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## **TALAWANDA SCHOOL DISTRICT**

Single Audit Reports

Year Ended June 30, 2010



**CLARK SCHAEFER HACKETT**  
STRENGTH IN NUMBERS





# Dave Yost • Auditor of State

Board of Education  
Talawanda School District  
131 W. Chestnut Street  
Oxford, Ohio 45056

We have reviewed the *Independent Auditors' Report* of the Talawanda School District, Butler County, prepared by Clark, Schafer, Hackett & Co., for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

March 15, 2011

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Talawanda School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2010

<u>Federal Grantor/Program Title</u>	<u>Pass-Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u> (Passed through Ohio Department of Education)				
Team Nutrition Grant	n/a	10.574	\$ 2,000	1,980
Nutrition Cluster:				
<i>Non-Cash Assistance (Food Distribution):</i>				
National School Lunch Program	n/a	10.555	47,793	47,793
<i>Cash Assistance:</i>				
School Breakfast Program	05PU-2010	10.553	87,299	87,299
National School Lunch Program	LLP4-2010	10.555	354,658	354,658
<i>Cash Assistance Subtotal</i>			<u>441,957</u>	<u>441,957</u>
Nutrition Cluster Total			<u>489,750</u>	<u>489,750</u>
Total U.S. Department of Agriculture			<u>491,750</u>	<u>491,730</u>
<u>U.S. Department of Education:</u> (Passed through Ohio Department of Education)				
Title I, Part A Cluster:				
Title I Grants to Local Educational Agencies	C1S1-2010	84.010	374,545	351,358
Title I Grants to Local Educational Agencies	C1S1-2009	84.010	31,157	31,273
ARRA - Title I Grants to Local Educational Agencies	C1S1-2010	84.389	101,570	89,449
			<u>507,272</u>	<u>472,080</u>
Special Education Cluster:				
Special Education - Grants to States	6BSF-2010	84.027	530,012	520,606
Special Education - Grants to States	6BSF-2009	84.027	57,575	63,301
ARRA - Special Education - Grants to States	6BSF-2010	84.391	295,164	272,005
Special Education - Preschool Grants	PGS1-2010	84.173	8,395	6,843
Special Education - Preschool Grants	PGS1-2009	84.173	909	1,502
ARRA - Special Education - Preschool Grants	PGS1-2010	84.392	23,492	23,492
			<u>915,547</u>	<u>887,749</u>
Safe and Drug-Free Schools and Communities	DRS1-2010	84.186	8,365	7,460
Safe and Drug-Free Schools and Communities	DRS1-2009	84.186	1,479	1,708
			<u>9,844</u>	<u>9,168</u>
ARRA - State Fiscal Stabilization Fund	ARRA -2010	84.394	530,171	547,445
Education Technology State Grants	TJS1-2010	84.318	3,407	3,407
Education Technology State Grants	TJS1-2009	84.318	-	961
			<u>3,407</u>	<u>4,368</u>
English Language Acquisition Grants	T3S1/T3S2-2010	84.365	19,946	17,468
English Language Acquisition Grants	T3S1/T3S2-2009	84.365	-	2,706
			<u>19,946</u>	<u>20,174</u>
Improving Teacher Quality State Grants	TRS1-2010	84.367	130,908	124,933
Improving Teacher Quality State Grants	TRS1-2009	84.367	9,570	9,765
			<u>140,478</u>	<u>134,698</u>
Total U.S. Department of Education			<u>2,126,665</u>	<u>2,075,682</u>
Total Federal Awards			<u>\$ 2,618,415</u>	<u>2,567,412</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the entitlement value of the commodities received and disbursed.

NOTE C - NUTRITION CLUSTER

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

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Education  
Talawanda School District:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Talawanda School District (the "School District") as of and for the year ended June 30, 2010, which collectively comprise the School District's basic financial statements and have issued our report thereon dated January 28, 2011. 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 the School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we consider the deficiency labeled as 2010-1 described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the School District in a separate letter dated January 28, 2011.

The School District's response to the finding identified in our audit is described in accompanying schedule of findings and questioned costs. We did not audit the School District's response and, accordingly, we express no opinion on it.

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

*Clark, Schaefer, Hachett & Co.*

Cincinnati, Ohio  
January 28, 2011



## **REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Education  
Talawanda School District:

### **Compliance**

We have audited Talawanda School District's (the "School District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2010. The School District's major federal programs are identified in the summary of auditors' 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 the School District's management. Our responsibility is to express an opinion on the 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 the 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 the School District's compliance with those requirements.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questions costs as item 2010-2.

### **Internal Control Over Compliance**

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-2. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The School District's response to the finding identified in our audit is described in accompanying schedule of findings and questioned costs. We did not audit the School District's response and, accordingly, we express no opinion on it.

#### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of and for the year ended June 30, 2010, and have issued our report thereon dated January 28, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Clark, Schaefer, Harkett & Co.*

Cincinnati, Ohio  
January 28, 2011

**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	yes
Noncompliance material to the financial statements noted?	none

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	yes
Type of auditors’ report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	yes

Identification of major programs:

*Special Education Cluster:*  
*CFDA 84.027 – Special Education Grants to States*  
*CFDA 84.391 – Special Education Grants to States - ARRA*  
*CFDA 84.173 – Special Education Preschool Grants*  
*CFDA 84.392 – Special Education Preschool Grants - ARRA*

*Title I, Part A Cluster:*  
*CFDA 84.010 - Title I Grants to Local Educational Agencies*  
*CFDA 84.389 - Title I Grants to Local Educational Agencies - ARRA*

*CFDA 84.394 – State Fiscal Stabilization Fund - ARRA*

Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

## Section II – Financial Statement Findings

### Finding 2010-1 – Schedule of Expenditures of Federal Awards

In accordance with the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, management is responsible for identifying all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity. During our testing, we noted the School District's schedule of expenditure of federal awards did not include the State Fiscal Stabilization Grant - CFDA 84.394, a Type A program. Omission of a federal program from the schedule of expenditures of federal awards could result in the incorrect determination of federal programs required to be tested. We recommend the School District review fiscal year activity to ensure that all federal programs have been accounted for accurately on the schedule.

*Management response: Management concurs with the finding.*

### Section III – Federal Award Findings and Questioned Costs

#### DEPARTMENT OF EDUCATION

Finding 2010-2 – Special Education Cluster - CFDA No. 84.027, CFDA No. 87.173, CFDA No. 84.391 and CFDA No. 84.392 and Title I, Part A Cluster – CFDA No. 84.010 and CFDA No. 84.389

*Condition:* We performed tests to determine if the School District was properly preparing semi-annual certifications for employees that work solely on a specific federal program to support salaries and wages. We noted these certifications were not prepared for employees to support salaries and wages.

*Criteria:* OMB Circular A-87, Attachment B states that where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages are to be supported by periodic certifications that the employee worked solely on that program for the period covered by the certification. These certifications are to be prepared at least semi-annually and will be signed by the employee and supervisor or just the supervisor, if they have firsthand knowledge of the information contained in the certification.

*Effect:* Lack of proper documentation could result in disallowed costs for the School District's federal programs.

*Cause:* The School District lacked procedures to ensure the proper completion of certifications on a semi-annual basis.

*Recommendation:* We recommend the School District implement procedures to ensure these semi-annual certificates are prepared timely to comply with federal regulations.

*Management's Response* The School District will develop a process for all federal program coordinators which will include a timeline for the semi-annual certifications to be completed.

### Section IV – Summary of Prior Audit Findings and Questioned Costs

None.

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TALAWANDA SCHOOL DISTRICT

BUTLER COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Year Ended June 30, 2010

# Talawanda School District Oxford, Ohio

Comprehensive Annual Financial Report  
For the Year ended June 30, 2010

## Board of Education

Darrell Smith	-	Board President
Mark Butterfield	-	Board Vice-President
Mary Jane Roberts	-	Board Member
Mike Crowder	-	Board Member
Lois Vollmer	-	Board Member

## Superintendent of Schools

Dr. Philip F. Cagwin

## Issued By

Treasurer's Office

Michael S. Davis, CFO/Director of Business Affairs



Talawanda School District  
Board of Education



**Darrell Smith – President**



**Mark Butterfield – Vice-President**



**Lois Vollmer – Member**



**Mary Jane Roberts – Member**



**Mike Crowder - Member**



**Philip F. Cagwin –Superintendent**



**Michael S. Davis, CFO**

**TALAWANDA SCHOOL DISTRICT, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2010**

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# **Introductory Section**

## **New Talawanda High School**





## Talawanda School District

131 West Chestnut St.  
Oxford, Ohio 45056  
Phone:513-273-3107  
Fax:513-273-3113  
[www.talawanda.net](http://www.talawanda.net)

January 28, 2011

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

Ohio law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Talawanda School District for the year ended June 30, 2010.

This report consists of management's representations concerning the finances of the Talawanda School District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Talawanda School District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Talawanda School District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Talawanda School District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best our knowledge and belief, this financial report is complete and reliable in all material respects.

The Talawanda School District's financial statements have been audited by Clark, Schaefer, Hackett & Co., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Talawanda School District for the year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Talawanda School District's financial statements for the year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Talawanda School District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only to the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Talawanda School District's separately issue Single Audit Report.

Generally accepted accounting principles (GAAP) require 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 Talawanda School District's MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE SCHOOL DISTRICT**

The Talawanda School District is located in the northwestern section of Butler County, Ohio, and encompasses the City of Oxford. The School District has an area of 145 square miles and an approximate residential population of 19,000 and an approximate University population of 16,000. The School District is primarily a residential and farming community. The Talawanda School District had 3,092 students enrolled in its two elementary schools, middle school, and high school during the year ended June 30, 2010. In addition to the schools listed, the School District maintained and operated a transportation facility, maintenance building, central office building, and several sports fields.

A five member Board of Education serves as the taxing authority, contracting body, and policy maker for the Talawanda School District. The Board adopts the annual operating budget, tax budget and approves all expenditures of School District tax moneys. The Superintendent is the chief executive officer of the School District, responsible to the Board for total education and support operations. The Treasurer is the chief financial officer of the School District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the School District, acting as custodian of all School District funds and investment of idle funds as specified by Ohio law. Other Board appointed officials, reporting to the Superintendent, are an Assistant Superintendent, building principals, and directors of various educational and support services.

The Talawanda School District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general and college preparatory levels; a broad range of co-curricular and extracurricular activities; adult and community education offerings; special education programs and facilities; and community recreation facilities. In addition to providing these general activities, the School District acts as fiscal agent for State funds distributed to private schools located within the School District boundaries; therefore this activity is included in the reporting entity. The McGuffey Foundation School is the only school served. While the McGuffey Foundation shares operational and service similarities with the School District, each are separate and distinct entities. Because of its independent nature, the McGuffey Foundation School's financial statements are not included in this report.

## **FACTORS AFFECTING FINANCIAL CONDITION:**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Talawanda School District operates.

### **Local Economy**

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

The community is primarily an outgrowth of the development of Miami University, a state university. Miami University continues to play a prominent role in the development of the community. The property of the University is tax exempt and thus does not support the School District. As the largest employer, the University, its students and its faculty have the primary impact on the economy. The University has recently experienced some financial setbacks including declining investment income due to an erosion in its endowment base and funding cuts from the state. The University has announced budget cuts totaling about \$40 million over the next several years.

The School District's economy is not solely tied to the University. Besides secondary education and healthcare employers, many of our residents commute to the Cincinnati and Dayton areas each day. In general, the earlier economic growth of the School District has slowed due to the recession resulting in downward pressure on both Residential/Agriculture property tax collections and the 1% school district income tax revenue. Commercial development has also slowed in the School District and within the Oxford City limits due to the downturn in the economy. In 1999, Oxford created a Community Improvement Corporation (CIC) to promote economic development within the City and Oxford Township and the District's CFO is a voting member of this Board.

### **Long-Term Financial Planning**

Enrollment for the School District has steadily declined by almost 8% over the course of the past decade. However, enrollment did show some slight growth during fiscal years 2007 to 2009 and then flattened out in fiscal 2010. The district's Five Year forecast is conservative and assumes enrollment will remain flat at 3,092 students through 2015.

The School District opened its new 53,000 square foot Bogan Elementary school in August 2006 and a new 190,000 square foot high school is scheduled to open December 2011. Additionally, the district's Board of Education has already passed a resolution of intent to replace its 57,000 square foot Kramer Elementary school with new building on the existing Kramer site. This new Kramer project would be financed by OSFC's 24% co-funded monies (see below) and is expected to begin circa 2013.

The other two remaining buildings (a 106,000 square foot middle school and a 51,000 elementary school) will be remodeled in future years as part of the final steps to complete the School District's Master Plan.

The OSFC requires district's to set-aside .5 mills for maintenance of new buildings and these funds will be appropriated from the School District's existing 2.0 mill Permanent Improvement levy.



During the 2008-2009 school year, the Talawanda School District continued its participation in the Ohio School Facilities Commission Expedited Local Partnership Program Assessment Plan. This program enabled a group of architects employed by the Ohio School Facilities Commission to assess the condition of School District facilities to allow for state funding for school facilities. As a result of this study, the Talawanda Board of Education developed a facilities master plan to meet the needs of the School District for the next several years. In November 2008, voters of the Talawanda School District approved a 4.7 mill bond issue to construct a new \$46 million high school on a new site. Based on the School District's wealth factor, the state should provide a 24% match on the new project. While the state does not anticipate that funding would be available for the Talawanda School District until 2013, the School District would be permitted to proceed under the Expedited Local Partnership Program with the understanding that state funding would be credited at that time.

The Talawanda School District prepares a five-year forecast outlining operational revenues and expenditures based on current assumptions. The five-year forecast must be filed with the Ohio Department of Education in October of each year and then revised the following May. The five-year forecast is used as a management tool in determining the operational needs of the School District. Ohio law prohibits a school district from closing its doors due to lack of funds. It is the responsibility of the Board of Education to ensure the School District presents a balanced budget on an annual basis. The five-year forecast provides management with essential information needed to seek additional revenue or to reduce services in order to maintain a balanced budget.

## **AWARDS AND ACKNOWLEDGEMENTS:**

### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the School District for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2009. This was the eighteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### **ASBO Certificate of Excellence**

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the year ended June 30, 2009, to the School District. The Certificate of Excellence is the highest form of recognition for excellence in school district financial reporting and was awarded for this School District's eighteenth annual report produced under Generally Accepted Accounting Principles.

This award certifies that the Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. Management

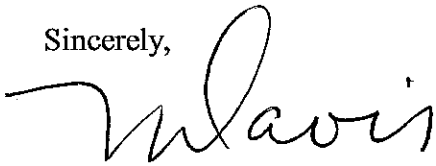
This award certifies that the Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. Management believes that the Comprehensive Annual Financial Report for the year ended June 30, 2010, will also conform to its principles and standards.

**Acknowledgments**

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

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

Sincerely,



Michael S. Davis  
CFO/Director of Business Affairs



Dr. Philip F. Cagwin  
Superintendent of Schools

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Talawanda City School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

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.



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**TALAWANDA CITY SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2009

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

President

Executive Director

TALAWANDA SCHOOL DISTRICT  
APPOINTED OFFICIALS  
AS OF JUNE 30, 2010

<u>Official</u>	<u>Title</u>
Dr. Philip Cagwin	Superintendent
Michael S. Davis, CPA	CFO/Director of Business Affairs
Kelly Spivey	Assistant Superintendent
David McDaniel	Director of Technology
Susan Meyer	Director of Special Education

<u>Elected Officials</u>	<u>Term Expiration</u>
Mary Jane Roberts	December 31, 2013
Lois Vollmer	December 31, 2013
Mark Butterfield	December 31, 2011
Mike Crowder	December 31, 2011
Darrell Smith	December 31, 2011

TALAWANDA SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS  
AS OF JUNE 30, 2010

Architects

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

Construction Managers

Skillman Corporation  
3834 S. Emerson Avenue  
Indianapolis, Indiana 46203

Bond Council

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

Independent Auditor

Clark, Schaefer, Hackett & Co.  
105 East Fourth Street  
16<sup>th</sup> Floor  
Cincinnati, Ohio 45202

Investment Counselors

RBC Capital Markets  
Municipal Bonds and Investment Securities  
414 Walnut Street  
Cincinnati, OH 45202

Legal Council

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

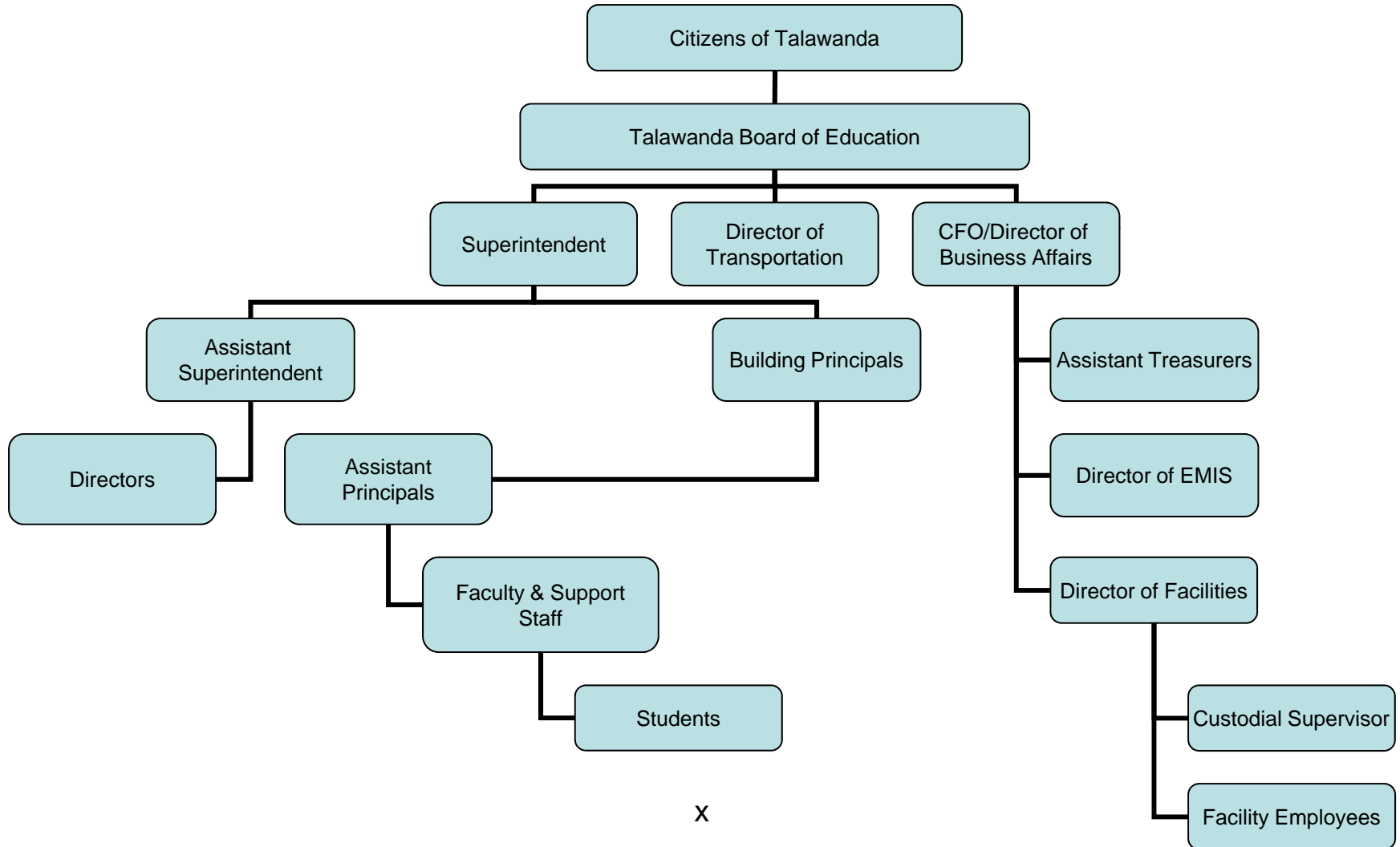
Official Depositories

First Financial Bank  
25 W. High Street  
Oxford, OH 45056

Workers Compensation

The Sheakley Group of Companies  
100 Merchant Street, Suite 100  
Cincinnati, Ohio 45246

# Talawanda School District, Ohio Organizational Chart As of June 30, 2010



# Financial Section

## New Talawanda High School





## **INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Talawanda School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Talawanda School District (the "School District") as of and for the year ended June 30, 2010, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on the financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Talawanda School District as of June 30, 2010, and the respective changes in financial position 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 our report dated January 28, 2011 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 considered in assessing the results of our audit.

