



**Auditor of State
Betty Montgomery**

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

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ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTOR <i>Pass-through Grantor</i> Program Title	Federal CFDA Number	Pass-through Entity Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Donation	10.550	N/A	\$	\$ 30,602	\$	\$ 36,594
School Breakfast Program	10.553	05-PU-02 05-PU-03	18,591 32,630 <u>51,221</u>	<u>0</u>	18,591 32,630 <u>51,221</u>	<u>0</u>
Total School Breakfast Program						
National School Lunch Program	10.555	LL-P4-02 LL-P4-03	89,509 184,030 <u>273,539</u>	<u>0</u>	89,509 184,030 <u>273,539</u>	<u>0</u>
Total National School Lunch Program						
Total Nutrition Cluster			<u>324,760</u>	<u>30,602</u>	<u>324,760</u>	<u>36,594</u>
Total U.S. Department of Agriculture			324,760	30,602	324,760	36,594
U.S. DEPARTMENT OF LABOR						
<i>Passed Through the Washington County Joint Vocational School:</i>						
Employment Services and Job Training - Pilot and Demonstration Program	17.249	WK-BE-00			101	
Total U.S. Department of Labor			0	0	101	0
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	84.010	C1-S1-01 C1-S1-02 C1-S1-03	8,706 534,115 <u>542,821</u>	<u>0</u>	8,706 144,115 451,315 <u>604,136</u>	<u>0</u>
Total Title I Grants to Local Educational Agencies						
Special Education Cluster:						
Special Education - Grants to States	84.027	6B-SF-01P 6B-SF-02P 6B-SF-03P	 21,066 270,732 <u>291,798</u>	<u>0</u>	177 45,513 235,245 <u>280,935</u>	<u>0</u>
Total Special Education - Grants to States						
Special Education - Preschool Grants	84.173	PG-S1-02P PG-S1-03P	0 9,191 <u>9,191</u>	<u>0</u>	5,589 8,443 <u>14,032</u>	<u>0</u>
Total Special Education - Preschool Grants						
Total Special Education Cluster			300,989	0	294,967	0
Safe and Drug-Free Schools and Communities - State Grants	84.186	DR-S1-01 DR-S1-02 DR-S1-03	 9,433 17,369 <u>26,802</u>	<u>0</u>	168 12,532 15,681 <u>28,381</u>	<u>0</u>
Total Safe and Drug-Free Schools and Communities - State Grants						
Goals 2000 - State and Local Education Systemic Improvement Grants	84.276	G2-S9-01			14,102	
Eisenhower Professional Development State Grants	84.281	MS-S1-00 MS-S1-01 MS-S1-02	 1,679 (12,284) <u>(10,605)</u>	<u>0</u>	13,027 1,459 <u>14,486</u>	<u>0</u>
Total Eisenhower Professional Development State Grants						
Twenty-First Century Community Learning Centers	84.287	T1-S1-03	245,894		156,025	
Innovative Education Program Strategies	84.298	C2-S1-00 C2-S1-01 C2-S1-02 C2-S1-03	 15,499 329 5,670 <u>21,498</u>	<u>0</u>	16,235 15,499 9,177 2,203 <u>43,114</u>	<u>0</u>
Total Innovative Education Program Strategies						
Education Technology State Grants	84.318	TJ-S1-03	7,909		4,015	
Reading Excellence	84.338	RN-S1-01			49,691	
Class Size Reduction	84.340	CR-S1-02			25,182	
School Renovation Grants	84.352	AT-S2-02 AT-S3-02	12,853 10,738 <u>23,591</u>	<u>0</u>	12,088 4,070 <u>16,158</u>	<u>0</u>
Total School Renovation Grants						
English Language Acquisition Grants	84.365	T3-S1-03	11,409		10,000	
Improving Teacher Quality State Grants	84.367	TR-S1-03	131,744		128,193	
Total U.S. Department of Education			<u>1,302,052</u>	<u>0</u>	<u>1,388,450</u>	<u>0</u>
Total Federal Awards Receipts and Expenditures			<u>\$ 1,626,812</u>	<u>\$ 30,602</u>	<u>\$ 1,713,311</u>	<u>\$ 36,594</u>

The Notes to the Schedule of Federal Awards Receipts and Expenditures is an integral part of the Schedule.

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – CHILD NUTRITION CLUSTER

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

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

NOTE C – NEGATIVE RECEIPTS

Negative receipts shown on the Schedule of Federal Awards Receipts and Expenditures resulted from carryover amounts transferred from one grant fiscal year to another due to ODE administrative action and do not represent a loss of funds due to noncompliance.



**Auditor of State
Betty Montgomery**

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

Athens City School District
Athens County
25 South Plains Road
The Plains, Ohio 45780

We have audited the basic financial statements of the Athens City School District, Athens County, Ohio (the School District), as of and for the year ended June 30, 2003, and have issued our report thereon dated January 28, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the School District in a separate letter dated January 28, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2003-001.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, reportable condition 2003-001, described above, is considered to be a material weakness. We also noted certain matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the School District in a separate letter dated January 28, 2004.

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



Betty Montgomery
Auditor of State

January 28, 2004



Auditor of State Betty Montgomery

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

Athens City School District
Athens County
25 South Plains Road
The Plains, Ohio 45780

Compliance

We have audited the compliance of Athens City School District, Athens County, Ohio (the School District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The School District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the 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 requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003. We noted instances of noncompliance that do not require inclusion in this report that we have reported to the management of the School District in a separate letter dated January 28, 2004.

Internal Control over Compliance

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

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We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the School District's ability to administer its major federal programs in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying Schedule of Findings as item 2003-002.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness. We also noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the School District in a separate letter dated January 28, 2004.

Schedule of Federal Awards Receipts and Expenditures

We have audited the basic financial statements of the School District as of and for the year ended June 30, 2003, and have issued our report thereon dated January 28, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, it is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

January 28, 2004

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any other reportable conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	Yes
(d)(1)(vii)	Major Programs (list):	Title I Grants to Local Educational Agencies – CFDA #84.010 Nutrition Cluster – CFDA #10.550, #10.553, and #10.555
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

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

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

Finding Number 2003-001

Material Weakness

The School District has delegated employees' health and prescription drug insurance claims processing, which is a significant accounting function, to a third-party administrator. The School District has not established procedures to determine whether the service organization has sufficient controls in place and operating effectively to reduce the risk that health and prescription drug insurance claims have not been completely and accurately processed in accordance with the health and prescription drug insurance claims contract.

