
Total Revenues	9,681	9,681	0
Expenditures:			
Current:			
Instruction:			
Support Service:			
Instructional Staff:			
Salaries and wages	634	634	0
Purchased services	45	450	0
Supplies and materials	193	193	0
Equipment	2,328	2,328	0
Total Instructional Staff	3,200	3,200	0
Total Expenditures	3,200	3,200	0
Excess (deficiency) of revenues over (under) expenditures	6,481	6,481	0
Fund Balance, July 1, 1999	4,094	4,094	0
Prior Year Encumbrances Appropriated	1,000	1,000	0
Fund Balance, June 30, 2000	\$11,575	\$11,575	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
DISADVANTAGED PUPIL IMPACT AID SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State and Local	\$26,907	\$26,907	\$0
Total Revenues	26,907	26,907	0
Expenditures:			
Current:			
Instruction:			
Special			
Salaries and wages	940	940	0
Fringe benefits	26	26	0
Purchased service	19,233	19,233	0
Total Special	20,199	20,199	0
Support Services:			
Instructional Staff:			
Fringe benefits	409	409	0
Total Instructional Staff	409	409	0
Total Expenditures	20,608	20,608	0
Excess (deficiency) of revenues over (under) expenditures	6,299	6,299	0
Fund Balance, July 1, 1999	1,216	1,216	0
Fund Balance, June 30, 2000	\$7,515	\$7,515	\$0

