

**TALLMADGE CITY SCHOOL DISTRICT**

**SINGLE AUDIT**

**YEAR ENDED JUNE 30, 2005**





**Auditor of State  
Betty Montgomery**

Board of Education  
Tallmadge City School District  
486 East Ave.  
Tallmadge, OH 44278

We have reviewed the *Independent Auditors' Report* of the Tallmadge City School District, Summit County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period July 1, 2004 through June 30, 2005. 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 Tallmadge City School District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

February 2, 2006

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**TALLMADGE CITY SCHOOL DISTRICT**

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**TALLMADGE CITY SCHOOL DISTRICT  
SUMMIT COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Federal Grantor/ Sub-Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>						
Pass through Ohio Department of Education						
Nutrition Cluster						
National School Lunch Program	n/a	10.555	116,289	-	116,289	-
Food Distribution Program	n/a	10.550	-	29,930	-	29,930
Total Nutrition Cluster			116,289	29,930	116,289	29,930
<b>Total U.S. Department of Agriculture</b>			116,289	29,930	116,289	29,930
<b>U.S. DEPARTMENT OF EDUCATION:</b>						
Pass through Ohio Department of Education						
Title I Educationally Deprived Children						
	C1S104P	84.010	31,258	-	71,125	-
	C1S105P		164,715	-	159,722	-
			195,973	-	230,847	-
Title VI-B Special Education Assistance for handicapped Children						
	6BSF04	84.027	100,917	-	167,461	-
	6BSF05		502,071	-	446,506	-
			602,988	-	613,967	-
Drug Free School Program						
	DRS104	84.186	-	-	117	-
	DRS105		9,424	-	9,424	-
			9,424	-	9,541	-
Innovative Education Program Strategies						
	C2S10599	84.298	11,943	-	11,943	-
			11,943	-	11,943	-
Technology Literacy Challenge						
	TJS105	84.318	4,279	-	4,279	-
			4,279	-	4,279	-
Improving Teacher Quality State Grant						
	TRS104	84.367	20,464	-	41,297	-
	TRS105		68,706	-	64,437	-
			89,170	-	105,734	-
Pass through Six District Educational Compact:						
Vocational Education - Basic Grants to States						
	CTPD-Various	84.048	2,800	-	11,216	-
			2,800	-	11,216	-
Title III Limited English Proficiency						
		84.194	3,166	-	5,026	-
			3,166	-	5,026	-
<b>Total U.S. Department of Education</b>			919,743	-	992,553	-
<b>Total Federal Awards Expenditures</b>			1,036,032	29,930	1,108,842	29,930

See notes to Schedule of Federal Awards Expenditures.

**TALLMADGE CITY SCHOOL DISTRICT**

**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 awards programs. The schedule has been prepared on the cash basis of accounting.

NOTES B – CHILD NUTRITION CLUSTER

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

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



**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education  
Tallmadge City School District  
Tallmadge, Ohio 44278

We have audited the financial statements of Tallmadge City School District as of and for the year ended June 30, 2005, and have issued our report thereon dated December 14, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

**Compliance**

As part of obtaining reasonable assurance about whether Tallmadge City School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which we have reported to management of Tallmadge City School District in a separate letter dated December 14, 2005.

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

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
December 14, 2005

**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

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

Board of Education  
Tallmadge City School District  
Tallmadge, Ohio 44278

**Compliance**

We have audited the compliance of Tallmadge City School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2005. Tallmadge City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Tallmadge City School District's management. Our responsibility is to express an opinion on Tallmadge City School District's compliance based on our audit.

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

In our opinion, Tallmadge City School 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, 2005.

**Internal Control Over Compliance**

The management of Tallmadge City School 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 Tallmadge City School 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*.

### **Internal Control Over Compliance (Continued)**

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

### **Schedule of Federal Award Expenditures**

We have audited the financial statements of the governmental activities, each major fund and the aggregated remaining fund information of Tallmadge City School District as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 14, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal award expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
December 14, 2005

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

**TALLMADGE CITY SCHOOL DISTRICT  
JUNE 30, 2005**

**1. AUDITOR’S RESULTS**

<i>(d)(1)(I)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	NO
<i>(d)(1)(II)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	NO
<i>(d)(1)(iii)</i>	Was there any reported non-compliance at the financial statement level (GAGAS)?	NO
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	NO
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	NO
<i>(d)(1)(v)</i>	Type of Major Programs’ Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under section .510?	NO
<i>(d)(1)(vii)</i>	Major Programs (List):	Title VI-B #84.027
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

NONE

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

NONE

**TALLMADGE CITY SCHOOL DISTRICT  
TALLMADGE, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

**PREPARED BY TREASURER'S OFFICE**

**JEFFERY HOSTETLER, TREASURER**

TALLMADGE CITY SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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TALLMADGE CITY SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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McCOMBS EDUCATION CENTER  
486 EAST AVENUE  
TALLMADGE, OHIO 44278  
(330) 633-3291

December 14, 2005

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

The Comprehensive Annual Financial Report (CAFR) of the Tallmadge City School District (the "School District"), for the fiscal year ended June 30, 2005, is hereby submitted. This report was prepared by the Treasurer's Office, and includes the unqualified opinion of our independent auditors, Lennon and Company. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the School 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 of the School District.

The CAFR is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes this Transmittal Letter, list of Principal Officers, the School District's Organizational Chart and the GFOA Certificate of Achievement. The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements, Notes to the Basic Financial Statements and the Combining and Individual Fund Financial Statements and Schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

GAAP also requires that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The School District's MD&A can be found immediately following the Independent Accountant's Report.

#### *SCHOOL DISTRICT AND ITS FACILITIES*

The City of Tallmadge is an attractive and friendly suburban residential community in northeastern Ohio, County of Summit. The School District serves an area of 17 square miles of rolling wooded terrain surrounding the city landmark – Tallmadge Circle – a four-acre park at the center of the community and the hub of its history. The Tallmadge city population in 2000 was 16,390.

Tallmadge is one of the most historic communities in the area. Town 2 Range 10 of the Western Reserve was laid out in 1797. Led by the Reverend David Bacon, the first settlers arrived from Connecticut in 1807. Tallmadge was named after Colonel Benjamin Tallmadge, an outstanding scholar. Education was second only to religion as a priority with these early pioneers. The School District had its roots in a one-room log schoolhouse built in 1809. By 1836, there were 11 district schools and 736 pupils

In the years that followed, the early settlers also established the first institution of higher learning in the area and they organized the first school in the state for deaf-mute children. They left a legacy of tradition, vision and excellence that is the hallmark of education in the Tallmadge City Schools today.

At June 30, 2005, the School District had 2,733 public students enrolled in five community schools: Overdale Primary, Dunbar Elementary, Munroe Intermediate, Middle School housing grades 6 through 8, and Tallmadge High, a comprehensive high school for grades 9 through 12. The School District also operates a variety of other facilities including a central administration building, annex, bus garage, maintenance facility, and several sports fields.

Enrollment projections are based on actual historical enrollment data and trends over time. The trend since 1989 has shown a steady growth in School District enrollment, a pattern that is expected to continue. Many factors will affect the School District's actual enrollment growth, including characteristics of the community as a desirable place to live, employment opportunities, birth rate, mobility, new housing developments, and sales of existing homes to families.

There are currently nearly 1,800 acres of undeveloped land within the City of Tallmadge that can accommodate new residential, commercial, and industrial growth, as well as the new rights-of-way to service those uses. If the residentially zoned acreage were developed to its current capacity, the current population of the City would increase by 68% or 7,100 persons over the 1990 Census figures.

#### *ORGANIZATION OF THE SCHOOL DISTRICT*

The Board of Education (Board) of the School District is comprised of five members elected at large by the citizens of the School District. The Board serves as the taxing authority, contracting body, and policy initiator for the operation of the School District. The Board is responsible for the adoption of the tax budget, the annual operating budget and approves all expenditures of the School District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by code.

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations within the School District. Dr. Vincent D. Frammartino has been with the School District since August 1999. He has a contract that will end on June 30, 2006. Dr. Frammartino offers 30+ years of educational experience to the School District and community of Tallmadge.

The Treasurer is the chief financial officer of the School District and is responsible directly to the Board for all financial operations, investments, custody of all School District funds and assets, and serves as Secretary to the Board. Mr. Jeffery Hostetler serves as the chief financial officer of the School District. He has 20+ years experience as a Treasurer.

All other School District employees are responsible to the Superintendent and are employed by the Board upon the recommendation of the Superintendent.

#### *ECONOMIC CONDITION AND FUTURE OUTLOOK*

Tallmadge is an excellent location for business, being located conveniently between the cities of Akron and Cleveland. The City of Tallmadge offers a wealth of opportunity for cultural, social and economic resources for its residents. Numerous state routes and the interstate system run through the City making it an ideal location with easy access. Large tracts of desirable residential, commercial and industrial lands are set aside for development. The City offers residents and businesses a good tax base, sound fiscal practices and modern up-to-date services such as police, fire and emergency medical services.

A mixed business community operating in a favorable climate is the basis for Tallmadge's stable and healthy environment. In addition, the City is part of the Summit County Enterprise Program, the Portage County Enterprise Program and a community reinvestment area tax abatement program.

The City offers over 400 businesses through a diverse group of employers. From the small family-operated business to major commercial corporations, all business activity helps to keep the School District strong.

The following list, provided by the Summit County Auditor's Office, indicates information on the largest tangible, public utility, and real estate taxpayers:

TOP TEN TANGIBLE TAXPAYERS (2004 COLLECTION)

<u>Name</u>	<u>Taxable Valuation</u>
Auto Sales, Inc.	\$4,781,730
Owens Corning	4,545,250
Leppo, Inc.	4,176,090
Waltco Truck Equipment Co.	2,227,070
Steere Enterprises, Inc.	1,795,190
Mark-Glen, Inc.	1,786,190
Star Chevrolet, Inc.	1,709,650
Horton Manufacturing Co., Inc.	1,612,310
Comdoc, Inc.	1,273,670
The Martin Wheel Company, Inc.	1,136,650

PUBLIC UTILITY PERSONAL PROPERTY (2005 COLLECTION)

<u>Name</u>	<u>Taxable Valuation</u>
Ohio Bell Telephone	\$2,568,730
Ohio Edison	2,403,290
American Transmission	453,740
East Ohio Gas	441,660
Ohio T&T	292,780

TOP TEN REAL ESTATE TAXPAYERS (2005 COLLECTION)

<u>Name</u>	<u>Taxable Valuation</u>
Eastwood Square Associates LTD	\$2,759,100
Tallmadge Oaks LTD	2,392,550
Big Zilla Development LLC	2,352,310
Tallmadge Associates	2,292,670
Saxon Village LTD	1,908,730
87 Midway Plaza LLC	1,617,150
Colonial Gardens, Inc.	1,568,590
Myers Family Limited Partnership	1,544,060
Mindale Farms Co.	1,506,600
Cooper Equities Co., LTD	1,408,030

The School District and the City of Tallmadge have an excellent working relationship. This strong partnership helps to strengthen all of the programs and activities provided for the students in our School District.

## *MAJOR INITIATIVES AND ACCOMPLISHMENTS:*

Across the School District numerous significant accomplishments have taken place at each of the five instructional buildings. The following are examples of those initiatives that directly impact teaching and learning.

### 2004-2005 HIGHLIGHTS – STUDENTS – STAFF - SCHOOL DISTRICT

**Distinguished Scholars** 42 seniors (3.7 GPA), 42 juniors (3.75 GPA), 13 sophomores (3.8 GPA) and 42 freshman (3.8 GPA) were recognized as Distinguished Scholars at a breakfast co-sponsored by Lions, Rotary, PEGS and PTSA.

**Math Scholars.** TMS Ohio Math League teams successfully competed at regional and state levels. The 6<sup>th</sup> grade team ranked 20<sup>th</sup> in the state. The 8<sup>th</sup> grade team was 4<sup>th</sup> in the region.

**Regional Wins.** Tallmadge won the second place trophy at the regional Destination Imagination Competition.

**State Qualifiers.** Three TMS students advanced to state level competitions in both the Word Power Challenge and the GeoBee finals.

**Thinkers Tops .** Tallmadge teams swept the top spots in the annual statewide Ohio Thinking Cap Quiz Bowl. The 8<sup>th</sup> grade team placed first, the 7<sup>th</sup> grade team placed second, and the 5<sup>th</sup> and 6<sup>th</sup> grade teams both finished in third place. Since the inception of the Quiz Bowl, 16 years ago, Tallmadge teams have consistently been among the top finishers in this interscholastic statewide contest for 5<sup>th</sup> through 8<sup>th</sup> graders.

**Winning Answers.** TMS' 7<sup>th</sup> and 8<sup>th</sup> grade America Answers Quiz Bowl teams competed in the national competition, vying with students from 50 states for the top spot. These teams finished in 4<sup>th</sup> place in the nation. The 5<sup>th</sup> grade team placed 5<sup>th</sup> in the nation among 207 teams competing. The 6<sup>th</sup> grade team placed 12<sup>th</sup>. As a group, all teams outscored 604 of the 629 teams in the competition.

**National Contest.** Students in the A.P. Physics class competed in the National Robotics Competition in Phoenix, Arizona. This was the first time students had entered a robot in the contest. They won the Rookie Inspiration Award.

**Artists Win.** 27 Tallmadge students won top honors at the Summit County Art Show, including one Best of Show and six 1<sup>st</sup> place awards.

**Technology in the Curriculum.** There are 3.5 students per computer district-wide. Two new technology initiatives were introduced at the high school: "Art & Technology," a class that explores the use of digital media as a means of communication and artistic expression. A CAD lab was established for use in the engineering drawing class. Teachers at Dunbar acquired interactive whiteboards.

**Parent access.** Each parent at TMS and THS was given a secure, personalized login to access their child's personal grade and assignment information, allowing them to monitor their child's progress regularly.

**March to State.** The THS Blue Devil marching band qualified for the State Marching Band Finals where they earned an excellent rating.

**High Note.** The high school's concert and show choirs competed at Music in the Parks and brought home two 1<sup>st</sup> place trophies. Schools from six states competed.

**See How They Run.** The boys' track team sent five runners to state competition. The 4 x 800 team placed 5<sup>th</sup> in the state and set a new school record.

**Gridders Make History.** The Blue Devils won the League championship and amassed a 12-2 record, reigning as Division II Regional Champions. This is the first THS team in school history to reach the final four in the state playoffs.

**Grapplers Make it to State.** Three THS wrestlers, the most ever, earned a berth in the state contest.

**League Champions.** The boy's golf team reigned as the undefeated Suburban League Champions. The baseball team compiled a 19-8 record as League Champions and district finalists.

**District Champions.** The boy's basketball team finished second in the league. They won the District title and played all the way through the regional semi-finals

**Athletics.** Twenty-five athletes, competing in one of THS' 19 interscholastic sports, earned All-Suburban League honors for their individual performances.

**TMS Outstanding.** TMS received an "outstanding component" award from the Ohio Middle School Association for exemplary practices in scheduling. TMS staff also presented at the Ohio School Boards Association annual conference.

**Dynamics Community Theatre.** Dynamics is an intergenerational program in the Tallmadge schools involving adults and students K-12 in theatrical productions. In its eleventh full season, student and adult actors performed "Annie Get Your Gun," "The Best Christmas Pageant Ever," and "The Little Prince."

**Bus Open House.** The transportation staff hosted its ninth annual open house at the bus garage. Visitors learned about driver requirements and training and had a close-up look at the district's two new buses. Vendors donated prizes for a Poster Contest for elementary riders.

**Wild Site.** Due to the efforts of teachers, students, parent volunteers and the Henry Bierce Company, the garden at Dunbar School was designated as an official Wild School Site by the Ohio Department of Natural Resources. The area will be used for hands-on lessons in science and ecology.

**Volunteer recognition.** More than 500 volunteers were invited to the annual District-wide Volunteer Appreciation luncheon in April, including 100-plus volunteers who work with students in grades K-4 through the OhioReads program. In addition to individual Ohio Reads volunteers, two local businesses, Summit Racing and Walco, partner with the district to release employees during the workday to serve as OhioReads volunteers.

**On “Target.”** Overdale Primary School received a grant from Target Stores to establish a parent resource library.

**Literacy Grant.** TMS won a two-year, \$20,000 Ohio Literacy Grant to establish an after-school tutoring program with adult volunteers helping students with vocabulary, content reading and homework.

**“Got Milk?”** The District received a \$300 grant from the American Dairy Association to place a milk vending machine in the high school cafeteria to provide students with a healthy beverage alternative.

**Outstanding Teacher.** The Akron Council of Engineering and Scientific Society named TMS teacher Don Cole “Outstanding Science Teacher”.

**School District Report Card.** Tallmadge met the performance standards in 20 of 23 categories and is rated as an “Effective” District. “Effective” is the 2<sup>nd</sup> of five tiers, with the top tier being “Excellent.” The high school achieved “Excellent” status.

**Bond Issue.** A record number of voters turned out at the polls in November, 2004 and approved a 4.69 mill, 28-year bond issue to construct a new high school. A Facilities Task Force made up of community members met throughout the spring to provide input into the design of the new school.

## **THE CLASS OF 2005**

Of the 212 seniors earning diplomas at graduation on June 5<sup>th</sup>, 85% completed a college preparatory curriculum, 3% followed a general course of study and 11% enrolled in a career-technical program. Twenty-six credits were required for graduation.

**Future Plans.** Following graduation, 69% enrolled in a four year college, 19% enrolled in a two-year college or trade or technical program, 4% entered the military and 8% entered the labor market.

**Valedictorians.** Ten 4.0 valedictorians led the Class of 2005: Nicole Clester, Jonathan Duffy, Steven Etheridge, Lindsey Fuller, Jonathan Gamble, Janie Holzer, Brian Jordan, Lisa Kot, Elaina Stover and Brandon Thompson.

**Honors Diplomas.** Forty-nine graduates earned honors diplomas. To receive an honors diploma, graduates must meet eight of nine academic criteria including a minimum 3.5 grade point average and a minimum composite score of 27 on the ACT.

**Distinguished Scholars.** Forty-two seniors graduated as distinguished scholars, having maintained a 3.7 grade point average or better for four years of high school.

**Educational Excellence.** Forty-three graduating seniors earned the **Presidential Award for Educational Excellence** given to students who complete the core curriculum, maintain a 3.5 or better grade point average and score in at least the 85 percentile on a standardized reading or math test.

**Merit Awards.** Seventy members of the graduating class earned the **State Award of Merit**. To receive this honor, students must complete the core curriculum, plus have three units of a foreign language, a 3.25 GPA, an average attendance of 90.8% or better and good character.

**Scholarship Winners.** Fifty-four members of the Class of 2005 shared in more than \$46,000 in local scholarships awarded at graduation. These scholarships are funded by donations from area businesses, civic organizations, trusts and foundations.

**Heritage Families.** Each year, those students together with their parents or grandparents graduated from THS are recognized as Heritage Families. There were 43 Heritage Families in the Class of 2005, including five third generation graduates.

## **FINANCIAL INFORMATION**

*Internal Controls* The management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of “reasonable assurance” recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management. Management believes the internal controls adequately meet the above objectives.

*Budgetary Controls* In addition, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. Activities of all funds are included in the annual appropriation resolution. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by individual fund. The School District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered amounts lapse at year’s end.

As demonstrated by the statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management.

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

The School District operates and manages its hospital/medical health benefits, dental benefits, prescription drug benefits, and life insurance program for employees on a self-insured basis. The Health Insurance fund was established in conjunction with formalized risk management programs in an effort to minimize risk exposure, control claims and premium costs. A third party administrator, Employee Benefit Services (EBC) processes and initiates payment of claims.

## **OTHER INFORMATION**

### **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 to the Tallmadge City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.



In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports 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 our current report will conform to the high standard required by the Certificate of Achievement program.

#### Independent Audit

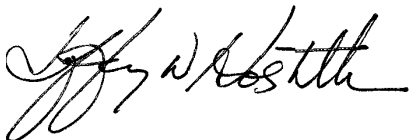
State statutes require an annual audit by independent accountants. The firm of Lennon and Company conducted the School District's 2005 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements is included in the financial section of this report.

#### Acknowledgements

The preparation and publication of this Comprehensive Annual Financial Report on a timely basis could not have been possible without the cooperative efforts of the entire Treasurer's Department. A special note of appreciation goes out to our Public Relations Coordinator for preparation of support information.

Finally, this report would not have been possible without the continued support of the Board of Education which values quality financial information with which to help make decisions. Without their leadership and commitment to excellence this report would not be possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffery Hostetler". The signature is fluid and cursive, with the first name "Jeffery" written in a larger, more prominent script than the last name "Hostetler".