We recommend the School District implement procedures to assure the completeness and accuracy (including eligibility and allowability) of health and prescription drug insurance claims processed by its third-party administrator. Statement on Auditing Standards (SAS) No. 70 as amended, prescribes standards for reporting on the processing (i.e. control design and operation) of transactions by service organizations. An unqualified Tier II "Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness" in accordance with SAS No. 70, should provide the School District with an appropriate level of assurance that health and prescription drug insurance claims are being processed in conformance with the contract. We recommend the School District, with help of its legal counsel, consider specifying in its contract with the third party administrator that an annual Tier II SAS 70 audit report be performed. The School District should be provided a copy of the SAS 70 report timely and should review the report's content. A SAS 70 audit report should be conducted in accordance with American Institute of Certified Public Accountants' (AICPA) standards by a firm registered and considered in "good standing" with the Accountancy Board of the respective State. If the third-party administrator refuses to provide the School District with a Tier II SAS 70 report, we recommend the School District only contract with a third-party administrator that will provide such a report.

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

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

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2003-002
CFDA Title and Number	Nutrition Cluster – CFDA #10.550, #10.553, and #10.555
Federal Award Number/Year	05-PU-02, 05-PU-03, LL-P4-02, LL-PU-03
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	Ohio Department of Education

Special Tests and Provisions Compliance Requirement – Inventory – Reportable Condition

Ohio's Donated Food Distribution Program Manual, revised March 2003, Inventory Section, page 32, requires accurate records of inventories and receipts to be kept. Physical inventories of all foods, purchased and donated must be taken each month. Schools participating in the National School Lunch Program are to report inventories to the Office of Child Nutrition Services on the Claims, Reimbursement, and Reporting System (CRRS) site claim form in the section, "Inventory Cost Report."

The School District could not provide for audit any records of inventories for fiscal year 2003. Due to the appropriate accounting records not being maintained for food stocks, both purchased and donated, we could not determine whether physical inventory was taken or whether physical inventories were reconciled with inventory reported to the Office of Child Nutrition Services on the CRRS site claim form.

We recommend the School District complete the required physical inventories and retain the supporting documentation of such inventories as per the grant records retention guidelines within 28 C.F.R. Section 66.42(b).

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**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 §315(b)
JUNE 30, 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2002-10705-001	The School District did not maintain monthly budgetary reports for the year that documented appropriations versus expenditures and estimated revenue versus actual revenue.	No	Partially Corrected. This has been referred to management in a separate letter dated January 28, 2004.

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 §.315 (c)
JUNE 30, 2003**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2003-001	The School District's service organization handling the employees' health and prescription drug insurance claims processing offered, on January 13, 2004, to provide the School District with a biannual Tier II SAS 70 report. The School District has accepted the offer and is awaiting written confirmation. The School District does not intend to pursue the SAS-70 issue any further.	March 5, 2004	Matt Bunting, Treasurer
2003-002	The School District's contracted food service management company, Aramark, Inc., handled the food inventory records and failed to provide them when their contract ended June 30, 2003. The District has taken over management of their food service operations and control over all records including food inventory detail.	July 1, 2003	Matt Bunting, Treasurer

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ending June 30, 2003



2003

ATHENS CITY SCHOOL DISTRICT

25 South Plains Road – The Plains, Ohio 45780

Comprehensive Annual Financial Report
of the
Athens City School District
The Plains, Ohio

For the fiscal year ended
June 30, 2003

Board of Education

Scott Nisley.....President
Jeffrey Dill, PhD.....Vice-President
James Shirey, PhD.....Member
Catherine Cordingley.....Member
Bruce Nottke.....Member

Superintendent of Schools

Carl D. Martin

Issued by the Treasurer's Office

Bryan M. Bunting, CGFM
Treasurer/CFO



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ATHENS CITY SCHOOL DISTRICT

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ATHENS CITY SCHOOL DISTRICT



INTRODUCTORY SECTION

ATHENS CITY SCHOOL DISTRICT

www.athenscity.k12.oh.us

Carl D. Martin
Superintendent

Bryan M. Bunting CGFM
Treasurer



25 South Plains Road
The Plains, Ohio 45780

Voice: (740) 797-4506
Fax: (740) 797-9146

January 28, 2004

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

The Athens City School District (the District) is pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2003. This CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

The Comprehensive Annual Financial Report is presented in three sections:

- The **Introductory Section** includes the title page, the table of contents, this transmittal letter, a list of principal officers, a Certificate of Achievement or Excellence in Financial Reporting, and the District's organizational chart.
- The **Financial Section** includes the independent auditors' report on the financial statements, management's discussion and analysis, the basic financial statements and the combining statements for nonmajor funds and other schedules that provide detailed information relative to the financial statements.
- The **Statistical Section** includes selected financial, economic, and demographic information indicating historical trends and for comparative purposes.

The District is responsible for the accuracy of the data presented and the completeness and fairness of this presentation. We believe the data presented is accurate in all material aspects and that all disclosures necessary to enable the reader to acquire the maximum understanding of the District's financial activity are included herein.

Copies of this report will be widely distributed throughout the District. A copy will be sent to all school buildings, the Chamber of Commerce, major taxpayers, the Athens County Public Library, banks, and any other interested parties.

THE DISTRICT AND ITS FACILITIES

The District was established in the mid 1800's and was consolidated in 1964 with the Plains Local School District and the Chauncey Local School District. It is located in Athens County, and includes the City of Athens, the Village of Chauncey and portions of the Townships of Athens, Canaan, Dover, and Waterloo. Athens is the county seat of Athens County with a population of approximately 32,700 residents. The District is the 192nd largest in the State of Ohio (among 613 school districts) in terms of enrollment.

Located 75 miles southeast of Columbus, Athens is home to Ohio University, the first university in the Northwest Territory founded in 1804. The University's main campus College Green is on the National Register of Historic Places and includes Cutler Hall, a National Historic Landmark, built in 1816. Each quarter, the University adds over 19,000 students to the City's population.

The Athens City School District is one of five K-12 public school districts in Athens County. With 2,976 pupils (including preschool), it has the largest enrollment in the county but is geographically one of the smallest school districts in the county encompassing only 58 square miles. The District operates 7 educational facilities, a Maintenance facility, a Transportation/Bus Garage, and a central administration building that also houses the District's Technology department and Talented and Gifted program director.

School	Grade	Enrollment
Chauncey Elementary	PreK-12	247
East Elementary	K-12	304
Morrison Elementary	K-12	371
The Plains Elementary	PreK-12	433
West Elementary	PreK-12	273
Athens Middle School	7-8	440
Athens High School	9-12	908

The District provides preschool programs and all-day kindergarten classes. The District serves lunches to 40% of the student population daily. Slightly more than 30% of the District's student body qualify for free or reduced priced lunches. Chauncey, The Plains, and West Elementary schools are identified as Title I buildings and provide free and reduced lunches to 50% of their combined student population. These three school facilities also offer breakfast programs. However, slightly less than 30% of the student population participates in that program.