TALAWANDA CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
 ENTRY YEAR PROGRAM SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Purchased services	32	32	0
Total Expenditures	32	32	0
Excess (deficiency) of revenues over (under) expenditures	(32)	(32)	0
Fund Balance, July 1, 1999	32	32	0
Fund Balance, June 30, 2000	\$0	\$0	0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PROFESSIONAL DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State-Local	\$44,000	\$44,000	\$0
Total Revenues	44,000	44,000	0
Expenditures:			
Support Services:			
Instructional Staff:			
Salaries and wages	36,909	36,909	0
Purchased services	415	415	0
Supplies and materials	7,195	7,195	0
Equipment	36,565	36,565	0
Total Instructional Staff	81,084	81,084	0
Total Expenditures	81,084	81,084	0
Excess (deficiency) of revenues over (under) expenditures	(37,084)	(37,084)	0
Fund Balance, July 1, 1999	39,719	39,719	0
Prior Year Encumbrances Appropriated	788	788	0
Fund Balance, June 30, 2000	\$3,423	\$3,423	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
INSTRUCTIONAL MATERIAL SUBSIDY FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction			
Regular			
Supplies and materials	58,991	58,991	0
Equipment	22,696	22,696	0
Total Regular	81,687	81,687	0
Total Expenditures	81,687	81,687	0
Excess (deficiency) of revenues over (under) expenditures	(81,687)	(81,687)	0
Fund Balance, July 1, 1999	87,673	87,673	0
Fund Balance, June 30, 2000	\$5,986	\$5,986	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
OHIO READS GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State-Local	\$17,000	\$17,000	\$0
Total Revenues	17,000	17,000	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	7,189	7,189	0
Supplies and materials	4,469	4,469	0
Other Expenditures	175	175	0
Total Regular	11,833	11,833	0
Support Services:			
Pupil:			
Salaries and wages	2,000	2,000	0
Total Pupil	2,000	2,000	0
Total Expenditures	13,833	13,833	0
Excess (deficiency) of revenues over (under) expenditures	3,167	3,167	0
Fund Balance, July 1, 1999	0	0	0
Fund Balance, June 30, 2000	\$3,167	\$3,167	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS STATE GRANTS- SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable Unfavorable)
Revenues:			
Intergovernmental - State-Local	\$3,684	\$3,684	\$0
Total Revenues	3,684	3,684	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	26	26	0
Total Regular	26	26	0
Total Expenditures	26	26	0
Excess (deficiency) of revenues over (under) expenditures	3,658	3,658	0
Fund Balance, July 1, 1999	26	26	0
Fund Balance, June 30, 2000	\$3,684	\$3,684	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
ADULT BASIC EDUCATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$40,218	\$40,218	\$0
Total Revenues	40,218	40,218	0
Expenditures:			
Current:			
Instruction:			
Adult:			
Salaries and wages	12,388	12,388	0
Fringe benefits	2,123	2,123	0
Purchase services	522	522	0
Supplies and materials	848	848	0
Equipment	468	468	0
Total Adult	16,349	16,349	0
Instructional Staff:			
Salaries and wages	11,483	11,483	0
Fringe benefits	2,119	2,119	0
Purchased services	5,773	5,773	0
Equipment	167	167	0
Other Expenditures	2,012	2,012	0
Total Instructional Staff	21,554	21,554	0
Total Expenditures	37,903	37,903	0
Excess (deficiency) of revenues over (under) expenditures	2,315	2,315	0
Other Financing Sources (Uses):			
Operating transfers in	1,525	1,525	0
Operating transfers (out)	(1,525)	(1,525)	0
Total Other Financing Sources (Uses)	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	2,315	2,315	0
Fund Balance, July 1, 1999	2,922	2,922	0
Prior Year Encumbrances Appropriated	531	531	0
Fund Balance, June 30, 2000	\$5,768	\$5,768	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
EISENHOWER GRANT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$13,747	\$13,747	\$0
Total Revenues	13,747	13,747	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies and materials	1,320	1,320	0
Total Regular	1,320	1,320	0
Support Services:			
Instructional Staff:			
Salaries and wages	8,725	8,725	0
Fringe benefits	491	491	0
Purchased services	4,156	4,156	0
Supplies and materials	3,379	3,379	0
Total Instructional Staff	16,751	16,751	0
Total Expenditures	18,071	18,071	0
Excess (deficiency) of revenues over (under) expenditures	(4,324)	(4,324)	0
Fund Balance, July 1, 1999	7,171	7,171	0
Prior Year Encumbrances Appropriated	2,000	2,000	0
Fund Balance, June 30, 2000	\$4,847	\$4,847	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI-B SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$134,899	\$134,899	\$0
Total Revenues	134,899	134,899	0
Expenditures:			
Instruction:			
Special:			
Salaries and wages	2,942	2,942	0
Fringe Benefits	885	885	0
Supplies and materials	18,121	18,121	0
Equipment	12,320	12,320	0
Total Special	34,268	34,268	0
Support Services:			
Pupil:			
Salaries and wages	4,513	4,513	0
Fringe benefits	1,069	1,069	0
Supplies and materials	629	629	0
Total Pupil	6,211	6,211	0
Instructional Staff:			
Purchased services	7,796	7,796	0
Supplies and materials	2,648	2,648	0
Total Instructional Staff	10,444	10,444	0
School Administration:			
Salaries and wages	61,333	61,333	0
Fringe benefits	18,917	18,917	0
Purchased services	1,458	1,458	0
Supplies and materials	2,585	2,585	0
Total School Administration	84,293	84,293	0
Total Expenditures	135,216	135,216	0
Excess (deficiency) of revenues over (under) expenditures	(317)	(317)	0
Other Financing Sources (Uses)			
Refund of prior year receipts	(177)	(177)	0
Total Other Financing Sources (Uses)	(177)	(177)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(494)	(494)	0
Fund Balance, July 1, 1999	27,952	27,952	0
Prior Year Encumbrances Appropriated	6,524	6,524	0
Fund Balance, June 30, 2000	\$33,982	\$33,982	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$387,107	\$387,107	\$0
Total Revenues	387,107	387,107	0
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and wages	274,062	274,062	0
Fringe benefits	55,262	55,262	0
Purchased services	1,644	1,644	0
Supplies and materials	2,205	2,205	0
Equipment	1,099	1,099	0
Total Special	334,272	334,272	0
Support Services:			
Instructional Staff:			
Salaries and wages	5,750	5,750	0
Fringe benefits	922	922	0
Total Instructional Staff	6,672	6,672	0
Central Services:			
Fringe Benefits	329	329	0
Supplies and materials	61	61	0
Total Central	390	390	0
Total Expenditures	341,334	341,334	0
Excess (deficiency) of revenues over (under) expenditures	45,773	45,773	0
Other Financing Sources (Uses):			
Operating, transfers in	26,491	26,491	0
Operating advances (out)	(5,000)	(5,000)	0
Operating transfers (out)	(26,491)	(26,491)	0
Total Other Financing Sources (Uses)	(5,000)	(5,000)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	40,773	40,773	0
Fund Balance, July 1, 1999	6,651	6,651	0
Prior Year Encumbrance Appropriated	510	510	0
Fund Balance, June 30, 2000	\$47,934	\$47,934	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$19,049	\$19,049	\$0
Total Revenues	19,049	19,049	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	5,237	5,237	0
Fringe benefits	1,900	1,900	0
Equipment	599	599	0
Total Regular	7,736	7,736	0
Total Expenditures	7,736	7,736	0
Excess (deficiency) of revenues over (under) expenditures	11,313	11,313	0
Other Financing Sources (Uses)			
Refund of prior year receipt	(2,610)	(2,610)	0
Total Other Financing Sources (Uses)	(2,610)	(2,610)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	8,703	8,703	0
Fund Balance, July 1, 1999	15,673	15,673	0
Fund Balance, June 30, 2000	\$24,376	\$24,376	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG FREE SCHOOLS GRANT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$33,379	\$33,379	\$0
Total Revenues	33,379	33,379	0
Expenditures:			
Current:			
Support Services:			
Pupil:			
Purchased services	22,254	22,254	0
Total Pupil	22,254	22,254	0
Total Expenditures	22,254	22,254	0
Excess (deficiency) of revenues over (under) expenditures	11,125	11,125	0
Other Financing Sources(Uses)			
Advance (out)	(10,000)	(10,000)	0
Total Other Financing Sources(Uses;	(10,000)	(10,000)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	1,125	1,125	0
Fund Balance, July 1, 1999	1,742	1,742	0
Fund Balance, June 30, 2000	\$2,867	\$2,867	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
EHA PRESCHOOL HANDICAPPED GRANT - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	4,895	4,895	0
Total Revenues	4,895	4,895	0
Expenditures:			
Current:			
Instruction:			
Special			
Salaries and wages	4,842	4,842	0
Purchased services	335	335	0
Equipment	180	180	0
Total Special	5,357	5,357	0
Total Expenditures	5,357	5,357	0
Excess (deficiency) of revenues over (under) expenditures	(462)	(462)	0
Other Financing Sources (Uses)			
Refund of prior year receipt	(3)	(3)	0
Total Other Financing Sources (Uses)	(3)	(3)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(465)	(465)	0
Fund Balance, July 1, 1999	519	519	0
Fund Balance, June 30, 2000	\$54	\$54	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
ERATE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$28,731	\$28,731	\$0
Total Revenues	28,731	28,731	0
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance:			
Purchased services	7,090	7,090	0
Total Operations and Maintenance	7,090	7,090	0
Total Expenditures	7,090	7,090	0
Excess (deficiency) of revenues over (under) expenditures	21,641	21,641	0
Fund Balance, July 1, 1999	0	0	0
Fund Balance, June 30, 2000	\$21,641	\$21,641	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$148,633	\$148,633	\$0
Total Revenues	148,633	148,633	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	68,380	68,380	0
Fringe benefits	9,785	9,785	0
Purchased services	35,335	35,335	0
Supplies and materials	3,489	3,489	0
Total Regular	116,989	116,989	0
Support Service:			
Pupil:			
Purchased services	1,148	1,148	0
Supplies and materials	(947)	(947)	0
Total Pupil	201	201	0
Instructional Staff:			
Salaries and wages	11,355	11,355	0
Purchased service	659	659	0
Supplies and materials	5,277	5,277	0
Equipment purchased	67,984	67,984	0
Total Instructional Staff	85,275	85,275	0
School Administration:			
Fringe benefits	150	150	0
Total School Administration	150	150	0
Central			
Purchased services	(1,295)	(1,295)	0
Total Central	(1,295)	(1,295)	0
Capital Outlay:			
Purchased services	(2,320)	(2,320)	0
Total Capital Outlay	(2,320)	(2,320)	0
Total Expenditures	199,000	199,000	0
Excess (deficiency) of revenues over (under) expenditures	(50,367)	(50,367)	0
Fund Balance, July 1, 1999	58,114	58,114	0
Prior Year Encumbrance Appropriated	14,063	14,063	0
Fund Balance, June 30, 2000	\$21,810	\$21,810	\$0

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DEBT SERVICE FUND

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

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

CAPITAL PROJECTS FUNDS

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

Permanent Improvement

To account for major improvements or renovations to existing facilities.