Mr. Jeffery Hostetler

Treasurer/Chief Financial Officer

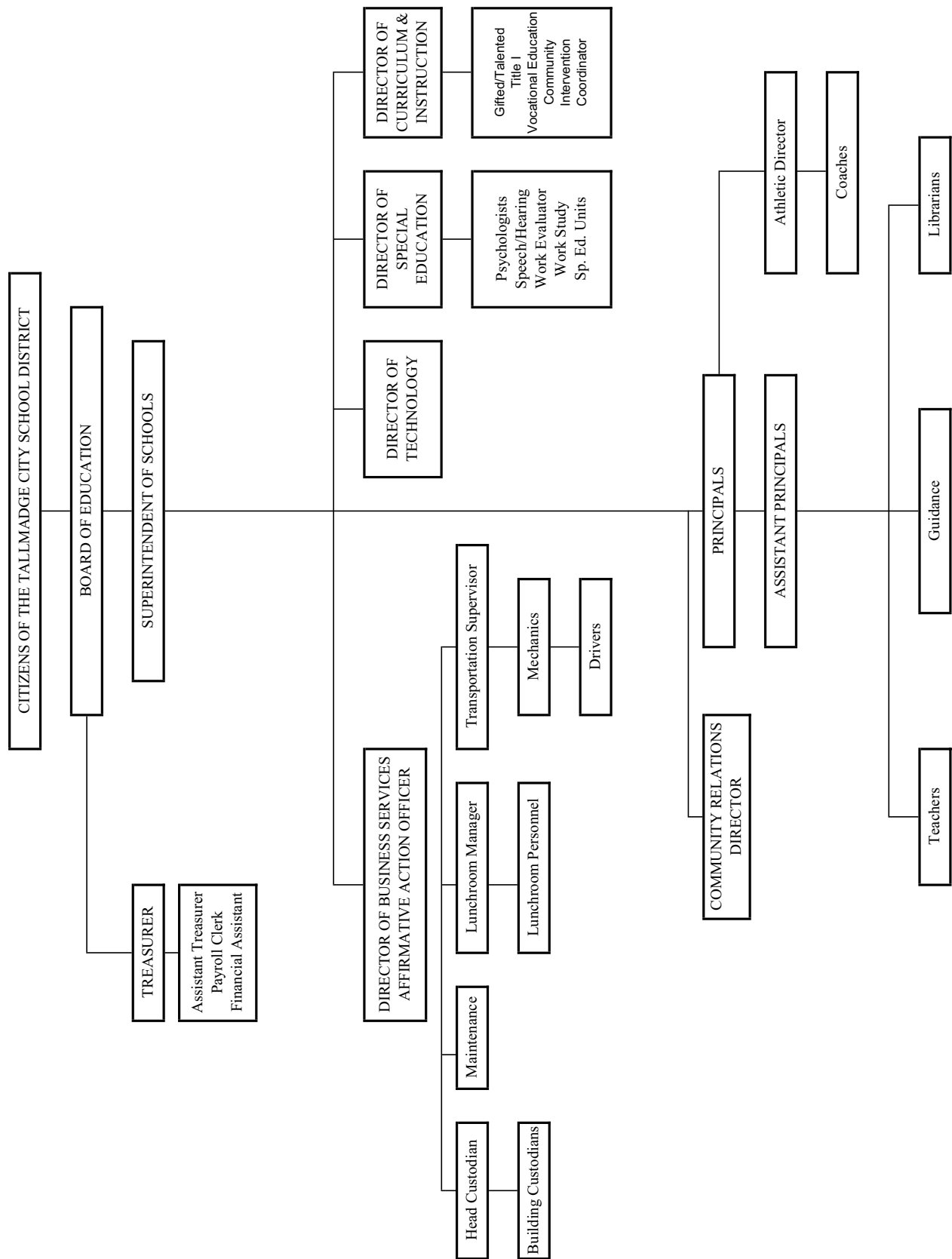
**Tallmadge City School District  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2005  
List of Principal Officials**

Board of Education

Mr. Thomas Craig	President 1/02 - 12/09
Mrs. Valorie Prulhiere	Vice-President 1/02 - 12/09
Mr. Richard Kellar	Member 1/05 - 12/09
Mr. Dennis Loughry	Member 1/04 - 12/07
Mr. Larry Bagnoli	Member 1/04 - 12/07

Administration

Dr. Vincent Frammartino	Superintendent 7/01 - 6/06
Mr. Jeffery W. Hostetler	Treasurer 1/05 - 12/06
Ms. Lynn Hruschak Curriculum	Director of 3/99 - 6/07
Mr. Donald B. Johnson Business	Director of 4/98 - 6/07
Mr. Bradley Croskey Technology	Director of 7/02 - 6/08



# Certificate of Achievement for Excellence in Financial Reporting

Presented to  
Tallmadge  
City School District,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

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.



*Nancy L. Zjelke*

President

*Jeffrey R. Enev*

Executive Director

**INDEPENDENT AUDITORS' REPORT**

Board of Education  
Tallmadge City School District  
Tallmadge, Ohio 44278

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tallmadge City School District as of and for the year ended June 30, 2005, which collectively comprise the District's financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Tallmadge City School District as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2005, on our consideration of Tallmadge City School District's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise Tallmadge City School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables listed in the table of contents are presented for purposes of additional analysis and are not part of the basic financial statements of the District. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents, and, therefore, express no opinion thereon.

*Wolfe, Wilson, & Phillips, Inc*

Zanesville, Ohio  
December 14, 2005

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

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This discussion and analysis of Tallmadge City School District's financials provides an overall review of the District's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the District's financial performance as a whole; for a more in-depth understanding of the finances of the District readers are encouraged to review the financial statements along with the notes to the basic financial statements.

**Financial Highlights**

Key financial highlights for 2005 are as follows:

- Net assets of governmental activities increased \$627,756, a 5% increase from 2004.
- The District passed a 4.69 mill bond levy in the amount of \$30,500,000 on November 2, 2004. The monies will be used to build a new high school. This is the first phase of an Early Local Partnership Program (ELPP) with the Ohio School Facilities Program (OSFC). The entire ELPP is a \$54,283,800 building program of which the District's share is \$42,341,364 (78%) and the State's share is \$11,942,436 (22%).
- The District sold \$30,500,000 short-term notes on December 29, 2004, which matured on June 29, 2005. The District then entered into a bond sale on April 26, 2005 selling \$30,190,000 of bonds at a premium, which generated \$30,882,563, meeting the \$30,500,000 needed for the project and covering the costs of issuance. The bonds will mature in a variety of denominations in each of the next 28 years with the first becoming due on December 1, 2005.
- General revenues accounted for \$24,349,127 in revenue or 90% of all operating revenues. Program specific revenues in the form of charges for services, operating grants, contributions and interest, and capital grants and contributions accounted for \$2,643,595 or 10% of total operating revenues of \$26,992,722.
- The District had \$26,364,966 in expenses related to governmental activities; only \$2,643,595 of these expenses was offset by program specific charges for services, grants, contributions and interest. General revenues of \$24,349,127 were adequate to provide for these programs.
- The increase in net capital assets was due in large part to the purchase of three new buses, the lighting project for the existing football stadium, and the beginning of the building program with \$402,131 of construction in progress. The district will continue with its building program and plans on the completion of the new high school in time for the opening of the 2008-09 school year.

**Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Tallmadge City School District as a financial entity in its entirety. The statements then proceed to provide a more detailed look at specific financial activities.

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

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The Statement of Net Assets and Statement of Activities provide information about the activities of the entire District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements present how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one "other" column. In the case of Tallmadge City School District, the general fund is the most significant operating fund of the district. In addition the building fund is considered a major fund in the financial picture since the passage of the bond levy in November of 2004.

**Reporting the School District as a Whole**

*Statement of Net Assets and the Statement of Activities*

While these statements contain information about the large number of funds used by the District to provide for programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2005?" The statement of net assets and the statement of activities answer this question. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the Districts' activities are considered to be all Governmental Activities:

Governmental Activities — Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, operation of food service and extracurricular activities.

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

*Fund Financial Statements*

The analysis of the District's major funds begins on page eight. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental fund is the general fund.



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

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

**The School District as a Whole**

Recall that the statement of net assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets for 2005 compared to 2004:

	<b>Table 1</b>	
	<b>Net Assets</b>	
	<u><b>Governmental Activities</b></u>	
	<b>2005</b>	<b>2004</b>
<b>Assets</b>		
Current and other assets	\$ 54,505,223	\$ 21,670,961
Capital assets, net of depreciation	7,997,604	7,839,463
Total Assets	62,502,827	29,510,424
<b>Liabilities</b>		
Current and other liabilities	17,248,002	15,821,691
Long-term liabilities:		
Due within one year	860,204	270,798
Due in more than one year	32,035,769	1,686,839
Total Liabilities	50,143,975	17,779,328
<b>Net Assets</b>		
Invested in capital assets, net of debt	7,585,112	7,666,463
Restricted	2,336,348	1,128,064
Unrestricted	2,437,392	2,936,569
Total Net Assets	\$ 12,358,852	\$ 11,731,096

The major difference between 2005 and 2004 was the passage of a bond issue levy in November of 2004 in the amount of \$30,500,000 and the subsequent sale of the bonds in April of 2005.

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

Table 2 shows a comparison of net assets for fiscal year 2005 to fiscal 2004.

**Table 2**  
**Governmental Activities**

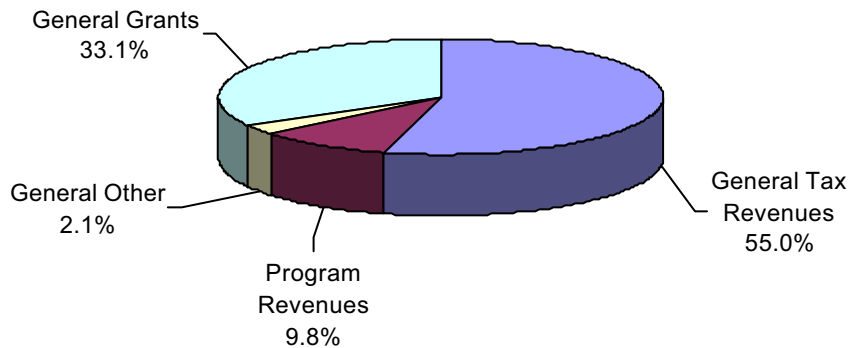
	<u>2005</u>	<u>2004</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 1,186,014	\$ 1,194,323
Operating grants, contributions and interest	1,290,146	1,020,561
Capital grants and contributions	167,435	24,095
Total Program Revenues	<u>2,643,595</u>	<u>2,238,979</u>
General revenues:		
Property taxes	14,852,565	13,771,303
Grants and entitlements	8,925,251	9,167,085
Investment earnings	490,058	81,994
Miscellaneous	81,253	10,901
Total General Revenues	<u>24,349,127</u>	<u>23,031,283</u>
Total Revenues	<u>26,992,722</u>	<u>25,270,262</u>
<b>Program Expenses</b>		
Instruction:		
Regular	12,319,083	11,915,184
Special	2,431,656	2,142,943
Vocational	642,684	702,224
Adult/continuing	47,547	50,308
Support services:		
Pupil	1,402,851	1,540,954
Instructional staff	777,877	685,249
Board of education	23,113	14,893
Administration	2,253,586	2,276,193
Fiscal	691,005	664,258
Business	136,124	122,186
Operation and maintenance of plant	1,740,541	1,697,018
Pupil transportation	1,536,713	1,614,830
Central	280,200	274,508
Operation non-instructional services	633,145	609,750
Extracurricular activities	986,975	877,912
Interest and fiscal charges	461,866	5,375
Total Program Expenses	<u>26,364,966</u>	<u>25,193,785</u>
Change in net assets	627,756	76,477
Net Assets Beginning of Year	11,731,096	11,654,619
Net Assets End of Year	<u>\$ 12,358,852</u>	<u>\$ 11,731,096</u>

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

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***Governmental Activities***

Tallmadge City School District depends on both property taxes and State funding. The voters of the District passed a five-year operating levy in May, 2001 for 7.5 mills. The annual revenue from this levy approximates \$2,829,946.



The District's reliance upon tax revenues is demonstrated by the graph above that indicates 55.0% of total revenues for governmental activities come from local taxes. The reliance on general revenues to support governmental activities is indicated by the net services column reflecting the need for \$23.7 million dollars of support as well as the graph indicating general revenues comprise 90.2% of total revenues.

The dependence on property taxes remains continues. The community has supported the Tallmadge City School District by a history of voter approval of operating levies. The most recent passage of a 7.5 mill five-year operating levy (May, 2001) comprises 19.5% of the total voted general tax revenue for the District. This levy will have to either be renewed or replaced in 2006, depending on the decision made by the Board of Education.

Instruction comprises 58.6% of governmental program expenses. Historically, the District has promoted excellence in educational programs by the allocation of resources in all instructional areas.

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

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

Table 3  
 Governmental Activities

	Total Cost of Services 2005	Net Cost of Services 2005	Total Cost of Services 2004	Net Cost of Services 2004
<b>Program Expenses</b>				
Instruction:				
Regular	\$ 12,319,083	\$ 11,755,096	\$ 11,915,184	\$ 11,588,439
Special	2,431,656	2,056,151	2,142,943	1,891,900
Vocational	642,684	630,192	702,224	692,890
Adult/continuing	47,547	15,342	50,308	17,049
Support services:				
Pupils	1,402,851	1,214,755	1,540,954	1,285,426
Instructional staff	777,877	560,204	685,249	503,811
Board of education	23,113	22,662	14,893	14,734
Administration	2,253,586	2,050,632	2,276,193	2,005,507
Fiscal	691,005	589,247	664,258	635,505
Business	136,124	133,471	122,186	121,008
Operation and maintenance of plant	1,740,541	1,682,583	1,697,018	1,661,121
Pupil transportation	1,536,713	1,417,971	1,614,830	1,558,381
Central	280,200	274,737	274,508	271,583
Operation non-instructional services	633,145	66,188	609,750	54,056
Extracurricular activities	986,975	790,274	877,912	720,606
Interest and fiscal charges	461,866	461,866	5,375	5,375
<b>Total Program Expenses</b>	<b>\$ 26,364,966</b>	<b>\$ 23,721,371</b>	<b>\$ 25,193,785</b>	<b>\$ 23,027,391</b>

**The School District's Fund**

The District's major funds are accounted for using the modified accrual basis of accounting. The total revenues for governmental funds were \$27,321,043 and total expenditures were \$26,633,131. The District remains finances remain stable, however with the lack of a proper funding formula and support from the State, the District will be seeking additional funding within the next three years.

The general fund is the chief operating fund of the District. Total revenues were \$23,209,569 and total expenditures were \$22,940,983. Of the revenues, property tax and intergovernmental revenues were the most significant. Property tax revenue was \$13,549,941 or 58% of total revenue while intergovernmental revenue amounted to \$9,068,815 or 39% of total revenue. Instruction and support services comprised the two most significant expenditure sources. Instruction amounted to \$14,453,493 or 63% of total expenditures. Support services expenditures were \$7,679,156 or 33% of total expenditures.

The building major fund had revenues in excess of expenditures of \$30,718,863. This was primarily due to the sale of bonds to build a new high school.

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

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***General Fund Budgeting Highlights***

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

During fiscal year 2005, the District from time to time amended its general fund budget with minor modifications. Budget revisions are presented to the Board of Education for approval.

For the general fund, the final budget basis revenue estimate was \$22,226,149, which was lower than the original estimate of \$22,297,392 by \$71,243. Actual revenues were \$22,882,089, an increase over the final budget by \$655,940. The increase was primarily due to additional property taxes, grant and tuition and fee receipts.

The original expenditures were estimated to be \$24,612,697. This figure was revised slightly over the fiscal year. Actual expenditures, however, were only \$22,982,864, \$1,629,833 less than originally anticipated. This was due in large part to the conservative approach by the district in their spending patterns in an attempt to stretch the 7.5 mill operating levy beyond its five year cycle so as to minimize the need for an additional local tax levy.

The District's net change in general fund balance was a decrease of \$100,775. This decrease was far better than the original anticipated drop of (\$2,338,708). This was due to the tightening of the budget as it became increasingly obvious that the State was going to be making some drastic changes in the way it funded schools in the years to come, which will have a negative impact on school districts throughout the State of Ohio.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2005, the District had \$8,291,270 invested in land, buildings, equipment and vehicles. Table 4 shows fiscal year 2005 balances compared to fiscal year 2004:

Table 4  
Capital Assets, at Fiscal Year End  
(Net of Depreciation)

	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
Land	\$ 3,354,650	\$ 3,354,650
Construction in Progress	402,131	0
Buildings and Improvements	3,426,985	3,521,337
Furniture and Equipment	289,440	335,115
Vehicles	524,398	628,361
<b>Total Capital Assets</b>	<b><u>\$ 7,997,604</u></b>	<b><u>\$ 7,839,463</u></b>

See Note 8 to the basic financial statements for detail on the District's capital assets.

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

**Debt**

At June 30, 2005 the District had \$117,000 in bus acquisition bonds outstanding with \$58,000 due within one year. The District also had all of its bonds, (30,190,000) which were sold on April 26, 2005 outstanding. Principal due on the bonds within one year totals \$550,000. Table 5 summarizes the bonds outstanding.

Table 5  
Outstanding Debt, at Fiscal Year End  
2005

	Governmental Activities <u>2005</u>	Governmental Activities <u>2004</u>
2003 Bus Acquisition Bonds	117,000	173,000
2005 Bond Issue - HS Building Project	<u>30,190,000</u>	<u>-</u>
Total Outstanding Debt	<u>\$ 30,307,000</u>	<u>\$ 173,000</u>

The 2003 Bus Acquisition Bonds were issued in August, 2003. The High School Building Project Bonds were issued April of 2005 due to the passage of the Bond Issue Levy on November 2, 2004. The levy was a 4.69 mill \$30,500,000 issue. The total bond indebtedness resulted in \$30,190,000 due to bonds being sold at a premium and generating enough funding to retire the notes. See Note 13.

At June 30, 2004, the District's overall legal debt limitation was \$36,998,329, based on 9% of the taxable valuation, with an unvoted debt margin of \$411,092. The District's current rating as issued by Standard & Poor's is AAA (Insured) with an A+ (Underlying) rating. See Note 13 to the basic financial statements for detail on the District's long-term obligations.

**Current Issues Affecting Financial Condition**

With the passage of the May, 2001, 7.5 mill, five year operating levy, the District has experienced four years of solid financial stability. The District has one year on which to collect this levy and will need to either renew or replace it in 2006. This operating levy combined with prior taxpayer initiatives, provides the necessary funds for the District to manage its educational program and facilities. The District renewed its 1.25 mill permanent improvement levy on November 8, 2005 for another five years. However, the future financial stability of the District is not without challenges. Fiscal year 2005 was a break-even year for general fund with revenue and expenditures essentially equal. With the State effectively freezing school funding at its current level, the effects of House Bill 920 limiting local tax growth, and the accelerated phase out of personal tangible property tax, the need for additional local operating dollars within the next three years is imminent.

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

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Ensuring that resources are preserved for as long as possible is the first and foremost challenge. Management, as a tool to manage resources effectively, utilizes the five-year forecast of the general fund to monitor resources and expenditure patterns.

A comprehensive master plan to meet the facility needs of children at all grade levels was developed by a Task Force of sixty citizens and staff. The Ohio School Facilities Commission approval of the master plan was secured for facility funding. The District will be eligible to receive a 22% share of funding from the State. A 4.69 mill bond issue for a new high school was formalized and placed on the November 2, 2004 ballot for electorate approval. As mentioned above the issue passed successfully allowing the District to move forward with the local effort of the master plan.

The largest challenge facing the District is the future of State funding. The Ohio General Assembly has been directed to enact a school-funding mechanism that is to be thorough and efficient. The Governor called for the creation of the Blue Ribbon Task Force on Financing Student Success in his 2003 State of the State address. The Task Force was charged with recommending a funding system for public elementary and secondary education in Ohio and appropriate mechanisms for paying for such a system. As of this date it appears that very little has or will be done to implement a thorough and efficient system as mandated in the State's Constitution and reaffirmed by numerous Supreme Court decisions. The recently adopted House Bill 66, the State's biennium budget, did nothing to impact school funding in a positive manner. In fact with the changes the State made to the formula, many districts would have received less in fiscal year 2006 than they did in fiscal year 2005 if it weren't for the State's guaranteeing a funding level at no less the fiscal year 2005 funding.

Due to the unsettled issues in school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions or need additional financial information, contact Jeffery W. Hostetler, Treasurer, Tallmadge City School District, 486 East Avenue, Tallmadge, OH 44278, or e-mail [jhostetler@tallmadge.k12.oh.us](mailto:jhostetler@tallmadge.k12.oh.us).

**Tallmadge City School District**  
**Summit County, Ohio**  
**Statement of Net Assets**  
**June 30, 2005**

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$38,090,772
Cash in Segregated Accounts	486,456
Receivables:	
Accounts	3,651
Intergovernmental	77,284
Taxes	15,796,164
Inventory Held for Resale	11,179
Materials and Supplies Inventory	39,717
Non-Depreciable Capital Assets	3,756,781
Depreciable Capital Assets, Net	<u>4,240,823</u>
<i>Total Assets</i>	<u>62,502,827</u>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	260,063
Accrued Wages and Benefits	1,892,946
Intergovernmental Payable	604,338
Matured Compensated Absences Payable	105,407
Deferred Revenue	14,090,713
Claims Payable	294,535
Long-Term Liabilities:	
Due Within One Year	860,204
Due In More Than One Year	<u>32,035,769</u>
<i>Total Liabilities</i>	<u>50,143,975</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	7,585,112
Restricted for:	
Debt Service	664,926
Capital Projects	1,107,038
Set Asides	90,380
Other Purposes	474,004
Unrestricted	<u>2,437,392</u>
<i>Total Net Assets</i>	<u><u>\$12,358,852</u></u>

See accompanying notes to the basic financial statements.