ORGANIZATION OF THE DISTRICT

The Board of Education of the Athens City School District (the Board) is a five-member body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars, and approves the annual appropriation resolution and tax budget. A list of the current Board members as of June 30, 2003 is included on page xiii.

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Carl D. Martin was initially employed as Superintendent effective February 1995. Mr. Martin retired effective December 31, 1998 but returned to the position in July 2000. Mr. Martin's contract extends through July 31, 2006.

The Treasurer is the chief financial officer of the District and is responsible directly to the Board for all financial operations, investments, custody of all District funds and assets and serves as secretary to the Board. Mr. Bryan M. Bunting was appointed Treasurer effective August 1, 1998. Mr. Bunting's contract extends through the date of the organizational meeting in January 2005.

ECONOMIC CONDITION AND OUTLOOK

The District's largest employer is Ohio University, which employs over 4,500 total employees with more than 1,000 full-time and 704 part-time coming from within the District. The University has an enrollment of more than 19,660 students on their Athens campus. The University also provides land for taxable retail operations and has become the District's largest real estate taxpayer. This has provided a foundation of stability for the District. Ohio University's total net assets was more than \$399 million with total expenditures for the 2002 fiscal year in excess of \$424 million dollars. The University has an on-going facility plan which means each year they complete a number of construction and renovation projects. According to their June 30, 2002 CAFR, they completed more than \$55 million in such projects during the fiscal year. In fact, the four of the five largest employers in the county are government operations, Ohio University, Athens County, Hocking College, and the Athens City School District itself.

Athens County's largest private employers include Southern Ohio Coal Company (672), O'Bleness Hospital (425), and McBee Systems (310). The University Mall includes major retail stores such as Elder-Beerman, Goody's, Fashion Bug, Radio Shack and jewelry stores that provides additional real estate and personal property tax revenue and employment to area residents. New commercial operations that opened in 2003 include a Wal-Mart Super Store, a Staples office supply store, a Ruby Tuesday's restaurant along with a new Burger King and Arby's. Agreements have been concluded for a Lowe's Super Store to begin construction in 2004. Other negotiations are on-going with other stores for sites along the East State Street area. The City of Athens has nearly completed a major infrastructure upgrade in this area that includes additional traffic lanes, water, sewer, and electric.

The District, along with many other public school systems in the state, relies heavily on local property tax as a primary source of funds. Ohio law limits the growth in real estate tax revenues by reducing millage as assessed values increase following re-appraisals. Consequently, revenues generated from each levy remain relatively constant. As a result, the District must periodically seek additional funding from its taxpaying constituents. While statewide, voters have proved reluctant to increase their property taxes, the Athens City School District has received positive support from its taxpayers on 88% of all tax levies and/or 100% of all bond issues since 1964. The District's management is very appreciative of this support but is constantly searching for ways to provide a more efficient means of doing business while at the same time continuing to provide excellent educational services. Evidence of this is supported by the fact the District operates over 30 grants generating nearly \$2.6 million in funding. These grants have provided funds to implement entry-year teacher programs, school-to-work programs, Family Literacy efforts, Service Learning, and prevention programs for drugs, alcohol and violence, as well as Professional Development Grants that have increased the competency of staff and provided research based models for instructional change.

EMPLOYEE RELATIONS

The District has 443 employees (full and part time) of which 247 are certificated (including school psychologists and counselors), 177 are classified, and 19 administrative. Certificated employees, including teachers and educational specialists, are represented for collective bargaining purposes by the Athens Education Association (AEA), an affiliate of the Ohio Education Association (OEA). Classified employees, including bus drivers, food service, custodial, maintenance, and clerical staff, are represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846. Educational Aides are also represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846, but under a separate negotiated agreement.

In January 2002, the Board successfully concluded negotiations with the AEA on a three year agreement for wages and fringe benefits. Wage agreements reached for the three year period January 15, 2002 through January 15, 2005 included a 3.25% wage increase retroactive to January 1, 2002, a 3% effective January 2003, and a 3% increase effective January 2004.

During the summer of 2003, the Board successfully concluded negotiations with the ASFCME employees on a three-year agreement for wages and fringe benefits. Wage agreements for that bargaining unit for the three year period September 1, 2003 through August 31, 2006 included hourly wage increases of \$.40 effective September 2003, and \$.35 in September 2004, and September 2005.

During the winter of 2001, the Board successfully concluded negotiations with the ASFCME educational aide employees on a three-year agreement for wages and fringe benefits. Wage agreements for that bargaining unit for the three year period September 1, 2001 through August 31, 2004, included hourly wage increases of \$.45 effective September 2001, September 2002, and September 2003.

SERVICES PROVIDED

The Athens City School System is vitally concerned with its educational program. The Board views education as a lifelong process and believes that education is a key element in the realization of a successful and satisfying life. High academic expectations have been set forth for our students. The District pursues opportunities for the students to be involved in cooperative efforts with colleges and universities. We believe that the education of youth grows out of an interaction of the school, the home and the community. The educational process should provide each student with the opportunity for success, personal growth and accomplishment. The District provides equal support to students throughout the District. To address populations who have special needs, or who are academically at-risk, the District obtains supplemental funds. Three elementary schools are eligible to receive Title I services school-wide.

Children entering kindergarten are assessed to determine their developmental levels, socially and academically. Results of assessments are used to design program offerings. All the District's elementary schools operate full-day kindergarten programs. The kindergarten program includes readiness skills in mathematics, reading, and language arts. Handwriting, science, and social studies concepts are also an integral part of daily activities.

In primary grades K-3, attention is focused upon each child mastering the basic skills necessary for sustained progress in reading, written composition, math, writing, science, social studies, health, and handwriting. Literacy collaborative programs provide in-depth language arts instruction. Each child is also introduced to music, art, physical education, and computer technology.

Children in the intermediate grades 4-6 continue to build upon these basic skills and expand into higher order thinking skills. Written composition, problem solving, critical thinking skills and reading comprehension are stressed. Physical education, health, art, and music including band are also an integral part of the elementary curriculum. Each elementary building has a library with full-time or part-time staff. Students are scheduled weekly into the library to acquire knowledge and to practice using the library to seek information and obtain reading and reference material.

In addition to basic knowledge, life skills of the everyday world are stressed. These include developing a positive self-image, a concern for good health, safety and physical activity, and opportunities to explore some introductory activities relating to careers and the world of work. Staff members strive to help students develop the virtues of integrity, courage, discipline and the love of lifelong learning.