The management's discussion and analysis and the budgetary comparison information on pages 3 through 11 and 46 through 49, respectively, are not a required part of the basic financial statements but are 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 required supplementary information. However, we did not audit the information and express no opinion on it.

105 east fourth street, ste. 1500  
cincinnati, oh 45202

www.cshco.com  
p. 513.241.3111  
f. 513.241.1212

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Clark, Schaefer, Hachett & Co.*

Cincinnati, Ohio  
January 28, 2011

## TALAWANDA SCHOOL DISTRICT, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) Year Ended June 30, 2010

This discussion and analysis provides key information from management highlighting the overall financial performance of the Talawanda School District for the year ended June 30, 2010. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the School District's financial statements.

#### Financial Highlights

Major financial highlights for fiscal year 2010 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by \$28,133,232. Of this amount, \$14,044,013 may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ In total, net assets increased by \$3,520,424.
- ✓ The School District had \$35,588,613 in expenses related to governmental activities; only \$4,528,718 of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$34,580,319, made up primarily of property and income taxes as well as State Foundation payments, was used to provide for these programs.
- ✓ The General Fund fund balance increased by \$1,674,322 from \$12,537,159 at June 30, 2009 to \$14,211,481 at June 30, 2010.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2010**  
**Unaudited**

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**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the School District's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all of the School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include instruction, support services, administration, operation and maintenance of plant, and extracurricular activities. The School District has no business-type activities.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
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**Unaudited**

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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between government funds and governmental activities.

The School District accounts for its activities using many individual governmental funds. The most significant funds, known as major funds, are reported in separate columns in the governmental fund financial statements. These statements provide detailed information about the individual major funds – unlike the government-wide financial statements, which report on the School District as a whole. The School District has three major funds: the General Fund, the Debt Service Fund, and the Building Construction Fund. Data for the other governmental funds is combined into a single aggregated presentation.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs.

**Notes to the basic financial statements.** The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the budget for the General Fund. The combining statements for nonmajor governmental funds are presented immediately following the required supplementary information.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2010**  
**Unaudited**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**A. Net assets at year-end**

The following table presents a condensed summary of the School District's overall financial position at June 30, 2010 and 2009:

**Governmental Activities**

		<u>FY10</u>	<u>FY09</u>
Current and other assets	\$	83,567,934	49,871,189
Capital assets		<u>27,437,532</u>	<u>22,418,789</u>
Total assets		<u>111,005,466</u>	<u>72,289,978</u>
Long-term liabilities outstanding		57,427,562	13,207,170
Other liabilities		<u>25,444,672</u>	<u>34,470,000</u>
Total liabilities		<u>82,872,234</u>	<u>47,677,170</u>
Net assets:			
Invested in capital assets, net of debt		11,185,965	9,065,176
Restricted:			
For capital projects		90,422	2,334,673
For debt service		2,448,652	2,448,779
For other purposes		364,180	258,848
Unrestricted		<u>14,044,013</u>	<u>10,505,332</u>
Total net assets	\$	<u><u>28,133,232</u></u>	<u><u>24,612,808</u></u>

A large portion of the School District's net assets (40%) reflects its investment in capital assets, less any related debt to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The balance of unrestricted net assets (\$14,044,013) may be used to meet the government's ongoing obligations to citizens and creditors.

In October 2009, the School District issued \$46 million in Series 2009 school improvement bonds to finance the construction of a new high school building. Current assets increased by approximately \$34 million primarily due to the remaining bond proceeds in cash and investments. Capital assets increased by \$5 million due to the ongoing construction of the new high school building. Long-term liabilities increased by \$44 million due to the aforementioned bond issuance, net of the first principal payment made on these bonds during the fiscal year. The School District paid off its \$10 million in outstanding bond anticipation notes during the year, leading to the decrease in other liabilities.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2010**  
**Unaudited**

**B. Governmental Activities during fiscal year 2010**

The following table presents a condensed summary of the School District's activities during fiscal year 2010 and 2009 and the resulting change in net assets:

	<b>FY10</b>	<b>FY09</b>
<b>Revenues:</b>		
Program revenues:		
Charges for services and sales	\$ 1,765,045	1,882,534
Operating grants and contributions	2,763,673	1,679,305
Capital grants and contributions	-	42,116
Total program revenues	<u>4,528,718</u>	<u>3,603,955</u>
General revenues:		
Taxes	22,335,749	21,182,623
Grants and entitlements	11,566,756	11,358,072
Investment earnings	290,843	388,995
Miscellaneous	386,971	478,193
Total general revenues	<u>34,580,319</u>	<u>33,407,883</u>
<b>Total revenues</b>	<u>39,109,037</u>	<u>37,011,838</u>
<b>Expenses:</b>		
Instruction	18,728,606	18,684,702
Support services:		
Pupil	1,965,441	1,866,070
Instructional staff	2,096,062	1,947,019
Board of Education	56,906	62,513
Administration	2,252,631	2,172,472
Fiscal	1,288,612	1,193,338
Business	1,330	4,663
Operation and maintenance of plant	3,243,731	3,067,060
Pupil transportation	2,332,428	2,070,601
Central	100,370	116,155
Non-instructional services	794,801	822,059
Interest on long-term debt	1,647,820	544,786
Food services	1,079,875	1,158,780
<b>Total expenses</b>	<u>35,588,613</u>	<u>33,710,218</u>
<b>Change in net assets</b>	<u>\$ 3,520,424</u>	<u>3,301,620</u>

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2010**  
**Unaudited**

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Of the total governmental activities revenues of \$39,109,037, \$4,528,718 is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, \$22,335,749 (65%) comes from property and income taxes and \$11,566,756 (33%) is from state funding. The School District's operations are reliant upon its property tax levy, income taxes and the state's foundation program.

In total, revenues grew by about 6% during the current year, with most of that increase coming from operating grants and contributions and taxes. The increase in operating grants and contributions was largely due to additional funding under the American Reinvestment and Recovery Act of 2009. The increase in taxes was due to the School District benefiting from a full year to collect the property taxes from the 4.7 mill bond levy that was passed in November 2008. Total expenditures increased by 6%, largely due to the first interest payment made on Series 2009 school improvement bonds.

***Governmental Activities***

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 13% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$18,728,606 but program revenue contributed to fund 13% of those costs. Thus, general revenues of \$16,324,260 were used to support the remainder of the instruction costs.

**Governmental Activities**

	<b><u>Total Cost of Services</u></b>	<b><u>Program Revenue</u></b>	<b><u>Revenues as a % of Total Costs</u></b>	<b><u>Net Cost of Services</u></b>
Instruction	\$ 18,728,606	2,404,346	13%	16,324,260
Support services	13,337,511	853,575	6%	12,483,936
Non-instructional services	794,801	138,819	17%	655,982
Food service	1,079,875	1,131,978	105%	(52,103)
Interest on long-term debt	<u>1,647,820</u>	<u>-</u>	0%	<u>1,647,820</u>
<b>Total</b>	\$ <u><u>35,588,613</u></u>	<u><u>4,528,718</u></u>	<u><u>13%</u></u>	<u><u>31,059,895</u></u>



**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2010**  
**Unaudited**

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**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS**

**Governmental funds**

The School District has three major governmental funds: the General Fund, the Debt Service Fund, and the Building Construction Fund. Assets of these funds comprise \$79,093,010 (95%) of the total \$82,918,878 governmental funds assets.

**General Fund.** Fund balance at June 30, 2010 was \$14,211,481, including \$13,598,950 of unreserved balance, which represents 48% of expenditures for fiscal year 2010. Overall, revenues exceeded expenditures by approximately \$1,674,000, which is comparable to the prior fiscal year.

**Debt Service Fund.** The Debt Service Fund had a fund balance at June 30, 2010 of \$2,533,009, an increase of \$99,026, or 4%, over the prior fiscal year. The Debt Service Fund is used to accumulate resources to retire the School District's general obligation bonds. All required bond payments were made as schedule during the current fiscal year.

**Building Construction Fund.** The Building Construction Fund had a fund balance at June 30, 2010 of \$37,659,105, an increase of \$39,679,259 over the prior fiscal year, due to receiving \$36 million in proceeds from the issuance of the Series 2009 school improvement bonds to finance the construction of the new high school building.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The schedule comparing the School District's original and final budgets and actual results are included in the required supplementary information. Significant differences between the original and final budget are as follows:

Total budgeted revenues only decreased by less than 1.0% from the original to the final budgets. Total budgeted expenditures decreased 4.9% from the original to the final budgets. The decreases were due to lower than expected salary and related benefit increases and lower diesel fuel prices.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2010**  
**Unaudited**

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** At June 30, 2010, the School District had \$27,437,532 invested in a broad range of capital assets, including land, buildings, equipment, vehicles, and construction in progress. See Note 7 to the financial statements for more detail.

**Governmental Activities**  
**Capital Assets at Year-End**  
**(Net of Depreciation)**

	<b>FY10</b>	<b>FY09</b>
Land	\$ 2,560,594	2,560,594
Construction in progress	7,600,389	1,391,557
Land improvements	343,646	412,308
Buildings and improvements	15,561,853	16,428,714
Furniture and equipment	1,334,579	1,570,672
Vehicles	36,471	54,944
Total	\$ 27,437,532	22,418,789

The School District continued construction on a new high school during the fiscal year, leading to the increase in capital assets.

**Debt.** As of June 30, 2010, the School District had \$51,525,000 outstanding in general obligation bonds, including \$46,049,669 that was issued in October 2009 to finance the construction of the new high school building. See Note 13 to the financial statements.

**ECONOMIC FACTORS**

A challenge facing the School District is the future of state funds. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The Court found the state's school funding system unconstitutional but declined to retain jurisdiction of the matter meaning the decision included no timeline for compliance or accountability for lack of compliance. The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2010**  
**Unaudited**

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School funding continues to be a complex and unstable issue for Ohio school districts. Last year, Ohio passed House Bill 1, which replaced the traditional pupil based funding calculation for public schools with the Evidence-Based Model formula that purports to fund schools based on educational requirements determined by the Ohio Department of Education. If ever fully-funded, the new model has the potential to drive funding based on student needs and could result in additional revenue. However, the impact of the new model is unclear with uncertainty surrounding Ohio's projected budget deficit for the next biennial budget.

In November 2004, the School District passed a 1% School District Income Tax that has generated over \$5 million annually. The School District is working hard to produce a balanced budget through the 2013-14 school year. In an attempt to identify alternative revenue, the Talawanda Board of Education implemented a policy to accept students from other school districts through open enrollment. Revenue from open enrollment totaled \$349,000 for fiscal year 2010.

In November 2008, the School District passed a 4.7 mill Bond Issue to build a new High School. The total projected cost of the new 189,000 square foot facility is approximately \$46 million. This cost includes land acquisition of a 154 acre parcel of land just south of the Oxford City limits on Route 27. The City has annexed this land and will provide city services (including water and sewer) to the School District's new building

#### **REQUESTS FOR ADDITIONAL INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's office at the Talawanda School District, 131 West Chestnut Street, Oxford, Ohio 45056.

# TALAWANDA SCHOOL DISTRICT, OHIO

## Statement of Net Assets

June 30, 2010

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 59,313,657
Cash with escrow agents	46,580
Receivables:	
Taxes	22,858,599
Accounts	14,071
Intergovernmental	192,901
Interest	245,952
Supplies inventory	23,790
Restricted assets	223,328
Deferred charges	649,056
Nondepreciable capital assets	10,160,983
Depreciable capital assets, net	<u>17,276,549</u>
<b>Total assets</b>	<u>111,005,466</u>
<b>Liabilities:</b>	
Accounts payable	1,663,594
Accrued wages and benefits	3,069,005
Pension obligation payable	806,053
Unearned revenue	19,742,216
Accrued interest payable	163,804
Noncurrent liabilities:	
Due within one year	1,752,026
Due within more than one year	<u>55,675,536</u>
<b>Total liabilities</b>	<u>82,872,234</u>
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	11,185,965
Restricted for:	
Capital projects	90,422
Debt service	2,448,652
Other purposes	364,180
Unrestricted	<u>14,044,013</u>
<b>Total net assets</b>	\$ <u><u>28,133,232</u></u>

See accompanying notes to the basic financial statements.

**TALAWANDA SCHOOL DISTRICT, OHIO**

Statement of Activities

Year Ended June 30, 2010

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Governmental Activities
<b>Governmental Activities:</b>				
Instruction:				
Regular	\$ 14,828,992	1,051,259	146,945	\$ (13,630,788)
Special education	2,859,693	-	1,197,422	(1,662,271)
Other instruction	1,039,921	-	8,720	(1,031,201)
Support services:				
Pupil	1,965,441	-	137,540	(1,827,901)
Instructional staff	2,096,062	-	157,027	(1,939,035)
Board of Education	56,906	-	-	(56,906)
Administration	2,252,631	-	4,504	(2,248,127)
Fiscal	1,288,612	-	-	(1,288,612)
Business	1,330	-	-	(1,330)
Operation and				
maintenance of plant	3,243,731	-	-	(3,243,731)
Pupil transportation	2,332,428	-	554,504	(1,777,924)
Central	100,370	-	-	(100,370)
Non-instructional services:				
Extracurricular activities	667,178	92,246	-	(574,932)
Community service	127,623	-	46,573	(81,050)
Food service	1,079,875	621,540	510,438	52,103
Interest on long-term debt	1,647,820	-	-	(1,647,820)
<b>Total Governmental Activities</b>	<b>\$ 35,588,613</b>	<b>1,765,045</b>	<b>2,763,673</b>	<b>(31,059,895)</b>

**General Revenues:**

Property taxes, levied for general purposes	12,498,724
Property taxes, levied for debt services	3,398,287
Property taxes, levied for capital projects	1,162,120
Income taxes	5,276,618
Grants and entitlements not restricted to specific programs	11,566,756
Investment earnings	290,843
Miscellaneous	386,971
<b>Total general revenues</b>	<b>34,580,319</b>
Change in net assets	3,520,424
Net assets beginning of year	24,612,808
Net assets end of year	\$ <u>28,133,232</u>

See accompanying notes to the basic financial statements.