Tallmadge City School District  
Summit County, Ohio  
Statement of Activities  
For the Fiscal Year Ended June 30, 2005

	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
<b>Governmental Activities</b>					
Instruction:					
Regular	\$12,319,083	\$278,612	\$261,435	\$23,940	(\$11,755,096)
Special	2,431,656	27,006	348,499	0	(2,056,151)
Vocational	642,684	8,469	4,023	0	(630,192)
Adult/Continuing	47,547	7,265	24,940	0	(15,342)
Support Services:					
Pupils	1,402,851	28,833	159,263	0	(1,214,755)
Instructional Staff	777,877	7,028	210,645	0	(560,204)
Board of Education	23,113	306	145	0	(22,662)
Administration	2,253,586	97,886	50,543	54,525	(2,050,632)
Fiscal	691,005	8,670	4,118	88,970	(589,247)
Business	136,124	1,799	854	0	(133,471)
Operation and Maintenance of Plant	1,740,541	26,227	31,731	0	(1,682,583)
Pupil Transportation	1,536,713	108,732	10,010	0	(1,417,971)
Central	280,200	3,704	1,759	0	(274,737)
Operation of Non-Instructional Services	633,145	397,897	169,060	0	(66,188)
Extracurricular Activities	986,975	183,580	13,121	0	(790,274)
Interest and Fiscal Charges	461,866	0	0	0	(461,866)
<b>Totals</b>	<b>\$26,364,966</b>	<b>\$1,186,014</b>	<b>\$1,290,146</b>	<b>\$167,435</b>	<b>(23,721,371)</b>
<b>General Revenues:</b>					
Property Taxes Levied for:					
General Purposes					13,545,511
Capital Projects					356,877
Debt Service					950,177
Grants and Entitlements not Restricted to Specific Programs					8,925,251
Investment Earnings					490,058
Miscellaneous					81,253
<i>Total General Revenues</i>					24,349,127
Change in Net Assets					627,756
<i>Net Assets Beginning of Year</i>					11,731,096
<i>Net Assets End of Year</i>					<u>\$12,358,852</u>

See accompanying notes to the basic financial statements.

**Tallmadge City School District**  
**Summit County, Ohio**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2005**

	General	Building	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$5,507,188	\$30,823,718	\$1,413,361	\$37,744,267
Receivables:				
Accounts	3,217	0	434	3,651
Intergovernmental	0	0	77,284	77,284
Taxes	13,688,653	0	2,107,511	15,796,164
Interfund	224	0	0	224
Inventory Held For Resale	0	0	11,179	11,179
Materials and Supplies Inventory	39,717	0	0	39,717
Advances to Other Funds	460,504	0	0	460,504
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	346,505	0	0	346,505
<i>Total Assets</i>	<u>\$20,046,008</u>	<u>\$30,823,718</u>	<u>\$3,609,769</u>	<u>\$54,479,495</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$37,785	\$100,390	\$121,888	\$260,063
Accrued Wages and Benefits	1,785,001	0	107,945	1,892,946
Interfund Payable	0	0	224	224
Intergovernmental Payable	563,683	0	40,655	604,338
Matured Compensated Absences Payable	98,682	0	6,725	105,407
Deferred Revenue	12,756,031	0	1,980,247	14,736,278
<i>Total Liabilities</i>	<u>15,241,182</u>	<u>100,390</u>	<u>2,257,684</u>	<u>17,599,256</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	138,091	1,384,848	128,965	1,651,904
Reserved for Debt Service Principal	0	0	496,756	496,756
Reserved for Property Taxes	932,622	0	138,842	1,071,464
Reserved for Budget Stabilization	90,380	0	0	90,380
Reserved for Bus Purchases	256,125	0	0	256,125
Unreserved:				
Undesignated, Reported in:				
General Fund	3,387,608	0	0	3,387,608
Special Revenue Funds	0	0	364,799	364,799
Capital Projects Funds	0	29,338,480	222,723	29,561,203
<i>Total Fund Balances</i>	<u>4,804,826</u>	<u>30,723,328</u>	<u>1,352,085</u>	<u>36,880,239</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$20,046,008</u>	<u>\$30,823,718</u>	<u>\$3,609,769</u>	<u>\$54,479,495</u>

See accompanying notes to the basic financial statements.

**Tallmadge City School District  
Summit County, Ohio  
Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
June 30, 2005**

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**Total Governmental Funds Balances** \$36,880,239

*Amounts reported for governmental activities in the  
statement of net assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Land	3,354,650	
Construction in Progress	402,131	
Buildings and Improvements	3,426,985	
Furniture, Fixture and Equipment	289,440	
Vehicles	<u>524,398</u>	
Total		7,997,604

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Taxes	633,987	
Grants	<u>11,578</u>	
Total		645,565

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets.

(268,583)

Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:

Compensated Absences Payable	(1,896,410)	
General Obligation Bonds	<u>(30,999,563)</u>	
Total		<u>(32,895,973)</u>

*Net Assets of Governmental Activities*

\$12,358,852

See accompanying notes to the basic financial statements.

**Tallmadge City School District**  
**Summit County, Ohio**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2005**

	General	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property and Other Local Taxes	\$13,549,941	\$0	\$1,254,168	\$14,804,109
Intergovernmental	9,068,815	0	1,297,553	10,366,368
Interest	165,548	614,745	1,948	782,241
Tuition and Fees	267,352	0	120,628	387,980
Rent	31,523	0	0	31,523
Extracurricular Activities	50,229	0	349,433	399,662
Gifts and Donations	0	0	54,232	54,232
Customer Sales and Services	0	0	413,675	413,675
Miscellaneous	76,161	0	5,092	81,253
<i>Total Revenues</i>	<u>23,209,569</u>	<u>614,745</u>	<u>3,496,729</u>	<u>27,321,043</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	11,761,349	0	367,971	12,129,320
Special	2,045,499	0	390,155	2,435,654
Vocational	631,182	0	0	631,182
Adult/Continuing	15,463	0	32,050	47,513
Support Services:				
Pupils	1,231,126	0	187,050	1,418,176
Instructional Staff	546,834	0	243,087	789,921
Board of Education	23,383	0	0	23,383
Administration	1,707,031	0	203,438	1,910,469
Fiscal	658,020	0	15,284	673,304
Business	137,271	0	0	137,271
Operation and Maintenance of Plant	1,703,027	0	27,325	1,730,352
Pupil Transportation	1,390,840	0	84,971	1,475,811
Central	281,624	0	0	281,624
Operation of Non-Instructional Services	0	0	658,594	658,594
Extracurricular Activities	748,218	0	150,538	898,756
Capital Outlay	0	395,882	478,053	873,935
Debt Service:				
Principal Retirement	56,000	0	0	56,000
Interest and Fiscal Charges	4,116	0	457,750	461,866
<i>Total Expenditures</i>	<u>22,940,983</u>	<u>395,882</u>	<u>3,296,266</u>	<u>26,633,131</u>
<i>Excess of Revenues Over Expenditures</i>	<u>268,586</u>	<u>218,863</u>	<u>200,463</u>	<u>687,912</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	310,000	10,839	320,839
General Obligation Bonds Issued	0	30,190,000	0	30,190,000
Accrued Interest Received on Debt Issuance	0	0	390,744	390,744
Transfers Out	0	0	(320,839)	(320,839)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>30,500,000</u>	<u>80,744</u>	<u>30,580,744</u>
<i>Net Change in Fund Balances</i>	268,586	30,718,863	281,207	31,268,656
<i>Fund Balances Beginning of Year</i>	<u>4,536,240</u>	<u>4,465</u>	<u>1,070,878</u>	<u>5,611,583</u>
<i>Fund Balances End of Year</i>	<u>\$4,804,826</u>	<u>\$30,723,328</u>	<u>\$1,352,085</u>	<u>\$36,880,239</u>

See accompanying notes to the basic financial statements.

**Tallmadge City School District  
Summit County, Ohio  
Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2005**

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**Net Change in Fund Balances - Total Governmental Funds** \$31,268,656

*Amounts reported for governmental activities in the statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.

Capital Asset Additions	435,043	
Depreciation	<u>(276,902)</u>	
Total		158,141

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property Tax	48,456	
Grants	(37,768)	
Tuition and Fees	<u>(46,826)</u>	
Total		(36,138)

The issuance of debt is a revenue in the governmental funds, but the proceeds increase liabilities in the Statement of Net Assets.

General Obligation Bonds		(30,190,000)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the Statement of Net Assets.

General Obligation Bonds		56,000
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Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represent contractually-required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(111,773)	
Pension Obligation	215,792	
Unamortized Premium on Bonds	<u>(692,563)</u>	
Total		(588,544)

The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the government-wide Statement of Activities. Governmental fund expenditures and related internal service fund revenues are eliminated.

<u>(40,359)</u>
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*Change in Net Assets of Governmental Activities* \$627,756

See accompanying notes to the basic financial statements.

**Tallmadge City School District**  
**Summit County, Ohio**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2005**

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Property and Other Local Taxes	\$12,921,903	\$12,794,773	\$12,996,293	\$201,520
Intergovernmental	8,838,489	8,881,376	9,068,815	187,439
Interest	102,000	102,000	165,548	63,548
Tuition and Fees	188,474	188,474	338,644	150,170
Rent	55,000	55,000	36,023	(18,977)
Extracurricular Activities	37,000	50,000	50,229	229
Miscellaneous	6,335	6,335	77,824	71,489
Total Revenues	22,149,201	22,077,958	22,733,376	655,418
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	12,479,360	12,521,033	11,730,543	790,490
Special	2,125,664	2,125,664	1,998,618	127,046
Vocational	712,922	705,872	651,693	54,179
Adult/Continuing	19,000	19,000	15,463	3,537
Support Services:				
Pupils	1,414,242	1,417,849	1,296,149	121,700
Instructional Staff	596,884	604,276	527,808	76,468
Board of Education	25,855	25,855	21,481	4,374
Administration	1,930,399	1,978,478	1,746,715	231,763
Fiscal	666,191	692,191	656,074	36,117
Business	150,047	156,047	132,715	23,332
Operation and Maintenance of Plant	1,814,721	1,847,687	1,736,226	111,461
Pupil Transportation	1,577,553	1,635,553	1,349,924	285,629
Central	254,812	259,812	283,429	(23,617)
Extracurricular Activities	784,931	808,995	775,910	33,085
Debt Service:				
Principal	56,000	56,000	56,000	0
Interest	4,116	4,116	4,116	0
Total Expenditures	24,612,697	24,858,428	22,982,864	1,875,564
(Deficiency) of Revenues (Under) Expenditures	(2,463,496)	(2,780,470)	(249,488)	2,530,982
<b>Other Financing Sources (Uses)</b>				
Refund of Prior Year Expenditures	0	0	522	522
Advances In	148,191	148,191	148,191	0
Advances Out	(10,000)	(10,000)	0	10,000
Other Financing Uses	(13,403)	0	0	0
Total Other Financing Sources (Uses)	124,788	138,191	148,713	10,522
Net Change in Fund Balance	(2,338,708)	(2,642,279)	(100,775)	2,541,504
Fund Balance at Beginning of Year	5,479,473	5,479,473	5,479,473	0
Prior Year Encumbrances Appropriated	759,343	759,343	759,343	0
Fund Balance at End of Year	\$3,900,108	\$3,596,537	\$6,138,041	\$2,541,504

See accompanying notes to the basic financial statements.

**Tallmadge City School District**  
**Summit County, Ohio**  
**Statement of Fund Net Assets**  
**Proprietary Fund**  
**June 30, 2005**

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	Internal Service Fund
	<u>Self-Insurance</u>
<b>Assets</b>	
Cash in Segregated Accounts	<u>\$486,456</u>
<i>Total Assets</i>	<u>486,456</u>
<b>Liabilities</b>	
Claims Payable	294,535
Advances From Other Funds	<u>460,504</u>
<i>Total Liabilities</i>	<u>755,039</u>
<b>Net Assets</b>	
Unrestricted (Deficit)	<u>(268,583)</u>
<i>Total Net Assets</i>	<u><u>(\$268,583)</u></u>

See accompanying notes to the basic financial statements.

**Tallmadge City School District**  
**Summit County, Ohio**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Fund**  
**For the Fiscal Year Ended June 30, 2005**

	Internal Service Fund
	Self-Insurance
<b>Operating Revenues</b>	
Charges for Services	\$2,636,864
Other Revenues	15,197
<i>Total Revenues</i>	<u>2,652,061</u>
<b>Operating Expenses</b>	
Purchased Services	567,210
Claims	2,134,546
Other	300
<i>Total Operating Expenses</i>	<u>2,702,056</u>
<i>Operating (Loss)</i>	<u>(49,995)</u>
<b>Non-Operating Revenues</b>	
Interest	9,636
<i>Total Non-Operating Revenues</i>	<u>9,636</u>
<i>Change in Net Assets</i>	(40,359)
<i>Net Assets (Deficit) at Beginning of Year</i>	<u>(228,224)</u>
<i>Net Assets (Deficit) at End of Year</i>	<u><u>(\$268,583)</u></u>

See accompanying notes to the basic financial statements.



**Tallmadge City School District  
Summit County, Ohio  
Statement of Cash Flows  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2005**

	Internal Service Fund
	Self-Insurance
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Interfund Services Provided	\$2,636,864
Cash Payments for Claims	(2,120,705)
Cash Payments for Goods and Services	(567,210)
Other Operating Revenues	15,197
Other Operating Expenses	(300)
<i>Net Cash (Used for) Operating Activities</i>	<u>(36,154)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Advances from Other Funds	460,504
Repayment of Short-Term Loans from Other Funds	(451,129)
<i>Net Cash (Used for) Noncapital Financing Activities</i>	<u>9,375</u>
<b>Cash Flows from Investing Activities</b>	
Interest on Investments	9,636
<i>Net Cash Provided by Investing Activities</i>	<u>9,636</u>
<i>Net (Decrease) in Cash and Cash Equivalents</i>	(17,143)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>503,599</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$486,456</u></u>
<b>Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities</b>	
Operating (Loss)	(\$49,995)
Adjustments:	
Increase (Decrease) in Liabilities:	
Claims Payable	13,841
<i>Net Cash (Used for) Operating Activities</i>	<u><u>(\$36,154)</u></u>

See accompanying notes to the basic financial statements.

**Tallmadge City School District  
Summit County, Ohio  
Statement of Fiduciary Net Assets  
Fiduciary Fund  
June 30, 2005**

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	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$79,761</u>
Total Assets	<u><u>\$79,761</u></u>
<b>Liabilities</b>	
Accounts Payable	\$4,830
Due to Students	<u>74,931</u>
Total Liabilities	<u><u>\$79,761</u></u>

See accompanying notes to the basic financial statements.

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

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**Note 1 - Description of the School District**

Tallmadge City School District (the “School District”) is organized under Article VI, Section 2 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms.

The School District is primarily located in Summit County with a small portion located in Portage County and encompasses nearly all of the City of Tallmadge. The School District provides educational services as mandated by state and federal agencies. The Board controls the School District’s nine instructional/support facilities staffed by 146 classified employees and 212 certified full-time personnel who provide services to 2,799 students and other community members. The School District currently operates three elementary buildings, one middle school, one high school, an administrative building, an annex, a maintenance garage and a bus garage.

***Reporting Entity***

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

Non-public Schools – Within the School District boundaries, there are various non-public schools. Current State legislature provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public school by the treasurer of the School District, as directed by the non-public school. These transactions are reflected as a governmental activity of the School District.

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

The School District participates in two jointly governed organizations. These organizations are the Northeast Ohio Network for Educational Technology and the Six District Educational Compact which are presented in Note 15 to the basic financial statements.

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

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

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

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***A. Basis of Presentation***

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

***Government-wide Financial Statements*** The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

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

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

***B. Fund Accounting***

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

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

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

***Building Fund*** The Building Fund is a fund provided to account for monies received and expended in connection with contracts to build new school buildings.

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

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The other governmental funds of the School District account for grants and other resources the uses of which are restricted to a particular purpose.

***Proprietary Fund Type*** Proprietary fund reporting focuses on the determination of operating income/loss, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The School District has no enterprise funds.

***Internal Service Fund*** The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund is a self-insurance fund that accounts for medical/surgical, prescription drug and dental claims of the School District's employees.

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

### ***C. Measurement Focus***

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

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal service fund.

### ***D. Basis of Accounting***

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

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

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

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

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

**Expenses/Expenditures** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

***E. Budgetary Data***

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

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

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

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

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

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including the proprietary fund, are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “equity in pooled cash and cash equivalents” on the financial statements.

During fiscal year 2005, investments were limited to a repurchase agreement, STAROhio and negotiable order of withdrawal (NOW) accounts. STAROhio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s share price which is the price the investment could be sold for at June 30, 2005.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings.

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

***G. Inventory***

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

***H. Restricted Assets***

Assets are reported as restricted when limitations on their use change in nature or change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets in the general fund include amounts required by State statute to be set-aside to create a reserve for budget stabilization and unspent resources restricted for the purchase of buses. See Note 17 for additional information regarding set asides.

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

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***I. Capital Assets***

The School District's only capital assets are general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is not capitalized.

All reported capital assets, except land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	25 – 75 years
Furniture, Fixtures and Equipment	10 – 20 years
Vehicles	10 years

***J. Interfund Balances***

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

***K. Compensated Absences***

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

Sick leave benefits are accrued as a liability using the termination method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

The entire compensated absence liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employee who has accumulated unpaid leave is paid.



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

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***L. Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

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

***M. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets restricted for other purposes include food service operations and extracurricular activities.

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

***N. Fund Balance Reserves***

The School District reserves those portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, debt service principal, property taxes, budget stabilization and school bus purchases.

The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

***O. Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for the self-insurance program. Operating expenses are necessary costs that are incurred to provide the good or service that is the primary activity of the fund. Any revenue or expense not meeting the definition of operating is reported as non-operating.

***P. Interfund Activity***

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

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

***Q. Estimates***

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

**Note 3 – Accountability and Compliance**

***Accountability***

At June 30, 2005, the following funds reported deficits in fund balance on the GAAP basis:

Fund	Deficit
Special Revenue Funds	
Title V	(\$3,521)
Title VI-B	(11,852)
Internal Service Fund	
Self Insurance	(268,583)

These funds complied with Ohio state law, which does not permit cash basis deficits. The General Fund is liable for any deficits in these funds and provides transfers when cash is required not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities. These deficits should be eliminated by future intergovernmental revenues not recognized under GAAP at June 30.

At June 30, 2005, the following funds reported deficits in fund balance on the budgetary basis:

Fund	Deficit
Special Revenue Funds	
Title VI-B	(\$6,697)
Ohio Reads	(4,627)
Title I	(4,154)

These deficits are due to grant revenue not yet received for incurred expenditures.

**Note 4 - Budgetary Basis of Accounting**

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

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

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

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

Net Change in Fund Balance	
	General Fund
GAAP Basis	\$268,586
Revenue Accruals	(327,480)
Expenditure Accruals	(218,265)
Encumbrances	176,384
Budget Basis	(\$100,775)

**Note 5 - Deposits and Investments**

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

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

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2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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 (STAROhio);
7. Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 until 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 fiscal year end, the School District had \$3,180 in undeposited cash on hand, which is included on the Basic Financial Statements as part of "Equity in Pooled Cash and Cash Equivalents". The carrying amount of the School District's deposits was \$(76,959) and the bank balance was \$1,241,551. Of the bank balance:

1. \$6,551 was covered by federal depository insurance; and
2. \$1,235,000 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department or agent in the School District's name and all State statutory requirements for the deposit of money have been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

**Investments** All interest is legally required to be placed in the general fund, the Food Service special revenue fund and the Self-Insurance internal service fund. Due to these provisions, the general fund received \$165,548 of which \$120,547 was assigned from other School District funds.

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

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

Investment Type	Fair Value	<u>Investment Maturity</u> Less than One Year
Repurchase Agreements	\$1,235,000	\$1,235,000
Charter One NOW Accounts	37,242,590	37,242,590
STAROhio	253,177	253,177

Interest Rate Risk. The School District’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. As of June 30, 2005, the School District’s investment in Charter One and STAROhio were rated AA-/Stable/A-/++ and AAAM, respectively by Standard & Poor’s.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The underlying securities for the School District’s repurchase agreements are held by First Merit Bank in the name of the School District.

Concentration of Credit Risk. The School District places no limit on the amount the School District may invest in any one issuer. More than five percent of the School District’s investments are in NOW accounts (96 percent).

**Note 6 - Property Taxes**

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

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

Public utility property tax revenue received in calendar year 2004 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 became a lien on December 31, 2003, were levied after April 1, 2004 and are collected in 2005 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

Tangible personal property tax revenue received during calendar year 2005 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2004. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Summit and Portage Counties. The County Fiscal Officers and County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2005, though not intended to finance fiscal year 2005, are available to finance fiscal year 2005 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2005 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only a portion of the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2005 was \$932,622 in the general fund, \$23,697 in the permanent improvement capital projects fund and \$115,145 in the Bond Retirement Fund. These are recognized as revenue on the fund financial statements.