Athens High School is a unique four-year comprehensive high school accredited by the North Central Association of Secondary Schools and Colleges and the Ohio Department of Education. Athens High School requires 22 units of credits to graduate. The school offers an impressive list of curricular and co-curricular programs. Over 130 courses are available including 14 advanced placement courses. Students also are eligible to take courses on the Ohio University and Hocking College campus and receive both high school credit and college credit for said courses. Students who want to enter the work force directly from high school can enter Tri-County Joint Vocational School or stay at Athens High School and work with vocational instructors. Tri-County's articulation agreements with Ohio University and Hocking College allow students in the Tech Prep program to enter these institutions with a stronger academic background and earn an enhanced associate degree or continue in a baccalaureate program.

Athens High School has 27 clubs; Student Council, Key, National Honor Society, Arena, Broadcasting, Drama, Ecology, FCCLA/HERO, Interact, French, Masquers, Thespians, Matrix, Mock Trial, Model United Nations, Spanish, Art Club, Multi-cultural Club, STARS, Marching Band, Concert Band, Summer Band, Silks, Jazz Band, Pep Band, Mixed Chorus, and Symphonic Choir. Students engage in 15 sporting activities; cross-country (girls and boys), football, soccer (girls and boys), tennis (girls and boys), volleyball, golf (girls and boys), wrestling, swimming (girls and boys), baseball, basketball (girls and boys), softball, and track (girls and boys). Cheerleading squads engage in competition as well as provide school support. The Athens High School drama productions, choirs, instrumental music groups, marching band, flag corps, and competition cheerleaders have received many state and national awards.

The District's special education programs are broad and comprehensive. Approximately 14% of the student population has an Individualized Education Plan (IEP). A Talented and Gifted Program is available to qualified students. Programs and services are provided at the elementary, middle, and high school levels for gifted students. The District has developed a comprehensive gifted education plan. Special programs for the multi handicapped, developmentally handicapped, English as a second language, learning handicapped, speech, hearing impaired, are provided for students who meet the requirements.

TECHNOLOGY

The mission of the technology program at Athens City Schools is to provide a standardized, reliable, efficient, and cost effective infrastructure of technology resources that supports and enhances student education and district administration. The District recognizes that technology is an integral tool in the education process and are committed to providing and maintaining quality services and programs.

The District maintains a District Technology Plan maintained by the District Technology Council, a group representing each school building and the community. The District's objective is the maintenance of existing technology services, with constant evaluation of emerging technology solutions, and a strict adherence to budgetary issues.

TEACHER PROFESSIONAL DEVELOPMENT

Peer Teacher Mentor Program-The District provides an opportunity for a new teacher to be paired with an experienced teacher as a critical friend. This is a very non-threatening way for teachers to exchange ideas, receive assistance, and improve teaching skills.

New Teacher Orientation - New employees are given a special welcoming orientation to the District and community by administrators of city, county, and district. Pairing new teachers with seasoned teachers provides a support system and promotes assimilation into the District family.

Technology - Both the District Continuous Improvement Plan and the District Technology Plan outline goals and action plans that call for integrating technology into teacher instruction and student learning. Professional Development for teachers is an important component in accomplishing these goals. Student access to hardware and software and lessons that incorporate technology is essential to student competence in this area. The District Technology Plan sub-committee, *Curriculum and Community Involvement*, provided a series of training in-services for training building technology facilitators and classroom teachers and will be planning a continued professional development opportunities. Over 60 teachers have received certification that demonstrates technological competency at the Novice and Practitioner levels.

This is an ongoing activity in the District. Each curricular area is revised to insure that state-of-the-art practices and programs are available for students. The District closely follows the Ohio Department of Education's model curriculums and standards to achieve this goal. Additionally, the curriculum development process model mandates the Five-Year Professional Development Plan, the integration of technology, and establishing student assessment procedures and practices. Any revisions and adoptions will use current local performance data obtained through competency and proficiency testing of students to determine curricular needs. Content of instruction and instructional practices is carefully examined and analyzed in light of the data generated. Professional development will address the needs of the District.

COMMUNITY, STAFF, AND STUDENT INVOLVEMENT

The Board believes that the best interests of this District are served when citizens, students and professional school people work together toward school improvement.

Community participation in the affairs of the schools is important if the District and the community are to maintain mutual confidence and respect and work together to improve the quality of education for students. The Board endeavors to identify the wishes of the community and to be responsive to those wishes. All citizens are encouraged to express ideas, concerns and judgments about the schools to the school administration, the staff, and to the Board.

The District involves the efforts of many people and functions best when all personnel are informed of the District's major activities and concerns. The Board invites an exchange of ideas and pertinent information among all elements of the District and has developed a Continuous Improvement Plan utilizing this philosophy of representative involvement. Morale is enhanced when employees are assured that their voices are willingly heard by those in positions of authority.

Students share responsibility for developing a climate in the school that is conducive to learning. Through participation in the decision-making process, students are an important resource for the improvement of the school, the educational system and the community. Periodically, students are asked to review school policies, rules and regulations.

MAJOR INITIATIVES AND EVENTS - FISCAL YEAR 2003

Facility Management

The District is completing a *Facility Master Plan* with the assistance of the Ohio School Facility Commission (OSFC) and other professionals. The plan should be completed early in fiscal year 2004 and filed with the OSFC. The Plan will serve not only as a management tool but will also locks in certain already completed project costs as part of the District's share of any future construction projects funded through the OSFC.

Summer School

Summer programs were operated for both elementary and secondary grades. High School sessions focused on gaining additional course credits and assistance with the Ohio Proficiency Tests. Summer school sessions were also held for elementary school students, funded mostly through grants and operated by the Kid-on-Campus program of Ohio University.

Technology

More than 100 new computers were installed throughout the District's educational facilities. A District-wide internet filtering system was implemented to comply with the federal mandate of the Children's Internet Protection Act. The District's goal of having one computer for every five students in the classroom was achieved during fiscal year 2003. A Teacher/Trainer was added to provide professional development for technology to District staff. A new software product called First Class was implemented district-wide. It provides one consistent communication system that includes email, chat, and file sharing.

Report Cards

Ohio law calls for each Ohio District to receive a performance accountability rating based on 22 performance standards. Athens City Schools have met 16 of the 22 performance standards for the 2002-2003 school year. Based on the State's current ranking system, this score places the District in the Continuous Improvement category. The District will continue to work with staff to increase student performance and thus increase the number of standards met.

Comprehensive Annual Financial Report

The District prepared their fourth Comprehensive Annual Financial Report (CAFR) for fiscal year 2003. This report included early implementation of the GASB 34 requirements. All reports prior to this year have received the Certificate of Achievement from the Government Finance Officers Association. We believe that our current report also conforms to the Certificate of Achievement program requirements.

Academic and Student Group Awards

Eight Athens High School students qualified as National Merit Scholars. There were also eleven students who were recognized as commended students by the National Merit Scholar program. Since 1984, seventy Athens High School students have been named National Merit Scholars and ninety-seven more have earned commended status. A number of Athens High School class of 2003 graduates received recognition and scholarships from the J. Warren McClure Foundation.