## TALAWANDA SCHOOL DISTRICT, OHIO

Balance Sheet  
 Governmental Funds  
 June 30, 2010

	General	Debt Service Fund	Building Construction Fund	Other Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 15,646,193	2,460,377	38,905,275	2,301,812
Restricted cash	223,328	-	-	-
Cash with escrow agents	-	-	46,580	-
Receivables:				
Taxes	17,562,445	3,946,161	-	1,349,993
Accounts	13,511	-	-	560
Accrued interest	45,348	-	200,604	-
Intergovernmental	43,188	-	-	149,713
Supplies inventory	-	-	-	23,790
<b>Total assets</b>	<u>33,534,013</u>	<u>6,406,538</u>	<u>39,152,459</u>	<u>3,825,868</u>
<b>Liabilities:</b>				
Accounts payable	235,041	-	1,370,284	58,269
Accrued wages and benefits	2,809,702	-	-	259,303
Pension obligation payable	765,403	-	-	40,650
Deferred revenue	<u>15,512,386</u>	<u>3,873,529</u>	<u>123,070</u>	<u>1,470,959</u>
<b>Total liabilities</b>	<u>19,322,532</u>	<u>3,873,529</u>	<u>1,493,354</u>	<u>1,829,181</u>
<b>Fund Balances:</b>				
Reserved for:				
Encumbrances	128,545	-	28,751,502	67,164
Budget stabilization	202,876	-	-	-
Textbooks set-aside	20,452	-	-	-
Property taxes	260,658	72,632	-	24,747
Debt service	-	2,460,377	-	-
Unreserved, reported in:				
General Fund	13,598,950	-	-	-
Special Revenue Funds	-	-	-	720,153
Capital Projects Funds	-	-	8,907,603	1,184,623
<b>Total fund balances</b>	<u>14,211,481</u>	<u>2,533,009</u>	<u>37,659,105</u>	<u>1,996,687</u>
<b>Total liabilities and fund balances</b>	\$ <u>33,534,013</u>	<u>6,406,538</u>	<u>39,152,459</u>	<u>3,825,868</u>

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
June 30, 2010

Total Governmental Funds	
59,313,657	<b>Total Governmental Fund Balances</b>
223,328	\$ 56,400,282
46,580	Amounts reported for governmental activities in the statement of net assets are different because:
22,858,599	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.
14,071	27,437,532
245,952	
192,901	Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds.
23,790	1,237,728
82,918,878	
	Deferred charges are not reported in the funds.
	649,056
	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:
1,663,594	General obligation bonds
3,069,005	51,525,000
806,053	Unamortized premiums
20,979,944	1,126,422
26,518,596	Bond accretion
	43,872
	Compensated absences
	2,180,268
	Lease-purchase agreement
	2,552,000
	Accrued interest payable
	163,804
	Total
	(57,591,366)
	Net Assets of Governmental Activities
	\$ <u>28,133,232</u>
13,598,950	
720,153	
10,092,226	
56,400,282	
82,918,878	

## TALAWANDA SCHOOL DISTRICT, OHIO

### Statement of Revenues, Expenditures, and Changes in Fund Balances

#### Governmental Funds

Year Ended June 30, 2010

	General	Debt Service Fund	Building Construction Fund	Other Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 17,663,484	3,362,055	-	1,150,035
Tuition and fees	903,747	-	-	-
Interest	80,398	4,157	114,935	113
Charges for services	-	-	-	769,052
Intergovernmental	10,996,051	425,205	-	2,763,998
Other local revenues	77,600	-	-	401,617
<b>Total revenues</b>	<u>29,721,280</u>	<u>3,791,417</u>	<u>114,935</u>	<u>5,084,815</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	13,330,356	-	-	607,561
Special education	1,858,601	-	-	1,003,198
Other instruction	1,031,389	-	-	8,532
Support services:				
Pupil	1,501,729	-	-	445,965
Instructional staff	1,886,913	-	-	187,528
Board of Education	56,906	-	-	-
Administration	2,143,981	-	-	16,755
Fiscal	1,206,631	49,896	-	21,669
Business	1,330	-	-	-
Operation and maintenance of plant	2,631,743	-	-	11,838
Pupil transportation	1,776,925	-	-	537,007
Central	100,370	-	-	-
Non-instructional services:				
Extracurricular activities	518,084	-	-	127,287
Community service	-	-	-	44,752
Food service	-	-	-	1,054,247
Capital outlay	2,000	-	6,485,345	105,700
Debt Service:				
Principal	-	2,644,669	-	153,000
Bond issuance costs	-	537,274	-	-
Interest and fiscal charges	-	1,296,628	129,167	126,850
<b>Total expenditures</b>	<u>28,046,958</u>	<u>4,528,467</u>	<u>6,614,512</u>	<u>4,451,889</u>
Excess of revenues over (under) expenditures	<u>1,674,322</u>	<u>(737,050)</u>	<u>(6,499,577)</u>	<u>632,926</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	10,129,167	-
Transfers out	-	(10,129,167)	-	-
Proceeds from sale of bonds	-	10,000,000	36,049,669	-
Premium on sale of bonds	-	965,243	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>836,076</u>	<u>46,178,836</u>	<u>-</u>
Net change in fund balance	1,674,322	99,026	39,679,259	632,926
Fund balance, beginning of year	12,537,159	2,433,983	(2,020,154)	1,363,761
Fund balance, end of year	\$ <u>14,211,481</u>	<u>2,533,009</u>	<u>37,659,105</u>	<u>1,996,687</u>

See accompanying notes to the basic financial statements.



Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended June 30, 2010

<p>Total Governmental Funds</p> <hr/> <p>22,175,574</p> <p>903,747</p> <p>199,603</p> <p>769,052</p> <p>14,185,254</p> <p>479,217</p> <hr/> <p>38,712,447</p>	<p><b>Net Change in Fund Balances - Total Governmental Funds</b></p> <p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p> <p style="padding-left: 40px;">Capital outlay <span style="float: right;">6,443,355</span></p> <p style="padding-left: 40px;">Depreciation expense <span style="float: right;">(1,424,612)</span></p> <p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. <span style="float: right;">2,644,669</span></p> <p>Repayment of lease agreements is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net assets. <span style="float: right;">153,000</span></p> <p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. <span style="float: right;">(91,513)</span></p> <p>Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. <span style="float: right;">(205,298)</span></p> <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. <span style="float: right;">396,590</span></p> <p>Amortization of issuance costs, bond accretion, and bond premiums. <span style="float: right;">(3,662)</span></p> <p>In the statement of activities, certain proceeds and costs associated with long-term debt obligations issued during the year are accrued and amortized over the life of the debt obligation. In the governmental funds these proceeds and costs are recognized as debt service expenditures and financing sources and uses.</p> <p style="padding-left: 40px;">Bond proceeds <span style="float: right;">(46,049,669)</span></p> <p style="padding-left: 40px;">Premiums on bonds issued <span style="float: right;">(965,243)</span></p> <p style="padding-left: 40px;">Bond issuance costs <span style="float: right;"><u>537,274</u></span></p> <p>Change in Net Assets of Governmental Activities <span style="float: right;">\$ <u>3,520,424</u></span></p>	<p>\$ 42,085,533</p>
<p>42,085,533</p> <hr/> <p>14,314,749</p> <hr/> <p>56,400,282</p>		

**TALAWANDA SCHOOL DISTRICT, OHIO**

Statement of Net Assets

Fiduciary Funds

June 30, 2010

		Private Purpose Trusts	Agency Funds
		<u>          </u>	<u>          </u>
<b>Assets:</b>			
Equity in pooled cash and investments	\$	<u>9,150</u>	<u>114,364</u>
Total assets		<u><u>9,150</u></u>	<u><u>114,364</u></u>
<b>Liabilities:</b>			
Due to student groups		-	96,291
Due to others		<u>-</u>	<u>18,073</u>
Total liabilities		<u>-</u>	<u><u>114,364</u></u>
<b>Net Assets:</b>			
Held in trust	\$	<u><u>9,150</u></u>	

See accompanying notes to the basic financial statements.

**TALAWANDA SCHOOL DISTRICT, OHIO**

Statement of Changes in Net Assets

Fiduciary Funds

Year Ended June 30, 2010

		<u>Private- Purpose Trusts</u>
<b>Deductions:</b>		
Community gifts, awards and scholarships	\$	<u>500</u>
Total deductions		<u>500</u>
Change in net assets		(500)
Net assets, beginning of year		<u>9,650</u>
Net assets, end of year	\$	<u><u>9,150</u></u>

See accompanying notes to the basic financial statements.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Talawanda School District, Ohio (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. Private-sector standard of accounting and financial reporting issued prior to December 1, 1989 generally are followed in the government-wide financial statements to the extent they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

**A. Reporting Entity**

The School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District operates under a locally elected Board of Education (five members) and is responsible for the education of the residents of the School District.

The reporting entity is comprised of the primary government, which consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, and student related activities. 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 is associated with five organizations, two of which are defined as jointly governed organizations and three as insurance purchasing pools. These organizations include Southwestern Ohio Computer Association, Butler Technology and Career Development Schools, the Ohio School Boards Association Workers' Compensation Group Rating Plan, the Ohio School Plan, and the Butler Health Plan. These organizations are presented in Notes 14 and 15.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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**B. Basis of Presentation**

***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 statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District has no business-type activities.

The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which the governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

***Fund Financial Statements*** Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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**C. Fund Accounting**

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

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

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

*Debt Service Fund* – The debt service fund accounts for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

*Building Construction Fund* – The building construction fund accounts for the activity related to the construction of a new high school.

*Fiduciary Funds* report on net assets and changes in net assets. The School District's fiduciary funds consist of a private-purpose trust funds and agency funds. The School District's private-purpose trust funds account for scholarship programs for students. These assets are not available for the School District's use. Agency funds, used for student activities and unclaimed monies, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and relates to the timing of the measurements made.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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The modified accrual basis of accounting is used by the governmental funds. On a modified accrual basis, revenues are recorded when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, income taxes, interest, tuition, student fees, and grants.

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 except for unmatured principal and interest on general long-term debt which is recognized when due. Allocations of cost, such as depreciation, are not recognized in the governmental funds.

Government-wide financial statements are prepared using the accrual basis of accounting. Also, fiduciary funds utilize accrual accounting. Revenues are recognized when earned and expenses are recognized when incurred.

***Revenues - Exchange and Non-exchange transactions.*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

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

***Deferred Revenue.*** Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2010 which are intended to finance fiscal year 2011 operations have been 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.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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**E. Cash and Investments**

To improve cash management, all cash received by the School District is pooled in central bank accounts. Monies for all funds are maintained in these accounts or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet. During fiscal year 2010, the School District's investments were limited to US Treasury notes, US Money market funds, US Agency securities and the State Treasury Assets Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2010.

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value be reported in the operating statement. The School District recorded investments held at June 30, 2010 at fair value.

Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to agency funds, certain trust funds, and those other funds individually authorized by Board resolution. Interest earnings are allocated to these funds based on average monthly cash balance.

**F. Inventory**

Inventories of governmental funds are stated at cost, determined on a first-in, first-out basis and recorded as expenditures in the governmental funds when consumed.

**G. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. The School District defines capital assets as those with an individual cost of more than \$1,000 and an estimated useful life in excess of one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair values as of the date received. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements. Capital assets are reported as expenditures of the current period in the governmental fund financial statements.



**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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

Buildings	30-50 years
Land improvements	10-20 years
Building improvements	10-40 years
Equipment and furniture	5-20 years
Vehicles	5-10 years

**H. 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. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting 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. For governmental fund financial statements, a liability is recorded for compensated absences only if they have matured, for example, as a result of employee resignations and/or retirements.

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources with the exception of compensated absences as noted above.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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**J. Fund Balance Reserves**

The School District records reservations for portions of fund equity that 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 balances indicate that portion of fund equity that is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, debt service, and textbook and budget reserve set-asides.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statutes. The reserve for budget stabilization represents money set-aside to protect against cyclical changes in revenues and expenditures.

**K. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve and a textbook set-aside. Corresponding fund balance reserves has also been established.

**L. Net Assets**

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

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

**M. Estimates**

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

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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**2. DEFICIT FUND BALANCES**

At June 30, 2010, the following funds a deficit fund balance:

Other Governmental Funds:	
IDEA, Part B Fund	\$92,289
Title I Fund	\$49,950
Drug Free Schools Fund	\$530
EHA Preschool Handicapped Fund	\$189
Improving Teacher Quality Grant Fund	\$12,849

These deficit balances were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

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

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

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies are permitted 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 or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by the 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 (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

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

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and amended by GASB Statement No. 40 "Deposit and Investment Risk Disclosures":

Deposits

*Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a custodial credit risk policy. At year-end, \$12,123,687 of the School District's bank balance of \$12,373,687 was exposed to custodial credit risk since it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

Investments

The School District's investments at June 30, 2010 are as summarized as follows:

	<u>Fair Value</u>	<u>Average Maturity (Years)</u>	<u>Concentration of Credit Risk</u>
STAR Ohio	\$ 187,063	n/a	0.39%
U.S. Money Market Funds	915,754	n/a	1.91%
FFC	499,964	0.12	1.04%
FHLB	17,387,442	0.52	36.29%
FNMA	16,588,957	0.80	34.62%
FHLMC	8,919,932	0.30	18.62%
U.S. Treasuries	<u>3,415,586</u>	0.64	<u>7.13%</u>
	<u>\$ 47,914,698</u>		<u>100.00%</u>

*Credit Risk.* It is the School District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. The School District's investments in FFC, FHLB, FNMA, and FHLMC were rated AAA by Standard & Poor's and Aaa by Moody's. Investments in STAR Ohio were rated AAAM by Standard & Poor's.

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a failure of a counter party, 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 School District's investment securities are registered in the name of the School District.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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*Interest Rate Risk.* In accordance with the investment policy, the School District manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to five years.

**4. 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 distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility, and certain tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of the prior January 1, 2009, the lien date. Assessed values for real property taxes are established by State law at 35 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 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2008, were levied after April 1, 2009 and are collected in calendar year 2010 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after April 1, 2009, on the value listed as of December 31, 2009. 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.

**TALAWANDA SCHOOL DISTRICT, OHIO**

**Notes to the Basic Financial Statements**

**Year Ended June 30, 2010**

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Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2010. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amounts available as advances at June 30, 2010, were \$260,658 in the General Fund, \$72,632 in the Debt Service Fund, and \$24,747 in the Other Governmental Funds.

The assessed values upon which fiscal year 2010 taxes were collected are:

	<u>2009 Second- Half Collections</u>		<u>2010 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 676,486,910	95.83%	642,477,370	96.42%
Tangible Personal Property	<u>29,466,634</u>	4.17%	<u>23,821,070</u>	3.58%
Total Assessed Value	\$ <u>705,953,544</u>	100.00%	<u>666,298,440</u>	100.00%
Tax rate per \$1,000 of assessed valuation	\$56.12		\$56.17	

**5. INCOME TAXES**

In November 2004, the voters of the School District passed a 1% school income tax on wages earned by residents of the School District. The taxes are collected by the State Department of Taxation in the same manner as the state income tax. In the fiscal year ended June 30, 2010, the School District recorded income tax revenue of \$5,276,618 in the entity-wide financials and a receivable as of June 30, 2010 of \$2,147,519.

**6. TRANSFERS**

During the year ended June 30, 2010, the Debt Service Fund made transfers of \$10,129,167 to the Building Construction Fund, which was made for the note payable obligation reported in the Building Construction Fund. Generally, transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization, or (3) maintain debt service.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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**7. CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2010 was as follows:

	Balance 7/1/09	Additions	Disposals	Balance 6/30/10
<b><i>Governmental Activities</i></b>				
<b>Nondepreciable:</b>				
Land	\$ 2,560,594	-	-	2,560,594
Construction in progress	1,391,557	6,208,832	-	7,600,389
	<u>3,952,151</u>	<u>6,208,832</u>	<u>-</u>	<u>10,160,983</u>
<b>Depreciable:</b>				
Land improvements	1,849,376	-	-	1,849,376
Buildings and improvements	33,929,504	-	-	33,929,504
Vehicles	479,811	-	-	479,811
Equipment and furniture	7,485,579	234,523	-	7,720,102
Educational media	1,253,844	-	-	1,253,844
Subtotal	<u>44,998,114</u>	<u>234,523</u>	<u>-</u>	<u>45,232,637</u>
Totals at historical cost	<u>48,950,265</u>	<u>6,443,355</u>	<u>-</u>	<u>55,393,620</u>
Less accumulated depreciation:				
Land improvements	1,437,068	68,662	-	1,505,730
Buildings and improvements	17,500,790	866,861	-	18,367,651
Vehicles	424,867	18,473	-	443,340
Equipment and furniture	5,914,907	470,616	-	6,385,523
Educational media	<u>1,253,844</u>	<u>-</u>	<u>-</u>	<u>1,253,844</u>
Total accumulated depreciation	<u>26,531,476</u>	<u>1,424,612</u>	<u>-</u>	<u>27,956,088</u>
Capital assets, net	<u>\$ 22,418,789</u>	<u>5,018,743</u>	<u>-</u>	<u>27,437,532</u>

Certain items were reclassified from the prior year financial statements to conform to current year presentation.



**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	\$	857,581
Special education		29,462
Support services:		
Pupil		7,406
Instructional staff		17,225
Administration		65,864
Fiscal		6,294
Operation and maintenance of plant		287,963
Pupil transportation		18,496
Community service		87,324
Extracurricular activities		21,807
Food service		<u>25,190</u>
Total depreciation expense	\$	<u><u>1,424,612</u></u>

**8. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2010, the School District participated in the Ohio School Plan, a risk sharing pool (Note 15) for liability, property, auto, and crime insurance to address these various types of risk. Settled claims have not exceeded coverage in any of the past three years. There has been no significant reduction in the coverage from last year.

**9. PENSION PLANS**

**School Employees Retirement System**

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

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For the fiscal year ended June 30, 2010, the allocation to pension and death benefits was 12.78%. The remaining 1.22% of the 14% employer contribution rate was allocated to the Health Care and Medicare B Funds. The School District's required contributions to SERS for the fiscal years ended June 30, 2010, 2009, and 2008 were approximately \$555,000, \$557,000, and \$549,000, respectively; 30% has been contributed for 2010 and 100% for fiscal years 2009 and 2008.

**State Teachers Retirement System**

The School District contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a state-wide, cost-sharing multiple-employer public employee retirement system for licensed teachers and other faculty members employed by the School District. STRS Ohio provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS Ohio issued a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771.

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a bi-weekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan benefits are established under Chapter 3307 of the Ohio Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchase credit) times the final average salary. The 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service credit over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan benefits are established under Sections 3307.80 to 3307.89 of the Ohio Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. 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.

Under the Combined Plan, member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians’ fees, prescription drugs, and partial reimbursements of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years’ credited service who becomes disabled may qualify for a disability benefit. Eligible spouse and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage of up to \$2,000 can be purchased by participants in the DB, DC, or Combined Plans. Various other benefits are available to members’ beneficiaries.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14%. Contribution rates are established by STRS Ohio, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The School District's required contributions to STRS Ohio for the years ended June 30, 2010, 2009, and 2008 were approximately \$2,147,000, \$2,091,000, and \$2,012,000, respectively; 84% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008. The unpaid contribution for fiscal year 2010 is recorded as a liability within the respective funds.

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. The School District's liability is 6.2% of wages paid.

**10. POSTEMPLOYMENT BENEFITS**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by state statute.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post-employment health care for years ended June 30, 2010, 2009, and 2008. The 14% employer contribution rate is the maximum rate established under Ohio law. The School District's contributions to STRS Ohio allocated to post-employment health care for the years ended June 30, 2010, 2009, and 2008 were approximately \$153,000, \$149,000, and \$144,000, respectively; 84% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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SERS administers two postemployment benefit plans:

*Medicare Part B Plan* - The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2010 was \$96.40 for most participants, but could be as high as \$353.60 per month depending on their income. SERS' reimbursement to retirees was \$45.50. The Retirement Board, acting with the advice of the actuary, allocated a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2010, the actuarially required allocation was 0.76%. The School District contributions for the fiscal years ended June 30, 2010, 2009, and 2008 were approximately \$30,000, \$30,000, and \$27,000, respectively; 30% has been contributed for 2010 and 100% for fiscal years 2009 and 2008.