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

The assessed values upon which the fiscal year 2005 taxes were collected are:

Category	<u>2004 Second Half</u> <u>Collections</u>		<u>2005 First Half</u> <u>Collections</u>	
	Amount	%	Amount	%
Real Property Valuation:				
Agricultural/Residential and				
Other Real Estate	\$347,800,570	88.08%	\$365,738,390	88.97%
Public Utilities	7,384,430	1.87%	7,517,480	1.83%
Tangible Personal	39,703,951	10.05%	37,835,672	9.20%
Total Valuation	<u>\$394,888,951</u>	<u>100.00%</u>	<u>\$411,091,542</u>	<u>100.00%</u>

**Note 7 - Receivables**

Receivables at June 30, 2005 consisted of taxes, accounts (student fees and tuition), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal funds. All receivables are expected to be collected within one year.

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

A summary of the principal items of intergovernmental receivables follows:

	Amounts
Title I	\$34,258
Title VI-B	6,712
Class Size Reduction Grant	11,013
Food Services	18,954
Ohio Reads	4,874
Summer Intervention	709
Vocational Education	764
Total	\$77,284

**Note 8 – Capital Assets**

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

	Balance 07/01/2004	Additions	Deductions	Balance 06/30/2005
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$3,354,650	\$0	\$0	\$3,354,650
Construction in Progress	\$0	\$402,131	\$0	\$402,131
Total Capital Assets, Not Being Depreciated	3,354,650	402,131	0	3,756,781
Capital Assets, Being Depreciated				
Buildings and Improvements	10,030,906	12,149	0	10,043,055
Furniture, Fixtures and Equipment	1,125,882	20,763	0	1,146,645
Vehicles	2,115,916	0	0	2,115,916
Total Capital Assets, Being Depreciated	13,272,704	32,912	0	13,305,616
Less: Accumulated Depreciation				
Buildings and Improvements	(6,509,569)	(106,501)	0	(6,616,070)
Furniture, Fixtures and Equipment	(790,767)	(66,438)	0	(857,205)
Vehicles	(1,487,555)	(103,963)	0	(1,591,518)
Total Accumulated Depreciation	(8,787,891)	(276,902) *	0	(9,064,793)
Total Capital Assets Being Depreciated	4,484,813	(243,990)	0	4,240,823
Governmental Activities Capital Assets, Net	\$7,839,463	\$158,141	\$0	\$7,997,604

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

\* Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	(\$110,890)
Special	(2,591)
Vocational	(1,973)
Support Services:	
Pupils	(1,161)
Instructional Staff	(2,049)
Administration	(12,087)
Fiscal	(488)
Business	(108)
Operation and Maintenance of Plant	(30,108)
Pupil Transportation	(102,211)
Operation of Non-Instructional Services	(8,870)
Extracurricular Activities	(4,366)
Total Depreciation Expense	(\$276,902)

**Note 9 - Risk Management**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The following is a summary of the School District's insurance coverage with March USA, Inc. as of June 30, 2005:

Coverage	Amount
Buildings and Contents - Replacement Costs	\$48,154,910
Inland Marine	1,381,000
Boiler and Machinery	30,000,000
Crime Insurance	50,000
Automobile Liability	1,000,000
Uninsured Motorists	50,000
General Liability	
Per Occurrence	6,000,000
Total Per Year	6,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from the prior year.

All employees of the School District are covered by a blanket bond, while certain individuals in policy making roles are covered by separate, higher limit bond coverage.



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

***Self-Insurance***

The School District uses an internal service fund to record and report its self-funded health care insurance program. Premium rates are set based on an annual review process with the School District insurance consultant. The Board of Education pays the entire cost of monthly premiums for all full-time employees.

The claims liability of \$294,535 reported in the internal service fund at June 30, 2005 is based on the requirements of GASB Statement No. 30 "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. The School District purchases stop-loss coverage of \$60,000 per employee annually. Changes in the fund's claims liability in 2004 and 2005 were:

	Balance Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2004	\$260,248	\$2,163,944	\$2,143,498	\$280,694
2005	\$280,694	\$2,134,546	\$2,120,705	\$294,535

***Workers' Compensation***

The School District pays the State Self Insurance and Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**Note 10 - Pension Plans**

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

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476, or by calling (614) 222-5853.

Plan members are required to contribute ten percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2004 and 2005, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004 and 2003 were \$292,178, \$242,545 and \$254,447 respectively; 46.76 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003.

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

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

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

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

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

For the fiscal year ended June 30, 2004 (the latest information available), plan members were required to contribute 10.0 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2003, the portion used to fund pension obligations was 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2005, 2004 and 2003 were \$1,566,213, \$1,484,646, and \$1,463,431 respectively; 82.96 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003.

**Note 11 - 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 partial 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.

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

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All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. Currently the STRS Board allocates employer contributions equal to one percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$120,478 for fiscal year 2005.

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

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status. For retirees whose household income falls below federal poverty levels, premiums are reduced by 50 percent for those who apply.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2004 (the latest information available), employer contributions to fund health care benefits were 4.91 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2004 (the latest information available), the minimum pay has been established as \$25,400. For the School District, the amount to fund health care benefits, including surcharge, during the 2005 fiscal year equaled \$204,760.

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

## **Note 12 – Other Employee Benefits**

### ***A. Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn three to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. A percentage of unused sick time is paid at retirement. All employees who are eligible to retire will receive a severance benefit upon retirement limited to 25 percent of the accumulated sick leave to a maximum pay out of sixty days for classified employees and sixty-five days for certain administrators and certified employees. The maximum payout in days is determined by their individual contracts.

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

**B. Life Insurance**

The School District provides life insurance and accidental death and dismemberment insurance to most employees.

**Note 13 - Debt Obligations**

**A. Short-Term Debt**

Short-term note debt activity for the fiscal year ended June 30, 2005, consisted of the following:

	Balance 07/01/2004	Additions	Deletions	Balance 06/30/2005
Bond Anticipation Notes, 2005 3.0%, Maturing on 06/29/2005	\$0	\$30,500,000	(\$30,500,000)	\$0

The above notes were backed by the full faith and credit of the School District. The note liability was reflected in the fund which received the proceeds. The note was repaid from governmental fund revenues.

**B. Long-Term Obligations**

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

	Principal Outstanding 07/01/2004	Additions	Deletions	Principal Outstanding 06/30/2005	Amounts Due in One Year
<b>General Long-Term Obligations:</b>					
2005 \$30,190,000, 4.62%, Maturing on 12/01/2032 School Facilities Bonds	\$0	\$30,190,000	\$0	\$30,190,000	\$550,000
2003 \$173,000, 2.75%, Maturing on 12/27/2006 Bus Acquisition Bonds	173,000	0	(56,000)	117,000	58,000
Unamortized Premium on Bonds	0	692,563	0	692,563	0
Total General Obligation Bonds	173,000	30,882,563	(56,000)	30,999,563	608,000
Other Long-Term Obligations:					
Compensated Absences	1,784,637	137,776	(26,003)	1,896,410	252,204
Total General Long-Term Obligations	\$1,957,637	\$31,020,339	(\$82,003)	\$32,895,973	\$860,204

The Bus Acquisition Bonds will be paid from the general fund and the School Facilities Bonds will be paid from the Debt Service Fund. Compensated Absences will be paid from the general and the food service special revenue fund.

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

The annual requirements to amortize the long-term debt is as follows:

Fiscal Year Ending June 30,	Bus Acquisition Bonds			General Obligation Bonds School Facilities Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2006	\$58,000	\$2,485	\$60,485	\$550,000	\$1,494,248	\$2,044,248
2007	59,000	811	59,811	620,000	1,343,585	1,963,585
2008	0	0	0	640,000	1,324,665	1,964,665
2009	0	0	0	660,000	1,305,165	1,965,165
2010	0	0	0	680,000	1,283,365	1,963,365
2011 - 2015	0	0	0	3,785,000	6,019,319	9,804,319
2016 - 2020	0	0	0	4,615,000	5,148,738	9,763,738
2021 - 2025	0	0	0	5,835,000	3,892,513	9,727,513
2026 - 2030	0	0	0	7,415,000	2,273,525	9,688,525
2031 - 2032	0	0	0	5,390,000	396,506	5,786,506
Total	<u>\$117,000</u>	<u>\$3,296</u>	<u>\$120,296</u>	<u>\$30,190,000</u>	<u>\$24,481,629</u>	<u>\$54,671,629</u>

The School District's overall legal debt margin at June 30, 2005 was \$36,998,329 with an unvoted debt margin of \$411,092 at June 30, 2005.

**Note 14 - Interfund Transactions**

**A. Interfund Transfers**

Interfund transfers for the year ended June 30, 2005 consisted of the following:

Transfers Out:	Transfers In:		Total
	Building	Other Governmental Funds	
Other Governmental Funds	\$310,000	\$10,839	\$320,839

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

**B. Interfund Balance**

Interfund Payable	Interfund Receivable
	General Fund
Other Governmental Funds	\$224

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

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The General Fund advanced money to an Other Nonmajor Governmental Fund due to insufficient funding. The advances are expected to be repaid from Other Nonmajor Governmental Funds within one year.

**Note 15 - Jointly Governed Organizations**

***Northeast Ohio Network for Educational Technology (NEOnet)*** – The Northeast Ohio Network for Educational Technology (NEOnet) is the computer service Organization or Data Acquisition Site (DAS) used by the School District. NEOnet is an association of public School Districts in a geographic area determined by the Ohio Department of Education. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The purpose of the consortium is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All school districts in the consortium are required to pay fees, charges and assessments as charged. NEOnet is governed by a board made up of superintendents and treasurers from all of the participating districts. An elected Executive Board consisting of five members of the governing board is the managerial body of the consortium and meets on a monthly basis. The School District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments to NEOnet are made from the general fund. During fiscal year 2005, the School District contributed \$47,188 to NEOnet. Financial information can be obtained by contacting the fiscal agent at 420 Washington Avenue, Suite 200, Cuyahoga Falls, Ohio 44221.

***Six District Educational Compact*** - The Six District Educational Compact is a jointly governed organization to provide for the vocational and special education needs of the students of six participating School Districts. The six member board consists of the superintendent from each of the participating School Districts. Students may attend any vocational or special education class offered by any of the six districts. If a student elects to attend a class offered by a School District other than the School District in which the student resides, the School District of residence pays an instructional fee to the School District that offered the class. Cuyahoga Falls City School District serves as the fiscal agent for this agreement, collecting and distributing payments. The Board exercises total control over the operation of the compact, including budgeting, appropriating, contracting and designating management. All revenues are generated from charges for services. Financial information can be obtained by contacting the Treasurer or fiscal agent at 15 Atterbury Boulevard, Hudson, Ohio 44236.

**Note 16 - Contingencies**

***A. Grants***

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

***B. Litigation***

As of June 30, 2005, the School District was not party to any legal proceedings.

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

**Note 17 - Set-Aside Calculations**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year-end. These amounts must be carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2005, only the unspent portion of certain workers' compensation refunds continues to be set aside.

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

	Textbooks	Capital Improvements	Budget Budget Stabilization
Set Aside Cash Balance as of June 30, 2004	(\$916,898)	\$0	\$90,380
Current Fiscal Year Set Aside Requirement	409,181	409,181	0
Qualifying Expenditures During the Fiscal Year	(446,528)	(464,346)	0
Total	(\$954,245)	(\$55,165)	\$90,380
Set Aside Balance Carried Forward to Future Fiscal Years	(\$954,245)	\$0	\$90,380
Set Aside Cash Balance as of June 30, 2005	\$0	\$0	\$90,380

The School District has qualifying disbursements and offsets during the fiscal year that reduced the textbooks and the capital improvements set-aside amounts below zero. The negative set-aside balance for the textbooks may be used to reduce the set-aside requirement of future years. The negative set-aside balance for the capital improvements may not be used to reduce the set-aside requirements of future years. This negative balance is therefore not presented as being carried forward to future years. The total reserve balance for the three set-asides at the end of the fiscal year was \$90,380.

**Note 18 - State School Funding Decision**

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

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

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision will have its future State funding and on its financial operations.

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

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**Note 19 – Sale of Bonds**

On November 2, 2004, the voters of the Tallmadge City School District passed a 4.69 mill bond levy for the repayment of bonds to be issued to finance the construction of a new 30.5 million dollar high school. Bond anticipation notes were issued in December, 2004 and were retired in June, 2005. A bond rating of AAA (insured) with an A+ (Underlying) rating was secured from Standard & Poor's and the bonds were sold in April, 2005 with varying maturities over a 28 year period with an average True Interest Cost of 4.615 percent.



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**COMBINING STATEMENTS**  
**FOR**  
**NONMAJOR GOVERNMENTAL FUNDS**

## *Combining Statements*

### **Combining Statements – Nonmajor Governmental Funds**

#### *Nonmajor Special Revenue Funds*

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes. Following is a description of the School District's special revenue funds:

Food Services – To account for the grants and charges for services related to the food service operations of the School District.

Scholarships – To account for assets held by the School District for individuals and/or private organizations which benefit the student body or the local community.

Uniform School Supplies – To account for the operation of a bookstore facility at the Senior High School.

Public School Support – To account for school site sales revenue and expenditures for field trips, assemblies and other activity costs.

Local Grants – To account for funds received to promote community involvement and volunteer activities between the school and community.

Underground Storage Tanks – To account for the financial responsibility rules of the State Fire Marshall to cover deductibles.

District Managed Student Activities – To account for gate receipts and other revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's Athletic Program.

Auxiliary Services – To account for services to non-public schools within the School District which are provided for in State law. Funds are primarily for educational supplies, materials and testing.

Management Information Systems – To account for State monies which are used solely for costs associated with the requirements of the education management information system.

Entry Year Programs – To account for the implementation of entry-year programs pursuant to division (T) of Section 3317.024 of the Ohio Revised Code.

Disadvantaged Pupil Impact Aid – To account for State monies which provide instructional programs and materials for disadvantaged students.

**Combining Statements – Nonmajor Governmental Funds (continued)**

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

Network Connectivity – To account for money appropriated for Ohio Educational Computer Network connections.

SchoolNet Professional Development – To account for State monies used to support technology training of teachers.

Ohio Reads – To account for State monies used to improve reading outcomes, especially on the fourth grade ready proficiency test and for volunteer coordinators in public schools and costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads program, and for operating expenses associated with administering the program.

Student Intervention – To account for State monies used to costs relating to administer reading improvement programs.

Miscellaneous State Grants – To account for State monies which support academic and enrichment programs for the student body which are not classified elsewhere.

Title VI-B – To account for Federal revenues that assist states in the identification of handicapped children and provide full educational opportunities to handicapped children at the preschool, elementary and secondary levels. It also accounts for Federal monies used to implement a variety of programs intended to provide instruction for early childhood education.

Vocational Education – To account for Federal funds used in the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, cooperative education, advisory committees and work-study projects.

Title III/LEP – To account for Federal monies used to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Title I – To account for Federal monies used to assist the School District in meeting the special needs of educationally deprived children.

Title V – To account for Federal revenues which support the implementation of a variety of programs (drug/alcohol abuse, computer education) to benefit children attending public and private nonprofit schools within the community.

Drug Free Schools – To account for Federal monies which support the implementation of programs for drug abuse education and prevention.

**Combining Statements – Nonmajor Governmental Funds (continued)**

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

Class Size Reduction Grant – To account for various monies to hire additional classroom teachers so the number of students per teacher will be reduced.

Miscellaneous Federal Grants – To account for various monies received through State agencies from the Federal Government or directly from the Federal Government which are not classified elsewhere.

***Nonmajor Debt Service Fund***

Bond Retirement – To account for property tax revenues that are used for the payment of principal and interest on general obligation debt.

***Nonmajor Capital Projects Funds***

Capital Projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Following is a description of the nonmajor capital projects funds:

Permanent Improvement – To account for all transactions related to the acquisition, construction or improvement of such permanent facilities as are authorized by Chapter 5705, Ohio Revised Code.

SchoolNet Plus – To account for State monies provided for computer hardware and wiring for buildings for kindergarten through fourth grade.

**Tallmadge City School District  
Summit County, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$565,314	\$496,756	\$351,291	\$1,413,361
Receivables:				
Accounts	434	0	0	434
Intergovernmental	77,284	0	0	77,284
Taxes	0	1,747,882	359,629	2,107,511
Inventory Held For Resale	11,179	0	0	11,179
<i>Total Assets</i>	<u>\$654,211</u>	<u>\$2,244,638</u>	<u>\$710,920</u>	<u>\$3,609,769</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$12,061	\$0	\$109,827	\$121,888
Accrued Wages and Benefits	107,945	0	0	107,945
Interfund Payable	224	0	0	224
Intergovernmental Payable	40,655	0	0	40,655
Matured Compensated Absences Payable	6,725	0	0	6,725
Deferred Revenue	11,578	1,632,737	335,932	1,980,247
<i>Total Liabilities</i>	<u>179,188</u>	<u>1,632,737</u>	<u>445,759</u>	<u>2,257,684</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	110,224	0	18,741	128,965
Reserved for Debt Service Principal	0	496,756	0	496,756
Reserved for Property Taxes	0	115,145	23,697	138,842
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	364,799	0	0	364,799
Capital Projects Funds	0	0	222,723	222,723
<i>Total Fund Balances</i>	<u>475,023</u>	<u>611,901</u>	<u>265,161</u>	<u>1,352,085</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$654,211</u>	<u>\$2,244,638</u>	<u>\$710,920</u>	<u>\$3,609,769</u>

**Tallmadge City School District**  
**Summit County, Ohio**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property and Other Local Taxes	\$0	\$897,152	\$357,016	\$1,254,168
Intergovernmental	1,130,118	104,137	63,298	1,297,553
Interest	1,948	0	0	1,948
Tuition and Fees	120,628	0	0	120,628
Extracurricular Activities	349,433	0	0	349,433
Gifts and Donations	54,232	0	0	54,232
Customer Sales and Services	413,675	0	0	413,675
Miscellaneous	3,670	0	1,422	5,092
<i>Total Revenues</i>	<u>2,073,704</u>	<u>1,001,289</u>	<u>421,736</u>	<u>3,496,729</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	344,031	0	23,940	367,971
Special	390,155	0	0	390,155
Adult/Continuing	32,050	0	0	32,050
Support Services:				
Pupils	187,050	0	0	187,050
Instructional Staff	243,087	0	0	243,087
Administration	119,667	2,072	81,699	203,438
Fiscal	0	10,310	4,974	15,284
Operation and Maintenance of Plant	27,325	0	0	27,325
Pupil Transportation	84,971	0	0	84,971
Operation of Non-Instructional Services	658,594	0	0	658,594
Extracurricular Activities	150,538	0	0	150,538
Capital Outlay	0	0	478,053	478,053
Debt Service:				
Interest and Fiscal Charges	0	457,750	0	457,750
<i>Total Expenditures</i>	<u>2,237,468</u>	<u>470,132</u>	<u>588,666</u>	<u>3,296,266</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(163,764)</u>	<u>531,157</u>	<u>(166,930)</u>	<u>200,463</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	10,839	0	0	10,839
Accrued Interest Received on Debt Issuance	0	390,744	0	390,744
Transfers Out	(10,839)	(310,000)	0	(320,839)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>80,744</u>	<u>0</u>	<u>80,744</u>
<i>Net Change in Fund Balances</i>	<u>(163,764)</u>	<u>611,901</u>	<u>(166,930)</u>	<u>281,207</u>
<i>Fund Balances Beginning of Year</i>	<u>638,787</u>	<u>0</u>	<u>432,091</u>	<u>1,070,878</u>
<i>Fund Balances End of Year</i>	<u>\$475,023</u>	<u>\$611,901</u>	<u>\$265,161</u>	<u>\$1,352,085</u>

**Tallmadge City School District  
Summit County, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2005**

	Food Services	Scholarships	Uniform School Supplies	Public School Support
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$60,685	\$98,783	\$71,401	\$60,455
Receivables:				
Accounts	434	0	0	0
Intergovernmental	18,954	0	0	0
Inventory Held for Resale	11,179	0	0	0
Total Assets	<u>\$91,252</u>	<u>\$98,783</u>	<u>\$71,401</u>	<u>\$60,455</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$1,472	\$154	\$0	\$750
Accrued Wages and Benefits	13,796	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	23,189	0	0	0
Matured Compensated Absences Payable	6,725	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>45,182</u>	<u>154</u>	<u>0</u>	<u>750</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	2,993	1,067	1,540	2,022
Unreserved, Undesignated	43,077	97,562	69,861	57,683
Total Fund Balances (Deficit)	<u>46,070</u>	<u>98,629</u>	<u>71,401</u>	<u>59,705</u>
Total Liabilities and Fund Balances	<u>\$91,252</u>	<u>\$98,783</u>	<u>\$71,401</u>	<u>\$60,455</u>



Local Grants	Underground Storage Tanks	District Managed Student Activities	Auxiliary Services	Management Information Systems	Entry Year Programs	Disadvantaged Pupil Impact Aid
\$17,025	\$30,379	\$80,920	\$14,400	\$4,459	\$867	\$39,449
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$17,025</u>	<u>\$30,379</u>	<u>\$80,920</u>	<u>\$14,400</u>	<u>\$4,459</u>	<u>\$867</u>	<u>\$39,449</u>
\$23	\$0	\$0	\$2,564	\$0	\$867	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	47	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>23</u>	<u>0</u>	<u>0</u>	<u>2,611</u>	<u>0</u>	<u>867</u>	<u>0</u>
11,099	0	2,635	11,834	0	0	0
5,903	30,379	78,285	(45)	4,459	0	39,449
<u>17,002</u>	<u>30,379</u>	<u>80,920</u>	<u>11,789</u>	<u>4,459</u>	<u>0</u>	<u>39,449</u>
<u>\$17,025</u>	<u>\$30,379</u>	<u>\$80,920</u>	<u>\$14,400</u>	<u>\$4,459</u>	<u>\$867</u>	<u>\$39,449</u>