The Athens High School Band was Grand Champions of the Mid-State Finals and received a Superior Rating at the Ohio Music Educators Association State Finals. Several band members were selected to perform in the Ohio Music Education Association Honor Band.

Consolidated Local Plan

The District Consolidated Local Plan provides the foundation for maximizing efficient use of dollars generated through state and federal funds. The following **federal grants** are managed by the Curriculum Director by processing an electronic application which logically integrates the individual objectives and action plans in order to leverage use of the funds. Special Education grants were added to this program in fiscal year 2003 and are managed in concert with the District's Special Education Director. The electronic application supports flexibility of budget and program development and revisions. As a result, purchase of materials and equipment for student instruction and professional development opportunities for teaching staff are increased.

<u>Grant</u>	<u>Award Amount</u>	<u>Description of Grant</u>
Title I	\$656,478	This grant targets our 3 schools who demonstrate that they are serving an economically disadvantaged student population that exceeds 35% of the school's total student population.
Title II-A	\$201,353	Based on research findings that smaller class size is correlated to student success, the funds from this grant are ear-marked for class size reduction, especially in the primary grades.
Title II-D	\$17,959	Funds are designated for professional development of educational staff and the encouragement of technology and mathematics and science education.
Title III	\$14,094	This grant targets funds toward expanding and enhancement of English language and academic instruction programs to promote English as a second language (ESL).
Title IV	\$19,353	Focus for this grant is on cultivating a safe, drug-free climate within our schools, underscoring the educational mission to have students make good life decisions and feel safe in their environment.
Title V	\$27,194	<i>An Innovative Assistance Program</i> , funds from this have helped support new and creative educational applications.
Title VI-B	\$283,178	Funds are allocated to align systems of intervention and special education with scientifically based research curriculum, instruction and assessment and with the state's academic content standards. Provides tutoring and other focused supplemental supports for children.
ECSE	\$14,050	Funding is designed to provide tutoring and other focused supplemental supports for children most at risk in reading and mathematics.
Total	\$1,233,659	

MAJOR INITIATIVES FOR THE FUTURE

Permanent Improvements

The District intends to continue with annual maintenance issues and improvement projects. These will include electrical upgrades, roof repairs, renovations to doors and windows, and the addition of security cameras and equipment. Renovations and additions are planned for the Transportation facility as well as the possible construction of a maintenance and warehouse facility.

Curriculum Development and Meeting the Requirements of New State Standards

The District is actively involved in reviewing and providing input in the development of the proposed standards in each of the major discipline areas. Teachers from Athens City Schools sit on state development committees in language arts, social studies, science, fine arts, music, and foreign language. As State standards and courses of study are finalized the District revises the local courses of study accordingly. Content of instruction and instructional practices are carefully examined and analyzed in light of performance data generated from local evaluations and proficiency and competency based tests. All efforts are directed to increase student performance and become an *Effective* category school district. To achieve that goal a District Continuous Improvement Plan serves as a decision-making tool.

Technology Upgrades

The Information Technology (IT) Department's top priorities for fiscal year 2004 and beyond will be to update the Technology Plan for re-approval in 2004. The IT Department will be installing all new servers at each building, bringing the Transportation and Maintenance facilities onto the network, and implementing more wireless network access throughout the District.

FINANCIAL INFORMATION

Internal Controls

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

Federal and State Assistance

As a recipient of federal and state financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the District.

Budgetary Controls

The District maintains its accounts, appropriations, and other financial record in accordance with the procedures established and prescribed by the Auditor of State. The objective of these budgetary controls is to ensure compliance with the legal provisions embodied in the annual appropriation resolution approved by the Board of Education. Activities of all funds are included in the annual appropriation resolution. Budget deadlines may be established to allow for budget amendments prior to year end. These final amendments allow actual amounts on the budgetary basis to agree with the adopted budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level of expenditure. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year end are carried forward to succeeding years and are not re-appropriated. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Financial Condition

This is the second year the District has prepared financial statements following *GASB Statement No. 34, "Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments."* *GASB Statement No. 34* creates new basic financial statements for reporting on the District financial activities as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses.

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

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

As a part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the District. This discussion is located in the financial section of this report following the audit opinion, and provides an assessment of the District finances for fiscal year 2003.

Debt Administration

The Bond Retirement Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related costs. The payment of interest on general obligation short-term notes payable is accounted for in the fund that receives the proceeds from the debt. All debt, except for the energy conservation notes, is supported through voter approved tax levies.

At June 30, 2003, the District had outstanding bond issues of \$18,176,566. Under current State statutes, the District's general obligation bonded debt issuances are subject to a legal limitation based on 9% of the total value of real and personal property. At June 30, 2003, the District's general obligation debt was well below the legal limit.

Risk Management

The District continues to protect its assets through a comprehensive insurance program. A schedule of insurance in force at June 30, 2003 is included in the Notes to the Financial Statements Section of this report.

Cash Management

The District believes that appropriate cash management activities are integral to the District's overall financial well-being. Forecasting of receipts and expenditures, cash budgeting and on-going variance analysis allow prudent optimization of investment maturities and interest income. Total interest earned during the fiscal year 2003 was \$712,396.

The program's efficiency is enhanced using direct deposits and wire transfers to accelerate the availability of investable balances; cash budgeting and the use of controlled disbursements to control expenditures; and the use of appropriate portfolio management techniques to maximize earnings.

This portfolio program, which aggregates the excess cash of substantially all funds for investment purchases, adheres to the following priorities: assuring the safety of all invested principal, providing needed liquidity to meet the District's obligations on a timely basis, and earning a market rate of return over budgetary and economic cycles.

The securities and maturities utilized are authorized by the Ohio Revised Code, Section 135.14, 135.42 and 135.45 as amended. The District approaches investment selection in two ways: (1) it purchases eligible securities which mature at specific times to pay known obligations of the District (maturity matching); and (2) it diversifies other maturities over the permissible investment horizon, given cash flow forecasts and market conditions, by constructing a "laddered" configuration.

During fiscal year 2003, the District purchased certificates of deposit, and U.S. Treasury and Agency/Instrumentality securities permitted by the Ohio Revised Code. It also used the State Treasurer's Star Ohio account for short-term investments. The District does not invest in derivative securities nor engage in leverage. It utilizes yield curve analysis and relative value approaches for investment selection. All investments are transacted competitively, using three bids/offers from eligible banks and dealer firms.