Building Fund

To account for capital expenditures associated with a building program.

IVDL

To account for the capital expenditures associated with video distance learning

SchoolNet

To account for state funds used to purchase technology and infrastructure.

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS FUNDS
 JUNE 30, 2000**

	Permanent Improvement	Building	IVDL	School Net	Total
ASSETS:					
Equity in pooled cash and investments	\$105,053	\$5,000	\$9,056	\$55,575	\$174,684
Receivables:					
Accrued interest	507	0	0	0	507
TOTAL ASSETS	\$105,560	\$5,000	\$9,056	\$55,575	\$175,191
LIABILITIES AND FUND EQUITY:					
Liabilities:					
Accounts	\$0	\$0	\$85	\$0	\$85
Accrued wages and benefits	0	0	30	0	30
Total Liabilities	0	0	115	0	115
Fund Equity:					
Fund Balances:					
Reserved-					
Reserve for encumbrances	10,000	0	242	32,599	42,841
Unreserved-					
Undesignated	95,560	5,000	8,699	22,976	132,235
Total Fund Equity	105,560	5,000	8,941	55,575	175,076
TOTAL LIABILITIES AND FUND EQUITY	\$105,560	\$5,000	\$9,056	\$55,575	\$175,191

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2000**

	Permanent Improvement	Building	IVDL	School Net	Total
Revenues:					
From local sources:					
Earnings on investments	\$5,606	\$0	\$0	\$0	\$5,606
Total Revenues	5,606	0	0	0	5,606
Expenditures:					
Current:					
Instruction:					
Regular	0	0	3,539	0	3,539
Support services:					
Instructional staff	0	0	0	35,346	35,346
Operations and maintenance	0	0	7,397	0	7,397
Capital outlay	49,992	0	0	18,338	68,330
Total Expenditures	49,992	0	10,936	53,684	114,612
Excess (deficiency) of revenues over (under) expenditures	(44,386)	0	(10,936)	(53,684)	(109,006)
Other financing sources (uses)					
Sale and loss of assets	0	5,000	0	0	5,000
Total other financing sources (uses)	0	5,000	0	0	5,000
Excess (deficiency) of revenues and other sources over (under) expenditures and (uses)	(44,386)	5,000	(10,936)	(53,684)	(104,006)
Fund balance, July 1, 1999	149,946	0	19,877	109,259	279,082
Fund balance, June 30, 2000	\$105,560	\$5,000	\$8,941	\$55,575	\$175,076

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Earnings on investments	\$5,591	\$5,591	\$0
Total Revenues	5,591	5,591	0
Expenditures:			
Capital Outlay			
Purchased services	59,992	59,992	0
Total Capital Outlay	59,992	59,992	0
Total Expenditures	59,992	59,992	0
Excess (deficiency) of revenues over (under) expenditures	(54,401)	(54,401)	0
Fund Balance, July 1, 1999	125,003	125,003	0
Prior Year Encumbrance Appropriated	24,451	24,451	0
Fund Balance, June 30, 2000	\$95,053	\$95,053	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Revised Budget	Variance: Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Total Expenditures	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Other Financing Sources(Uses):			
Sale and Loss of Assets	5,000	5,000	0
Total Other Financing Sources(Uses)	5,000	5,000	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	5,000	5,000	0
Fund Balance, July 1, 1999	0	0	0
Fund Balance, June 30, 2000	\$5,000	\$5,000	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
IVDL GRANT
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	426	426	0
Fringe benefits	188	188	0
Supplies and materials	4,056	4,056	0
Total Regular	4,670	4,670	0
Support Services:			
Operations and Maintenance:			
Purchased services	7,477	7,477	0
Total Operations and Maintenance			
Total Expenditures	12,147	12,147	0
Excess (deficiency) of revenues over (under) expenditures	(12,147)	(12,147)	0
Fund Balance, July 1, 1999	20,877	20,877	0
Fund Balance, June 30, 2000	\$8,730	\$8,730	\$0

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries and wages	6,350	6,350	0
Purchased services	5,107	5,107	0
Supplies and materials	29,578	29,578	0
Equipment services	26,910	26,910	0
Total Instructional Staff	<u>67,945</u>	<u>67,945</u>	0
Capital Outlay			
Purchased services	18,338	18,338	0
Total Capital Outlay	<u>18,338</u>	<u>18,338</u>	0
Total Expenditures	86,283	86,283	0
Excess (deficiency) of revenues over (under) expenditures	(86,283)	(86,283)	0
Fund Balance, July 1, 1999	<u>109,259</u>	<u>109,259</u>	0
Fund Balance, June 30, 2000	<u><u>\$22,976</u></u>	<u><u>\$22,976</u></u>	<u>\$0</u>

ENTERPRISE FUNDS

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

Food Service

A fund used to account for all revenues and expenses related to the provision of food services of the District.

Uniform School Supply

A rotary fund provided to account for the purchase and sale of school supplies as adopted by the Board of Education for use in the schools of the District.

Adult Continuing Education

A fund used to account for all revenues and expenses related to the provision of credit and non-credit classes to the general public.