(continued)

**Tallmadge City School District  
Summit County, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)  
June 30, 2005**

	Network Connectivity	SchoolNet Professional Development	Ohio Reads	Student Intervention
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$945	\$0	\$0	\$6,644
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	4,874	709
Inventory Held for Resale	0	0	0	0
Total Assets	<u>\$945</u>	<u>\$0</u>	<u>\$4,874</u>	<u>\$7,353</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$2,288	\$0
Accrued Wages and Benefits	0	0	0	0
Interfund Payable	0	0	224	0
Intergovernmental Payable	0	0	0	0
Matured Compensated Absences Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>2,512</u>	<u>0</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	0	2,115	5,959
Unreserved, Undesignated	945	0	247	1,394
Total Fund Balances (Deficit)	<u>945</u>	<u>0</u>	<u>2,362</u>	<u>7,353</u>
Total Liabilities and Fund Balances	<u>\$945</u>	<u>\$0</u>	<u>\$4,874</u>	<u>\$7,353</u>

Miscellaneous State Grants	Title VI-B	Vocational Education	Title III/LEP	Title I	Title V	Drug Free Schools
\$8,683	\$55,561	\$5,400	\$0	\$4,992	\$0	\$0
0	0	0	0	0	0	0
0	6,712	764	0	34,258	0	0
0	0	0	0	0	0	0
<u>\$8,683</u>	<u>\$62,273</u>	<u>\$6,164</u>	<u>\$0</u>	<u>\$39,250</u>	<u>\$0</u>	<u>\$0</u>
\$0	\$3,763	\$0	\$0	\$158	\$0	\$0
0	54,973	0	0	29,068	3,452	0
0	0	0	0	0	0	0
0	15,389	0	0	429	69	0
0	0	0	0	0	0	0
0	0	764	0	9,377	0	0
0	74,125	764	0	39,032	3,521	0
400	58,498	0	0	8,988	0	0
8,283	(70,350)	5,400	0	(8,770)	(3,521)	0
8,683	(11,852)	5,400	0	218	(3,521)	0
<u>\$8,683</u>	<u>\$62,273</u>	<u>\$6,164</u>	<u>\$0</u>	<u>\$39,250</u>	<u>\$0</u>	<u>\$0</u>

(continued)

**Tallmadge City School District  
Summit County, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)  
June 30, 2005**

	Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$4,266	\$0	\$565,314
Receivables:			
Accounts	0	0	434
Intergovernmental	11,013	0	77,284
Inventory Held for Resale	0	0	11,179
Total Assets	<u>\$15,279</u>	<u>\$0</u>	<u>\$654,211</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$22	\$0	\$12,061
Accrued Wages and Benefits	6,656	0	107,945
Interfund Payable	0	0	224
Intergovernmental Payable	1,532	0	40,655
Matured Compensated Absences Payable	0	0	6,725
Deferred Revenue	1,437	0	11,578
Total Liabilities	<u>9,647</u>	<u>0</u>	<u>179,188</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	1,074	0	110,224
Unreserved, Undesignated	4,558	0	364,799
Total Fund Balances (Deficit)	<u>5,632</u>	<u>0</u>	<u>475,023</u>
Total Liabilities and Fund Balances	<u>\$15,279</u>	<u>\$0</u>	<u>\$654,211</u>

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**Tallmadge City School District**  
**Summit County, Ohio**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2005**

	Food Services	Scholarships	Uniform School Supplies	Public School Support
<b>Revenues</b>				
Intergovernmental	\$124,219	\$0	\$0	\$0
Interest	1,948	0	0	0
Tuition and Fees	0	0	120,628	0
Extracurricular Activities	0	0	0	179,236
Gifts and Donations	0	41,518	0	3,030
Customer Sales and Services	401,874	11,801	0	0
Miscellaneous	0	0	0	0
<b>Total Revenues</b>	<b>528,041</b>	<b>53,319</b>	<b>120,628</b>	<b>182,266</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	127,118	1,376
Special	0	293	0	0
Adult/Continuing	0	32,050	0	0
Support Services:				
Pupils	0	10,247	0	9,817
Instructional Staff	0	0	0	0
Administration	0	0	0	70,191
Operation and Maintenance of Plant	5,731	0	0	0
Pupil Transportation	0	0	0	84,971
Operation of Non-Instructional Services	607,873	0	0	0
Extracurricular Activities	0	10,972	0	1,209
<b>Total Expenditures</b>	<b>613,604</b>	<b>53,562</b>	<b>127,118</b>	<b>167,564</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(85,563)	(243)	(6,490)	14,702
<b>Other Financing Sources and Uses</b>				
Transfers In	0	0	10,043	740
Transfers Out	0	0	(740)	0
<b>Total Other Financing Sources and Uses</b>	<b>0</b>	<b>0</b>	<b>9,303</b>	<b>740</b>
Net Change in Fund Balances	(85,563)	(243)	2,813	15,442
Fund Balances (Deficit) at Beginning of Year	131,633	98,872	68,588	44,263
Fund Balances (Deficit) at End of Year	<u>\$46,070</u>	<u>\$98,629</u>	<u>\$71,401</u>	<u>\$59,705</u>

Local Grants	Underground Storage Tanks	District Managed Student Activities	Auxiliary Services	Management Information Systems	Entry Year Programs	Disadvantaged Pupil Impact Aid
\$0	\$0	\$0	\$28,683	\$8,954	\$8,800	\$20,180
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	170,197	0	0	0	0
9,684	0	0	0	0	0	0
0	0	0	0	0	0	0
3,000	0	0	0	0	0	0
<u>12,684</u>	<u>0</u>	<u>170,197</u>	<u>28,683</u>	<u>8,954</u>	<u>8,800</u>	<u>20,180</u>
1,702	0	0	0	0	0	50,759
635	0	0	0	0	0	0
0	0	0	0	0	0	0
491	0	0	0	13,876	0	0
11,709	0	0	0	0	8,800	0
0	0	0	0	0	0	0
0	1,400	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	29,802	0	0	0
0	0	138,357	0	0	0	0
<u>14,537</u>	<u>1,400</u>	<u>138,357</u>	<u>29,802</u>	<u>13,876</u>	<u>8,800</u>	<u>50,759</u>
<u>(1,853)</u>	<u>(1,400)</u>	<u>31,840</u>	<u>(1,119)</u>	<u>(4,922)</u>	<u>0</u>	<u>(30,579)</u>
0	0	56	0	0	0	0
0	0	0	0	0	0	(10,099)
0	0	56	0	0	0	(10,099)
(1,853)	(1,400)	31,896	(1,119)	(4,922)	0	(40,678)
<u>18,855</u>	<u>31,779</u>	<u>49,024</u>	<u>12,908</u>	<u>9,381</u>	<u>0</u>	<u>80,127</u>
<u>\$17,002</u>	<u>\$30,379</u>	<u>\$80,920</u>	<u>\$11,789</u>	<u>\$4,459</u>	<u>\$0</u>	<u>\$39,449</u>

(continued)

**Tallmadge City School District**  
**Summit County, Ohio**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Fiscal Year Ended June 30, 2005**

	Network Connectivity	SchoolNet Professional Development	Ohio Reads	Student Intervention
<b>Revenues</b>				
Intergovernmental	\$18,000	\$4,140	\$37,500	\$53,916
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Customer Sales and Services	0	0	0	0
Miscellaneous	0	0	0	0
<b>Total Revenues</b>	<b>18,000</b>	<b>4,140</b>	<b>37,500</b>	<b>53,916</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	21,323	46,957
Special	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	7,099	18,429	0
Administration	0	0	0	0
Operation and Maintenance of Plant	18,000	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<b>Total Expenditures</b>	<b>18,000</b>	<b>7,099</b>	<b>39,752</b>	<b>46,957</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(2,959)	(2,252)	6,959
<b>Other Financing Sources and Uses</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources and Uses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>0</b>	<b>(2,959)</b>	<b>(2,252)</b>	<b>6,959</b>
Fund Balances (Deficit) at Beginning of Year	945	2,959	4,614	394
Fund Balances (Deficit) at End of Year	<u>\$945</u>	<u>\$0</u>	<u>\$2,362</u>	<u>\$7,353</u>



Miscellaneous State Grants	Title VI-B	Vocational Education	Title III/LEP	Title I	Title V	Drug Free Schools
\$2,812	\$529,582	\$2,872	\$3,166	\$183,366	\$11,943	\$9,424
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	0	0	0	0	0
670	0	0	0	0	0	0
<u>3,482</u>	<u>529,582</u>	<u>2,872</u>	<u>3,166</u>	<u>183,366</u>	<u>11,943</u>	<u>9,424</u>
1,622	0	743	5,026	0	0	0
0	195,683	0	0	181,333	12,211	0
0	0	0	0	0	0	0
30	143,247	0	0	0	0	9,342
0	184,560	11,216	0	0	0	0
2,825	43,627	0	0	0	0	0
0	2,194	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	20,719	0	200
0	0	0	0	0	0	0
<u>4,477</u>	<u>569,311</u>	<u>11,959</u>	<u>5,026</u>	<u>202,052</u>	<u>12,211</u>	<u>9,542</u>
<u>(995)</u>	<u>(39,729)</u>	<u>(9,087)</u>	<u>(1,860)</u>	<u>(18,686)</u>	<u>(268)</u>	<u>(118)</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(995)	(39,729)	(9,087)	(1,860)	(18,686)	(268)	(118)
<u>9,678</u>	<u>27,877</u>	<u>14,487</u>	<u>1,860</u>	<u>18,904</u>	<u>(3,253)</u>	<u>118</u>
<u>\$8,683</u>	<u>(\$11,852)</u>	<u>\$5,400</u>	<u>\$0</u>	<u>\$218</u>	<u>(\$3,521)</u>	<u>\$0</u>

(continued)

**Tallmadge City School District**  
**Summit County, Ohio**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Fiscal Year Ended June 30, 2005**

	Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b>Revenues</b>			
Intergovernmental	\$78,282	\$4,279	\$1,130,118
Interest	0	0	1,948
Tuition and Fees	0	0	120,628
Extracurricular Activities	0	0	349,433
Gifts and Donations	0	0	54,232
Customer Sales and Services	0	0	413,675
Miscellaneous	0	0	3,670
<b>Total Revenues</b>	<b>78,282</b>	<b>4,279</b>	<b>2,073,704</b>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	87,405	0	344,031
Special	0	0	390,155
Adult/Continuing	0	0	32,050
Support Services:			
Pupils	0	0	187,050
Instructional Staff	0	1,274	243,087
Administration	0	3,024	119,667
Operation and Maintenance of Plant	0	0	27,325
Pupil Transportation	0	0	84,971
Operation of Non-Instructional Services	0	0	658,594
Extracurricular Activities	0	0	150,538
<b>Total Expenditures</b>	<b>87,405</b>	<b>4,298</b>	<b>2,237,468</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,123)	(19)	(163,764)
<b>Other Financing Sources and Uses</b>			
Transfers In	0	0	10,839
Transfers Out	0	0	(10,839)
<b>Total Other Financing Sources and Uses</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(9,123)</b>	<b>(19)</b>	<b>(163,764)</b>
Fund Balances (Deficit) at Beginning of Year	14,755	19	638,787
Fund Balances (Deficit) at End of Year	\$5,632	\$0	\$475,023

**Tallmadge City School District  
Summit County, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2005**

	Permanent Improvement	SchoolNet Plus	Total Nonmajor Capital Projects Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$351,291	\$0	\$351,291
Receivables:			
Taxes	359,629	0	359,629
Total Assets	<u>710,920</u>	<u>0</u>	<u>710,920</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	109,827	0	109,827
Deferred Revenue	335,932	0	335,932
Total Liabilities	<u>445,759</u>	<u>0</u>	<u>445,759</u>
<b>Fund Balances</b>			
Reserved:			
Reserved for Encumbrances	18,741	0	18,741
Reserved for Property Taxes	23,697	0	23,697
Unreserved, Undesignated	222,723	0	222,723
Total Fund Balances	<u>265,161</u>	<u>0</u>	<u>265,161</u>
Total Liabilities and Fund Balances	<u><u>\$710,920</u></u>	<u><u>\$0</u></u>	<u><u>\$710,920</u></u>

**Tallmadge City School District**  
**Summit County, Ohio**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2005**

	Permanent Improvement	SchoolNet Plus	Total Nonmajor Capital Projects Funds
<b>Revenues</b>			
Property and Other Local Taxes	\$357,016	\$0	\$357,016
Intergovernmental	39,358	23,940	63,298
Miscellaneous	1,422	0	1,422
Total Revenues	<u>397,796</u>	<u>23,940</u>	<u>421,736</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	0	23,940	23,940
Support Services:			
Administration	81,699	0	81,699
Fiscal	4,974	0	4,974
Capital Outlay	478,053	0	478,053
Total Expenditures	<u>564,726</u>	<u>23,940</u>	<u>588,666</u>
Net Change in Fund Balances	(166,930)	0	(166,930)
Fund Balances at Beginning of Year	<u>432,091</u>	<u>0</u>	<u>432,091</u>
Fund Balances at End of Year	<u><u>\$265,161</u></u>	<u><u>\$0</u></u>	<u><u>\$265,161</u></u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 12,921,903	\$ 12,794,773	\$ 12,996,293	\$ 201,520
Intergovernmental	8,838,489	8,881,376	9,068,815	187,439
Interest	102,000	102,000	165,548	63,548
Tuition and Fees	188,474	188,474	338,644	150,170
Rent	55,000	55,000	36,023	(18,977)
Extracurricular Activities	37,000	50,000	50,229	229
Miscellaneous	6,335	6,335	77,824	71,489
<b>Total Revenues</b>	<u>22,149,201</u>	<u>22,077,958</u>	<u>22,733,376</u>	<u>655,418</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular</b>				
Salaries	7,812,203	7,809,879	7,740,673	69,206
Fringe Benefits	2,829,317	2,829,317	2,493,179	336,138
Purchased Services	1,088,042	1,107,542	812,866	294,676
Materials and Supplies	403,921	410,508	339,378	71,130
Capital Outlay	297,464	316,961	304,023	12,938
Capital Outlay Replacement	48,413	46,826	40,424	6,402
<b>Total - Regular</b>	<u>12,479,360</u>	<u>12,521,033</u>	<u>11,730,543</u>	<u>790,490</u>
<b>Special</b>				
Salaries	1,432,525	1,432,525	1,429,664	2,861
Fringe Benefits	631,645	631,645	531,532	100,113
Purchased Services	23,796	23,796	10,997	12,799
Materials and Supplies	31,099	31,099	22,099	9,000
Capital Outlay	6,599	6,599	4,326	2,273
<b>Total - Special</b>	<u>2,125,664</u>	<u>2,125,664</u>	<u>1,998,618</u>	<u>127,046</u>
<b>Vocational</b>				
Salaries	487,750	488,250	464,066	24,184
Fringe Benefits	168,655	168,655	143,053	25,602
Purchased Services	14,672	13,242	10,499	2,743
Materials and Supplies	16,304	13,446	12,793	653
Other	1,500	400	450	(50)
Capital Outlay	17,024	13,902	13,190	712
Capital Outlay Replacement	7,017	7,977	7,642	335
<b>Total - Vocational</b>	<u>712,922</u>	<u>705,872</u>	<u>651,693</u>	<u>54,179</u>
<b>Adult/Continuing</b>				
Purchased Services	19,000	19,000	15,463	3,537
<b>Total - Adult/Continuing</b>	<u>19,000</u>	<u>19,000</u>	<u>15,463</u>	<u>3,537</u>
<b>Total - Instruction:</b>	<u>15,336,946</u>	<u>15,371,569</u>	<u>14,396,317</u>	<u>975,252</u>
<b>Support Services:</b>				
<b>Pupils</b>				
Salaries	962,375	962,475	927,575	34,900
Fringe Benefits	352,913	355,214	285,829	69,385
Purchased Services	36,082	36,055	26,322	9,733
Materials and Supplies	61,572	62,805	55,142	7,663
Capital Outlay	1,300	1,300	1,281	19
<b>Total - Pupils</b>	<u>1,414,242</u>	<u>1,417,849</u>	<u>1,296,149</u>	<u>121,700</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General*  
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Instructional Staff</b>				
Salaries	380,782	380,481	339,622	40,859
Fringe Benefits	102,742	112,256	101,352	10,904
Purchased Services	63,679	65,570	47,230	18,340
Materials and Supplies	37,085	37,441	33,379	4,062
Other	5,125	1,475	772	703
Capital Outlay	4,951	4,662	4,062	600
Capital Outlay Replacement	2,520	2,391	1,391	1,000
<b>Total - Instructional Staff</b>	<u>596,884</u>	<u>604,276</u>	<u>527,808</u>	<u>76,468</u>
<b>Board of Education</b>				
Salaries	8,500	8,500	6,480	2,020
Fringe Benefits	1,605	1,605	1,296	309
Purchased Services	10,000	10,000	8,482	1,518
Materials and Supplies	500	500	0	500
Other	5,250	5,250	5,223	27
<b>Total - Board of Education</b>	<u>25,855</u>	<u>25,855</u>	<u>21,481</u>	<u>4,374</u>
<b>Administration</b>				
Salaries	1,082,826	1,132,826	1,095,776	37,050
Fringe Benefits	502,719	510,515	404,262	106,253
Purchased Services	192,961	192,961	139,627	53,334
Materials and Supplies	46,793	37,602	32,998	4,604
Other	104,500	104,500	74,031	30,469
Capital Outlay Replacement	600	74	21	53
<b>Total - Administration</b>	<u>1,930,399</u>	<u>1,978,478</u>	<u>1,746,715</u>	<u>231,763</u>
<b>Fiscal</b>				
Salaries	223,783	273,783	255,558	18,225
Fringe Benefits	96,979	96,979	93,298	3,681
Purchased Services	74,437	59,437	50,739	8,698
Materials and Supplies	4,603	5,907	5,782	125
Other	258,889	248,889	243,501	5,388
Capital Outlay	0	359	359	0
Capital Outlay Replacement	7,500	6,837	6,837	0
<b>Total - Fiscal</b>	<u>666,191</u>	<u>692,191</u>	<u>656,074</u>	<u>36,117</u>
<b>Business</b>				
Salaries	98,658	103,658	100,085	3,573
Fringe Benefits	47,688	47,688	29,900	17,788
Purchased Services	3,701	2,864	1,057	1,807
Materials and Supplies	0	1,837	1,673	164
<b>Total - Business</b>	<u>150,047</u>	<u>156,047</u>	<u>132,715</u>	<u>23,332</u>
<b>Operation and Maintenance of Plant</b>				
Salaries	692,401	732,400	723,589	8,811
Fringe Benefits	297,173	297,173	260,535	36,638
Purchased Services	709,466	699,783	639,002	60,781
Materials and Supplies	115,681	118,331	113,100	5,231
<b>Total - Operation and Maintenance of Plant</b>	<u>1,814,721</u>	<u>1,847,687</u>	<u>1,736,226</u>	<u>111,461</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Pupil Transportation				
Salaries	677,283	717,283	706,400	10,883
Fringe Benefits	395,772	395,772	304,650	91,122
Purchased Services	59,581	57,581	42,684	14,897
Materials and Supplies	134,979	154,779	148,461	6,318
Capital Outlay	97,209	97,409	0	97,409
Capital Outlay Replacement	212,729	212,729	147,729	65,000
<b>Total - Pupil Transportation</b>	<u>1,577,553</u>	<u>1,635,553</u>	<u>1,349,924</u>	<u>285,629</u>
Central				
Salaries	55,457	55,457	55,353	104
Fringe Benefits	26,658	26,658	22,792	3,866
Purchased Services	171,101	176,101	204,611	(28,510)
Materials and Supplies	1,596	1,596	673	923
<b>Total - Central</b>	<u>254,812</u>	<u>259,812</u>	<u>283,429</u>	<u>(23,617)</u>
<b>Total - Support Services:</b>	<u>8,430,704</u>	<u>8,617,748</u>	<u>7,750,521</u>	<u>867,227</u>
Extracurricular Activities:				
Academic Oriented Activities				
Salaries	194,385	194,385	193,016	1,369
Fringe Benefits	29,940	29,940	28,330	1,610
Purchased Services	2,800	15,898	11,968	3,930
Materials and Supplies	53,850	56,876	45,794	11,082
Other	3,400	3,400	2,798	602
Capital Outlay	1,538	1,538	1,538	0
<b>Total - Academic Oriented Activities</b>	<u>285,913</u>	<u>302,037</u>	<u>283,444</u>	<u>18,593</u>
Sport Oriented Activities				
Salaries	316,281	322,121	320,197	1,924
Fringe Benefits	78,889	80,989	74,586	6,403
Purchased Services	36,020	36,595	35,591	1,004
Materials and Supplies	22,753	22,753	22,168	585
Capital Outlay Replacement	43,000	42,425	39,533	2,892
<b>Total - Sport Oriented Activities</b>	<u>496,943</u>	<u>504,883</u>	<u>492,075</u>	<u>12,808</u>
School and Public Service Co-Curricular Activities				
Purchased Services	1,675	1,675	172	1,503
Materials and Supplies	400	400	219	181
<b>Total - School and Public Service Co-Curricular Activities</b>	<u>2,075</u>	<u>2,075</u>	<u>391</u>	<u>1,684</u>
<b>Total - Extracurricular Activities:</b>	<u>784,931</u>	<u>808,995</u>	<u>775,910</u>	<u>33,085</u>
Debt Service:				
Principal				
Principal Retirement	56,000	56,000	56,000	0
<b>Total - Principal</b>	<u>56,000</u>	<u>56,000</u>	<u>56,000</u>	<u>0</u>
Interest				
Interest and Fiscal Charges	4,116	4,116	4,116	0
<b>Total - Interest</b>	<u>4,116</u>	<u>4,116</u>	<u>4,116</u>	<u>0</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 General*  
 For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total - Debt Service:	60,116	60,116	60,116	0
Total Expenditures	24,612,697	24,858,428	22,982,864	1,875,564
(Deficiency) of Revenues (Under) Expenditures	(2,463,496)	(2,755,470)	(249,488)	2,530,982
OTHER FINANCING SOURCES AND USES:				
Refund of Prior Year Expenditures	0	0	522	522
Advances In	148,191	148,191	148,191	0
Advances Out	(10,000)	(10,000)	0	10,000
Other Financing Uses	(13,403)	0	0	0
Total Other Financing Sources and Uses	124,788	138,191	148,713	10,522
Net Change in Fund Balances	(2,338,708)	(2,617,279)	(100,775)	2,541,504
Fund Balance at Beginning of Year	5,479,473	5,479,473	5,479,473	0
Prior Year Encumbrances Appropriated	759,343	759,343	759,343	0
Fund Balance at End of Year	<u>\$ 3,900,108</u>	<u>\$ 3,621,537</u>	<u>\$ 6,138,041</u>	<u>\$ 2,541,504</u>