*Health Care Plan* - ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the fiscal year ended June 30, 2010, the health care allocation was 0.46%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate was the total amount assigned to the Health Care Fund. The School District's contributions assigned to health care for years ended June 30, 2010, 2009, and 2008 were \$18,000, \$166,000, and \$135,000, respectively; 30% has been contributed for 2010 and 100% for fiscal years 2009 and 2008.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

**11. EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Non-certified employees earn five to twenty-five days of vacation per fiscal year, depending upon length of service while administrators receive twenty days of vacation per year. Accumulated, unused vacation time is paid to non-certified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and non-certified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to maximum of 260 days for administrators and 188 days for teachers and classified staff. Upon retirement, payment is made for twenty-five percent of the employee's accumulated sick leave.

**12. SHORT-TERM OBLIGATIONS**

A summary of the short-term note transactions for the year ended June 30, 2010 follows:

	Principal Outstanding 7/1/09	Additions	Reductions	Principal Outstanding 6/30/10
	<u>7/1/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/10</u>
Bond anticipation notes \$	<u>10,000,000</u>	<u>-</u>	<u>(10,000,000)</u>	<u>-</u>

*Bond Anticipation Notes* - On March 17, 2009, the School District issued \$10,000,000 of bond anticipation notes to begin construction of a new high school. These notes were paid off in January 2010.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
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**Year Ended June 30, 2010**

**13. LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 2010 were as follows:

	Principal Outstanding 7/1/09	Additions	Reductions	Principal Outstanding 6/30/10	Amounts Due in One Year
<i><b>Governmental Activities:</b></i>					
Series 2004 GO School Improvement Bonds:					
Serial and term bonds	\$ 2,725,000	-	(230,000)	2,495,000	240,000
Unamortized premiums	198,703	-	(13,392)	185,311	-
Series 2007 GO Refunding Bonds:					
Serial and term bonds	5,340,000	-	(25,000)	5,315,000	25,000
Capital appreciation bonds	55,000	-	-	55,000	-
Bond accretion	25,168	18,704	-	43,872	-
Series 2009 School Improvement Bonds:					
Serial and term bonds	-	46,049,669	(2,389,669)	43,660,000	1,130,000
Unamortized premiums	-	965,243	(24,132)	941,111	-
Lease-purchase agreements	2,705,000	-	(153,000)	2,552,000	158,000
Compensated absences	2,158,299	399,619	(377,650)	2,180,268	199,026
<b>Total</b>	<b>\$ 13,207,170</b>	<b>47,433,235</b>	<b>(3,212,843)</b>	<b>57,427,562</b>	<b>1,752,026</b>

*General Obligation School Improvement Bonds* - The School District issued \$9,214,680 in Series 2004 general obligation bonds for the purpose of school improvements. The bonds pay interest at rates ranging from 2% to 5% and will fully mature on December 1, 2030.

The School District issued \$5,470,000 in Series 2007 general obligation refunding bonds that refunded a portion of the Series 2004 bonds. The refunded bonds pay interest at rates ranging from 4% to 4.5% and will fully mature on December 1, 2030.

The School District issued \$46,049,699 in Series 2009 general obligation school improvement bonds for the purpose of construction of a new high school. This issuance includes \$35,610,000 in Building America Bonds that are eligible to receive subsidy payments from the federal government equal to 35% of the corresponding interest payments. The bonds pay interest at rates ranging from 1.5% to 6.5% and will fully mature on December 1, 2029.

All of the bonds will be retired from the Debt Service Fund.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
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Principal and interest requirements to retire the general obligations bonds outstanding at June 30, 2010 are as follows:

Fiscal Year Ending June 30,		Principal	Interest	Total
2011	\$	1,395,000	1,944,302	3,339,302
2012		1,460,000	1,920,190	3,380,190
2013		1,620,000	1,852,049	3,472,049
2014		1,685,000	1,792,970	3,477,970
2015		1,760,000	1,724,070	3,484,070
2016-2020		10,415,000	7,542,501	17,957,501
2021-2025		13,825,000	5,501,801	19,326,801
2026-2030		17,675,000	2,218,987	19,893,987
2031		1,690,000	13,275	1,703,275
Total	\$	<u>51,525,000</u>	<u>24,510,145</u>	<u>76,035,145</u>

*Lease-purchase Agreements* – During 2005, the Board authorized financing in the amount of \$614,000 for HVAC upgrades and the acquisition of land for the new elementary school with a lease-purchase agreement through the Ohio Association of School Business Official’s Expanded Asset Pooled Financing Program. During 2006, the Board authorized financing in the amount of \$2,593,000 for the construction of a new elementary school with a lease-purchase agreement through the Ohio Association of School Business Official’s Expanded Asset Pooled Financing Program. The future minimum payments for both lease-purchase agreements as of June 30, 2010 were as follows:

Fiscal Year Ending June 30,		
2011	\$	278,248
2012		275,926
2013		273,363
2014		271,535
2015		207,416
2016-2020		1,039,087
2021-2025		1,045,458
2026		<u>209,783</u>
Total		3,600,816
Less amount representing interest		<u>(1,048,816)</u>
Present value of minimum lease payments	\$	<u>2,552,000</u>

All general obligation debt is supported by the full faith and credit of the School District. Compensated absences will be paid primarily by the General Fund. Lease-purchase agreements will be paid from the Permanent Improvement Fund.



**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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**14. JOINTLY GOVERNED ORGANIZATIONS**

*Butler Technology and Career Development Schools*

The Butler Technology and Career Development Schools (Butler Tech), a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school districts' elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Butler Tech was formed for the purpose of providing vocational education opportunities to the students of the member school districts which includes the students of the School District. The School District has no ongoing financial interest in nor responsibility for Butler Tech. To obtain financial information, write to Butler Tech, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

*Southwestern Ohio Computer Association*

The Southwestern Ohio Computer Association (SWOCA) was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the member schools of the three county consortium supports SWOCA based upon per pupil charge dependent upon the software package utilized. SWOCA is governed by a board of directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating School District is limited to its representation on the Board. To obtain financial information, write to SWOCA, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

**15. INSURANCE PURCHASING POOLS**

*Butler Health Plan*

The School District participates in the Butler Health Plan (BHP), an insurance purchasing pool, formed to provide affordable and desirable dental, life, medical, and other disability group insurance for member's employees, eligible dependents and designated beneficiaries. The Board of Directors consists of one representative from each of the participating members and is elected by the vote of a majority of the member school districts. Financial information can be obtained from BHP at 400 North Erie Boulevard, Suite B, Hamilton, OH 45011.

*Ohio School Plan*

The Ohio School Plan (OSP) is an insurance purchasing pool among school districts in Ohio formed for the purpose of establishing a group primary and excess insurance/self-insurance and risk management program. Members agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by OSP. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance. The affairs of the corporation are managed by a 13-member Board of Directors made up of school administrators. The School District does not have an equity interest in OSP.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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*Ohio School Boards Association Workers' Compensation Group Rating Plan*

The School District participates in the Ohio School Boards Association (OSBA) Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**16. CONTINGENCIES**

**Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2010.

**Litigation**

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

**17. REQUIRED SET-ASIDES**

The School District is required by State statute to annually set aside in the general fund an amount based on the statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

**TALAWANDA SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2010**

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

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside reserve balance as of June 30, 2009	\$ -	-	202,876
Current year set-aside requirement	485,036	485,036	-
Current year qualifying expenditures	(439,114)	(713,551)	-
Excess qualified expenditures from prior years	<u>(25,470)</u>	<u>-</u>	<u>-</u>
Total	<u>20,452</u>	<u>(228,515)</u>	<u>202,876</u>
Balance carried forward to FY2011	<u>20,452</u>	<u>-</u>	<u>202,876</u>
Set-aside reserve balance as of June 30, 2010	\$ <u>20,452</u>	<u>-</u>	<u>202,876</u>

The excess qualifying disbursements of the capital improvement set-aside may not be used to reduce the capital improvement set aside requirements of future years.

The Ohio General Assembly eliminated the requirement for the budget stabilization reserve and effective April 10, 2001, the Board of Education could choose to eliminate the reserve with the exception of rebates received from the Bureau of Workers Compensation. The School District chose not to reduce its budget stabilization reserve.

**18. CONTRACTUAL COMMITMENTS**

As of June 30, 2010, the School District had entered into various construction contracts for the construction of the new high school building under which it had a remaining unperformed and unpaid total commitment of approximately \$30,118,000.

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## REQUIRED SUPPLEMENTARY INFORMATION

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**TALAWANDA SCHOOL DISTRICT, OHIO**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Taxes	\$ 17,471,883	17,863,370	17,863,370	-
Tuition and fees	799,325	903,747	903,747	-
Interest	363,066	109,980	109,980	-
Intergovernmental	11,265,561	10,748,961	10,748,961	-
Other local revenues	263,319	270,680	270,680	-
<b>Total revenues</b>	<u>30,163,154</u>	<u>29,896,738</u>	<u>29,896,738</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	13,746,402	13,508,604	13,508,604	-
Special education	2,385,746	1,945,742	1,945,742	-
Other instruction	1,112,624	1,036,965	1,036,965	-
Support services:				
Pupil	1,276,416	1,460,262	1,460,262	-
Instructional staff	1,884,790	1,847,632	1,847,632	-
Board of Education	28,777	56,515	56,515	-
Administration	2,098,922	2,145,428	2,145,428	-
Fiscal	1,223,286	1,209,377	1,209,377	-
Business	6,589	1,350	1,350	-
Operation and maintenance of plant	2,972,720	2,625,837	2,625,837	-
Pupil transportation	2,318,423	1,798,673	1,798,673	-
Central	135,430	120,257	120,257	-
Non-instructional services:				
Extracurricular activities	554,695	534,358	534,358	-
Capital outlay	2,279	2,000	2,000	-
<b>Total expenditures</b>	<u>29,747,099</u>	<u>28,293,000</u>	<u>28,293,000</u>	<u>-</u>
Excess of revenues over (under) expenditures	416,055	1,603,738	1,603,738	-
<b>Other financing sources (uses):</b>				
Transfers out	(400,500)	-	-	-
Advances in	14,000	13,597	13,597	-
Advances out	(250,000)	-	-	-
Refund of prior year expenditures	34,165	674	674	-
<b>Total other financing sources (uses)</b>	<u>(602,335)</u>	<u>14,271</u>	<u>14,271</u>	<u>-</u>
Net change in fund balance	(186,280)	1,618,009	1,618,009	-
Fund balance, beginning of year	13,918,738	13,918,738	13,918,738	
Prior year encumbrances appropriated	106,601	106,601	106,601	
Fund balance, end of year	\$ <u>13,839,059</u>	<u>15,643,348</u>	<u>15,643,348</u>	

See accompanying notes to required supplementary information.

## TALAWANDA SCHOOL DISTRICT, OHIO

Notes to Required Supplementary Information

Year Ended June 30, 2010

### **Budgetary Process**

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

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

*Estimated Resources* Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary schedules reflect the amounts in the final amended certificate issued during fiscal year 2010.

*Appropriations* Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolutions, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at the level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The budget figures, which appear in the schedules of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions. The Board passed supplemental appropriations during the fiscal year.

*Encumbrances* As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year-end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

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

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

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

Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).



The following table summarizes the adjustments necessary to reconcile the GAAP statements and the budgetary basis schedule:

	<u>General</u>
Net change in fund balance - GAAP Basis	\$ 1,674,322
Increase / (decrease):	
Due to revenues	175,458
Due to expenditures	(92,843)
Due to other sources (uses)	14,271
Due to encumbrances	<u>(153,199)</u>
Net change in fund balance - Budget Basis	\$ <u>1,618,009</u>

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SUPPLEMENTAL SECTION  
COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

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## *Talawanda School District, Ohio*

### **Non-major Special Revenue Funds:**

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than private-purpose trusts or major capital projects) that are legally restricted to expenditure for specified purposes. The description of each Special Revenue Fund follows:

The **Public School Support Fund** accounts for specific local revenue sources generated by the individual school buildings. Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

The **Athletic Fund** accounts for student activity programs which have student participation in the activity, but do not have student management of the programs.

The **Auxiliary Service Fund** accounts for state funds which provide services and materials to pupils attending non-public schools within the boundaries of the School District as provided for in state law. Expenditures are primarily for educational supplies, materials, and testing.

The **Entry Year Teacher Fund** accounts for state funds which are provided for entry-year program.

The **Management Information Systems Fund** accounts for state funds which are provided to assist the School District in implementing a staff, student and financial reporting system as mandated by the Omnibus Education Reform Act of 1989.

The **State Connectivity Fund** accounts for state funds for networking connectivity.

The **Schoolnet Professional Development Fund** accounts for state funds which are provided for staff development in the area of technology.

The **High Schools That Work Fund** accounts for state funds used for instructions.

The **Miscellaneous State Grants Fund** accounts for various grants received from the state government that are not classified elsewhere.

The **Poverty Based Assistance Fund** accounts for state funds which are designated to assist economically disadvantaged children in the learning process.

The **IDEA, Part B Fund** accounts for federal funds used to provide full educational opportunities to handicapped children at the preschool, elementary and secondary levels, assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

## *Talawanda School District, Ohio*

### **Non-major Special Revenue Funds (continued):**

The **State Fiscal Stabilization Fund** accounts for federal funds to support and restore funding for elementary and secondary education.

The **Title II-D Technology Fund** accounts for federal funds used to develop effective integration of technology with teacher training and curriculum development.

The **Child Nutrition Grant Fund** accounts for federal funding used to provide training and building community support for health child nutrition.

The **Title III LEP Fund** accounts for federal funds used to develop and carry out programs to meet the educational needs of children of limited English proficiency.

The **Title I Fund** accounts for federal funds for services provided to meet special educational needs of educationally deprived children.

The **Drug Free Schools Fund** accounts for federal funds supporting the establishment, operation and improvement of programs for drug abuse prevention, early intervention, rehabilitation referral and education in schools.

The **EHA Preschool Handicapped Fund** accounts for federal funds for programs for preschool handicapped children.

The **Improving Teacher Quality Fund** accounts for federal funds designed to hire additional classroom teachers so that the number of students per teacher will be reduced.

The **Miscellaneous Federal Grants Fund** accounts for various grants received from the federal government that are not classified elsewhere.

The **Special Revenue Fund** accounts for various local grants and contributions.

The **Food Services Fund** accounts for the financial transactions related to the food service operation of the School District.

The **Uniform School Supply Fund** accounts for the purchase and sale of school supplies as adopted by the Board of Education for use in the School District.

## *Talawanda School District, Ohio*

### **Non-major Capital Projects Funds:**

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings, additions to existing school buildings, or for major renovation projects, including equipment purchases:

The **Permanent Improvement Fund** accounts for major improvements or renovations to existing facilities.

The **School Net Fund** accounts for capital grants from the state for technology.

### **Private-Purpose Trust Funds and Agency Funds:**

Private-purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments.

The **Special Trust Fund** accounts for donations that are received to provide scholarships and awards to students.

Agency funds are used to account for assets held in a custodial capacity.

The **Student Activities Funds** account for the resources that belong to various student groups in the District. The funds account for sales and other revenue generating activities by student groups which have students involved in the management of the program.

The **Unclaimed Monies Fund** accounts for unclaimed funds from outstanding checks in excess of one year old.