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
JUNE 30, 2000**

	Food Service	Uniform School Supply	Adult Continuing Education	Total
ASSETS:				
Equity in pooled cash and investments	\$195,788	\$87,823	\$43,543	\$327,154
Accounts	4,785	1,645	0	6,430
Accrued Interest	873	0	0	873
Material and supplies inventory	36,848	0	0	36,848
Property, plant and equipment (net of accumulated depreciation)	43,808	0	1,060	44,868
TOTAL ASSETS	\$282,102	\$89,468	\$44,603	\$416,173
LIABILITIES AND FUND EQUITY:				
Liabilities:				
Accounts payable	2,139	1,154	0	3,293
Accrued wages and benefits	113,695	0	6,525	120,220
Compensated absences payable	5,128	0	0	5,128
Deferred revenue	11,455	0	0	11,455
Total Liabilities	132,417	1,154	6,525	140,096
Fund Equity:				
Retained earnings	149,685	88,314	38,078	276,077
Total Fund Equity	149,685	88,314	38,078	276,077
TOTAL LIABILITIES AND FUND EQUITY	\$282,102	\$89,468	\$44,603	\$416,173

TALAWANDA CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2000

	Food Service	Uniform School Supply	Adult Continuing Education	Total
Operating Revenues:				
Tuition and fees	\$0	\$148,659	\$160	\$148,819
Sales	593,541	0	0	593,541
Miscellaneous	7,863	0	0	7,863
Total Operating Revenues	601,404	148,659	160	750,223
Operating Expenses:				
Salaries and wages	318,009		30,800	348,809
Fringe benefits	143,551	0	8,815	152,366
Contract services	18,626	2,559	0	21,185
Supplies	365,635	135,630	0	501,265
Depreciation	4,397	0	190	4,587
Total Operating Expenses	850,218	138,189	39,805	1,028,212
Operating Income (Loss)	(248,814)	10,470	(39,645)	(277,989)
Nonoperating Revenues (Expenses):				
Operating grants - state and local	9,302	0	45,600	54,902
Operating grants - federal	185,549	0	0	185,549
Donated commodities	45,790	0	0	45,790
Interest revenue	7,879	0	0	7,879
Total Nonoperating Revenues (Expenses)	248,520	0	45,600	294,120
Net Income (Loss)	(294)	10,470	5,955	16,131
Retained Earnings, July 1, 1999	149,979	77,844	32,123	259,946
Retained Earnings, June 30, 2000	\$149,685	\$88,314	\$38,078	\$276,077

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2000**

	Food Service	Uniform School Supply	Adult Continuing Education	Total
Cash flows from operating activities:				
Cash received from tuition and fees	\$0	\$147,014	\$160	\$147,174
Cash received from sales	593,541	0	0	593,541
Cash received from miscellaneous	3,161	0	0	3,161
Cash payments for personal services	(460,780)	0	(33,967)	(494,747)
Cash payments for contract services	(17,113)	(2,559)	0	(19,672)
Cash payments for supplies and materials	(322,368)	(135,679)	0	(458,047)
Net cash provided by (used for) operating activities	(203,559)	8,776	(33,807)	(228,590)
Cash flows from noncapital financing activities:				
Cash received from operating grants	195,548	0	45,600	241,148
Net cash provided by (used for) noncapital financing activities	195,548	0	45,600	241,148
Cash flows from capital financing activities				
Cash payments for capital acquisitions	(8,304)	0	0	(8,304)
Net cash provided by (used for) capital financing activities	(8,304)	0	0	(8,304)
Cash flows from investing activities				
Cash received from interest	7,006	0	0	7,006
Net cash provided by (used for) investing activities	7,006	0	0	7,006
Net increase in cash and cash equivalents	(9,309)	8,776	11,793	11,260
Cash and cash equivalents at beginning of year	205,097	79,047	31,750	315,894
Cash and cash equivalents at end of year	\$195,788	\$87,823	\$43,543	\$327,154
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	(248,814)	10,470	(39,645)	(277,989)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	4,397	0	190	4,587
Donated commodities used	45,790	0	0	45,790
Changes in assets and liabilities:				
(Increase) in accounts receivable	(4,702)	(1,645)	0	(6,347)
(Increase) in material and supplies inventory	(2,273)	0	0	(2,273)
Increase(Decrease) in accounts payable	1,972	(49)	0	1,923
Increase in accrued wages & benefits	1,466	0	5,648	7,114
Increase in compensated absences payable	(686)	0	0	(686)
(Decrease) in deferred revenue	(709)	0	0	(709)
Net cash provided by (used for) operating activities	(\$203,559)	\$8,776	(\$33,807)	(\$228,590)

INTERNAL SERVICE FUND

Internal Service Funds are used to account for the financing of services provided by one department or agency to another department or agency on a cost reimbursement basis. The District utilizes a Special Rotary Internal Service Fund to account for all revenues and expenses related to field trips for the schools in the district.

Since there is only one Internal Service Fund, no additional financial statements are presented here.

TRUST AND AGENCY FUNDS

Trust and Agency Funds are used to account for assets held by a governmental unit in a trustee capacity and/or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include Expendable Trust Funds, Non-Expendable Trust Funds and Agency Funds. The following are descriptions of each:

Expendable Trust Funds

General Trust

A fund is used to account for donations from private individuals or corporations to be used according to the terms of donation. Since there is only one Expendable Trust Fund, no additional Statement of Revenues, Expenditures or Changes in Fund Balance is presented here.

Non-Expendable Trust Fund:

Witt Memorial

Scholarship fund used to provide awards to graduating seniors.

Since there is only one Non-Expendable Trust Fund, no additional Statement of Revenues, Expenses and Changes in Fund Balance or Statement of Cash Flows is presented here.

Agency Fund

Student Activity Fund

This fund is used to account for the resources, which are collected by the various student groups.

Unclaimed Monies Fund

This fund is used to account for unclaimed monies from outstanding checks over one year old.