**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**BUILDING**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Interest	\$ -	\$ -	\$ 614,745	\$ 614,745
Total Revenues	<u>0</u>	<u>0</u>	<u>614,745</u>	<u>614,745</u>
EXPENDITURES:				
Current:				
Support Services:				
Pupil Transportation				
Capital Outlay Replacement	<u>4,464</u>	<u>4,464</u>	<u>0</u>	<u>4,464</u>
Total - Pupil Transportation	<u>4,464</u>	<u>4,464</u>	<u>0</u>	<u>4,464</u>
Total - Support Services:	<u>4,464</u>	<u>4,464</u>	<u>0</u>	<u>4,464</u>
Capital Outlay:				
Site Improvement Services				
Purchased Services	<u>0</u>	<u>16,000</u>	<u>15,340</u>	<u>660</u>
Total - Site Improvement Services	<u>0</u>	<u>16,000</u>	<u>15,340</u>	<u>660</u>
Architecture and Engineering Services				
Purchased Services	<u>0</u>	<u>1,700,000</u>	<u>1,665,000</u>	<u>35,000</u>
Total - Architecture and Engineering Services	<u>0</u>	<u>1,700,000</u>	<u>1,665,000</u>	<u>35,000</u>
Total - Capital Outlay:	<u>0</u>	<u>1,716,000</u>	<u>1,680,340</u>	<u>35,660</u>
Total Expenditures	<u>4,464</u>	<u>1,720,464</u>	<u>1,680,340</u>	<u>40,124</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(4,464)</u>	<u>(1,720,464)</u>	<u>(1,065,595)</u>	<u>654,869</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	<u>0</u>	<u>0</u>	<u>310,000</u>	<u>310,000</u>
General Obligation Bonds Issued	<u>0</u>	<u>30,500,000</u>	<u>30,190,000</u>	<u>(310,000)</u>
Total Other Financing Sources and Uses	<u>0</u>	<u>30,500,000</u>	<u>30,500,000</u>	<u>0</u>
Net Change in Fund Balances	<u>(4,464)</u>	<u>28,779,536</u>	<u>29,434,405</u>	<u>654,869</u>
Fund Balance at Beginning of Year	<u>4,464</u>	<u>4,464</u>	<u>4,464</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 28,784,000</u>	<u>\$ 29,438,869</u>	<u>\$ 654,869</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**FOOD SERVICES**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 120,766	\$ 120,766
Interest	0	0	1,948	1,948
Customer Sales and Services	<u>455,000</u>	<u>485,000</u>	<u>401,440</u>	<u>(83,560)</u>
<b>Total Revenues</b>	<u>455,000</u>	<u>485,000</u>	<u>524,154</u>	<u>39,154</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Support Services:				
Operation and Maintenance of Plant				
Purchased Services	<u>8,050</u>	<u>8,050</u>	<u>6,560</u>	<u>1,490</u>
<b>Total - Support Services:</b>	<u>8,050</u>	<u>8,050</u>	<u>6,560</u>	<u>1,490</u>
Operation of Non-Instructional Services:				
Food Service Operations				
Salaries	211,600	219,600	214,754	4,846
Fringe Benefits	57,300	57,300	58,882	(1,582)
Purchased Services	3,933	3,933	2,933	1,000
Materials and Supplies	286,756	305,756	302,717	3,039
Capital Outlay	2,500	2,500	1,083	1,417
Capital Outlay Replacement	<u>19,000</u>	<u>16,000</u>	<u>3,687</u>	<u>12,313</u>
<b>Total - Operation of Non-Instructional Services:</b>	<u>581,089</u>	<u>605,089</u>	<u>584,056</u>	<u>21,033</u>
<b>Total Expenditures</b>	<u>589,139</u>	<u>613,139</u>	<u>590,616</u>	<u>22,523</u>
<b>Net Change in Fund Balances</b>	(134,139)	(128,139)	(66,462)	61,677
<b>Fund Balance at Beginning of Year</b>	110,643	110,643	110,643	0
<b>Prior Year Encumbrances Appropriated</b>	<u>12,039</u>	<u>12,039</u>	<u>12,039</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ (11,457)</u>	<u>\$ (5,457)</u>	<u>\$ 56,220</u>	<u>\$ 61,677</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**SCHOLARSHIPS**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Gifts and Donations	\$ 57,000	\$ 42,000	\$ 45,518	\$ 3,518
Customer Sales and Services	10,000	10,000	11,801	1,801
<b>Total Revenues</b>	<u>67,000</u>	<u>52,000</u>	<u>57,319</u>	<u>5,319</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Regular				
Capital Outlay	7	7	0	7
<b>Total - Regular</b>	<u>7</u>	<u>7</u>	<u>0</u>	<u>7</u>
Special				
Materials and Supplies	112	412	293	119
<b>Total - Special</b>	<u>112</u>	<u>412</u>	<u>293</u>	<u>119</u>
Adult/Continuing				
Purchased Services	32,550	34,431	29,550	4,881
Other	2,700	2,700	2,500	200
<b>Total - Adult/Continuing</b>	<u>35,250</u>	<u>37,131</u>	<u>32,050</u>	<u>5,081</u>
<b>Total - Instruction:</b>	<u>35,369</u>	<u>37,550</u>	<u>32,343</u>	<u>5,207</u>
Support Services:				
Pupils				
Salaries	0	1,200	600	600
Purchased Services	375	9,050	8,650	400
Materials and Supplies	3,566	1,000	997	3
<b>Total - Support Services:</b>	<u>3,941</u>	<u>11,250</u>	<u>10,247</u>	<u>1,003</u>
Extracurricular Activities:				
Academic Oriented Activities				
Other	1,000	1,000	1,000	0
<b>Total - Academic Oriented Activities</b>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
School and Public Service Co-Curricular Activities				
Salaries	0	1,300	1,300	0
Purchased Services	13,481	13,481	7,526	5,955
Materials and Supplies	2,675	2,675	2,213	462
Capital Outlay	2,500	2,500	0	2,500
<b>Total - School and Public Service Co-Curricular Activities</b>	<u>18,656</u>	<u>19,956</u>	<u>11,039</u>	<u>8,917</u>
<b>Total - Extracurricular Activities:</b>	<u>19,656</u>	<u>20,956</u>	<u>12,039</u>	<u>8,917</u>
<b>Total Expenditures</b>	<u>58,966</u>	<u>69,756</u>	<u>54,629</u>	<u>15,127</u>
<b>Net Change in Fund Balances</b>	8,034	(17,756)	2,690	20,446
<b>Fund Balance at Beginning of Year</b>	94,672	94,672	94,672	0
<b>Prior Year Encumbrances Appropriated</b>	<u>200</u>	<u>200</u>	<u>200</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u>\$ 102,906</u>	<u>\$ 77,116</u>	<u>\$ 97,562</u>	<u>\$ 20,446</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**UNIFORM SCHOOL SUPPLIES**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Tuition and Fees	\$ 129,274	\$ 129,274	\$ 120,628	\$ (8,646)
Total Revenues	<u>129,274</u>	<u>129,274</u>	<u>120,628</u>	<u>(8,646)</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Materials and Supplies	<u>150,817</u>	<u>158,991</u>	<u>128,845</u>	<u>30,146</u>
Total Expenditures	<u>150,817</u>	<u>158,991</u>	<u>128,845</u>	<u>30,146</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(21,543)</u>	<u>(29,717)</u>	<u>(8,217)</u>	<u>21,500</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	3,726	3,726	10,043	6,317
Transfers Out	<u>(740)</u>	<u>(740)</u>	<u>(740)</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>3,726</u>	<u>2,986</u>	<u>9,303</u>	<u>6,317</u>
Net Change in Fund Balances	(17,817)	(26,731)	1,086	27,817
Fund Balance at Beginning of Year	66,133	66,133	66,133	0
Prior Year Encumbrances Appropriated	<u>2,641</u>	<u>2,641</u>	<u>2,641</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 50,957</u>	<u>\$ 42,043</u>	<u>\$ 69,860</u>	<u>\$ 27,817</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**PUBLIC SCHOOL SUPPORT FUND**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Extracurricular Activities	\$ 124,000	\$ 120,499	\$ 179,236	\$ 58,737
Gifts and Donations	1,000	3,761	3,030	(731)
<b>Total Revenues</b>	<u>125,000</u>	<u>124,260</u>	<u>182,266</u>	<u>58,006</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Regular				
Purchased Services	0	400	69	331
Materials and Supplies	400	2,000	1,449	551
<b>Total - Instruction:</b>	<u>400</u>	<u>2,400</u>	<u>1,518</u>	<u>882</u>
Support Services:				
Pupils				
Salaries	0	200	158	42
Materials and Supplies	1,000	10,858	9,659	1,199
<b>Total - Pupils</b>	<u>1,000</u>	<u>11,058</u>	<u>9,817</u>	<u>1,241</u>
Instructional Staff				
Materials and Supplies	1,495	1,495	0	1,495
<b>Total - Instructional Staff</b>	<u>1,495</u>	<u>1,495</u>	<u>0</u>	<u>1,495</u>
Administration				
Materials and Supplies	73,854	82,415	68,711	13,704
Other	2,600	2,800	2,777	23
<b>Total - Administration</b>	<u>76,454</u>	<u>85,215</u>	<u>71,488</u>	<u>13,727</u>
Pupil Transportation				
Purchased Services	96,050	96,050	85,096	10,954
<b>Total - Pupil Transportation</b>	<u>96,050</u>	<u>96,050</u>	<u>85,096</u>	<u>10,954</u>
<b>Total - Support Services:</b>	<u>174,999</u>	<u>193,818</u>	<u>166,401</u>	<u>27,417</u>
Extracurricular Activities:				
Academic Oriented Activities				
Materials and Supplies	1,000	1,761	0	1,761
<b>Total - Academic Oriented Activities</b>	<u>1,000</u>	<u>1,761</u>	<u>0</u>	<u>1,761</u>
Sport Oriented Activities				
Materials and Supplies	500	2,000	2,001	(1)
<b>Total - Sport Oriented Activities</b>	<u>500</u>	<u>2,000</u>	<u>2,001</u>	<u>(1)</u>
<b>Total - Extracurricular Activities:</b>	<u>1,500</u>	<u>3,761</u>	<u>2,001</u>	<u>1,760</u>
<b>Total Expenditures</b>	<u>176,899</u>	<u>199,979</u>	<u>169,920</u>	<u>30,059</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(51,899)</u>	<u>(75,719)</u>	<u>12,346</u>	<u>88,065</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers In	0	740	740	0
<b>Total Other Financing Sources and Uses</b>	<u>0</u>	<u>740</u>	<u>740</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	<u>(51,899)</u>	<u>(74,979)</u>	<u>13,086</u>	<u>88,065</u>
<b>Fund Balance at Beginning of Year</b>	<u>41,807</u>	<u>41,807</u>	<u>41,807</u>	<u>0</u>
<b>Prior Year Encumbrances Appropriated</b>	<u>3,154</u>	<u>3,154</u>	<u>3,154</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ (6,938)</u>	<u>\$ (30,018)</u>	<u>\$ 58,047</u>	<u>\$ 88,065</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**LOCAL GRANTS**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Gifts and Donations	\$ 20,000	\$ 42,000	\$ 9,684	\$ (32,316)
Miscellaneous	0	3,000	3,000	0
<b>Total Revenues</b>	<u>20,000</u>	<u>45,000</u>	<u>12,684</u>	<u>(32,316)</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular</b>				
Salaries	0	600	0	600
Purchased Services	0	150	117	33
Materials and Supplies	1,447	3,847	2,083	1,764
Capital Outlay	200	200	200	0
<b>Total - Regular</b>	<u>1,647</u>	<u>4,797</u>	<u>2,400</u>	<u>2,397</u>
<b>Special</b>				
Purchased Services	0	1,000	635	365
<b>Total - Special</b>	<u>0</u>	<u>1,000</u>	<u>635</u>	<u>365</u>
<b>Total - Instruction:</b>	<u>1,647</u>	<u>5,797</u>	<u>3,035</u>	<u>2,762</u>
<b>Support Services:</b>				
<b>Pupils</b>				
Materials and Supplies	500	500	491	9
<b>Total - Pupils</b>	<u>500</u>	<u>500</u>	<u>491</u>	<u>9</u>
<b>Instructional Staff</b>				
Salaries	1,000	600	300	300
Purchased Services	29,300	31,150	19,136	12,014
Materials and Supplies	1,000	1,750	1,732	18
Capital Outlay	0	1,700	1,640	60
<b>Total - Instructional Staff</b>	<u>31,300</u>	<u>35,200</u>	<u>22,808</u>	<u>12,392</u>
<b>Total - Support Services:</b>	<u>31,800</u>	<u>35,700</u>	<u>23,299</u>	<u>12,401</u>
<b>Total Expenditures</b>	<u>33,447</u>	<u>41,497</u>	<u>26,334</u>	<u>15,163</u>
<b>Net Change in Fund Balances</b>	<u>(13,447)</u>	<u>3,503</u>	<u>(13,650)</u>	<u>(17,153)</u>
<b>Fund Balance at Beginning of Year</b>	<u>19,553</u>	<u>19,553</u>	<u>19,553</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u>\$ 6,106</u>	<u>\$ 23,056</u>	<u>\$ 5,903</u>	<u>\$ (17,153)</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**UNDERGROUND STORAGE TANK**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES:				
Current:				
Support Services:				
Operation and Maintenance of Plant				
Purchased Services	\$ 1,200	\$ 1,200	\$ 1,400	\$ (200)
Total Expenditures	<u>1,200</u>	<u>1,200</u>	<u>1,400</u>	<u>(200)</u>
Net Change in Fund Balances	(1,200)	(1,200)	(1,400)	(200)
Fund Balance at Beginning of Year	<u>31,779</u>	<u>31,779</u>	<u>31,779</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 30,579</u>	<u>\$ 30,579</u>	<u>\$ 30,379</u>	<u>\$ (200)</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**DISTRICT MANAGED STUDENT ACTIVITIES**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Extracurricular Activities	\$ 136,800	\$ 136,300	\$ 170,197	\$ 33,897
Gifts and Donations	200	700	0	(700)
<b>Total Revenues</b>	<u>137,000</u>	<u>137,000</u>	<u>170,197</u>	<u>33,197</u>
<b>EXPENDITURES:</b>				
Current:				
Extracurricular Activities:				
Academic Oriented Activities				
Purchased Services	420	5,834	5,828	6
Materials and Supplies	10,120	13,006	8,853	4,153
Other	1,300	1,245	577	668
<b>Total - Academic Oriented Activities</b>	<u>11,840</u>	<u>20,085</u>	<u>15,258</u>	<u>4,827</u>
Sport Oriented Activities				
Salaries	4,165	3,230	3,068	162
Fringe Benefits	790	790	457	333
Purchased Services	64,921	88,115	84,859	3,256
Materials and Supplies	33,911	51,352	24,179	27,173
Other	3,000	5,000	3,348	1,652
<b>Total - Sport Oriented Activities</b>	<u>106,787</u>	<u>148,487</u>	<u>115,911</u>	<u>32,576</u>
School and Public Service Co-Curricular Activities				
Purchased Services	0	2,200	2,004	196
Materials and Supplies	11,000	11,300	10,721	579
<b>Total - School and Public Service Co-Curricular Activities</b>	<u>11,000</u>	<u>13,500</u>	<u>12,725</u>	<u>775</u>
<b>Total Expenditures</b>	<u>129,627</u>	<u>182,072</u>	<u>143,894</u>	<u>38,178</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>7,373</u>	<u>(45,072)</u>	<u>26,303</u>	<u>71,375</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers In	0	0	56	56
<b>Total Other Financing Sources and Uses</b>	<u>0</u>	<u>0</u>	<u>56</u>	<u>56</u>
<b>Net Change in Fund Balances</b>	7,373	(45,072)	26,359	71,431
Fund Balance at Beginning of Year	46,838	46,838	46,838	0
Prior Year Encumbrances Appropriated	5,087	5,087	5,087	0
<b>Fund Balance at End of Year</b>	<u>\$ 59,298</u>	<u>\$ 6,853</u>	<u>\$ 78,284</u>	<u>\$ 71,431</u>