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**TALAWANDA SCHOOL DISTRICT, OHIO**

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 1,096,208	1,205,604	2,301,812
Receivables:			
Taxes	-	1,349,993	1,349,993
Accounts	560	-	560
Intergovernmental	149,713	-	149,713
Supplies inventory	23,790	-	23,790
<b>Total assets</b>	<u>1,270,271</u>	<u>2,555,597</u>	<u>3,825,868</u>
<b>Liabilities:</b>			
Accounts payable	46,004	12,265	58,269
Accrued wages and benefits	259,303	-	259,303
Pension obligation payable	40,650	-	40,650
Deferred revenue	145,713	1,325,246	1,470,959
<b>Total liabilities</b>	<u>491,670</u>	<u>1,337,511</u>	<u>1,829,181</u>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	58,448	8,716	67,164
Property taxes	-	24,747	24,747
Unreserved, reported in:			
Special Revenue Funds	720,153	-	720,153
Capital Projects Funds	-	1,184,623	1,184,623
<b>Total fund balances</b>	<u>778,601</u>	<u>1,218,086</u>	<u>1,996,687</u>
<b>Total liabilities and fund balances</b>	\$ <u>1,270,271</u>	<u>2,555,597</u>	<u>3,825,868</u>



**TALAWANDA SCHOOL DISTRICT, OHIO**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Taxes	\$ -	1,150,035	1,150,035
Charges for services	769,052	-	769,052
Interest	113	-	113
Intergovernmental	2,618,498	145,500	2,763,998
Other local revenues	401,287	330	401,617
<b>Total revenues</b>	<u>3,788,950</u>	<u>1,295,865</u>	<u>5,084,815</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	371,306	236,255	607,561
Special education	1,003,198	-	1,003,198
Other instruction	8,532	-	8,532
Support services:			
Pupil	445,965	-	445,965
Instructional staff	187,129	399	187,528
Administration	16,755	-	16,755
Fiscal	-	21,669	21,669
Operations and maintenance	11,838	-	11,838
Pupil transportation	537,007	-	537,007
Non-instructional services:			
Community services	44,752	-	44,752
Extracurricular activities	100,366	26,921	127,287
Food services	1,054,247	-	1,054,247
Capital outlay	-	105,700	105,700
Debt service:			
Principal	-	153,000	153,000
Interest and fiscal charges	-	126,850	126,850
<b>Total expenditures</b>	<u>3,781,095</u>	<u>670,794</u>	<u>4,451,889</u>
Net change in fund balances	7,855	625,071	632,926
Fund balance, beginning of year	770,746	593,015	1,363,761
Fund balance, end of year	<u>\$ 778,601</u>	<u>1,218,086</u>	<u>1,996,687</u>

**TALAWANDA SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2010

	Public School Support	Athletic	Auxiliary Service	Entry Year Teacher	Management Information Systems
<b>Assets:</b>					
Equity in pooled cash and investments	\$ 118,949	71,334	19,593	929	-
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Supplies inventory	-	-	-	-	-
<b>Total assets</b>	<u>118,949</u>	<u>71,334</u>	<u>19,593</u>	<u>929</u>	<u>-</u>
<b>Liabilities:</b>					
Accounts payable	900	780	10,034	-	-
Accrued wages and benefits	-	-	-	-	-
Pension obligation payable	-	-	-	-	-
Deferred revenue	-	-	-	-	-
<b>Total liabilities</b>	<u>900</u>	<u>780</u>	<u>10,034</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Fund Balances					
Reserved for:					
Encumbrances	2,223	2,161	3,422	-	-
Unreserved-undesignated	115,826	68,393	6,137	929	-
<b>Total fund balances</b>	<u>118,049</u>	<u>70,554</u>	<u>9,559</u>	<u>929</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 118,949</u>	<u>71,334</u>	<u>19,593</u>	<u>929</u>	<u>-</u>

<u>State Connectivity</u>	<u>SchoolNet Professional Development</u>	<u>High Schools That Work</u>	<u>Misc. State Grants</u>	<u>Poverty Based Assistance</u>	<u>IDEA, Part B</u>	<u>State Fiscal Stabilization</u>
9,311	9	122	-	-	32,566	-
-	-	-	-	-	-	-
-	-	-	-	-	114,890	-
-	-	-	-	-	-	-
<u>9,311</u>	<u>9</u>	<u>122</u>	<u>-</u>	<u>-</u>	<u>147,456</u>	<u>-</u>
6,000	-	-	-	-	14,065	-
-	-	-	-	-	97,995	-
-	-	-	-	-	12,795	-
-	-	-	-	-	114,890	-
<u>6,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,745</u>	<u>-</u>
3,311	-	75	-	-	12,998	-
-	9	47	-	-	(105,287)	-
<u>3,311</u>	<u>9</u>	<u>122</u>	<u>-</u>	<u>-</u>	<u>(92,289)</u>	<u>-</u>
<u>9,311</u>	<u>9</u>	<u>122</u>	<u>-</u>	<u>-</u>	<u>147,456</u>	<u>-</u>

(Continued)

**TALAWANDA SCHOOL DISTRICT, OHIO**

Combining Balance Sheet (continued)

Nonmajor Special Revenue Funds

June 30, 2010

	<u>Title II-D Technology</u>	<u>Child Nutrition Grant</u>	<u>Title III LEP</u>	<u>Title I</u>	<u>Drug Free Schools</u>
<b>Assets:</b>					
Equity in pooled cash and investments	\$ -	20	2,478	35,308	905
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	34	-	-	30,192	-
Supplies and inventory	-	-	-	-	-
<b>Total assets</b>	<u>34</u>	<u>20</u>	<u>2,478</u>	<u>65,500</u>	<u>905</u>
<b>Liabilities:</b>					
Accounts payable	-	-	518	11,359	-
Accrued wages and benefits	-	-	-	64,584	1,158
Pension obligation payable	-	-	319	9,315	277
Deferred revenue	34	-	-	30,192	-
<b>Total liabilities</b>	<u>34</u>	<u>-</u>	<u>837</u>	<u>115,450</u>	<u>1,435</u>
<b>Fund Balances:</b>					
Fund Balances					
Reserved for:					
Encumbrances	-	20	8	302	-
Unreserved-undesignated	-	-	1,633	(50,252)	(530)
<b>Total fund balances</b>	<u>-</u>	<u>20</u>	<u>1,641</u>	<u>(49,950)</u>	<u>(530)</u>
<b>Total liabilities and fund balances</b>	<u>\$ 34</u>	<u>20</u>	<u>2,478</u>	<u>65,500</u>	<u>905</u>

<u>EHA Preschool Handicapped</u>	<u>Improving Teacher Quality Grant</u>	<u>Misc. Federal Grants</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u><b>TOTAL</b></u>
1,552	5,975	-	170,146	379,561	247,450	1,096,208
-	-	-	-	560	-	560
-	4,597	-	-	-	-	149,713
-	-	-	-	23,790	-	23,790
<u>1,552</u>	<u>10,572</u>	<u>-</u>	<u>170,146</u>	<u>403,911</u>	<u>247,450</u>	<u>1,270,271</u>
-	-	-	1,602	-	746	46,004
1,464	20,525	-	-	73,577	-	259,303
277	2,299	-	-	15,368	-	40,650
-	597	-	-	-	-	145,713
<u>1,741</u>	<u>23,421</u>	<u>-</u>	<u>1,602</u>	<u>88,945</u>	<u>746</u>	<u>491,670</u>
-	-	-	21,318	1,955	10,655	58,448
(189)	(12,849)	-	147,226	313,011	236,049	720,153
(189)	(12,849)	-	168,544	314,966	246,704	778,601
<u>1,552</u>	<u>10,572</u>	<u>-</u>	<u>170,146</u>	<u>403,911</u>	<u>247,450</u>	<u>1,270,271</u>

**TALAWANDA SCHOOL DISTRICT, OHIO**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Nonmajor Special Revenue Funds  
Year Ended June 30, 2010

	Public School Support	Athletic	Auxiliary Service	Entry Year Teacher	Management Information Systems
<b>Revenues:</b>					
Charges for services	\$ -	-	-	-	-
Interest	-	-	-	-	-
Intergovernmental	-	-	27,602	-	5,339
Other local revenues	155,944	92,246	-	-	-
<b>Total revenues</b>	<u>155,944</u>	<u>92,246</u>	<u>27,602</u>	<u>-</u>	<u>5,339</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	2,969	-	-	-	-
Special education	-	-	-	-	-
Other instruction	-	-	-	-	-
Support services:					
Pupil	95,227	-	-	-	-
Instructional staff	30,901	-	-	-	5,339
Administration	12,344	-	-	-	-
Operations and maintenance	-	6,178	-	-	-
Pupil transportation	-	-	-	-	-
Non-instructional services:					
Community services	-	-	24,617	-	-
Extracurricular activities	1,862	79,299	-	-	-
Food services	-	-	-	-	-
<b>Total expenditures</b>	<u>143,303</u>	<u>85,477</u>	<u>24,617</u>	<u>-</u>	<u>5,339</u>
Net change in fund balances	12,641	6,769	2,985	-	-
Fund balance, beginning of year	105,408	63,785	6,574	929	-
Fund balance, end of year	<u>\$ 118,049</u>	<u>70,554</u>	<u>9,559</u>	<u>929</u>	<u>-</u>

<u>State Connectivity</u>	<u>SchoolNet Professional Development</u>	<u>High Schools That Work</u>	<u>Misc. State Grants</u>	<u>Poverty Based Assistance</u>	<u>IDEA, Part B</u>	<u>State Fiscal Stabilization</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,432	-	8,000	-	6,551	825,177	547,445
-	-	-	-	-	-	-
<u>11,432</u>	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>6,551</u>	<u>825,177</u>	<u>547,445</u>
-	67	8,995	-	-	-	17,274
-	-	-	3,000	29,010	521,178	-
-	-	-	-	-	8,333	-
24,282	-	-	-	-	297,095	-
-	-	-	-	-	83,820	-
-	-	-	-	-	4,411	-
-	-	-	-	-	-	-
-	-	-	-	-	5,073	530,171
-	-	-	-	-	802	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>24,282</u>	<u>67</u>	<u>8,995</u>	<u>3,000</u>	<u>29,010</u>	<u>920,712</u>	<u>547,445</u>
(12,850)	(67)	(995)	(3,000)	(22,459)	(95,535)	-
<u>16,161</u>	<u>76</u>	<u>1,117</u>	<u>3,000</u>	<u>22,459</u>	<u>3,246</u>	<u>-</u>
<u>3,311</u>	<u>9</u>	<u>122</u>	<u>-</u>	<u>-</u>	<u>(92,289)</u>	<u>-</u>

(Continued)

**TALAWANDA SCHOOL DISTRICT, OHIO**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (Continued)

All Nonmajor Special Revenue Funds

Year Ended June 30, 2010

	Title II-D Technology	Child Nutrition Grant	Title III LEP	Title I	Drug Free Schools
<b>Revenues:</b>					
Charges for services	\$ -	-	-	-	-
Interest	-	-	-	-	-
Intergovernmental	3,407	2,000	19,946	476,114	8,366
Other local revenues	-	-	-	-	-
<b>Total revenues</b>	<u>3,407</u>	<u>2,000</u>	<u>19,946</u>	<u>476,114</u>	<u>8,366</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	3,407	-	-	-	-
Special education	-	-	19,109	395,857	-
Other instruction	-	-	-	199	-
Support services:					
Pupil	-	-	-	-	9,212
Instructional staff	-	-	-	62,017	-
Administration	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Pupil transportation	-	-	-	1,763	-
Non-instructional services:					
Community services	-	1,980	-	15,153	-
Extracurricular activities	-	-	-	-	-
Food services	-	-	-	-	-
<b>Total expenditures</b>	<u>3,407</u>	<u>1,980</u>	<u>19,109</u>	<u>474,989</u>	<u>9,212</u>
Net change in fund balances	-	20	837	1,125	(846)
Fund balance, beginning of year	-	-	804	(51,075)	316
Fund balance, end of year	\$ <u>-</u>	<u>20</u>	<u>1,641</u>	<u>(49,950)</u>	<u>(530)</u>



<u>EHA Preschool Handicapped</u>	<u>Improving Teacher Quality Grant</u>	<u>Misc. Federal Grants</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u><b>TOTAL</b></u>
-	-	-	-	621,540	147,512	769,052
-	-	-	-	113	-	113
31,887	134,907	-	-	510,325	-	2,618,498
-	-	-	<u>136,151</u>	<u>16,946</u>	-	<u>401,287</u>
<u>31,887</u>	<u>134,907</u>	-	<u>136,151</u>	<u>1,148,924</u>	<u>147,512</u>	<u>3,788,950</u>
-	130,902	240	67,301	-	140,151	371,306
31,783	-	-	3,261	-	-	1,003,198
-	-	-	-	-	-	8,532
-	-	-	20,149	-	-	445,965
-	4,777	-	275	-	-	187,129
-	-	-	-	-	-	16,755
-	-	-	5,660	-	-	11,838
-	-	-	-	-	-	537,007
-	1,200	-	1,000	-	-	44,752
-	-	-	19,205	-	-	100,366
-	-	-	-	<u>1,054,247</u>	-	<u>1,054,247</u>
<u>31,783</u>	<u>136,879</u>	<u>240</u>	<u>116,851</u>	<u>1,054,247</u>	<u>140,151</u>	<u>3,781,095</u>
104	(1,972)	(240)	19,300	94,677	7,361	7,855
<u>(293)</u>	<u>(10,877)</u>	<u>240</u>	<u>149,244</u>	<u>220,289</u>	<u>239,343</u>	<u>770,746</u>
<u>(189)</u>	<u>(12,849)</u>	-	<u>168,544</u>	<u>314,966</u>	<u>246,704</u>	<u>778,601</u>

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 June 30, 2010

	<u>Permanent Improvement</u>	<u>School Net</u>	<u><b>TOTAL</b></u>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 1,205,604	-	1,205,604
Receivables:			
Taxes	<u>1,349,993</u>	<u>-</u>	<u>1,349,993</u>
<b>Total assets</b>	<u><u>2,555,597</u></u>	<u><u>-</u></u>	<u><u>2,555,597</u></u>
<b>Liabilities:</b>			
Accounts payable	12,265	-	12,265
Deferred revenue	<u>1,325,246</u>	<u>-</u>	<u>1,325,246</u>
<b>Total liabilities</b>	<u>1,337,511</u>	<u>-</u>	<u>1,337,511</u>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	8,716	-	8,716
Property taxes	24,747	-	24,747
Unreserved-undesignated	<u>1,184,623</u>	<u>-</u>	<u>1,184,623</u>
<b>Total fund balances</b>	<u>1,218,086</u>	<u>-</u>	<u>1,218,086</u>
<b>Total liabilities and fund balances</b>	\$ <u><u>2,555,597</u></u>	<u><u>-</u></u>	<u><u>2,555,597</u></u>

## TALAWANDA SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

All Nonmajor Capital Projects Funds

Year Ended June 30, 2010

	<u>Permanent Improvement</u>	<u>School Net</u>	<u><b>TOTAL</b></u>
<b>Revenues:</b>			
Taxes	\$ 1,150,035	-	1,150,035
Intergovernmental	145,500	-	145,500
Miscellaneous	330	-	330
<b>Total revenues</b>	<u>1,295,865</u>	<u>-</u>	<u>1,295,865</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	236,255	-	236,255
Support services:			
Instructional staff	-	399	399
Fiscal	21,669	-	21,669
Capital outlay	105,700	-	105,700
Extracurricular activities	26,921	-	26,921
Debt service:			
Principal	153,000	-	153,000
Interest and fiscal charges	126,850	-	126,850
<b>Total expenditures</b>	<u>670,395</u>	<u>399</u>	<u>670,794</u>
Net change in fund balances	625,470	(399)	625,071
Fund balance, beginning of year	<u>592,616</u>	<u>399</u>	<u>593,015</u>
Fund balance, end of year	<u>\$ 1,218,086</u>	<u>-</u>	<u>1,218,086</u>

**TALAWANDA SCHOOL DISTRICT, OHIO**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budget Basis)  
Public School Support Fund  
Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Other local revenues	\$ <u>155,944</u>	<u>155,944</u>	<u>-</u>
Total revenues	<u>155,944</u>	<u>155,944</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	2,969	2,969	-
Support Services:			
Pupils	124,584	124,584	-
Instructional staff	30,901	30,901	-
Administration	12,784	12,784	-
Non-instructional Services:			
Extracurricular activities	<u>1,956</u>	<u>1,956</u>	<u>-</u>
Total expenditures	<u>173,194</u>	<u>173,194</u>	<u>-</u>
Net change in fund balance	(17,250)	(17,250)	-
Fund balance, beginning of year	107,958	107,958	
Prior year encumbrances appropriated	<u>25,118</u>	<u>25,118</u>	
Fund balance, end of year	\$ <u>115,826</u>	<u>115,826</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Athletic Fund  
 Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Other local revenues	\$ 92,246	92,246	-
Total revenues	<u>92,246</u>	<u>92,246</u>	<u>-</u>
Expenditures:			
Current:			
Non-instructional Services:			
Extracurricular activities	87,165	87,165	-
Total expenditures	<u>87,165</u>	<u>87,165</u>	<u>-</u>
Net change in fund balance	5,081	5,081	-
Fund balance, beginning of year	62,526	62,526	
Prior year encumbrances appropriated	<u>1,566</u>	<u>1,566</u>	
Fund balance, end of year	\$ <u>69,173</u>	<u>69,173</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Auxiliary Services Fund  
 Year Ended June 30, 2010

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 27,602	27,602	-
Total revenues	<u>27,602</u>	<u>27,602</u>	<u>-</u>
Expenditures:			
Current:			
Non-instructional Services:			
Community services	33,691	33,691	-
Total expenditures	<u>33,691</u>	<u>33,691</u>	<u>-</u>
Net change in fund balance	(6,089)	(6,089)	-
Fund balance, beginning of year	2,778	2,778	
Prior year encumbrances appropriated	<u>9,448</u>	<u>9,448</u>	
Fund balance, end of year	\$ <u><u>6,137</u></u>	<u><u>6,137</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Entry Year Teacher Fund  
 Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ -	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	929	929	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>929</u></u>	<u><u>929</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Management Information Systems Fund  
 Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 5,339	5,339	-
Total revenues	<u>5,339</u>	<u>5,339</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	5,339	5,339	-
Total expenditures	<u>5,339</u>	<u>5,339</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	-	-	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	



**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 State Connectivity Fund  
 Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 11,432	11,432	-
Total revenues	<u>11,432</u>	<u>11,432</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Pupil	27,593	27,593	-
Total expenditures	<u>27,593</u>	<u>27,593</u>	<u>-</u>
Net change in fund balance	(16,161)	(16,161)	-
Fund balance, beginning of year	16,161	16,161	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Schoolnet Professional Development Fund  
 Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ -	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	<u>67</u>	<u>67</u>	<u>-</u>
Total expenditures	<u>67</u>	<u>67</u>	<u>-</u>
Net change in fund balance	(67)	(67)	-
Fund balance, beginning of year	9	9	
Prior year encumbrances appropriated	<u>67</u>	<u>67</u>	
Fund balance, end of year	\$ <u>9</u>	<u>9</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 High Schools That Work Fund  
 Year Ended June 30, 2010

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 8,000	8,000	-
Total revenues	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	9,070	9,070	-
Total expenditures	<u>9,070</u>	<u>9,070</u>	<u>-</u>
Net change in fund balance	(1,070)	(1,070)	-
Fund balance, beginning of year	46	46	
Prior year encumbrances appropriated	<u>1,071</u>	<u>1,071</u>	
Fund balance, end of year	\$ <u>47</u>	<u>47</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Miscellaneous State Grants Fund  
 Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Expenditures:			
Current:			
Instruction:			
Special	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Net change in fund balance	(3,000)	(3,000)	-
Fund balance, beginning of year	3,000	3,000	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budget Basis)  
Poverty Based Assistance Fund  
Year Ended June 30, 2010

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 6,551	6,551	-
Total revenues	<u>6,551</u>	<u>6,551</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special	29,010	29,010	-
Total expenditures	<u>29,010</u>	<u>29,010</u>	<u>-</u>
Net change in fund balance	(22,459)	(22,459)	-
Fund balance, beginning of year	22,459	22,459	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 IDEA, Part B Fund  
 Year Ended June 30, 2010