TALAWANDA CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL FIDUCIARY FUND TYPES
 JUNE 30, 2000

	Expendable	Non-expendable	Agency Funds				
	Trust Fund	Trust Fund	General Trust	Witt Memorial	Student Activities	Unclaimed Monies	Total
ASSETS:							
Equity in pooled cash and investments	\$58,448	\$186	\$46,826	\$8,365			\$113,825
Accrued Interest	136	0	0	0			136
TOTAL ASSETS	\$58,584	\$186	\$46,826	\$8,365			\$113,961
LIABILITIES AND FUND EQUITY:							
Liabilities:							
Accounts payable	\$202	\$0	\$0	\$0			\$202
Accrued wages and benefits	65	0	0	0			65
Due to student groups	0	0	46,826	0			46,826
Due to others	0	0	0	8,365			8,365
Total Liabilities	267	0	46,826	8,365			55,458
Fund Equity:							
Fund Balances:							
Reserved-							
Reserved for encumbrances	391	0	0	0			391
Unreserved-							
Undesignated	57,926	186	0	0			58,112
Total Fund Equity	58,317	186	0	0			58,503
TOTAL LIABILITIES AND FUND EQUITY	\$58,584	\$186	\$46,826	\$8,365			\$113,961

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Beginning Balance July 1, 1999	Additions	Deductions	Ending Balance June 30, 2000
Unclaimed Monies				
Assets:				
Equity in pooled cash and investments	\$7,193	\$1,172	\$0	\$8,365
Liabilities:				
Due to others	7,193	1,172	0	8,365
Total Liabilities	\$7,193	\$1,172	\$0	\$8,365
Student Activities				
Assets:				
Equity in pooled cash and investments	\$33,983	\$83,073	\$70,230	\$46,826
Liabilities:				
Due to student groups	33,983	83,073	70,230	46,826
Total Liabilities	\$33,983	\$183,073	\$70,230	\$46,826
Total				
Assets:				
Equity in pooled cash and investments	41,176	84,245	70,230	55,191
Total Assets	\$41,176	\$84,245	\$70,230	\$55,191
Liabilities:				
Due to others	7,193	1,172	0	8,365
Due to student groups	33,983	83,073	70,230	46,826
Total Liabilities	\$41,176	\$84,245	\$70,230	\$55,191

GENERAL FIXED ASSET ACCOUNT GROUP

This group of accounts is used to account for all sites, buildings, equipment and vehicles not used in the operations of the Proprietary Funds. The majority of the District's assets are reflected here.

TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
JUNE 30, 2000

General fixed assets:

Land	\$540,650
Buildings and building improvements	17,122,292
Furniture, fixtures and equipment	<u>7,326,149</u>
Total general fixed assets	<u><u>\$24,989,091</u></u>

Investment in general fixed assets
by source:

Acquired before July 1, 1990*	\$21,222,882
General fund	2,211,850
Special revenue funds	512,934
Capital projects funds	851,489
Trust & Agency funds	3,804
Donations	<u>186,132</u>
Total general fixed assets	<u><u>\$24,989,091</u></u>

*Represents older assets for which source of funding can not practicably be obtained.

TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND TYPE
JUNE 30, 2000

Function	Land and land improvements	Buildings and building improvements	Furniture fixtures and equipment	Total
Instruction:				
Regular	\$463,650	\$17,109,559	\$1,316,511	\$18,889,720
Special	0	0	45,689	45,689
Other	0	0	4,187	4,187
Support services:				
Pupil	0	0	38,845	38,845
Instructional staff	0	0	1,050,340	1,050,340
General administration	2,000	12,733	27,680	42,413
School administration	0	0	55,830	55,830
Fiscal services	0	0	28,681	28,681
Operations and maintenance	0	0	225,919	225,919
Pupil transportation	0	0	256,992	256,992
Community Service	0	0	24,698	24,698
Extracurricular activities	0	0	9,928	9,928
Capital outlay	75,000	0	733,467	808,467
Other - Pre July 1,1990 items*	0	0	3,507,382	3,507,382
Total general fixed assets	\$540,650	\$17,122,292	\$7,326,149	\$24,989,091

TALAWANDA CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION
FOR YEAR ENDED JUNE 30, 2000

Function	Balance at July 1, 1999	Additions	Deductions	Balance at June 30, 2,000
Instruction:				
Regular	18,765,219	171,851	47,350	18,889,720
Special	35,321	10,368	0	45,689
Other	7,981	0	3,794	4,187
Support services:				
Pupil	29,419	9,426	0	38,845
Instructional staff	981,974	76,589	8,223	1,050,340
General administration	42,413	0	0	42,413
School administration	24,478	31,352	0	55,830
Fiscal services	28,681	0	0	28,681
Operations and maintenance	171,139	54,780	0	225,919
Pupil transportation	66,192	190,800	0	256,992
Community Service	24,698	0	0	24,698
Extracurricular activities	9,928	0	0	9,928
Capital outlay	544,680	263,787	0	808,467
Other . Pre July 1, 1990 items	3,692,488	0	185,106	3,507,382
Total general fixed assets	24,424,611	808,953	244,473	24,989,091

*Represents older assets for which function/activity can not practicably be obtained.

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Statistical Section

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes	Tuition and Fees	Earnings on Investments	Inter-governmental	Other	Total Revenues
1991	\$6,345,095	\$112,317	\$316,216	\$6,061,880	\$16,333	\$12,851,841
1992	6,454,486	112,016	156,673	5,965,035	143,770	12,831,980
1993	6,769,209	77,698	73,082	6,150,683	117,784	13,188,456
1994	6,769,151	64,748	77,177	7,355,245	110,188	14,376,509
1995	7,037,208	22,701	172,371	7,674,096	119,039	15,025,415
1996	7,778,985	69,003	219,398	8,410,263	71,574	16,549,223
1997	7,233,167	53,782	264,895	8,572,477	74,346	16,198,667
1998	8,153,193	63,014	355,661	9,136,530	114,514	17,822,912
1999	9,575,477	89,143	342,700	7,756,339	80,948	17,844,607
2000	7,724,150	170,278	448,941	10,892,698	345,376	19,581,443

Source: Talawanda City Schools records

(1) Includes the revenues of the General Fund only.