**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**AUXILIARY SERVICES**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 28,683	\$ (1,317)
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>28,683</u>	<u>(1,317)</u>
EXPENDITURES:				
Current:				
Operation of Non-Instructional Services:				
Community Services				
Salaries	15,000	18,500	10,320	8,180
Fringe Benefits	2,425	3,025	1,640	1,385
Purchased Services	8,381	9,581	8,274	1,307
Materials and Supplies	7,295	24,495	22,590	1,905
Capital Outlay	11,043	7,000	0	7,000
Total Expenditures	<u>44,144</u>	<u>62,601</u>	<u>42,824</u>	<u>19,777</u>
Net Change in Fund Balances	(14,144)	(32,601)	(14,141)	18,460
Fund Balance at Beginning of Year	12,729	12,729	12,729	0
Prior Year Encumbrances Appropriated	<u>1,416</u>	<u>1,416</u>	<u>1,416</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1</u>	<u>\$ (18,456)</u>	<u>\$ 4</u>	<u>\$ 18,460</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**MANAGEMENT INFORMATION SYSTEM**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 12,000	\$ 12,000	\$ 8,954	\$ (3,046)
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>8,954</u>	<u>(3,046)</u>
<b>EXPENDITURES:</b>				
Current:				
Support Services:				
Pupils				
Salaries	18,000	17,454	11,794	5,660
Purchased Services	1,881	1,881	1,137	744
Materials and Supplies	0	346	346	0
Capital Outlay Replacement	0	635	599	36
Total Expenditures	<u>19,881</u>	<u>20,316</u>	<u>13,876</u>	<u>6,440</u>
Net Change in Fund Balances	(7,881)	(8,316)	(4,922)	3,394
Fund Balance at Beginning of Year	<u>9,381</u>	<u>9,381</u>	<u>9,381</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,500</u>	<u>\$ 1,065</u>	<u>\$ 4,459</u>	<u>\$ 3,394</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**ENTRY YEAR PROGRAMS**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 8,800	\$ 8,800
Total Revenues	<u>0</u>	<u>0</u>	<u>8,800</u>	<u>8,800</u>
EXPENDITURES:				
Current:				
Support Services:				
Instructional Staff				
Salaries	0	8,000	4,000	4,000
Purchased Services	0	1,159	1,159	1,159
Materials and Supplies	0	641	4,800	(4,159)
Total Expenditures	<u>0</u>	<u>9,800</u>	<u>8,800</u>	<u>1,000</u>
Net Change in Fund Balances	<u>0</u>	<u>(9,800)</u>	<u>0</u>	<u>9,800</u>
Fund (Deficit) at End of Year	<u>\$ -</u>	<u>\$ (9,800)</u>	<u>\$ -</u>	<u>\$ 9,800</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 DISADVANTAGED PUPIL IMPACT AID  
 For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 28,000	\$ 21,000	\$ 20,180	\$ (820)
Total Revenues	<u>28,000</u>	<u>21,000</u>	<u>20,180</u>	<u>(820)</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Salaries	62,240	67,240	50,430	16,810
Purchased Services	<u>14,457</u>	<u>14,457</u>	<u>0</u>	<u>14,457</u>
Total Expenditures	<u>76,697</u>	<u>81,697</u>	<u>50,430</u>	<u>31,267</u>
Excess of Revenues Over (Under) Expenditures	<u>(48,697)</u>	<u>(60,697)</u>	<u>(30,250)</u>	<u>30,447</u>
OTHER FINANCING SOURCES AND USES:				
Transfers Out	<u>(3,430)</u>	<u>(3,430)</u>	<u>(10,428)</u>	<u>(6,998)</u>
Total Other Financing Sources and Uses	<u>(3,430)</u>	<u>(3,430)</u>	<u>(10,428)</u>	<u>(6,998)</u>
Net Change in Fund Balances	(52,127)	(64,127)	(40,678)	23,449
Fund Balance at Beginning of Year	<u>80,127</u>	<u>80,127</u>	<u>80,127</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 28,000</u>	<u>\$ 16,000</u>	<u>\$ 39,449</u>	<u>\$ 23,449</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**NETWORK CONNECTIVITY**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 18,000	\$ 18,000	\$ 18,000	\$ -
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>0</u>
EXPENDITURES:				
Current:				
Support Services:				
Operation and Maintenance of Plant				
Purchased Services	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>0</u>
Total - Support Services:	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>0</u>
Operation of Non-Instructional Services:				
Community Services				
Capital Outlay	<u>946</u>	<u>946</u>	<u>0</u>	<u>946</u>
Total - Operation of Non-Instructional Services:	<u>946</u>	<u>946</u>	<u>0</u>	<u>946</u>
Total Expenditures	<u>18,946</u>	<u>18,946</u>	<u>18,000</u>	<u>946</u>
Net Change in Fund Balances	(946)	(946)	0	946
Fund Balance at Beginning of Year	<u>945</u>	<u>945</u>	<u>945</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 945</u>	<u>\$ 946</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**SCHOOLNET PROFESSIONAL DEVELOPMENT**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 4,164	\$ 4,164	\$ 4,140	\$ (24)
Total Revenues	<u>4,164</u>	<u>4,164</u>	<u>4,140</u>	<u>(24)</u>
EXPENDITURES:				
Current:				
Support Services:				
Instructional Staff				
Salaries	1,200	2,079	2,078	1
Purchased Services	<u>5,899</u>	<u>5,020</u>	<u>5,021</u>	<u>(1)</u>
Total Expenditures	<u>7,099</u>	<u>7,099</u>	<u>7,099</u>	<u>0</u>
Net Change in Fund Balances	(2,935)	(2,935)	(2,959)	(24)
Fund Balance at Beginning of Year	<u>2,959</u>	<u>2,959</u>	<u>2,959</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ (24)</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**OHIO READS**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 37,500	\$ 37,500	\$ 32,626	\$ (4,874)
Total Revenues	<u>37,500</u>	<u>37,500</u>	<u>32,626</u>	<u>(4,874)</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Purchased Services	1,388	1,388	1,503	(115)
Materials and Supplies	8,427	27,002	27,062	(60)
Total - Instruction:	<u>9,815</u>	<u>28,390</u>	<u>28,565</u>	<u>(175)</u>
Support Services:				
Instructional Staff				
Salaries	4,000	10,750	10,957	(207)
Purchased Services	2,000	5,540	4,944	596
Materials and Supplies	0	2,635	2,602	33
Total - Support Services:	<u>6,000</u>	<u>18,925</u>	<u>18,503</u>	<u>422</u>
Total Expenditures	<u>15,815</u>	<u>47,315</u>	<u>47,068</u>	<u>247</u>
Net Change in Fund Balances	21,685	(9,815)	(14,442)	(4,627)
Prior Year Encumbrances Appropriated	<u>9,815</u>	<u>9,815</u>	<u>9,815</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 31,500</u>	<u>\$ -</u>	<u>\$ (4,627)</u>	<u>\$ (4,627)</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**STUDENT INTERVENTION**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ -	\$ 53,207	\$ 53,207	\$ -
Total Revenues	<u>0</u>	<u>53,207</u>	<u>53,207</u>	<u>0</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Salaries	50,400	50,400	49,400	1,000
Purchased Services	1,000	1,800	1,757	43
Materials and Supplies	1,507	707	1,459	(752)
Total - Instruction:	<u>52,907</u>	<u>52,907</u>	<u>52,616</u>	<u>291</u>
Support Services:				
Pupil Transportation				
Salaries	300	300	300	0
Total - Support Services:	<u>300</u>	<u>300</u>	<u>300</u>	<u>0</u>
Operation of Non-Instructional Services:				
Community Services				
Salaries	395	395	0	395
Total - Operation of Non-Instructional Services:	<u>395</u>	<u>395</u>	<u>0</u>	<u>395</u>
Total Expenditures	<u>53,602</u>	<u>53,602</u>	<u>52,916</u>	<u>686</u>
Net Change in Fund Balances	(53,602)	(395)	291	686
Fund Balance at Beginning of Year	<u>394</u>	<u>394</u>	<u>394</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ (53,208)</u>	<u>\$ (1)</u>	<u>\$ 685</u>	<u>\$ 686</u>



**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**MISCELLANEOUS STATE GRANTS**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 2,812	\$ 2,812	\$ 2,812	\$ -
Miscellaneous	0	0	670	670
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	2,812	2,812	3,482	670
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Salaries	500	500	500	
Purchased Services	1,841	1,841		1,841
Materials and Supplies	3,881	3,793	993	2,800
Capital Outlay	3,013	3,013	129	2,884
	<hr/>	<hr/>	<hr/>	<hr/>
Total - Instruction:	9,235	9,147	1,622	7,525
Support Services:				
Pupils				
Materials and Supplies	30	30	30	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total - Pupils	30	30	30	0
Administration				
Purchased Services	3,225	3,225	3,225	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total - Administration	3,225	3,225	3,225	0
Total - Support Services:	<hr/>	<hr/>	<hr/>	<hr/>
	3,255	3,255	3,255	0
Total Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	12,490	12,402	4,877	7,525
Net Change in Fund Balances	(9,678)	(9,590)	(1,395)	8,195
Fund Balance at Beginning of Year	9,589	9,589	9,589	0
Prior Year Encumbrances Appropriated	88	88	88	0
Fund Balance (Deficit) at End of Year	<u>\$ (1)</u>	<u>\$ 87</u>	<u>\$ 8,282</u>	<u>\$ 8,195</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**TITLE VI-B**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 270,000	\$ 609,505	\$ 602,988	\$ (6,517)
Total Revenues	<u>270,000</u>	<u>609,505</u>	<u>602,988</u>	<u>(6,517)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Special				
Salaries	70,449	63,853	65,753	(1,900)
Fringe Benefits	4,241	4,295	4,295	0
Purchased Services	17,500	22,190	22,175	15
Materials and Supplies	86,243	92,250	92,250	0
Capital Outlay	35,826	35,826	35,826	0
Total - Instruction:	<u>214,259</u>	<u>218,414</u>	<u>220,299</u>	<u>(1,885)</u>
Support Services:				
Pupils				
Salaries	66,811	67,542	67,542	0
Fringe Benefits	9,361	9,463	9,463	0
Purchased Services	83,395	85,319	85,319	0
Materials and Supplies	2,308	2,308	2,308	0
Capital Outlay	3,500	5,400	3,500	1,900
Total - Pupils	<u>165,375</u>	<u>170,032</u>	<u>168,132</u>	<u>1,900</u>
Instructional Staff				
Salaries	142,583	145,029	145,029	145,029
Fringe Benefits	1,008	1,008	1,008	1,008
Purchased Services	10,172	10,715	10,715	10,715
Materials and Supplies	1,050	1,050	1,050	1,050
Total - Instructional Staff	<u>154,813</u>	<u>157,802</u>	<u>157,802</u>	<u>157,802</u>
Administration				
Salaries	31,265	27,775	27,775	0
Fringe Benefits	3,360	3,360	3,360	0
Purchased Services	2,166	2,036	2,036	0
Materials and Supplies	500	500	500	0
Capital Outlay	1,390	1,390	1,390	0
Total - Administration	<u>38,681</u>	<u>35,061</u>	<u>35,061</u>	<u>0</u>
Operation and Maintenance of Plant				
Capital Outlay	2,200	2,200	2,200	0
Total - Operation and Maintenance of Plant	<u>2,200</u>	<u>2,200</u>	<u>2,200</u>	<u>0</u>
Total - Support Services:	<u>361,069</u>	<u>365,095</u>	<u>363,195</u>	<u>1,900</u>
Total Expenditures	<u>575,328</u>	<u>583,509</u>	<u>583,494</u>	<u>15</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(305,328)</u>	<u>25,996</u>	<u>19,494</u>	<u>(6,502)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Advances Out	0	(92,736)	(92,736)	0
Total Other Financing Sources and Uses	<u>0</u>	<u>(92,736)</u>	<u>(92,736)</u>	<u>0</u>
Net Change in Fund Balances	(305,328)	(66,740)	(73,242)	(6,502)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>66,545</u>	<u>66,545</u>	<u>66,545</u>	<u>0</u>
Fund (Deficit) at End of Year	<u>\$ (238,783)</u>	<u>\$ (195)</u>	<u>\$ (6,697)</u>	<u>\$ (6,502)</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**VOCATIONAL EDUCATION**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 3,649	\$ 3,649	\$ 2,885	\$ (764)
Total Revenues	<u>3,649</u>	<u>3,649</u>	<u>2,885</u>	<u>(764)</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Capital Outlay	<u>671</u>	<u>743</u>	<u>743</u>	<u>0</u>
Total - Instruction:	<u>671</u>	<u>743</u>	<u>743</u>	<u>0</u>
Support Services:				
Instructional Staff				
Purchased Services	13,815	11,155	8,556	2,599
Capital Outlay	<u>5,460</u>	<u>5,460</u>	<u>2,660</u>	<u>2,800</u>
Total - Support Services:	<u>19,275</u>	<u>16,615</u>	<u>11,216</u>	<u>5,399</u>
Total Expenditures	<u>19,946</u>	<u>17,358</u>	<u>11,959</u>	<u>5,399</u>
(Deviency) of Revenues (Under) Expenditures	<u>(16,297)</u>	<u>(13,709)</u>	<u>(9,074)</u>	<u>4,635</u>
OTHER FINANCING SOURCES AND USES:				
Refund of Prior Year Receipts	<u>0</u>	<u>(13)</u>	<u>(13)</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>0</u>	<u>(13)</u>	<u>(13)</u>	<u>0</u>
Net Change in Fund Balances	(16,297)	(13,722)	(9,087)	4,635
Fund Balance at Beginning of Year	<u>14,487</u>	<u>14,487</u>	<u>14,487</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ (1,810)</u>	<u>\$ 765</u>	<u>\$ 5,400</u>	<u>\$ 4,635</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**TITLE III/LEP**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ -	\$ 2,900	\$ 3,166	\$ 266
Total Revenues	<u>0</u>	<u>2,900</u>	<u>3,166</u>	<u>266</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Salaries	<u>1,859</u>	<u>6,711</u>	<u>5,026</u>	<u>1,685</u>
Total Expenditures	<u>1,859</u>	<u>6,711</u>	<u>5,026</u>	<u>1,685</u>
Net Change in Fund Balances	(1,859)	(3,811)	(1,860)	1,951
Fund Balance at Beginning of Year	<u>1,860</u>	<u>1,860</u>	<u>1,860</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1</u>	<u>\$ (1,951)</u>	<u>\$ -</u>	<u>\$ 1,951</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**TITLE I**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 150,000	\$ 225,445	\$ 195,973	\$ (29,472)
Total Revenues	<u>150,000</u>	<u>225,445</u>	<u>195,973</u>	<u>(29,472)</u>
EXPENDITURES:				
Current:				
Instruction:				
Special Salaries	<u>204,246</u>	<u>199,425</u>	<u>179,894</u>	<u>19,531</u>
Total - Instruction:	<u>204,246</u>	<u>199,425</u>	<u>179,894</u>	<u>19,531</u>
Operation of Non-Instructional Services:				
Community Services				
Salaries	19,737	16,737	10,965	5,772
Purchased Services	30			
Materials and Supplies	7,492	10,931	8,444	2,487
Capital Outlay	<u>3,415</u>	<u>3,031</u>	<u>10,298</u>	<u>(7,267)</u>
Total - Operation of Non-Instructional Services:	<u>30,674</u>	<u>30,699</u>	<u>29,707</u>	<u>992</u>
Total Expenditures	<u>234,920</u>	<u>230,124</u>	<u>209,601</u>	<u>20,523</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(84,920)</u>	<u>(4,679)</u>	<u>(13,628)</u>	<u>(8,949)</u>
OTHER FINANCING SOURCES AND USES:				
Advances Out	<u>0</u>	<u>(36,084)</u>	<u>(36,084)</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>0</u>	<u>(36,084)</u>	<u>(36,084)</u>	<u>0</u>
Net Change in Fund Balances	(84,920)	(40,763)	(49,712)	(8,949)
Fund Balance at Beginning of Year	5,690	5,690	5,690	0
Prior Year Encumbrances Appropriated	<u>39,868</u>	<u>39,868</u>	<u>39,868</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ (39,362)</u>	<u>\$ 4,795</u>	<u>\$ (4,154)</u>	<u>\$ (8,949)</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**TITLE V**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 17,000	\$ 11,943	\$ 11,943	\$ -
Total Revenues	<u>17,000</u>	<u>11,943</u>	<u>11,943</u>	<u>0</u>
EXPENDITURES:				
Current:				
Instruction:				
Special				
Salaries	<u>11,943</u>	<u>11,943</u>	<u>11,943</u>	<u>0</u>
Total Expenditures	<u>11,943</u>	<u>11,943</u>	<u>11,943</u>	<u>0</u>
Net Change in Fund Balances	5,057	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**DRUG FREE SCHOOLS**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 8,750	\$ 9,424	\$ 9,424	\$ -
Total Revenues	<u>8,750</u>	<u>9,424</u>	<u>9,424</u>	<u>0</u>
EXPENDITURES:				
Current:				
Support Services:				
Pupils				
Salaries	7,070	7,070	7,072	(2)
Purchased Services	2,169	2,169	2,168	1
Materials and Supplies	102	102	102	0
Total - Support Services:	<u>9,341</u>	<u>9,341</u>	<u>9,342</u>	<u>(1)</u>
Operation of Non-Instructional Services:				
Community Services				
Purchased Services	100	100	100	0
Materials and Supplies	100	100	100	0
Total - Operation of Non-Instructional Services:	<u>200</u>	<u>200</u>	<u>200</u>	<u>0</u>
Total Expenditures	<u>9,541</u>	<u>9,541</u>	<u>9,542</u>	<u>(1)</u>
Net Change in Fund Balances	(791)	(117)	(118)	(1)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>118</u>	<u>118</u>	<u>118</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ (673)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**CLASS SIZE REDUCTION GRANT**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 94,992	\$ 89,170	\$ (5,822)
Total Revenues	<u>0</u>	<u>94,992</u>	<u>89,170</u>	<u>(5,822)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Regular				
Salaries	60,941	60,323	51,879	8,444
Fringe Benefits	19,431	19,042	17,699	1,343
Purchased Services	10,080	11,180	10,911	269
Materials and Supplies	6,002	7,002	6,971	31
Total Expenditures	<u>96,454</u>	<u>97,547</u>	<u>87,460</u>	<u>10,087</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(96,454)</u>	<u>(2,555)</u>	<u>1,710</u>	<u>4,265</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Advances Out	<u>0</u>	<u>(19,371)</u>	<u>(19,371)</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>0</u>	<u>(19,371)</u>	<u>(19,371)</u>	<u>0</u>
Net Change in Fund Balances	(96,454)	(21,926)	(17,661)	4,265
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>20,833</u>	<u>20,833</u>	<u>20,833</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ (75,621)</u>	<u>\$ (1,093)</u>	<u>\$ 3,172</u>	<u>\$ 4,265</u>



**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**MISCELLANEOUS FEDERAL GRANTS**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 10,000	\$ 5,013	\$ 4,279	\$ (734)
Total Revenues	<u>10,000</u>	<u>5,013</u>	<u>4,279</u>	<u>(734)</u>
EXPENDITURES:				
Current:				
Support Services:				
Instructional Staff				
Salaries	0	1,255	1,255	0
Purchased Services	1,255	0	0	0
Materials and Supplies	19	19	19	0
Total - Instructional Staff	<u>1,274</u>	<u>1,274</u>	<u>1,274</u>	<u>0</u>
Administration				
Capital Outlay	<u>3,758</u>	<u>3,758</u>	<u>3,024</u>	<u>734</u>
Total - Administration	<u>3,758</u>	<u>3,758</u>	<u>3,024</u>	<u>734</u>
Total Expenditures	<u>5,032</u>	<u>5,032</u>	<u>4,298</u>	<u>734</u>
Net Change in Fund Balances	4,968	(19)	(19)	0
Fund Balance at Beginning of Year	<u>19</u>	<u>19</u>	<u>19</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**BOND RETIREMENT**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ -	\$ 767,578	\$ 782,007	\$ 14,429
Intergovernmental	0	102,554	104,137	1,583
<b>Total Revenues</b>	<b>0</b>	<b>870,132</b>	<b>886,144</b>	<b>16,012</b>
<b>EXPENDITURES:</b>				
Current:				
Support Services:				
Administration				
Other	0	2,400	2,072	328
<b>Total - Administration</b>	<b>0</b>	<b>2,400</b>	<b>2,072</b>	<b>328</b>
Fiscal				
Other	0	10,400	10,310	90
<b>Total - Fiscal</b>	<b>0</b>	<b>10,400</b>	<b>10,310</b>	<b>90</b>
<b>Total - Support Services:</b>	<b>0</b>	<b>12,800</b>	<b>12,382</b>	<b>418</b>
Debt Service:				
Principal Retirement	0	30,500,000	30,500,000	0
Interest and Fiscal Charges	0	457,500	457,750	(250)
<b>Total - Debt Service:</b>	<b>0</b>	<b>30,957,500</b>	<b>30,957,750</b>	<b>(250)</b>
<b>Total Expenditures</b>	<b>0</b>	<b>30,970,300</b>	<b>30,970,132</b>	<b>168</b>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<b>0</b>	<b>(30,100,168)</b>	<b>(30,083,988)</b>	<b>16,180</b>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers In	59,988	60,116	0	(60,116)
General Obligation Bonds Issued	0	70,790	30,500,000	30,429,210
Transfers Out	0	0	(310,000)	(310,000)
Accrued Interest Received on Debt Issuance	0	0	390,744	390,744
<b>Total Other Financing Sources and Uses</b>	<b>59,988</b>	<b>130,906</b>	<b>30,580,744</b>	<b>30,449,838</b>
<b>Net Change in Fund Balances</b>	<b>59,988</b>	<b>(29,969,262)</b>	<b>496,756</b>	<b>30,466,018</b>
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ 59,988</b>	<b>\$ (29,969,262)</b>	<b>\$ 496,756</b>	<b>\$ 30,466,018</b>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**PERMANENT IMPROVEMENT**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 340,575	\$ 337,890	\$ 343,045	\$ 5,155
Intergovernmental	40,042	41,211	39,358	(1,853)
Miscellaneous	0	0	1,422	1,422
<b>Total Revenues</b>	<u>380,617</u>	<u>379,101</u>	<u>383,825</u>	<u>4,724</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Support Services:</b>				
<b>Administration</b>				
Capital Outlay	72,046	82,446	82,512	(66)
<b>Total - Administration</b>	<u>72,046</u>	<u>82,446</u>	<u>82,512</u>	<u>(66)</u>
<b>Fiscal</b>				
Other	6,000	6,000	4,974	1,026
<b>Total - Fiscal</b>	<u>6,000</u>	<u>6,000</u>	<u>4,974</u>	<u>1,026</u>
<b>Total - Support Services:</b>	<u>78,046</u>	<u>88,446</u>	<u>87,486</u>	<u>960</u>
<b>Capital Outlay:</b>				
<b>Site Improvement Services</b>				
Purchased Services	334,297	374,297	342,081	32,216
Capital Outlay	50,000	10,000	9,800	200
<b>Total - Site Improvement Services</b>	<u>384,297</u>	<u>384,297</u>	<u>351,881</u>	<u>32,416</u>
<b>Building Improvement Services</b>				
Materials and Supplies	55,342	54,942	46,908	8,034
<b>Total - Building Improvement Services</b>	<u>55,342</u>	<u>54,942</u>	<u>46,908</u>	<u>8,034</u>
<b>Total - Capital Outlay:</b>	<u>439,639</u>	<u>439,239</u>	<u>398,789</u>	<u>40,450</u>
<b>Total Expenditures</b>	<u>517,685</u>	<u>527,685</u>	<u>486,275</u>	<u>41,410</u>
<b>Net Change in Fund Balances</b>	(137,068)	(148,584)	(102,450)	46,134
<b>Fund Balance at Beginning of Year</b>	370,127	370,127	370,127	0
<b>Prior Year Encumbrances Appropriated</b>	61,685	61,685	61,685	0
<b>Fund Balance at End of Year</b>	<u>\$ 294,744</u>	<u>\$ 283,228</u>	<u>\$ 329,362</u>	<u>\$ 46,134</u>

**Tallmadge City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**SCHOOLNET PLUS**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 23,940	\$ 23,940	\$ 23,940	\$ -
Total Revenues	<u>23,940</u>	<u>23,940</u>	<u>23,940</u>	<u>0</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Capital Outlay	<u>23,940</u>	<u>23,940</u>	<u>23,940</u>	<u>0</u>
Total Expenditures	<u>23,940</u>	<u>23,940</u>	<u>23,940</u>	<u>0</u>
Net Change in Fund Balances	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

***Individual Fund Schedule of Revenues, Expenses and Changes in  
Fund Balance – Budget (Non-GAAP Basis) and Actual – Proprietary Fund***

***Internal Service Fund***

The Internal Service fund is used to account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The description of the School District's internal service fund:

Self Insurance – Accounts for the operation of the School District's self-insurance program for employee health benefits.