The District follows the procedures permitted by Ohio law regarding the safekeeping of deposits and investments. Deposits are generally secured by the Federal Deposit Insurance Corporation and a pool of eligible investments, not in the District's name, held by depository institutions or at their Federal Reserve Bank account for the District. The Governmental Accounting Standards Board, using strict standards of deposit segregation, refers to these latter deposits as "uncollateralized." The State of Ohio does not require that this criteria be met.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent accountants. The Auditor of State has conducted the District's audit since fiscal year 1999. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The independent auditor's report on the basic financial statements and combining statements and individual fund schedules is included in the financial section of this report.

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 to the Athens City School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2002. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized 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.

Acknowledgments

The preparation and publication of this Comprehensive Annual Financial Report on a timely basis could not have been possible without the cooperation of the entire Central Office and Treasurer's Office staff. A special note of appreciation is extended to J. L. Uhrig & Associates for their aid in preparing this report.

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

Bryan M. Bunting, Treasurer

Carl D. Martin, Superintendent

List of Principal Officers

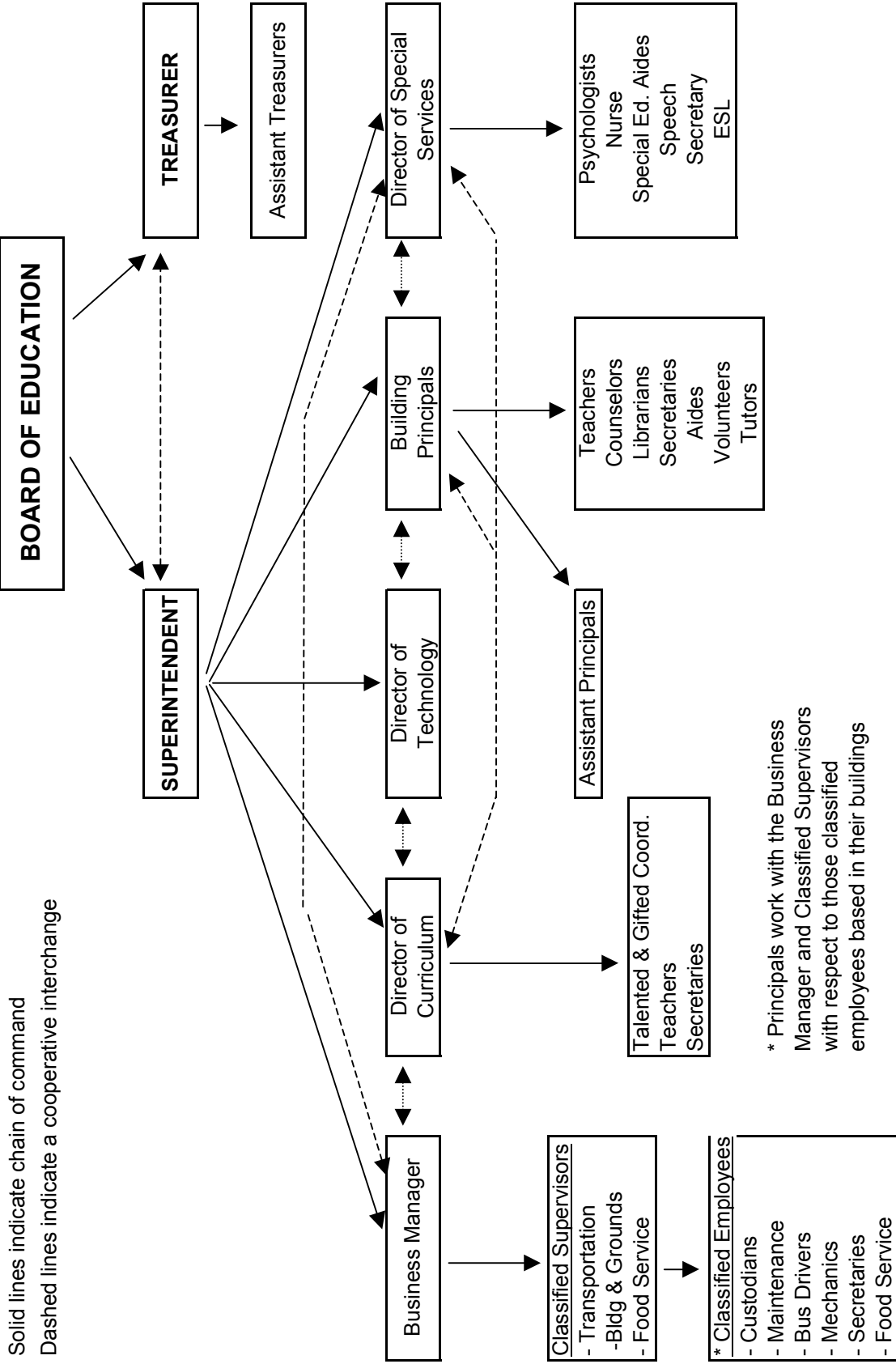
BOARD OF EDUCATION

President	Scott Nisley
Vice President.....	Jeffrey Dill, PhD
Board Member.....	James Shirey, PhD
Board Member.....	Catherine Cordingley
Board Member.....	Bruce Nottke

CENTRAL OFFICE ADMINISTRATIVE STAFF

Superintendent.....	Carl D. Martin
Treasurer	Bryan M. Bunting, CGFM
Business Manager.....	David McAllister
Director of Curriculum	Sharon Parsons
Director of Special Services	Jeremy Yehl
Director of Technology	Tim Owen

ATHENS CITY SCHOOLS ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Athens City School District,
Ohio

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

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



A handwritten signature in black ink, appearing to read "Edward Haney".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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ATHENS CITY SCHOOL DISTRICT



FINANCIAL SECTION



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Athens City School District
Athens County
25 South Plains Road
The Plains, Ohio 45780

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Athens City School District, Athens County, Ohio (the School District), as of and for the year ended June 30, 2003, 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 these financial statements based on our audit.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2004, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We conducted our audit to form opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, Combining and Individual Nonmajor Fund Statements and Schedules and the Statistical Section are presented for additional analysis and are not a required part of the basic financial statements. We subjected the Combining and Individual Nonmajor Fund Statements and Schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the Introductory or Statistical Sections to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

January 28, 2004

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

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

Financial Highlights

- ▶ The assets of Athens City School District exceeded its liabilities at June 30, 2003 by \$19.59 million. Of this amount, \$5.73 million may be used to meet the District's ongoing financial obligations. The remaining amount represents the difference between capital assets and related debt and net asset amounts restricted for specific purposes.
- ▶ In total, net assets of governmental activities decreased by \$2.56 million, which represents an 11.5% decrease from 2002.
- ▶ General revenues accounted for \$25.56 million or 92.8% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1.99 million or 7.2% of total revenues of \$27.55 million.
- ▶ The District had \$30.11 million in expenses related to governmental activities; only \$1.99 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes and grants and entitlements) of \$25.56 million fell below the amount needed to provide for these programs. However, the District's carry-over balance was sufficient to meet the additional requirements.
- ▶ The District recognizes three major governmental funds: the General Fund, the Bond Retirement Fund, and the Permanent Improvement Fund. In terms of dollars received and spent, the General Fund is significantly larger than all the other funds of the District combined. The General Fund had \$20.30 million in revenues and \$20.83 million in expenses in fiscal year 2003.
- ▶ The District also recognizes the self-insurance fund activity as a governmental activity and a proprietary fund. The activity for fiscal year 2003 was \$2.31 million in revenue and \$3.65 million in expenses. Net assets at June 30, 2003 for the self insurance fund were \$4.95 million.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are presented following the requirements of GASB Statement No. 34, and are organized so the reader can understand Athens City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: the government-wide financial statements, fund financial statements and notes to the basic financial statements.