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 882,752	882,752	-
Total revenues	<u>882,752</u>	<u>882,752</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special	457,095	457,095	-
Other	4,167	4,167	-
Support Services:			
Pupil	322,868	322,868	-
Instructional staff	84,197	84,197	-
Administration	4,606	4,606	-
Operation and maintenance of plant	5,073	5,073	-
Non-instructional services:			
Community services	<u>802</u>	<u>802</u>	<u>-</u>
Total expenditures	<u>878,808</u>	<u>878,808</u>	<u>-</u>
Net change in fund balance	3,944	3,944	-
Fund balance, beginning of year	4,387	4,387	
Prior year encumbrances appropriated	<u>1,338</u>	<u>1,338</u>	
Fund balance, end of year	\$ <u><u>9,669</u></u>	<u><u>9,669</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 State Fiscal Stabilization Fund  
 Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 547,445	547,445	-
Total revenues	<u>547,445</u>	<u>547,445</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	17,274	17,274	-
Support Services:			
Operation and maintenance of plant	<u>530,171</u>	<u>530,171</u>	<u>-</u>
Total expenditures	<u>547,445</u>	<u>547,445</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Title II-D Technology Fund  
 Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 3,407	3,407	-
Total revenues	<u>3,407</u>	<u>3,407</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,407	3,407	-
Total expenditures	<u>3,407</u>	<u>3,407</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	-	-	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	



**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Child Nutrition Grant Fund  
 Year Ended June 30, 2010

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 2,000	2,000	-
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Expenditures:			
Current:			
Non-instructional services:			
Community services	2,000	2,000	-
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	-	-	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Title III Limited English Proficiency Fund  
 Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 19,946	19,946	-
Total revenues	<u>19,946</u>	<u>19,946</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special	17,994	17,994	-
Total expenditures	<u>17,994</u>	<u>17,994</u>	<u>-</u>
Net change in fund balance	1,952	1,952	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>1,952</u>	<u>1,952</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Title I Fund  
 Year Ended June 30, 2010

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 507,272	507,272	-
Total revenues	<u>507,272</u>	<u>507,272</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special	398,839	398,839	-
Other	199	199	-
Support Services:			
Instructional staff	54,217	54,217	-
Pupil transportation	1,763	1,763	-
Non-instructional services:			
Community services	15,153	15,153	-
Total expenditures	<u>470,171</u>	<u>470,171</u>	<u>-</u>
Excess of revenues over expenditures	37,101	37,101	-
Other financing uses:			
Advances out	(13,569)	(13,569)	-
Total other financing uses	<u>(13,569)</u>	<u>(13,569)</u>	<u>-</u>
Net change in fund balance	23,532	23,532	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	115	115	
Fund balance, end of year	\$ <u>23,647</u>	<u>23,647</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Drug Free Schools Fund  
 Year Ended June 30, 2010

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 9,844	9,844	-
Total revenues	<u>9,844</u>	<u>9,844</u>	<u>-</u>
Expenditures:			
Current:			
Support Services:			
Instructional staff	9,168	9,168	-
Total expenditures	<u>9,168</u>	<u>9,168</u>	<u>-</u>
Net change in fund balance	676	676	-
Fund balance, beginning of year	229	229	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>905</u>	<u>905</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 EHA Preschool Handicapped Fund  
 Year Ended June 30, 2010

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 32,796	32,796	-
Total revenues	<u>32,796</u>	<u>32,796</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special	31,837	31,837	-
Total expenditures	<u>31,837</u>	<u>31,837</u>	<u>-</u>
Net change in fund balance	959	959	-
Fund balance, beginning of year	403	403	
Prior year encumbrances appropriated	190	190	
Fund balance, end of year	\$ <u>1,552</u>	<u>1,552</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budget Basis)  
Improving Teacher Quality Grant Fund  
Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 140,478	140,478	-
Total revenues	<u>140,478</u>	<u>140,478</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	128,720	128,720	-
Support services:			
Instructional staff	4,777	4,777	-
Non-instructional services:			
Community services	1,200	1,200	-
Total expenditures	<u>134,697</u>	<u>134,697</u>	<u>-</u>
Net change in fund balance	5,781	5,781	-
Fund balance, beginning of year	194	194	
Prior year encumbrances appropriated	-	-	
Fund balance, end of year	\$ <u>5,975</u>	<u>5,975</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Miscellaneous Federal Grants Fund  
 Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Expenditures:			
Current:			
Instruction:			
Regular	<u>960</u>	<u>960</u>	<u>-</u>
Total expenditures	<u>960</u>	<u>960</u>	<u>-</u>
Net change in fund balance	(960)	(960)	-
Fund balance, beginning of year	960	960	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Special Revenue Fund  
 Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Other local revenues	\$ 136,151	136,151	-
Total revenues	<u>136,151</u>	<u>136,151</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	89,342	89,342	-
Special	3,540	3,540	-
Support Services:			
Pupil	21,995	21,995	-
Instructional staff	775	775	-
Operation and maintenance of plant	5,660	5,660	-
Non-instructional services:			
Community services	1,000	1,000	-
Extracurricular activities	19,205	19,205	-
Total expenditures	<u>141,517</u>	<u>141,517</u>	<u>-</u>
Net change in fund balance	(5,366)	(5,366)	-
Fund balance, beginning of year	140,414	140,414	
Prior year encumbrances appropriated	12,714	12,714	
Fund balance, end of year	\$ <u>147,762</u>	<u>147,762</u>	



**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Food Service Fund  
 Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Charges for services	\$ 620,980	620,980	-
Other local revenues	16,946	16,946	-
Interest	113	113	-
Intergovernmental	<u>452,723</u>	<u>452,723</u>	-
Total revenues	<u>1,090,762</u>	<u>1,090,762</u>	-
Expenditures:			
Current:			
Food services	<u>1,010,258</u>	<u>1,010,258</u>	-
Total expenditures	<u>1,010,258</u>	<u>1,010,258</u>	-
Net change in fund balance	80,504	80,504	-
Fund balance, beginning of year	277,439	277,439	
Prior year encumbrances appropriated	<u>19,663</u>	<u>19,663</u>	
Fund balance, end of year	\$ <u><u>377,606</u></u>	<u><u>377,606</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Budget Basis)  
 Uniform School Supplies Fund  
 Year Ended June 30, 2010

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for services	\$ 147,512	147,512	-
Total revenues	<u>147,512</u>	<u>147,512</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	155,240	155,240	-
Total expenditures	<u>155,240</u>	<u>155,240</u>	<u>-</u>
Net change in fund balance	(7,728)	(7,728)	-
Fund balance, beginning of year	231,356	231,356	
Prior year encumbrances appropriated	12,421	12,421	
Fund balance, end of year	\$ <u>236,049</u>	<u>236,049</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Debt Service Fund

Year Ended June 30, 2010

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$ 3,398,336	3,398,336	-
Interest	4,157	4,157	-
Intergovernmental	425,204	425,204	-
Total revenues	<u>3,827,697</u>	<u>3,827,697</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Fiscal	49,896	49,896	-
Debt service:			
Principal payment	12,644,669	12,644,669	-
Interest and fiscal charges	1,426,795	1,426,795	-
Total expenditures	<u>14,121,360</u>	<u>14,121,360</u>	<u>-</u>
Excess of revenues over (under) expenditures	(10,293,663)	(10,293,663)	-
Other financing sources:			
Proceeds from sale of bonds	10,000,000	10,000,000	-
Premium on sale of bonds	428,969	428,969	-
Total other financing sources	<u>10,428,969</u>	<u>10,428,969</u>	<u>-</u>
Net change in fund balance	135,306	135,306	-
Fund balance, beginning of year	<u>2,325,071</u>	<u>2,325,071</u>	
Fund balance, end of year	\$ <u><u>2,460,377</u></u>	<u><u>2,460,377</u></u>	

## TALAWANDA SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Permanent Improvement Fund

Year Ended June 30, 2010

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$ 1,162,714	1,162,714	-
Intergovernmental	145,500	145,500	-
Other local revenue	330	330	-
Total revenues	<u>1,308,544</u>	<u>1,308,544</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	235,271	235,271	-
Support services:			
Fiscal	17,681	17,681	-
Non-instructional services:			
Extracurricular activities	35,420	35,420	-
Capital outlay	290,700	290,700	-
Debt service:			
Principal payment	153,000	153,000	-
Interest and fiscal charges	130,838	130,838	-
Total expenditures	<u>862,910</u>	<u>862,910</u>	<u>-</u>
Net change in fund balance	445,634	445,634	-
Fund balance, beginning of year	551,660	551,660	
Prior year encumbrances appropriated	188,529	188,529	
Fund balance, end of year	<u>\$ 1,185,823</u>	<u>1,185,823</u>	

# TALAWANDA SCHOOL DISTRICT, OHIO

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Building Construction Fund

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Earnings on investments	\$ 37,402	37,402	-
Total revenues	<u>37,402</u>	<u>37,402</u>	<u>-</u>
Expenditures:			
Capital outlay	<u>35,355,290</u>	<u>35,355,290</u>	<u>-</u>
Total expenditures	<u>35,355,290</u>	<u>35,355,290</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(35,317,888)</u>	<u>(35,317,888)</u>	<u>-</u>
Other financing sources:			
Proceeds from sale of bonds	<u>36,049,669</u>	<u>36,049,669</u>	<u>-</u>
Total other financing sources	<u>36,049,669</u>	<u>36,049,669</u>	<u>-</u>
Net change in fund balance	731,781	731,781	-
Fund balance, beginning of year	4,234,669	4,234,669	
Prior year encumbrances appropriated	<u>3,867,081</u>	<u>3,867,081</u>	
Fund balance, end of year	\$ <u><u>8,833,531</u></u>	<u><u>8,833,531</u></u>	

**TALAWANDA SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Schoolnet Fund

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Expenditures:			
Support services:			
Instructional staff	<u>399</u>	<u>399</u>	<u>-</u>
Total expenditures	<u>399</u>	<u>399</u>	<u>-</u>
 Net change in fund balance	 (399)	 (399)	 -
 Fund balance, beginning of year	 399	 399	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

# TALAWANDA SCHOOL DISTRICT, OHIO

Combining Statement of Net Assets

Agency Funds

June 30, 2010

	Agency Funds		
	Student Activities	Unclaimed Monies	Total
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 96,291	18,073	114,364
Total assets	<u>96,291</u>	<u>18,073</u>	<u>114,364</u>
<b>Liabilities:</b>			
Due to student groups	96,291	-	96,291
Due to others	-	18,073	18,073
Total liabilities	<u>\$ 96,291</u>	<u>18,073</u>	<u>114,364</u>

**TALAWANDA SCHOOL DISTRICT, OHIO**

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

Year Ended June 30, 2010

	Beginning Balance 7/1/09	Additions	Deductions	Ending Balance 6/30/10
<b>STUDENT ACTIVITIES FUND</b>				
<b>Assets:</b>				
Equity in pooled cash and investments \$	<u>93,766</u>	<u>116,157</u>	<u>113,632</u>	<u>96,291</u>
<b>Liabilities:</b>				
Due to student groups	<u>93,766</u>	<u>116,157</u>	<u>113,632</u>	<u>96,291</u>
<hr/>				
<b>UNCLAIMED MONIES FUND</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	<u>17,230</u>	<u>843</u>	<u>-</u>	<u>18,073</u>
<b>Liabilities:</b>				
Due to others	<u>17,230</u>	<u>843</u>	<u>-</u>	<u>18,073</u>
<hr/>				
<b>TOTAL</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	<u>110,996</u>	<u>117,000</u>	<u>113,632</u>	<u>114,364</u>
<b>Liabilities:</b>				
Due to others	17,230	843	-	18,073
Due to student groups	<u>93,766</u>	<u>116,157</u>	<u>113,632</u>	<u>96,291</u>
\$	<u>110,996</u>	<u>117,000</u>	<u>113,632</u>	<u>114,364</u>



# Statistical Section

## New Talawanda High School



# Statistical Section

This part of Talawanda School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

## Contents

### **Financial Trends**

These schedules contain trend information to help the reader understand how the School District's financial position has changed over time. 98-102

### **Revenue Capacity**

These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax (and the income tax). 103-106

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future. 107-109

### **Economic and Demographic Information**

These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments. 110-111

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs. 112-115

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

**Talawanda School District, Ohio**  
*Net Assets by Component*  
*Last Eight Fiscal Years*  
*(accrual basis of accounting)*

	2003	2004	2005	2006	2007	2008	2009	2010
Invested in Capital Assets, Net of Related Debt	\$10,627,075	\$10,478,157	\$11,225,988	\$10,925,808	\$9,960,126	\$9,044,201	\$9,065,176	\$11,185,965
Restricted for:								
Capital Projects	413,761	696,138	344,548	405,075	537,139	465,878	2,334,673	90,422
Debt Service	0	0	0	424,080	488,013	610,498	2,448,779	2,448,652
Other Purposes	73,847	881,506	564,594	309,048	304,687	268,143	258,848	364,180
Unrestricted (Deficit)	5,909,104	5,452,697	4,570,756	7,187,878	8,854,255	10,922,468	10,505,332	14,044,013
<b>Total Net Assets</b>	<b>\$17,023,787</b>	<b>\$17,508,498</b>	<b>\$16,705,886</b>	<b>\$19,251,889</b>	<b>\$20,144,220</b>	<b>\$21,311,188</b>	<b>\$24,612,808</b>	<b>\$28,133,232</b>

**Talawanda School District, Ohio**  
**Changes in Net Assets of Governmental Activities**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>								
Regular Instruction	\$11,790,964	\$12,199,833	\$12,926,007	\$13,099,550	\$13,914,317	\$14,505,019	\$14,818,997	\$14,828,992
Special Instruction	2,406,330	2,404,457	2,597,261	2,383,506	2,625,418	2,752,263	2,798,761	2,859,693
Adult/continuing	488,355	602,424	640,640	1,161,589	1,060,583	1,232,110	1,066,944	1,039,921
Pupil Support	1,344,517	1,432,903	1,475,051	1,402,300	1,735,100	1,790,980	1,866,070	1,965,441
Instructional Staff Support	1,575,132	1,690,626	1,775,739	1,851,673	1,808,410	2,015,200	1,947,019	2,096,062
Board of Education	135,331	60,937	85,720	37,029	107,231	59,448	62,513	56,906
Administration	1,465,644	1,696,618	1,727,932	1,845,575	1,988,368	2,143,346	2,172,472	2,252,631
Fiscal	650,892	677,861	758,058	866,779	1,013,792	1,159,110	1,193,338	1,288,612
Business	6,494	5,126	5,855	7,778	12,122	7,691	4,663	1,330
Operation and Maintenance of Plant	3,191,220	3,142,722	2,937,568	3,045,403	3,678,198	3,555,261	3,067,060	3,243,731
Pupil Transportation	1,711,053	1,824,684	1,904,205	1,985,823	2,053,020	2,593,052	2,070,601	2,332,428
Central	30,863	36,554	115,561	104,377	96,650	103,191	116,155	100,370
Extracurricular Activities	537,695	561,621	675,887	462,902	648,550	785,993	790,519	667,178
Community Service	35,366	61,113	34,874	34,026	78,708	57,933	31,540	127,623
Food Service	940,521	1,009,979	1,072,859	1,066,655	1,150,745	1,122,373	1,158,780	1,079,875
Interest and Fiscal Charges	15,470	86,488	545,755	471,917	602,893	441,994	544,786	1,647,820
<i>Total Expenses</i>	<u>26,325,847</u>	<u>27,493,946</u>	<u>29,278,972</u>	<u>29,826,882</u>	<u>32,574,105</u>	<u>34,324,964</u>	<u>33,710,218</u>	<u>35,588,613</u>
<b>Program Revenues</b>								
Charges for Services								
Regular Instruction	\$143,394	\$482,271	\$350,196	\$578,544	\$628,145	\$850,579	\$1,113,116	\$1,051,259
Adult/continuing	354,513	0	0	0	0	0	0	0
Extracurricular Activities	77,495	73,850	94,141	97,473	91,956	104,701	103,385	92,246
Food Service	620,749	596,763	614,124	647,018	666,463	678,006	666,033	621,540
Operating Grants and Contributions								
Regular Instruction	189,939	216,463	260,352	208,976	196,322	185,257	162,478	146,945
Special Instruction	358,678	462,492	455,663	526,352	426,161	425,574	423,013	1,197,422
Adult/continuing	56,867	0	0	0	0	0	0	8,720
Pupil Support	306,659	118,086	197,002	187,169	385,735	486,034	508,845	137,540
Staff Support	36,783	83,229	177,690	217,601	85,064	99,111	78,158	157,027
Administration	0	137,288	169,870	149,644	224,879	129,396	14,146	4,504
Operation and Maintenance of Plant	0	9,696	30,110	0	0	0	0	0
Pupil Transportation	0	0	0	0	0	0	0	554,504
Central	89,170	0	28,140	0	0	0	0	0
Community Service	0	38,125	43,025	44,222	51,286	49,966	44,904	46,573
Food Service	259,879	266,885	387,037	349,841	370,290	383,830	447,761	510,438
Capital Grants and Contributions								
Regular Instruction	2,400	53,872	0	0	0	0	0	0
Pupil Transportation	0	0	0	19,745	32,948	17,637	42,116	0
<i>Total Program Revenues</i>	<u>2,496,526</u>	<u>2,539,020</u>	<u>2,807,350</u>	<u>3,026,585</u>	<u>3,159,249</u>	<u>3,410,091</u>	<u>3,603,955</u>	<u>4,528,718</u>
Net Expense	<u>(\$23,829,321)</u>	<u>(\$24,954,926)</u>	<u>(\$26,471,622)</u>	<u>(\$26,800,297)</u>	<u>(\$29,414,856)</u>	<u>(\$30,914,873)</u>	<u>(\$30,106,263)</u>	<u>(\$31,059,895)</u>