**Tallmadge City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**SELF INSURANCE**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
OPERATING REVENUES:				
Charges for Services	\$ 2,250,000	\$ 2,750,000	\$ 2,636,864	\$ (113,136)
Other Revenues	0	0	15,197	15,197
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Revenues	2,250,000	2,750,000	2,652,061	(97,939)
OPERATING EXPENSES:				
Purchased Services	3,063,050	2,400,000	567,210	1,832,790
Claims	0	0	2,120,705	(2,120,705)
Other	300	300	300	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Expenses	3,063,350	2,400,300	2,688,215	(287,915)
Operating Income (Loss)	<hr/>	<hr/>	<hr/>	<hr/>
	(813,350)	349,700	(36,154)	(385,854)
NON-OPERATING REVENUES (EXPENSES):				
Interest	0	0	9,636	9,636
	<hr/>	<hr/>	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	0	0	9,636	9,636
Net Change in Net Assets	(813,350)	349,700	(26,518)	(376,218)
Net Assets at Beginning of Year	<hr/>	<hr/>	<hr/>	<hr/>
	52,470	52,470	52,470	0
Net Assets (Deficit) at End of Year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ (760,880)	\$ 402,170	\$ 25,952	\$ (376,218)

*Individual Statement*

**Fiduciary Fund**

*Agency Fund*

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

The following fund is purely custodial (assets equal liabilities) and thus does not involve the measurement of results of operation. The following is the School District's material agency fund:

Student Activities – Accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer and faculty advisor.

**Tallmadge City School District**  
**Summit County, Ohio**  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**For the Fiscal Year Ended June 30, 2005**

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	Beginning Balance 06/30/2004	Additions	Deductions	Ending Balance 06/30/2005
<b>Student Activities</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$84,146</u>	<u>\$113,457</u>	<u>(\$117,842)</u>	<u>\$79,761</u>
<b>Liabilities</b>				
Accounts Payable	717	4,830	(717)	4,830
Due to Students	<u>83,429</u>	<u>108,627</u>	<u>(117,125)</u>	<u>74,931</u>
	<u>\$84,146</u>	<u>\$113,457</u>	<u>(\$117,842)</u>	<u>\$79,761</u>



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## **Statistical Section**

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

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**Tallmadge City School District**  
**Governmental Revenues by Source and Expenditures by Function (1) (2)**  
**Last Ten Fiscal Years**

	2005	2004	2003	2002
<b>Revenues</b>				
Property and Other Local Taxes	\$14,804,109	\$13,381,096	\$12,898,106	\$11,453,294
Intergovernmental	10,366,368	10,144,569	9,547,658	9,170,513
Interest	782,241	78,590	101,241	106,516
Tuition and Fees	387,980	502,020	180,659	348,646
Rent	31,523	63,388	6,175	0
Extracurricular Activities	399,662	326,418	297,503	283,452
Gifts and Donations	54,232	46,878	42,777	0
Customer Sales and Services	413,675	437,490	505,575	0
Miscellaneous	81,253	10,901	27,202	131,366
<b>Total</b>	<b>\$27,321,043</b>	<b>\$24,991,350</b>	<b>\$23,606,896</b>	<b>\$21,493,787</b>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	\$12,123,317	\$11,684,844	\$10,460,937	\$9,827,579
Special	2,420,127	2,100,915	1,766,112	1,705,131
Vocational	630,644	692,810	621,248	576,014
Adult/Continuing	47,513	50,285	40,055	22,701
<b>Support Services:</b>				
Pupils	1,408,710	1,513,548	1,228,996	1,179,983
Instructional Staff	775,796	654,019	785,304	707,317
Board of Education	21,789	22,515	18,661	19,503
Administration	1,882,227	2,277,380	1,682,982	1,723,251
Fiscal	660,743	660,268	575,795	554,672
Business	131,481	123,006	115,955	113,175
Operation and Maintenance of Plant	1,691,799	1,676,041	1,544,529	1,478,445
Pupil Transportation	1,428,303	1,500,555	1,120,275	1,010,373
Central	277,996	272,998	177,752	221,008
Operation of Non-Instructional Services	639,623	54,987	35,473	58,777
Food Service Operations	0	537,359	524,179	0
Extracurricular Activities	894,612	881,112	800,637	729,322
Capital Outlay	666,906	200,403	443,088	302,568
Debt Service (3)				190,005
Principal Retirement	56,000	63,510	120,630	0
Interest and Fiscal Charges	461,866	7,135	9,317	0
<b>Total</b>	<b>\$26,219,452</b>	<b>\$24,973,690</b>	<b>\$22,071,925</b>	<b>\$20,419,824</b>

Source: School District Financial Records.

- (1) Includes general, special revenue, debt service and capital projects funds. Prior to fiscal year 2003, the expendable trust fund was included. Fiscal years 2003 and 2004 include funds previously reported as proprietary funds.
- (2) Information is presented on the modified accrual basis of accounting. Accrual basis will be presented when there are enough years of information to make comparisons.
- (3) Debt Service expenditures are shown in total for fiscal years 1995 through 2003.

2001	2000	1999	1998	1997	1996
\$10,498,173	\$10,116,262	\$9,950,201	\$9,969,830	\$9,684,023	\$9,055,314
8,720,236	7,146,881	6,637,221	6,074,350	5,769,133	5,569,970
232,419	285,376	348,898	440,621	411,463	374,169
340,100	208,669	158,616	148,550	87,153	418,772
0	0	0	0	0	0
224,426	378,799	146,228	141,070	130,018	120,637
0	0	0	0	0	0
0	0	0	0	0	0
164,538	1,635,443	213,898	158,223	83,260	101,713
<u>\$20,179,892</u>	<u>\$19,771,430</u>	<u>\$17,455,062</u>	<u>\$16,932,644</u>	<u>\$16,165,050</u>	<u>\$15,640,575</u>
\$9,560,418	\$9,238,580	\$8,733,413	\$8,094,885	\$7,912,858	\$6,552,053
1,295,525	1,533,428	1,330,185	1,371,671	1,577,316	1,186,322
504,930	504,212	499,019	490,668	477,300	419,827
45,904	21,125	17,100	29,475	52,121	39,307
1,153,766	1,021,363	972,557	833,741	790,121	742,238
585,774	518,022	477,689	490,062	514,868	427,082
20,467	20,812	26,779	26,464	32,568	31,343
1,507,791	1,501,231	1,559,738	1,448,507	1,498,279	1,213,969
506,864	479,098	416,391	399,808	377,906	364,511
106,910	102,914	130,953	134,844	129,907	131,506
1,466,187	1,621,507	1,521,713	1,442,208	1,469,307	1,519,481
1,022,890	1,247,304	1,012,203	1,066,229	892,866	829,944
178,372	62,111	55,156	47,947	46,095	22,420
27,875	34,959	28,178	40,819	14,374	30,587
0	0	0	0	0	0
661,859	592,328	525,596	481,388	480,194	402,443
322,656	188,089	2,090,272	206,721	254,995	181,854
188,840	184,807	185,695	121,375	66,527	66,527
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$19,157,028</u>	<u>\$18,871,890</u>	<u>\$19,582,637</u>	<u>\$16,726,812</u>	<u>\$16,587,602</u>	<u>\$14,161,414</u>

**Tallmadge City School District  
Property Tax Levies and Collections  
Real and Tangible Personal Property (1)  
Last Ten Years**

Year (2)	Current Levy (1)	Delinquent Levy (3)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As A Percent of Current Levy
2004	\$14,473,441	\$1,166,128	\$15,639,569	\$13,900,338	96.04%	\$663,584	\$14,563,922	100.63%
2003	\$11,874,024	\$680,562	\$12,554,586	\$11,242,875	94.68%	\$433,155	\$11,676,030	98.33%
2002	13,888,426	989,641	14,878,067	13,330,945	95.99%	404,872	13,735,817	98.90%
2001	11,658,022	828,929	12,486,951	11,210,882	96.16%	396,619	11,607,501	99.57%
2000	11,406,142	665,230	12,071,372	10,827,013	94.92%	316,303	11,143,316	97.70%
1999	11,057,772	486,730	11,544,502	10,761,091	97.32%	296,483	11,057,574	100.00%
1998	10,991,685	396,116	11,387,801	10,708,977	97.43%	228,128	10,937,105	99.50%
1997	10,815,956	414,570	11,230,526	10,544,090	97.49%	278,010	10,822,100	100.06%
1996	10,516,109	372,346	10,888,455	10,233,626	97.31%	247,783	10,481,409	99.67%
1995	10,135,023	471,277	10,606,300	9,936,036	98.04%	228,788	10,164,824	100.29%

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

(1) Includes Homestead/Rollback property tax relief which is assessed locally, but distributed through the State and reported as Intergovernmental Revenue.

(2) Represents collection year. 2004 information cannot be presented because all collections have not been made by June 30.

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

**Tallmadge City School District  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Years**

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		
	Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2005	\$359,798,560	\$1,027,995,886	\$7,476,030	\$8,495,489	\$37,834,472	\$151,337,888	\$405,109,062	\$1,187,829,263	34.10%
2004	347,800,570	993,715,914	7,384,430	8,391,398	39,703,951	158,815,804	394,888,951	1,160,923,116	34.02%
2003	340,787,900	973,679,714	7,445,770	8,461,102	39,703,951	158,815,804	387,937,621	1,140,956,620	34.00%
2002	301,439,600	861,256,000	7,215,470	8,199,398	42,954,627	171,818,508	351,609,697	1,041,273,906	33.77%
2001	298,212,070	852,034,486	8,091,530	9,194,920	44,057,644	176,230,576	350,361,244	1,037,459,982	33.77%
2000	289,906,000	828,302,857	9,023,950	10,254,489	42,894,242	171,576,968	341,824,192	1,010,134,314	33.84%
1999	258,091,360	737,403,886	9,032,600	10,264,318	40,554,682	162,218,728	307,678,642	909,886,932	33.82%
1998	255,717,300	730,620,857	9,009,210	10,237,739	41,411,446	165,645,784	306,137,956	906,504,380	33.77%
1997	249,382,500	712,521,429	9,236,970	10,496,557	39,680,411	158,721,644	298,299,881	881,739,630	33.83%
1996	213,451,620	609,861,771	9,673,020	10,992,068	40,878,578	163,514,312	264,003,218	784,368,151	33.66%

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

(1) This amount is calculated based on the following percentages:

Real estate is assessed at 35 percent of actual value.

Public utility property is assessed at 88 percent of actual value.

Tangible personal property is assessed at 25 percent of actual value for capital assets and 24 percent for inventory.

**Tallmadge City School District  
Property Tax Rates - Direct and Overlapping Governments  
(Per \$1,000 Assessed Valuation)  
Last Ten Years**

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Year	School Levy	County Levy	Tallmadge City Levy	Munroe Falls Levy	Akron Summit Library Levy	Total Levy
2005	\$64.42	\$13.07	\$6.15	\$7.86	\$2.14	\$93.64
2004	59.73	13.07	6.15	7.86	0.78	87.59
2003	54.80	13.07	6.15	7.88	1.59	83.49
2002	59.73	13.07	6.15	8.10	1.35	88.40
2001	53.63	13.07	6.15	7.70	1.39	81.94
2000	53.68	12.27	6.15	8.10	1.39	81.59
1999	53.83	12.27	6.15	8.45	1.79	82.49
1998	53.83	11.65	6.15	8.45	1.87	81.95
1997	53.83	11.39	7.66	7.05	0.89	80.82
1996	54.03	13.99	7.66	6.55	0.89	83.12

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



**Tallmadge City School District  
Ratio of Net General Obligation Bonded Debt to  
Assessed Value and Net General Obligation Bonded Debt Per Capita  
Last Ten Years**

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Bonded Debt Per Capita
2005	\$30,307,000	\$405,109,062	16,390	7.48%	\$1,849.12
2004	173,000	344,888,951	16,390	0.05%	10.56
2003	63,510	396,736,967	16,390	0.02%	3.87
2002	184,140	358,257,554	16,390	0.05%	11.23
2001	349,222	349,222,092	16,390	0.10%	21.31
2000	335,034	339,507,972	16,390	0.10%	20.44
1999	507,982	308,535,406	15,300	0.16%	33.20
1998	662,012	304,406,921	15,300	0.22%	43.27
1997	538,464	299,498,048	15,300	0.18%	35.19
1996	434,359	264,003,218	15,300	0.16%	28.39

Source:

- (1) School District Financial Records.
- (2) Summit County Fiscal Officer and Portage County Auditor.
- (3) U.S. Census of Population, 2000 Federal Census and 1990 Federal Census.

**Tallmadge City School District**  
**Computation of Legal Debt Margin**  
**June 30, 2005**

---

Assessed Valuation	<u>\$405,109,062</u>
Debt Limit - 9% of Assessed Value (1)	<u>\$36,459,816</u>
Outstanding Debt:	
Bus Acquisition Bonds	117,000
School Facilities Bonds	30,190,000
Exemptions:	
Bus Acquisition Bonds	<u>(117,000)</u>
<i>Overall Debt Margin</i>	<u><u>\$66,649,816</u></u>
Debt Limit - .10% of Assessed Value (1)	\$405,109
Amount of Debt Applicable	<u>0</u>
<i>Unvoted Debt Margin</i>	<u><u>\$405,109</u></u>

Source: Summit County Fiscal Officer, Portage County Auditor and School District Financial Records.

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

**Tallmadge City School District  
 Computation of Direct and Overlapping General Obligation Bonded Debt  
 June 30, 2005**

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
<b><u>Direct</u></b>			
Tallmadge City School District	\$30,307,000	100.00%	\$30,307,000
<b><u>Overlapping</u></b>			
City of Tallmadge	9,128,310	97.98%	8,943,918
Akron-Summit County Library	60,679,269	4.99%	3,027,896
Summit County	82,679,464	3.34%	2,761,494
METRO Transit	1,680,000	3.34%	56,112
Brimfield Township	35,000	3.02%	1,057
City of Munroe Falls	2,355,000	1.31%	30,851
Portage County	<u>13,297,957</u>	0.18%	<u>23,936</u>
Total Overlapping	<u>169,855,000</u>		<u>14,845,264</u>
Total	<u><u>\$200,162,000</u></u>		<u><u>\$45,152,264</u></u>

Source: School District Records, City of Tallmadge, Summit County Fiscal Officer.  
 Data is presented on a calendar year basis consistent with the County and City methods of presentation.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2003 collection year.

**Tallmadge City School District  
Ratio of Annual Debt Service Expenditures For  
General Obligation Bonded Debt to Total Governmental Expenditures  
Last Ten Fiscal Years**

Year	Principal	Interest	Total Debt Service	Total Governmental Expenditures	Ratio of Debt Service to Governmental Expenditures
2005	\$56,000	\$461,866	\$517,866	\$26,219,452	1.98%
2004	63,510	7,135	70,645	24,963,000	0.28%
2003	120,630	9,317	129,947	22,071,925	0.59%
2002	171,881	18,124	190,005	20,419,824	0.93%
2001	163,257	25,233	188,490	19,157,028	0.98%
2000	298,022	37,580	335,602	18,871,890	1.78%
1999	154,359	31,336	185,695	19,582,637	0.95%
1998	96,075	25,300	121,375	16,726,812	0.73%
1997	45,895	20,632	66,527	16,587,602	0.40%
1996	43,814	22,713	66,527	14,161,414	0.47%

Source: School District Financial Records.

**Tallmadge City School District  
Property Value and Building Permits  
Last Ten Years**

---

<u>Year</u>	<u>Property Value (1) (Real Estate Only)</u>	<u>Value of Building Permits Issued</u>
2005	\$359,798,560	\$22,416,912
2004	347,800,570	20,722,886
2003	340,787,900	21,377,220
2002	301,439,600	24,878,720
2001	298,212,070	24,466,996
2000	289,906,000	18,475,644
1999	258,091,360	25,243,549
1998	255,717,300	18,582,451
1997	249,382,500	19,771,078
1996	213,451,620	18,703,936

Sources: Summit County Fiscal Officer and Portage County Auditor  
Building Department reports.

(1) Represents assessed value.

**Tallmadge City School District  
Demographic Statistics  
Last Ten Years**

---

Year	Summit County Population (1)	Tallmadge CSD Area Population (1)	School Enrollment (2)	Unemployment Rate (3)
2005	546,773	16,390	2,798	6.1%
2004	546,773	16,390	2,733	6.3%
2003	542,899	16,390	2,728	4.6%
2002	542,899	16,390	2,696	4.6%
2001	542,899	16,390	2,659	4.3%
2000	542,899	16,390	2,655	3.6%
1999	514,990	15,300	2,635	4.9%
1998	514,990	15,300	2,662	3.7%
1997	514,990	15,300	2,720	4.0%
1996	514,990	15,300	2,671	4.2%

Source:

- (1) U.S. Census of Population, 2000 Federal Census and 1990 Federal Census.
- (2) School District Financial Records.
- (3) Ohio Department of Unemployment Services.

**Tallmadge City School District  
Principal Taxpayers  
Real Estate Tax  
December 31, 2004**

---

Name of Taxpayer	Assessed Value (1)	Percent of Real Property Assessed Value
Eastwood Square Associates LTD	\$2,759,100	0.79%
Tallmadge Oaks LTD	2,392,550	0.69%
Big Zilla Development LLC	2,352,310	0.68%
Tallmadge Associates	2,292,670	0.66%
Saxon Village Limited	1,908,730	0.55%
Commercial Properties, Inc.	1,617,150	0.46%
Colonial Gardens, Inc.	1,568,590	0.45%
Myers Family Limited Partnership	1,544,060	0.44%
Mindale Farms, Co.	1,506,600	0.43%
Cooper Equities Co., LTD	<u>1,408,030</u>	<u>0.40%</u>
<i>Total</i>	<u><u>\$19,349,790</u></u>	<u><u>5.56%</u></u>

Source: Summit County Fiscal Officer.

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

**Tallmadge City School District  
Principal Taxpayers  
Tangible Personal Property Tax  
December 31, 2004**

---

Name of Taxpayer	Assessed Value (1)	Percent of Tangible Property Assessed Value
AutoSales, Inc.	\$4,781,730	12.04%
Owens Corning	4,545,250	11.45%
Leppo, Inc.	4,176,090	10.52%
Waltco Truck Equipment Company	2,227,070	5.61%
Steere Enterprises, Inc.	1,795,190	4.52%
Mark-Glen, Inc.	1,786,190	4.50%
Star Chevrolet, Inc.	1,709,650	4.31%
Horton Manufacturing Company., Inc.	1,612,310	4.06%
Comdoc, Inc.	1,273,670	3.21%
The Martin Wheel Company, Inc.	1,134,650	2.86%
Summit Plastic Company	903,190	2.27%
<i>Total</i>	<u>\$25,944,990</u>	<u>65.35%</u>

Source: Summit County Fiscal Officer.

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



**Tallmadge City School District  
Principal Taxpayers  
Public Utilities Tax  
December 31, 2004**

---

Name of Taxpayer	Assessed Value (1)	Percent of Public Utilities Assessed Value
Ohio Bell Telephone	\$2,568,730	34.79%
Ohio Edison	2,403,290	32.55%
American Transmission	453,740	6.14%
East Ohio Gas	441,660	5.98%
Ohio T & T	292,780	3.96%
<i>Total</i>	\$6,160,200	83.42%

Source: Summit County Fiscal Officer.

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

**Tallmadge City School District  
Per Pupil Cost  
Last Ten Fiscal Years**

---

Year	Governmental Fund Expenditures	Average Daily Student Enrollment	Per Pupil Cost
2005	\$26,264,576	2,798	\$9,387
2004	24,973,690	2,733	9,138
2003	22,071,925	2,728	8,091
2002	20,419,824	2,696	7,574
2001	19,157,028	2,659	7,205
2000	18,871,890	2,655	7,108
1999	19,582,637	2,635	7,432
1998	16,726,812	2,662	6,284
1997	16,587,602	2,720	6,098
1996	14,161,414	2,671	5,302

Source: School District Financial Records.

**Tallmadge City School District  
Teacher Education and Experience  
June 30, 2005**

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<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	34	17.35%
Bachelor + 15	15	7.65%
Bachelor + 30	16	8.16%
Bachelor + 45	20	10.20%
Master's Degree	55	28.06%
Master's + 15	<u>56</u>	<u>28.57%</u>
<i>Total</i>	<u><u>196</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	52	26.53%
6 - 10	43	21.94%
11 and Over	<u>101</u>	<u>51.53%</u>
Total	<u><u>196</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records.





**Auditor of State  
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

**TALLMADGE CITY SCHOOL DISTRICT**

**SUMMIT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 21, 2006**