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

Reporting the District as a Whole

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. The Statement of Net Assets and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances.

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets are important because they serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. The cause of this change may be the result of several factors, some financial and some not. Nonfinancial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required but unfunded educational programs, and other factors. Ultimately, the District's goal is to provide services to our students, not to generate profits as commercial entities do.

The Statement of Activities presents information showing how the government's net assets changed during the 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 item that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In both of the government-wide financial statements, the District activities are shown as Governmental Activities. All of the District's programs and services are reported here including instructional services, support services and operation of non-instructional services. These services are funded primarily by taxes, tuition and fees, and intergovernmental revenues including federal and state grants and other shared revenues.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General, Bond Retirement, and Permanent Improvement.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objective. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one of three categories: governmental funds, proprietary funds and fiduciary funds.

ATHENS CITY SCHOOL DISTRICT
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(Unaudited)

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 current 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 requirements.

Because the focus of the 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 governmental 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 governmental funds and governmental activities.

Proprietary Fund

The District maintains only one proprietary fund, which is an internal service fund. Since the internal service fund operates on a break-even, cost-reimbursement basis, the District reports it as a proprietary fund using the full accrual basis of accounting. The internal service fund is included with governmental activities on the government-wide financial statements.

Fiduciary Funds

The District's fiduciary funds are the private purpose trust and agency funds. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. Private purpose trust funds are held in a trustee capacity for individuals, private organizations, or other governments while agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

Notes to the Basic Financial Statements

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

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

Government-Wide Financial Analysis

Recall that the *Statement of Net Assets* provides the perspective of the District as a whole, showing assets, liabilities, and the difference between them (net assets). Table 1 provides a summary of the District's net assets for 2003 compared to fiscal year 2002:

Table 1
Net Assets

	<u>Governmental Activities</u>	
	2003	2002
Assets		
Current and Other Assets	\$31,509,646	\$32,583,223
Capital Assets, Net	25,501,071	26,834,149
Total Assets	<u>57,010,717</u>	<u>59,417,372</u>
Liabilities		
Long-Term Liabilities	20,312,038	20,568,423
Other Liabilities	17,110,313	16,702,419
Total Liabilities	<u>37,422,351</u>	<u>37,270,842</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	7,324,505	8,409,636
Restricted	6,538,705	6,465,793
Unrestricted	5,725,156	7,271,101
Total Net Assets	<u><u>\$19,588,366</u></u>	<u><u>\$22,146,530</u></u>

Current assets decreased \$1.07 million from fiscal year 2002 due to a decrease in cash from the internal service activity. Capital assets decreased by \$1.33 million as a result of the depreciation for the current year.

Current liabilities increased due to a deferred revenue increase corresponding to the increased taxes receivable.

Long-term liabilities decreased primarily due to scheduled principal payments made on the District's debt outstanding.

The District's largest portion of net assets related to invested in capital assets, net of related debt. This accounts for 37.4% of net assets. The District used these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
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The District's smallest portion of net assets is unrestricted. This accounts for 29.2% of net assets. These net assets represent resources that may be used to meet the District's ongoing obligations to its students and creditors.

The remaining balance of \$6,538,705 or 33.4% is restricted assets. The restricted net assets are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net assets, both for the District as a whole, as well as for its separate governmental activities. The same was true for the prior year.

Table 2 shows the changes in net assets for fiscal year 2003 compared to changes for fiscal year 2002.

Table 2
Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2002</u>
<u>Revenues:</u>		
<i>Program Revenue:</i>		
Charges for Services and Sales	\$602,322	\$619,095
Operating Grants and Contributions	1,299,490	1,199,631
Capital Grants and Contributions	86,792	9,000
<i>General Revenue:</i>		
Property Tax	12,940,367	12,576,166
Unrestricted Grants and Entitlements	10,136,396	10,606,940
Gain on Sale of Capital Assets	30,800	14,896
Unrestricted Tuition and Fees	1,602,753	1,460,118
Investment Earnings	712,396	331,695
Other	142,826	185,696
<i>Total Revenues</i>	<u>27,554,142</u>	<u>27,003,237</u>
<u>Expenses:</u>		
<i>Program Expenses:</i>		
<i>Instruction:</i>		
Regular	13,358,975	11,572,314
Special	3,293,884	2,957,157

(Continued)

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

Table 2
Changes in Net Assets

	Governmental Activities	
	2003	2002
Vocational	404,661	344,768
<i>Support Services:</i>		
Pupil	1,119,257	1,032,824
Instructional Staff	1,349,741	1,095,832
Board of Education	101,298	116,184
Administration	1,596,823	1,489,063
Fiscal	697,172	695,109
Business	147,822	137,296
Operation and Maintenance of Plant	3,488,661	3,154,576
Pupil Transportation	1,719,696	1,483,104
Central	155,459	141,277
<i>Operation of Non-Instructional Services:</i>		
Food Service	775,953	919,570
Other	86,389	483,935
Extracurricular Activities	440,005	422,720
Interest and Fiscal Charges	1,376,510	1,393,441
<i>Total Expenses</i>	<u>30,112,306</u>	<u>27,439,170</u>
<i>Excess (Deficiency) before Extraordinary Item</i>	(2,558,164)	(435,933)
<i>Extraordinary Item:</i>		
Stock Received from Demutualization	<u>0</u>	<u>7,528,879</u>
<i>Change in Net Assets</i>	(2,558,164)	7,092,946
Net Assets – Beginning of Year	<u>22,146,530</u>	<u>15,053,584</u>
Net Assets – End of Year	<u>\$19,588,366</u>	<u>\$22,146,530</u>

ATHENS CITY SCHOOL DISTRICT
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The District had program revenue increases of \$160,878, as well as increases in general revenues of \$390,027. The increase in program revenue is due mostly to the increase in state disadvantage pupil impact aid of \$153,728. The general revenue increase is due almost entirely to the \$380,701 increase in investment earnings, which is due to amounts received by the District from the sale of stock received from the demutualization of the District's group health insurance company.