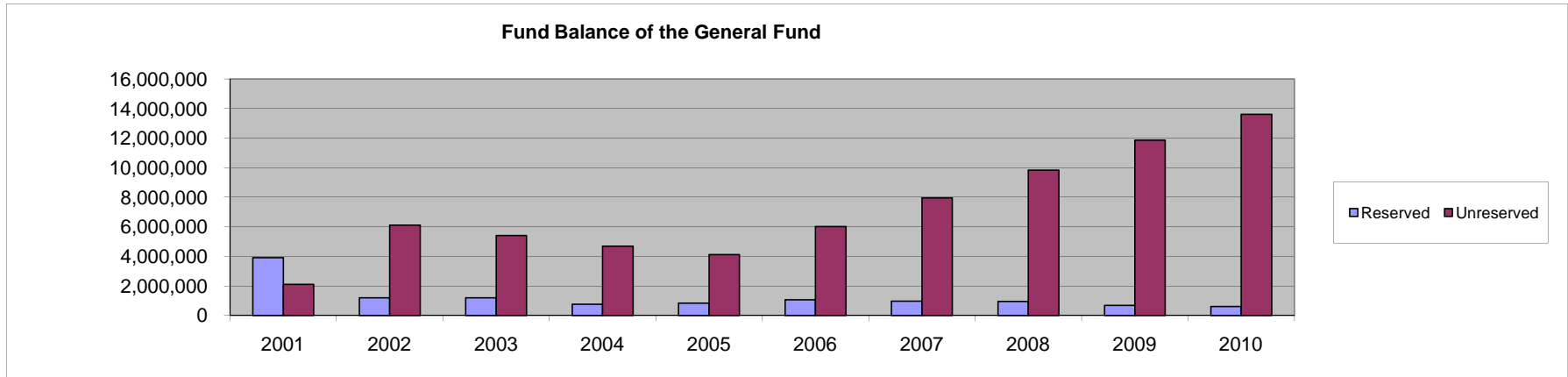
(continued)

**Talawanda School District, Ohio**  
**Changes in Net Assets of Governmental Activities (continued)**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**

	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Revenues</b>								
Property Taxes Levied for:								
General Purposes	\$11,120,771	\$12,058,280	\$11,650,378	\$11,782,454	\$11,901,570	\$12,537,988	\$12,327,216	\$12,498,724
Debt Services	0	288,772	579,111	605,295	643,036	636,684	2,289,969	3,398,287
Capital Outlay	0	482,092	966,764	1,016,982	1,042,665	1,156,760	1,151,688	1,162,120
Income Taxes Levied for								
General Purposes	0	0	1,220,215	4,659,711	5,237,252	5,735,900	5,413,750	5,276,618
Grants and Entitlements not								
Restricted to Specific Programs	10,737,983	10,739,556	10,339,073	10,256,911	10,299,542	10,709,123	11,358,072	11,566,756
Investment Earnings	256,073	82,640	381,563	567,201	674,980	666,395	388,995	290,843
Miscellaneous	270,774	405,696	528,598	457,746	508,142	638,991	478,193	386,971
Gain on Sale of Assets	0	1,382,601	3,308	0	0	0	0	0
<b>Total General Revenues</b>	<b>22,385,601</b>	<b>25,439,637</b>	<b>25,669,010</b>	<b>29,346,300</b>	<b>30,307,187</b>	<b>32,081,841</b>	<b>33,407,883</b>	<b>34,580,319</b>
<b>Change in Net Assets</b>	<b>(\$1,443,720)</b>	<b>\$484,711</b>	<b>(\$802,612)</b>	<b>\$2,546,003</b>	<b>\$892,331</b>	<b>\$1,166,968</b>	<b>\$3,301,620</b>	<b>\$3,520,424</b>

**Talawanda School District, Ohio**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>										
Reserved	\$3,908,408	\$1,203,082	\$1,202,953	\$760,317	\$825,550	\$1,067,052	\$971,964	\$945,894	\$673,938	\$612,531
Unreserved	2,106,297	6,107,566	5,399,072	4,676,957	4,111,966	6,018,585	7,956,289	9,822,513	11,863,221	13,598,950
<b>Total General Fund</b>	<b>6,014,705</b>	<b>7,310,648</b>	<b>6,602,025</b>	<b>5,437,274</b>	<b>4,937,516</b>	<b>7,085,637</b>	<b>8,928,253</b>	<b>10,768,407</b>	<b>12,537,159</b>	<b>14,211,481</b>
<b>All Other Governmental Funds</b>										
Reserved	68,959	32,241	138,747	11,580,616	9,217,311	1,552,609	737,889	881,662	6,280,856	31,376,422
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	494,410	433,811	515,305	598,725	414,761	310,003	399,751	478,982	711,644	720,153
Debt Service Funds	9,004	9,195	0	0	0	0	0	0	0	0
Capital Projects Funds	146,666	91,992	104,640	(831,845)	(666,646)	1,250,257	894,513	1,012,500	(5,214,910)	10,092,226
<b>Total All Other Governmental Funds</b>	<b>719,039</b>	<b>567,239</b>	<b>758,692</b>	<b>11,347,496</b>	<b>8,965,426</b>	<b>3,112,869</b>	<b>2,032,153</b>	<b>2,373,144</b>	<b>1,777,590</b>	<b>42,188,801</b>
<b>Total Governmental Funds</b>	<b>\$6,733,744</b>	<b>\$7,877,887</b>	<b>\$7,360,717</b>	<b>\$16,784,770</b>	<b>\$13,902,942</b>	<b>\$10,198,506</b>	<b>\$10,960,406</b>	<b>\$13,141,551</b>	<b>\$14,314,749</b>	<b>\$56,400,282</b>



**Talawanda School District, Ohio**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Taxes	\$10,386,023	\$11,208,220	\$11,120,771	\$12,249,144	\$14,356,228	\$17,991,668	\$18,926,237	\$19,998,357	\$21,078,609	\$22,175,574
Tuition and Fees	253,441	220,147	354,513	325,923	187,228	402,280	472,029	684,434	935,425	903,747
Interest	401,514	355,001	240,530	65,085	397,301	597,373	684,668	673,718	332,797	199,603
Charges for Services	255,996	268,629	764,143	753,111	777,092	823,282	822,579	844,151	843,724	769,052
Intergovernmental	11,394,159	11,860,834	11,978,009	12,167,192	11,929,957	11,942,970	12,094,986	12,491,761	13,214,080	14,185,254
Other local revenues	243,970	145,330	384,548	479,546	622,739	555,219	584,163	757,790	581,578	479,217
<b>Total Revenues</b>	<b>22,935,103</b>	<b>24,058,161</b>	<b>24,842,514</b>	<b>26,040,001</b>	<b>28,270,545</b>	<b>32,312,792</b>	<b>33,584,662</b>	<b>35,450,211</b>	<b>36,986,213</b>	<b>38,712,447</b>
<b>Expenditures</b>										
Current:										
Instruction:										
Regular	9,391,095	10,383,018	11,420,125	11,825,226	12,097,118	12,424,238	13,067,309	13,444,600	13,972,641	13,937,917
Special	1,706,842	1,937,968	2,314,495	2,388,938	2,502,678	2,329,928	2,583,061	2,677,304	2,742,790	2,861,799
Other	295,727	313,787	488,355	602,424	640,640	1,161,589	1,060,583	1,232,110	1,066,944	1,039,921
Support Services:										
Pupil	1,005,205	1,201,223	1,339,697	1,428,302	1,429,377	1,381,540	1,726,713	1,775,994	1,849,839	1,947,694
Instructional Staff	1,577,489	1,596,948	1,515,191	1,666,749	1,740,957	1,876,570	1,792,729	1,971,959	1,920,354	2,074,441
Board of Education	44,219	52,997	135,331	60,937	85,720	37,029	107,231	59,448	62,513	56,906
Administration	1,520,024	1,568,374	1,500,419	1,672,488	1,652,845	1,848,991	2,000,801	2,028,060	2,078,509	2,160,736
Fiscal	532,234	639,196	647,193	687,943	742,108	871,036	1,006,915	1,145,868	1,188,084	1,278,196
Business	0	0	6,494	5,126	5,855	7,778	12,122	7,691	4,663	1,330
Operation and Maintenance of Plant	2,151,360	2,256,091	2,420,986	2,398,401	2,656,362	2,881,286	3,035,665	3,084,668	2,784,840	2,643,581
Pupil Transportation	1,651,750	1,737,536	1,701,845	1,786,159	1,865,680	1,961,804	2,012,968	2,553,000	2,034,126	2,313,932
Central	19,568	23,770	30,863	36,554	115,561	104,377	96,650	103,191	116,155	100,370
Non-Instructional Services										
Extracurricular Activities	512,732	531,450	533,932	545,545	660,483	635,618	628,107	777,397	771,888	645,371
Community service	35,490	52,374	39,001	67,179	39,836	38,223	69,903	47,873	44,316	44,752
Food Service	0	0	876,951	920,354	985,871	1,000,221	1,082,117	1,037,531	1,069,312	1,054,247
Capital Outlay	286,130	669,852	800,444	1,005,853	3,710,627	9,300,026	1,620,657	460,995	3,224,145	6,593,045
Debt Service:										
Principal	95,000	100,000	156,000	413,000	253,680	273,000	313,000	414,000	398,000	2,797,669
Bond issuance costs	0	0	0	181,012	0	0	0	0	0	537,274
Interest and Fiscal Charges	18,125	13,250	16,783	17,634	586,209	476,974	608,103	447,377	483,896	1,552,645
<b>Total Expenditures</b>	<b>20,842,990</b>	<b>23,077,834</b>	<b>25,944,105</b>	<b>27,709,824</b>	<b>31,771,607</b>	<b>38,610,228</b>	<b>32,824,634</b>	<b>33,269,066</b>	<b>35,813,015</b>	<b>43,641,826</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>2,092,113</b>	<b>980,327</b>	<b>(1,101,591)</b>	<b>(1,669,823)</b>	<b>(3,501,062)</b>	<b>(6,297,436)</b>	<b>760,028</b>	<b>2,181,145</b>	<b>1,173,198</b>	<b>(4,929,379)</b>
<b>Other Financing Sources (Uses)</b>										
Transfers In	117,389	113,250	120,294	114,750	9,309,743	2,416	0	0	0	10,129,167
Transfers Out	(117,761)	(113,450)	(120,294)	(114,750)	(9,309,743)	(2,416)	0	0	0	(10,129,167)
Sale of Assets	8,435	5,011	0	1,611,301	5,234	0	1,872	0	0	0
Proceeds from sale of bonds	0	0	0	9,214,680	0	0	0	0	0	46,049,669
Premium on sale of bonds	0	0	0	267,895	0	0	0	0	0	965,243
Proceeds from lease-purchase agreement	0	159,000	250,000	0	614,000	2,593,000	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>8,063</b>	<b>163,811</b>	<b>250,000</b>	<b>11,093,876</b>	<b>619,234</b>	<b>2,593,000</b>	<b>1,872</b>	<b>0</b>	<b>0</b>	<b>47,014,912</b>
<b>Net Change in Fund Balances</b>	<b>\$2,100,176</b>	<b>\$1,144,138</b>	<b>(\$851,591)</b>	<b>\$9,424,053</b>	<b>(\$2,881,828)</b>	<b>(\$3,704,436)</b>	<b>\$761,900</b>	<b>\$2,181,145</b>	<b>\$1,173,198</b>	<b>\$42,085,533</b>
Debt Service as a Percentage of Noncapital Expenditures	0.6%	0.5%	0.7%	1.6%	3.0%	2.6%	3.0%	2.6%	2.7%	11.7%

**Talawanda School District, Ohio**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

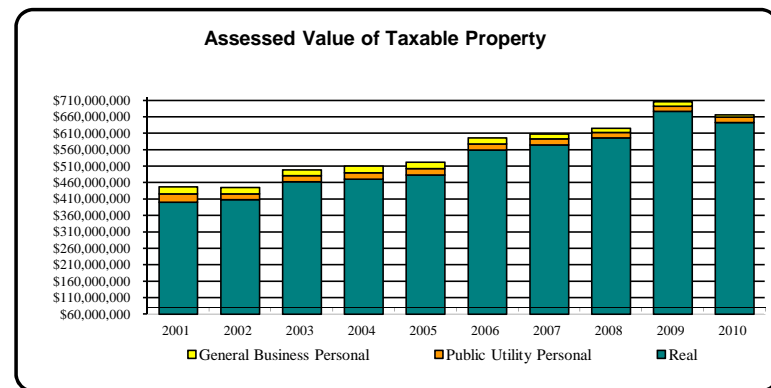
Collection Year	Real Property			Tangible Personal Property		Tangible Personal Property		Total		Weighted Average Tax Rate
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value	
	Residential/Agricultural	Commercial/Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value			
2001	313,653,360	87,035,790	1,144,826,143	25,289,900	28,738,523	20,880,717	83,522,868	446,859,767	1,257,087,534	35.55%
2002	320,434,190	87,776,040	1,166,314,943	17,465,200	19,846,818	20,010,220	80,040,880	445,685,650	1,266,202,641	35.20%
2003	361,148,730	101,868,400	1,322,906,086	18,579,010	21,112,511	17,478,223	69,912,892	499,074,363	1,413,931,489	35.30%
2004	367,351,260	103,641,970	1,345,694,943	18,940,950	21,523,807	20,558,145	82,232,580	510,492,325	1,449,451,330	35.22%
2005	378,284,130	104,977,420	1,380,747,286	19,372,440	22,014,136	19,137,400	76,549,600	521,771,390	1,479,311,022	35.27%
2006	445,794,600	113,873,860	1,599,052,743	18,315,710	20,813,307	18,282,388	73,129,552	596,266,558	1,692,995,602	35.22%
2007	456,707,150	118,528,580	1,643,530,657	17,824,310	20,254,898	14,655,846	58,623,384	607,715,886	1,722,408,939	35.28%
2008	465,300,660	131,008,890	1,703,741,571	16,151,530	18,354,011	12,995,949	51,983,796	625,457,029	1,774,079,379	35.26%
2009	526,414,870	150,072,040	1,932,819,743	16,526,370	18,779,966	12,940,264	51,761,056	705,953,544	2,003,360,765	35.24%
2010	504,951,410	137,525,960	1,835,649,629	17,209,550	19,556,307	6,611,520	26,446,080	666,298,440	1,881,652,015	35.41%

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

**Source:** Office of the County Auditor, Butler County, Ohio





**Talawanda School District, Ohio**  
**Property Tax Rates**  
**(per \$1,000 of assessed value)**  
**2006 through 2010**

	2006	2007	2008	2009	2010
<b>Unvoted Millage</b>					
Operating	2.19	2.19	2.19	2.19	2.19
Permanent Improvement	2.00	2.00	2.00	2.00	2.00
Debt	0.00	0.00	0.00	0.00	0.00
<b>Total unvoted millage by type of property</b>	<b>4.19</b>	<b>4.19</b>	<b>4.19</b>	<b>4.19</b>	<b>4.19</b>
<b>Voted Millage - by levy</b>					
1976 Operating - continuing					
Residential/Agricultural Real	6.48	6.51	6.52	7.00	7.35
Commercial/Industrial and Public Utility Real	7.88	7.93	7.94	7.04	7.95
General Business and Public Utility Personal	24.81	24.81	24.81	24.81	24.81
1980 Operating - continuing					
Residential/Agricultural Real	2.60	2.60	2.60	2.61	2.75
Commercial/Industrial and Public Utility Real	2.69	2.71	2.71	2.40	2.72
General Business and Public Utility Personal	6.90	6.90	6.90	6.90	6.90
1988 Operating - continuing					
Residential/Agricultural Real	3.65	3.64	3.64	3.55	3.72
Commercial/Industrial and Public Utility Real	4.08	4.10	4.11	3.64	4.11
General Business and Public Utility Personal	7.90	7.90	7.90	7.90	7.90
2000 Operating - continuing					
Residential/Agricultural Real	5.08	5.06	5.05	4.65	4.89
Commercial/Industrial and Public Utility Real	5.51	5.54	5.55	4.91	5.55
General Business and Public Utility Personal	6.50	6.50	6.50	6.50	6.50
2003 Bond Issue - 27 Years					
Residential/Agricultural Real	1.17	1.17	1.15	1.12	1.17
Commercial/Industrial and Public Utility Real	1.17	1.17	1.15	1.12	1.17
General Business and Public Utility Personal	1.17	1.17	1.17	1.17	1.17
2008 Bond Issue - 28 Years					
Residential/Agricultural Real				4.70	4.70
Commercial/Industrial and Public Utility Real				4.70	4.70
General Business and Public Utility Personal				4.70	4.70
<b>Total voted millage by type of property</b>					
Residential/Agricultural Real	18.98	18.98	18.96	23.63	24.58
Commercial/Industrial and Public Utility Real	21.33	21.45	21.47	23.81	26.20
General Business and Public Utility Personal	47.28	47.28	47.28	51.98	51.98
<b>Total Direct Revenue Rate</b>					
Residential/Agricultural Real	23.17	23.17	23.15	27.82	28.77
Commercial/Industrial and Public Utility Real	25.52	25.64	25.66	28.00	30.39
General Business and Public Utility Personal	51.47	51.47	51.47	56.17	56.17
<b>Overlapping Rates by Taxing District</b>					
Township (Hanover/Reily/Oxford/Milford)					
Residential/Agricultural Real	.24-7.39	.24-7.39	.24-7.39	.24-7.39	.24-7.39
Commercial/Industrial and Public Utility Real	.24-7.64	.24-7.64	.24-7.64	.24-7.64	.24-7.64
General Business and Public Utility Personal	.24-7.05	.24-7.05	.24-7.05	.24-7.05	.24-7.05
Oxford City					
Residential/Agricultural Real	9.59	9.59	9.59	3.65	3.65
Commercial/Industrial and Public Utility Real	6.18	6.18	6.18	3.65	3.65
General Business and Public Utility Personal	7.64	7.64	7.64	3.65	3.65
Butler County					
Residential/Agricultural Real	9.44	9.44	9.33	10.48	10.48
Commercial/Industrial and Public Utility Real	8.40	8.40	10.08	10.58	10.58
General Business and Public Utility Personal	9.02	9.02	10.45	11.68	11.68

Notes:

Rates were not available in this format for years prior to 2006.