TALAWANDA CITY SCHOOL DISTRICT, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

Fiscal Year	Instruction	Pupil Support Services	Instructional Support Services	Administration	Business and Fiscal Services	Operations and Maintenance	Pupil Transportation	Other	Extracurricular Activities	Capital Outlay	Debt Service	Total Expenditures
1991	\$7,847,498	\$501,034	\$528,704	\$1,165,109	\$354,134	\$1,529,796	\$1,031,535	\$2,575	\$116,515	\$6,574	\$101,178	\$13,184,652
1992	7,097,076	405,512	558,033	1,178,801	367,289	1,500,184	1,004,893	630	138,946	8,837	0	12,260,201
1993	7,749,392	477,786	558,066	1,115,024	404,451	1,679,335	914,982	1,442	116,821	8,334	0	13,025,633
1994	7,785,753	509,944	617,718	1,232,531	438,945	1,741,758	997,096	1,660	129,526	5,400	0	13,460,331
1995	8,509,845	570,701	589,075	1,219,166	454,256	1,777,822	1,079,737	858	142,443	2,553	0	14,346,456
1996	9,003,834	531,266	560,144	1,368,524	471,393	1,918,998	1,123,852	177	168,431	1,560	0	15,148,179
1997	9,643,830	702,033	639,589	1,384,358	415,623	1,957,175	1,262,280	1,163	182,326	22,153	0	16,210,530
1998	9,826,491	694,608	831,381	1,549,974	467,896	1,880,861	1,331,461	9,717	218,427	255,156	0	17,065,972
1999	10,253,841	747,972	825,218	1,454,085	461,623	1,820,162	1,303,432	8,236	300,085	321,580	0	17,496,234
2000	11,163,989	868,495	812,380	1,391,599	457,066	2,071,859	1,646,206	22,231	374,460	188,903	0	18,997,188

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN COLLECTION (CALENDAR) YEARS**

Collection Year	Tax Levied (1)	Current Tax Collections (2)	Percent of Levy Collected	Delinquent Collections	Total Tax Collections	Percent of Total Collection To Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Levy
1990	\$7,931,356	\$7,240,875	91.29%	\$308,627	\$7,549,502	95.19%	\$381,854	4.81%
1991	8,788,350	8,283,582	94.26%	337,309	8,620,891	98.09%	167,459	1.91%
1992	9,294,148	8,894,165	95.70%	343,200	9,237,365	99.39%	56,783	0.61%
1993	9,547,590	8,892,486	93.14%	307,661	9,200,147	96.36%	347,443	3.64%
1994	9,992,468	8,999,098	90.06%	241,035	9,240,133	92.47%	752,335	7.53%
1995	10,016,961	9,512,266	94.96%	297,720	9,809,986	97.93%	206,975	2.07%
1996	10,264,285	9,905,047	99.04%	261,500	10,166,547	99.04%	304,714	2.96%
1997 (3)	9,726,348	9,558,633	98.28%	284,420	9,843,053	101.20%	167,715	1.72%
1998 (4)	9,573,273	9,421,293	98.41%	211,860	9,633,153	100.63%	151,980	1.59%
1999	9,717,764	9,464,683	97.40%	249,440	9,714,123	99.96%	165,791	1.71%

Source: Butler County Auditor

(1) Taxes levied and collected are presented on a cash and calendar year basis

(2) State reimbursements of rollback and homestead exemptions are included.

(3) Taxes levied and collected reduced due to the 5.5 mill reduction of a bond retirement levy

(4) Taxes levied and collected reduced due to the 2.5 mill reduction of a bond retirement levy

TALAWANDA CITY SCHOOL DISTRICT, OHIO
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN COLLECTION (CALENDAR) YEARS

Collection Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total		Ratio (1)
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1991	\$215,409,310	\$615,455,171	\$9,723,502	\$36,012,970	\$20,865,800	\$23,711,136	\$245,998,612	\$675,179,278	36.43%
1992	216,622,800	618,922,286	11,958,793	45,995,358	22,529,410	25,601,602	251,111,003	693,079,407	36.23%
1993	221,609,750	633,170,714	12,541,899	50,167,596	25,069,430	28,487,989	259,221,079	711,826,299	36.42%
1994	252,572,290	721,635,114	11,740,390	46,961,560	26,331,540	29,922,205	290,644,220	798,518,879	36.40%
1995	259,393,820	741,125,200	11,981,519	47,926,076	28,156,210	31,995,693	299,531,549	821,046,969	36.48%
1996	270,920,450	774,058,429	13,320,221	53,280,884	27,088,000	30,781,818	311,328,671	858,121,131	36.28%
1997	315,611,160	901,746,171	14,025,973	56,103,892	27,451,390	31,194,761	357,088,523	989,044,824	36.10%
1998	323,685,480	924,815,657	21,669,725	86,678,900	26,516,130	30,131,966	371,871,335	1,041,626,523	35.70%
1999	332,191,690	949,119,114	19,383,947	77,535,788	26,801,330	30,456,057	378,376,967	1,057,110,959	35.79%
2000	391,766,030	1,119,331,514	21,323,679	85,294,716	27,165,400	30,869,773	440,255,109	1,235,496,003	35.63%

Source: Butler County Auditor

(1) Ratio represents total assessed value/total estimated actual value.

TALAWANDA CITY SCHOOL DISTRICT, OHIO
PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)--DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN COLLECTION (CALENDAR) YEARS

Tax Year	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Collection Year	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Talawanda City Schools	43.8	43.80	43.80	46.30	51.80	51.80	51.80	51.80	51.80	51.80
City of Oxford	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65
Oxford Township	7.84	7.84	7.84	7.84	5.84	5.84	5.84	5.84	5.84	5.84
Reily Township	7.39	7.39	5.39	5.39	5.39	5.39	5.39	5.39	5.39	5.39
Milford Township	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74
Hanover Township	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72
Butler County	8.44	8.44	8.44	8.44	7.44	7.45	7.44	7.45	7.45	7.45
Butler County Joint Vocational School	1.93	1.93	1.93	1.93	1.93	1.93	1.94	1.97	1.97	1.97
Total Rate	81.51	81.51	79.51	82.01	84.51	84.52	84.52	84.56	84.56	84.56

Source: Butler County Treasurer

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN COLLECTION (CALENDAR) YEARS**

Collection Year	Population	Assessed Value	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (%)	Estimated Net Bonded Debt per Capita
1991	35,866	\$245,998,612	\$5,040,000	\$205,089	\$4,834,911	1.97%	\$135
1992	35,866	251,111,003	4,420,000	193,007	4,226,993	1.68%	118
1993	35,866	259,221,079	3,790,000	619,255	3,170,745	1.22%	88
1994	35,866	290,644,220	4,050,000	531,097	3,518,903	1.21%	98
1995	35,866	299,531,549	3,335,000	530,535	2,804,465	0.94%	78
1996	35,866	311,328,671	2,605,000	291,793	2,313,207	0.74%	64
1997	35,866	357,088,523	1,855,000	776,264	1,078,736	0.30%	30
1998	35,866	371,871,335	1,090,000	702,852	387,148	0.10%	11
1999	35,866	378,376,967	500,000	104,469	395,531	0.10%	11
2000	35,866	440,255,109	410,000	0	410,000	0.09%	11

Sources: U.S. Census Bureau
Butler County Auditor
Talawanda City School District records

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
 COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2000**

Overall Direct Debt Limitaion

Direct Debt Limitation		
9% of Assessed Valuation		\$39,622,960
Amount available in Debt Service Fund		0
Gross indebtedness	410,000	
Less:		
Debt exempt from Limitation	<u>0</u>	
Debt subject to 9% Limitation		<u>410,000</u>
Legal Debt Margin within 9% Limitation		<u><u>\$39,212,960</u></u>

Direct Debt Limitation		
.1% of Assessed Valuation		440,255
Amount available in Debt Service Fund		0
Gross indebtedness	0	
Less:		
Debt exempt from Limitation	0	
Debt subject to .1% Limitation		<u>0</u>
Legal Debt Marigin within .1% Limitation		<u><u>\$440,255</u></u>

Source: Talawanda City School District records

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 JUNE 30, 2000**

Governmental Unit	Gross General Obligation	Percent Applicable to School District	Amount Applicable to District
Direct:			
Talawanda City School District	\$410,000	100%	\$410,000
Overlapping:			
City of Oxford	3,915,000	100.00%	3,915,000
Butler County	30,575,000	7.48%	2,287,010
Preble County	5,499,558	0.48%	26,398
Hanover Township	187,666	63.78%	119,693
City of Hamilton	14,030,000	3.35%	470,005
Butler County Joint Vocational School District	5,295,000	11.31%	598,865
Total Overlapping Debt	<u>59,502,224</u>		<u>7,416,971</u>
Total Direct and Overlapping Debt	<u><u>\$59,912,224</u></u>		<u><u>\$7,826,971</u></u>

Source: Ohio Municipal Advisory Council

TALAWANDA CITY SCHOOL DISTRICT, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Total Debt Interest	Service	Total General Expenditures	Ratio of Debt Service to General Expenditures(%)
1991	\$610,000	\$358,750	\$968,750	\$13,184,652	7.35%
1992	620,000	306,420	926,420	12,260,201	7.56%
1993	630,000	266,138	896,138	13,025,633	6.88%
1994	640,000	273,089	913,089	13,460,331	6.78%
1995	715,000	226,764	941,764	14,346,456	6.56%
1996	730,000	215,139	945,139	15,148,179	6.24%
1997	750,000	158,200	908,200	16,210,530	5.60%
1998	765,000	94,763	859,763	17,065,972	5.04%
1999	590,000	43,188	633,188	17,496,234	3.62%
2000	90,000	22,750	112,750	18,997,188	0.59%

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
 DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS**

Fiscal Year	Population	School Enrollment	Unemployment Rate
1991	35,866	3,471	5.80%
1992	35,866	3,395	6.60%
1993	35,866	3,429	7.80%
1994	35,866	3,478	5.50%
1995	35,866	3,581	4.20%
1996	35,866	3,603	4.30%
1997	35,866	3,636	4.20%
1998	35,866	3,559	3.50%
1999	35,866	3,407	3.70%
2000	35,866	3,153	3.30%

Sources: U.S. Census Bureau
 Talawanda City School District records
 Ohio Bureau of Employment Services, rates are for Butler Cou
 Oxford Chamber of Commerce

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES
LAST TEN COLLECTION (CALENDAR) YEARS**

Fiscal Year	Construction (1)	Bank Deposits (2)	Property Values (3)
1991	\$4,396,620	\$2,104,239,000	\$215,409,310
1992	3,698,400	904,381,000	216,622,800
1993	5,522,670	697,204,000	221,609,750
1994	5,368,970	713,488,000	252,572,290
1995	12,437,960	750,113,000	259,393,820
1996	9,684,930	800,556,000	270,920,450
1997	8,045,340	918,777,000	315,611,160
1998	8,419,490	825,082,000	323,685,480
1999	7,144,050	877,325,000	332,191,690
2000	N/A	923,585,000	391,766,030

Sources:

- (1) Butler County Auditor's Office, Hamilton, Ohio (1991-1999)
Represents Talawanda City School District Construction.
2000 not available at the time this report was published.
- (2) Total deposits of all bank headquartered in Butler County.
Federal Reserve Bank, Cleveland, Ohio
- (3) Butler County Auditor's Office, Hamilton, Ohio.