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Residential/Agricultural & Commercial/Industrial & Public Utility Real are expressed at their effective rate.  
 General Business and Public Utility Personal are expressed at the full voted rate.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

**Source:** Butler County Auditor/Treasurer

**Talawanda School District, Ohio**  
*Principal Taxpayers*  
*Current Year and Nine Years Ago (1)*

Name of Taxpayer	2009	
	Assessed Value	Percent of Real Property Assessed Value
Duke Energy	\$9,973,130	1.50%
OXO1 LTD	7,845,820	1.18%
Butler Rural Electric	5,544,180	0.83%
D & B Family LTD PRT	5,172,600	0.78%
Brown Road Associates LLC	4,550,010	0.68%
Stewart Developers LLC	3,884,520	0.58%
Ogden Investments LTD	3,589,990	0.54%
Meijer Stores LTD PRT	3,535,010	0.53%
Wal Mart Real Estate	3,002,380	0.45%
Champion Crossings LLC	2,832,100	0.43%
<b>TOTAL</b>	<b>\$49,929,740</b>	<b>7.49%</b>
Total Assessed Valuation	<b>\$666,298,440</b>	

Name of Taxpayer	2000	
	Assessed Value	Percent of Assessed Value
Cincinnati Gas & Electric	\$12,010,870	2.69%
Meijer, Incorporated	6,594,180	1.48%
General Telephone Company	3,543,700	0.79%
Edward Redpath	2,616,130	0.59%
Square D, Incorporated	2,578,510	0.58%
D & B Limited Partnership	2,575,640	0.58%
OTR/Midland Realty	2,558,500	0.57%
Ray Day	2,293,790	0.51%
University Commons Partnership	2,160,320	0.48%
McCullough Hyde Hospital	1,961,610	0.44%
<b>Totals</b>	<b>\$38,893,250</b>	<b>8.70%</b>
Total Assessed Valuation	<b>\$446,859,767</b>	

(1) The amounts presented represent the assessed values upon which 2010 and 2001 collections were based.

**Source:** Office of the County Auditor, Butler County, Ohio

**Talawanda School District, Ohio**  
**Property Tax Levies and Collections (1)**  
*Last Ten Years*

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2000	10,059,071	9,813,439	97.56	249,440	10,062,879	100.04
2001	11,795,523	10,019,952	84.95	1,572,990	11,592,942	98.28
2002	13,138,167	11,823,421	89.99	339,349	12,162,770	92.58
2003	14,121,222	12,650,832	89.59	394,681	13,045,513	92.38
2004	14,138,266	14,104,690	99.76	373,061	14,477,751	102.40
2005	14,772,589	14,452,487	97.83	434,495	14,886,982	100.77
2006	15,196,554	14,134,528	93.01	658,609	14,793,137	97.35
2007	15,196,554	14,134,528	93.01	658,609	14,793,137	97.35
2008	15,612,463	15,110,408	96.78	817,401	15,927,809	102.02
2009	19,544,902	18,200,656	93.12	315,688	18,516,344	94.74

**Source:** Office of the County Auditor, Butler County, Ohio

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

(2) The 2010 information cannot be presented because all collections have not been made by June 30, 2010.

(3) The County does not identify delinquent tax collections by tax year.

**Talawanda School District, Ohio**  
*Ratio of Debt  
to Assessed Value and Debt per Capita  
Last Ten Fiscal Years*

Fiscal Year	Population (1)	Personal Income	Estimated Actual Value of Taxable Property(2)	General Bonded Debt				General Debt					
				General Bonded Debt Outstanding	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita	General Bonded Debt Outstanding	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	Ratio of General Debt to Personal Income	General Debt Per Capita	
2001	34,968	b	457,759,566	446,859,767	315,000	0.07%	9.01	315,000	-	315,000	0.07%	0.07%	9.01
2002	34,968	b	451,000,434	445,685,650	215,000	0.05%	6.15	215,000	159,000	374,000	0.08%	0.08%	10.70
2003	34,968	b	484,684,771	499,074,363	110,000	0.02%	3.15	110,000	108,000	218,000	0.04%	0.04%	6.23
2004	34,968	b	532,485,795	510,492,325	9,214,680	1.81%	263.52	9,214,680	55,000	9,269,680	1.82%	1.74%	265.09
2005	34,968	b	549,485,732	521,771,390	9,050,000	1.73%	258.81	9,050,000	580,000	9,630,000	1.85%	1.75%	275.39
2006	34,968	b	Not Available	596,266,558	8,865,000	1.49%	253.52	8,865,000	3,085,000	11,950,000	2.00%	N/A	341.74
2007	34,968	b	Not Available	607,715,886	8,640,000	1.42%	247.08	8,640,000	2,997,000	11,637,000	1.91%	N/A	332.79
2008	34,968	b	Not Available	625,457,029	8,370,000	1.34%	239.36	8,370,000	2,853,000	11,223,000	1.79%	N/A	320.95
2009	26,968	b	Not Available	705,953,544	8,120,000	1.15%	301.10	8,120,000	2,705,000	10,825,000	1.53%	N/A	401.40
2010	27,399	b	Not Available	666,298,440	51,525,000	7.73%	1,880.54	51,525,000	2,552,000	54,077,000	8.12%	N/A	1,973.69

**Sources:** (1) U.S. Bureau of Census, Census of Population  
(b) 2000 Federal Census

(2) Butler County Auditor

School District Records

2009 and 2010 Population figures has 8,000 deducted for MU students

**Talawanda School District, Ohio**  
**Computation of Direct and Overlapping**  
**Debt Attributable to Governmental Activities**  
**June 30, 2010**

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Overlapping Debt:			
Payable from Property Taxes			
Butler County	\$5,139,566	7.57%	67,893,870
Preble County	\$10,014	0.50%	2,002,849
Hamilton City	\$1,168,623	3.55%	32,918,972
Oxford City	\$2,635,000	100.00%	2,635,000
Hanover Township	\$73,306	66.40%	110,400
Milford Township	\$70,881	98.76%	71,771
Butler Technology & Career Center	\$181,427	8.66%	2,095,000
Payable from Other Sources:			
Butler County Special Assessment Bonds	\$765,199	7.57%	10,108,310
Preble County Special Assessment Bonds	\$15,975	0.50%	3,195,000
Hamilton City Special Assessment Bonds	\$241,318	3.55%	6,797,674
Oxford City Special Assessment Bonds	\$6,660,000	100.00%	6,660,000
Total Overlapping Debt	\$16,961,309		\$134,488,846
Direct Debt	51,525,000	100.00%	51,525,000
Total Direct and Overlapping Debt	<u>\$68,486,309</u>		<u>\$186,013,846</u>

Source: Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2010 collection year.

**Talawanda School District, Ohio**  
**Computation of Legal Debt Margin**  
**Last Ten Fiscal Years**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Tax Valuation	\$446,859,767	\$445,685,650	\$499,074,363	\$510,492,325	\$521,771,390	\$596,266,558	\$607,715,886	\$625,457,029	\$705,955,564	\$666,298,440
Debt Limit - 9% of Taxable Valuation (1)	\$40,217,379	\$40,111,709	\$44,916,693	\$45,944,309	\$46,959,425	\$53,663,990	\$54,694,430	\$56,291,133	\$63,536,001	\$59,966,860
Amount of Debt Applicable to Debt Limit										
General Obligation Bonds	315,000	215,000	110,000	9,214,680	9,050,000	8,865,000	8,640,000	8,370,000	8,120,000	51,525,000
Less Amount Available in Debt Service	0	0	0	510,492	338,601	399,080	0	0	0	0
Amount of Debt Subject to Limit	315,000	215,000	110,000	8,704,188	8,711,399	8,465,920	8,640,000	8,370,000	8,120,000	51,525,000
Legal Debt Margin	\$39,902,379	\$39,896,709	\$44,806,693	\$37,240,121	\$38,248,026	\$45,198,070	\$46,054,430	\$47,921,133	\$55,416,001	\$8,441,860
Legal Debt Margin as a Percentage of the Debt Limit	99.22%	99.46%	99.76%	81.05%	81.45%	84.22%	84.20%	85.13%	87.22%	14.08%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$446,860	\$445,686	\$499,074	\$510,492	\$521,771	\$596,267	\$607,716	\$625,457	\$705,956	\$666,298
Amount of Debt Subject to Limit	0	0	0	0	0	0	0	0	0	0
Unvoted Legal Debt Margin	\$446,860	\$445,686	\$499,074	\$510,492	\$521,771	\$596,267	\$607,716	\$625,457	\$705,956	\$666,298
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Source:** Butler County Auditor and School District Financial Records

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

**Note:** The amount of debt presented as subject to the limit should be the balances used to compute the margin as specified by statute, i.e. the gross balances, not amounts that are net of premiums or discounts. On deep discount or capital appreciation bonds, this would be the original issue amount.

**Note:** The definition of tax valuation for the purpose of calculating the debt margin was modified by H.B. 530, effective 3/30/06, to exclude tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, or personal property owned or leased by a railroad company and used in railroad operations.

**Talawanda School District, Ohio**  
**Demographic and Economic Statistics**  
**Last Ten Years**

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Year	Population (1)	Personal Income (2) (in thousands)	Per Capita Personal Income	Unemployment Rate (3)
2001	34,968	457,759,566	13,091	3.20%
2002	34,968	451,000,434	12,898	5.00%
2003	34,968	484,684,771	13,861	4.10%
2004	34,968	532,485,795	15,228	4.30%
2005	34,968	549,955,732	15,727	5.00%
2006*	34,968	0	0	5.90%
2007*	34,968	0	0	4.80%
2008*	34,968	0	0	6.40%
2009*	26,968	0	0	9.40%
2010*	27,399	0	0	9.30%

**Sources:** 1) U.S. Census Bureau  
2) Ohio Department of Taxation (ODT)  
3) Ohio Bureau of Employment Services, rates for Butler County

\*Information Not Available (ODT now reports Total Federal AGI)

2009 & 2010 Population figures do not include MU students

**Talawanda School District, Ohio**  
*Principal Employers*  
*Current Year and Nine Years Ago*

Employer	Nature of Business	2010			2001		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Miami University	Higher Education	4,310	1	42.83%	3,500	1	N/A
McCullough-Hyde Memorial	Medical	588	2	5.84%	410	3	N/A
Talawanda School District	Education	466	3	4.63%	380	4	N/A
Walmart	Discount Retailer	253	4	2.51%	183	5	N/A
Square D Company	Manufacturer	200	5	1.99%	550	2	N/A
Kroger Company	Food Retailer	180	6	1.79%	133	7	N/A
RDI Marketing	Marketing	171	7	1.70%	N/A	N/A	N/A
Maple Knoll Communities	Healthcare	150	8	1.49%	165	6	N/A
City of Oxford	Municipality	120	9	1.19%	107	8	N/A
Liberty Matrix of Oxford	Healthcare	86	10	0.85%	76	9	N/A
Total		<u>6,524</u>		<u>64.83%</u>	<u>5,504</u>		<u>N/A</u>
Total Employment within the School District		<u>10,064</u>			<u>N/A</u>		

Source: Oxford Chamber of Commerce & City of Oxford

Note:

N/A = Information Not Available



**Talawanda School District, Ohio**  
*School District Employees by Function/Program*  
*Last Seven Fiscal Years*

Function/Program	2004	2005	2006	2007	2008	2009	2010
Regular Instruction							
Elementary Classroom Teachers	61.50	62.00	59.50	59.50	59.50	74.50	74.00
Secondary School Classroom Teachers	98.50	94.50	92.50	92.50	92.50	105.50	104.50
Special Instruction							
Elementary Classroom Teachers	9.00	9.00	5.00	5.00	5.00	9.00	9.00
Gifted Education Teachers	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Secondary School Classroom Teachers	14.00	14.00	17.50	17.50	17.50	18.50	18.00
Pupil Support Services							
Guidance Counselors	6.50	6.50	6.50	6.50	6.50	7.00	7.00
Librarians	5.00	5.00	6.00	6.00	6.00	2.00	2.00
Psychologists	2.00	2.00	2.00	2.00	2.00	4.00	4.00
Speech and Language Pathologists	3.00	1.00	2.00	2.00	2.00	3.00	3.00
Nurse	3.00	3.00	3.00	3.00	3.00	2.00	1.00
Administrators							
Elementary	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Secondary	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Operation of Plant							
Custodians	25.00	22.00	24.00	24.00	24.00	21.00	15.00
Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	4.00
Food Service Program							
Elementary Cooks	8.50	8.00	9.00	9.00	9.00	9.00	9.00
Secondary School Cooks	14.00	15.00	11.00	11.00	11.00	11.00	17.00

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Information prior to 2004 is not available.

**Source:** School District Records

Note: The District contracts for transportation, therefore, there are no bus drivers employed.

**Talawanda School District, Ohio**  
*Building Statistics*  
*Last Seven Fiscal Years*

	2004	2005	2006	2007	2008	2009	2010
<b>Talawanda High School</b>							
Constructed in 1957, Renovated in 1960,69,89							
Total Building Square Footage	151,151	151,151	151,151	151,151	151,151	151,151	151,151
Enrollment Grades 9-12	1,102	1,059	1,051	1,055	1,036	1,041	971
Student Capacity	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	51	48	47	47	47	58	57
Regular Instruction Teachers	51.0	48.0	47.0	47.0	47.0	58.0	57
Special Instruction Classrooms	8	8	10	10	10	10	10
Special Instruction Teachers	8.0	8.0	10.0	10.0	10.0	10.0	10
<b>Talawanda Middle School</b>							
Constructed in 1989							
Total Building Square Footage	107,963	107,963	107,963	107,963	107,963	107,963	107,963
Enrollment Grades 6-8	796	754	723	701	686	685	682
Student Capacity	900	900	900	900	900	900	900
Regular Instruction Classrooms	48	47	46	46	46	47	47
Regular Instruction Teachers	47.5	46.5	45.5	45.5	45.5	47.5	47.5
Special Instruction Classrooms	7	7	9	9	9	9	8
Special Instruction Teachers	7.0	7.0	8.5	8.5	8.5	8.5	8
<b>Kramer Elementary</b>							
Constructed in 1962, Renovated in 1969							
Total Building Square Footage	60,987	60,987	60,987	60,987	60,987	60,987	60,987
Enrollment Grades PK-5	667	664	685	441	473	487	549
Student Capacity	700	700	700	700	700	700	700
Regular Instruction Classrooms	35	33	33	33	33	27	28
Regular Instruction Teachers	35.0	33.0	33.0	33.0	33.0	27.0	28
Special Instruction Classrooms	4	4	4	4	4	6	6
Special Instruction Teachers	4.0	4.0	4.0	4.0	4.0	6.0	6
<b>Marshall Elementary</b>							
Constructed in 1968, Renovated in 1989,97							
Total Building Square Footage	57,297	57,297	57,297	57,297	57,297	57,297	57,297
Enrollment Grades PK-5	539	595	551	433	462	473	468
Student Capacity	600	600	600	600	600	600	600
Regular Instruction Classrooms	27	29	27	27	27	27	24
Regular Instruction Teachers	26.5	29.0	26.5	26.5	26.5	26.5	24
Special Instruction Classrooms	7	7	3	3	3	3	3
Special Instruction Teachers	7.0	7.0	3.0	3.0	3.0	2.0	3
<b>Bogan Elementary</b>							
Constructed in Aug. 2006							
Total Building Square Footage				52,885	52,885	52,885	52,885
Enrollment Grades K-5				403	418	411	422
Student Capacity				504	504	504	504
Regular Instruction Classrooms				24	24	21	22
Regular Instruction Teachers				25.0	25.0	21.0	22
Special Instruction Classrooms				0	0	3	4
Special Instruction Teachers				0.0	0.0	3.0	4

Source: School District Records. Information not available prior to FY04

**Talawanda School District, Ohio**  
*Operating Statistics*  
*Last Seven Fiscal Years*

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio
2004	\$ 23,765,302	3,104	\$ 7,656	5.59%	227	13.7
2005	24,338,849	3,072	7,923	3.48%	227	13.5
2006	25,333,577	3,010	8,416	6.23%	216	13.9
2007	26,871,753	3,043	8,831	4.92%	208	14.6
2008	28,624,599	3,068	9,330	10.85%	208	14.8
2009	28,574,725	3,097	9,227	4.48%	230	13.5
2010	28,621,436	3,092	9,257	-0.79%	229	13.5

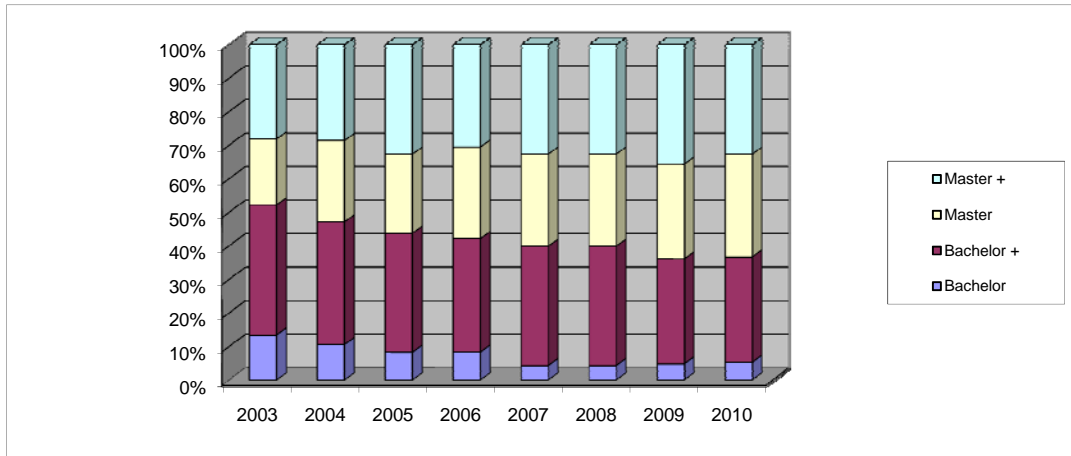
Source: School District Records. Expense information is not available prior to 2004.

N/A = Not Available

**Talawanda School District, Ohio**  
**Full-Time Equivalent Teachers by Education**  
**Last Eight Fiscal Years**

Degree	2003	2004	2005	2006	2007	2008	2009	2010
Bachelor's Degree	30	24	18	18	9	9	11	12
Bachelor + 15	4	6	3	3	5	5	2	2
Bachelor + 150	83	77	74	70	69	69	70	70
Master's Degree	44	55	51	59	57	57	65	70
Master + 15	32	30	34	31	28	28	36	31
Master + 30	31	35	37	35	40	40	46	44
<b>Total</b>	<b>224</b>	<b>227</b>	<b>217</b>	<b>216</b>	<b>208</b>	<b>208</b>	<b>230</b>	<b>229</b>

Source: School District Records. Information not available prior to FY03





# Dave Yost • Auditor of State

TALAWANDA SCHOOL DISTRICT

BUTLER COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
MARCH 29, 2011