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
 PRINCIPAL PROPERTY TAXPAYERS
 JUNE 30, 2000**

Taxpayer	Total Assessed Valuation	Percent of Total
Cincinnati Gas and Electric	\$12,010,870	30.88%
Meijer, Incorporated	6,594,180	16.95%
GTE North	3,543,700	9.11%
Edward Redpath	2,616,130	6.73%
Square D, Incorporated	2,578,510	6.63%
D & B Limited Partnership	2,575,640	6.62%
OTR/Midland Realty	2,558,500	6.58%
Ray Day	2,293,790	5.90%
University Commons PRT	2,160,320	5.55%
McCullough Hyde Hospital	1,961,610	5.04%
Total	\$38,893,250	100.00%

Source: Butler County Auditor

**TALAWANDA CITY SCHOOL DISTRICT, OHIO
 OXFORD AREA LARGEST EMPLOYERS
 JUNE 30, 2000**

EMPLOYER	NUMBER OF EMPLOYEES	TYPE OF BUSINESS
Miami University	3,500	Higher Education
Square D Company	634	Manufacturer
McCullough-Hyde Memorial Hospital	410	Medical
Talawanda City Schools	334	Primary and Secondary Education
Kroger Company	150	Food retailer
Oxford View Nursing Home	148	Nursing home
Walmart	125	Discount retailer
City of Oxford	103	Municipality
McDonalds	76	Restaurant

Source: Oxford Chamber of Commerce

TALAWANDA CITY SCHOOL DISTRICT, OHIO
MISCELLANEOUS STATISTICAL DATA
June 30, 2000

Year of Present Charter: 1982
 Form of Government: Public School District
 Area of District: 145 Square miles

Number of Schools

Elementary	3
Middle	1
High	1
	<hr/> 5

Number of Teachers, Levels of Degree and Years of Experience

<u>Degree</u>	<u>Education</u>	
	<u>Number of Teachers</u>	<u>% of Total</u>
Bachelor's	30	14.42%
Bachelor's + 15	4	1.92%
Bachelor's 150 Hours	74	35.58%
Master's	45	21.63%
Master's + 15	36	17.31%
Master's + 30	19	9.13%
Total	<hr/> <u>208</u>	<hr/> <u>100.00%</u>

<u>Years of Experience</u>	<u>Experience</u>	
	<u>Number of Teachers</u>	<u>% of Total</u>
0 - 5	63	30.29%
6 - 10	26	12.50%
11 - 15	33	15.87%
16 - 20	24	11.54%
21 - 25	42	20.19%
26 - OVER	20	9.62%
TOTAL	<hr/> <u>208</u>	<hr/> <u>100.00%</u>

TALAWANDA CITY SCHOOL DISTRICT

Single Audit Reports

June 30, 2000

**Report on compliance and on internal control over financial reporting
based on an audit of financial statements performed in accordance with
*Government Auditing Standards***

September 22, 2000

Board of Education
Talawanda City School District

We have audited the general purpose financial statements of the Talawanda City School District, (the District), as of and for the year ended June 30, 2000, and have issued our report thereon dated September 22, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be

material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Plattenburg & Associates, Inc.
Certified Public Accountants

Report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133

September 22, 2000

Board of Education
Talawanda City School District

Compliance

We have audited the compliance of the District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. The District's major federal program is identified in the summary of auditor's results portion of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 2000, and have issued our report thereon dated September 22, 2000. Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the District taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by *OMB Circular A-133* and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

Plattensburg & Associates, Inc.
Certified Public Accountants

TALAWANDA CITY SCHOOL DISTRICT

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED June 30, 2000**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through Ohio Department of Education:						
Child Nutrition Cluster:						
National School Breakfast Program	05-PU	10.553	25,541	0	25,541	0
National School Lunch Program	04-PU	10.555	157,225	0	157,225	0
Total U.S. Department of Agriculture - Child Nutrition Cluster			<u>182,766</u>	<u>0</u>	<u>182,766</u>	<u>0</u>
Food Distribution Program	03-PU	10.550	\$0	\$45,081	\$0	\$45,790
Child and Adult Care Food Program	21-ML	10.558	3,301	0	3,301	
Total U.S. Department of Agriculture - Nutrition Cluster			<u>186,067</u>	<u>45,081</u>	<u>186,067</u>	<u>45,790</u>
U.S. DEPARTMENT OF EDUCATION						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Title VI - B Grant	6B-SF	84.027	135,076	0	135,215	0
Preschool Grant	PG-S1	84.173	4,898	0	5,357	0
Total U.S. Special Education Cluster			<u>139,974</u>	<u>0</u>	<u>140,572</u>	<u>0</u>
Adult Basic Education Grant	AB-S1	84.002	24,698	0	37,902	0
Eisenhower Grant	MS-S1	84.281	13,747	0	18,071	0
Title I Grant	C1-S0	84.010	387,107	0	341,335	0
Title VI	C2-S1	84.298	16,439	0	7,736	0
Tech Literacy	TF-S1	84.318	37,500	0	84,423	0
Drug Free Schools Grant	DR-S1	84.186	33,379	0	22,254	0
Entry Year Grant	G2-S4	84.276	50,000	0	59,838	0
Class Size Reduction		84.340	61,133	0	53,887	0
Total Department of Education			<u>763,977</u>	<u>0</u>	<u>766,018</u>	<u>0</u>
U.S. DEPARTMENT OF LABOR						
Employment Services and Job Training, Pilot and Demonstration Programs						
School to Work Grant	N/A	17.249	0	0	852	0
Total Department of Labor			<u>0</u>	<u>0</u>	<u>852</u>	<u>0</u>
U.S. DEPARTMENT OF ARCHITECTURAL AND TRANSPORTATION BARRIERS						
Passed Through Ohio Department of Architectural and Transportation Barriers						
Architectural and Transportation Barriers	N/A	88.001	28,731	0	7,090	0
Total Department of Architectural and Transportation Barriers			<u>28,731</u>	<u>0</u>	<u>7,090</u>	<u>0</u>
Total Federal Assistance			<u>\$978,775</u>	<u>\$45,081</u>	<u>\$960,027</u>	<u>\$45,790</u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B -- FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Monies are commingled with state grants, and it is assumed that federal monies are expended first.

**TALAWANDA CITY SCHOOL DISTRICT
JUNE 30, 2000**

**SCHEDULE OF PRIOR AUDIT AND QUESTIONED COSTS
*OMB CIRCULAR A-133***

Talawanda City School District had no prior audit findings or questioned costs.

TALAWANDA CITY SCHOOL DISTRICT
June 30, 2000

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None Noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None Noted



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OFFICE OF THE AUDITOR

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TALAWANDA CITY SCHOOL DISTRICT

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 02, 2001**