The total expenses for governmental activities increased \$2,673,136. \$771,101 of the increase is due to a one time incentive paid to employees to make a change in insurance coverage and another \$493,527 in construction costs. The remaining \$1,408,508 or 4.68% is due to increases in salaries and fringe benefits and the addition of 3.5 new positions at the District for fiscal year 2003.

Governmental Activities

Over the past several fiscal years, the District has remained in stable financial condition. This has been accomplished through strong voter support and good fiscal management. The District is heavily dependent on property taxes and, like most Ohio schools, is hampered by a lack of revenue growth. Property taxes made up 54.2% of the total revenue for our three most significant funds in fiscal year 2003.

The Ohio Legislature passed H.B. 920 (1976) and changed the way property taxes function in State. The overall revenue generated by a levy will not increase solely as a result of inflation. As an example, the District would receive from a home valued at \$100,000 and taxed at 1.0 mill, \$35.00 annually. If three years later the home were reappraised and the value increased to \$200,000 (and this increase in value is comparable to other property owners) the effective tax rate would become 0.5 mill and the District would still receive \$35.00 annually. Therefore, the District must regularly return to the voters to maintain a constant level of service.

The District's 2.9 mill Permanent Improvement Levy is an important piece of the financial picture. It funds not only facility maintenance and upkeep issues but also provides the bulk of the District's technology needs and a large percentage of the State's set-aside requirements for both textbooks and instructional materials and capital improvements. The 5-year levy was first passed by District voters in 1991 and has been approved twice, the last time in 2001.

This District's only non-continuing operating tax levy is for 5.8 mills. It was first passed as a 4-year levy in 1994 and has also been replaced twice. The voters approved changing this to a 5-year levy in 2002 by a positive vote of more than 62%. This levy generates approximately \$1.9 million dollars in operating revenue.

Instruction accounts for 56.6% of governmental program expenses. Support services expenses make up 34.4% of governmental expenses. The Statement of Activities shows the cost of program services and charges for services and grants offsetting those services.

Table 3 shows, for governmental activities, the total cost of services and the net cost of services for fiscal year 2003 compared with fiscal year 2002. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

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

Table 3
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2003	2002	2003	2002
<i>Program Expenses:</i>				
Instruction	\$17,057,520	\$14,874,239	\$15,978,470	\$13,912,435
Support Services	10,375,929	9,345,265	10,204,402	9,136,951
Operation of Non-Instructional Services	862,342	1,403,505	233,681	823,132
Extracurricular Activities	440,005	422,720	340,639	345,485
Interest and Fiscal Charges	1,376,510	1,393,441	1,376,510	1,393,441
Total Expenses	\$30,112,306	\$27,439,170	\$28,123,702	\$25,611,444

The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. (See Note 2 for discussion of significant accounting policies and procedures). All governmental funds had total revenues and other financing sources of \$27.26 million and expenditures and other financing uses of \$28.02 million.

Total governmental funds net assets decreased by \$0.73 million. This decrease was due to a \$0.74 million decrease in the General Fund net assets. This was a result of decreased intergovernmental revenues in fiscal year 2003. General Fund net assets at year end were \$2.2 million.

The District has established a target level of net assets in the Bond Retirement Fund of two times its annual bonded debt service requirements or approximately \$3.3 million. The net assets in this fund at year end were \$2.7 million.

The Permanent Improvement Fund net assets are used to accomplish the long-range objectives of the District for textbook replacement, technology upgrades and building maintenance. The net assets in this fund at year end were \$3.4 million.

The District should remain stable in fiscal years 2003 through 2006. However, projections beyond fiscal year 2006 show the District may be unable to meet inflationary cost increases in the long-term without additional tax levies or a meaningful change in state funding of public schools as directed by the Ohio Supreme Court.

Budget Highlights - General Fund

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

ATHENS CITY SCHOOL DISTRICT
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(Unaudited)

During the course of fiscal year 2003, the District amended its General Fund budget several times. The District uses a modified site-based budget technique that is designed to control site budgets while providing building administrators and supervisors flexibility for site management.

The District prepares and monitors a detailed cashflow plan for the General Fund. Actual cashflow is compared to monthly and year-to-date estimates, and a monthly report is prepared for top management and the Board of Education.

For the General Fund, the final budget basis revenue was \$20,572,605 representing a \$250,796 decrease from the original budget estimates of \$20,823,401. The final budget reflected a 1.2% decrease from the original budgeted amount. Most of this difference was due to receipt of the second payment of the State's Property Tax Allocation after the close of the fiscal year. For the General Fund, the final budget basis expenditures were \$21,338,365 representing a decrease of only \$31,908 from the original budget.

Debt Administration and Capital Assets

Debt Administration

At June 30, 2003, the District had \$18.2 million in bonds outstanding with \$409,118 due within one year. Table 5 summarizes bonds and notes outstanding for fiscal year 2003 compared to fiscal year 2002.

Table 5
Outstanding Debt, Governmental Activities at Year End

Purpose	2003	2002
Facility Construction	\$2,426,566	\$2,474,513
Facility Renovation	15,750,000	15,950,000
Energy Conservation (H.B. 264)	215,000	415,000
Total	\$18,391,566	\$18,839,513

In 1990, the District issued bonds in the amount of \$5,000,000 for the construction of The Plains Elementary school facility. In October 1993, \$3,304,972 of these bonds were refinanced to take advantage of favorable interest rates and related cost savings. This debt is retired with annual payments toward the outstanding principal from the Bond Retirement Fund. In fiscal year 2003, the District retired \$47,947 of outstanding principal and had a remaining balance of \$2,426,566. This debt will be retired by December 2010.

In 1994, the District issued Energy Conservation notes in the amount of \$1,696,942 for the purpose of providing a more responsive and efficient heating/cooling system and related energy cost savings. The cost savings over the next 15 years are to provide funds to repay the debt. The District retires outstanding principal each year from the General Fund. In fiscal year 2003, the District retired \$200,000 of the outstanding principal which left a balance of \$215,000. This debt will be retired by December 2003.

ATHENS CITY SCHOOL DISTRICT
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For the Fiscal Year Ended June 30, 2003
(Unaudited)

In 2000, the District issued bonds in the amount of \$16,400,000 to renovate the Middle School, High School and smaller projects at several other facilities. This debt is retired with annual payments toward the outstanding principal from the Bond Retirement Fund. In fiscal year 2003, the District retired \$200,000 of outstanding principal and had a remaining balance of \$15,750,000. This debt will be retired by December 2024.

Capital Assets

At the end of fiscal year 2003, the District had \$46.2 million invested in land, buildings and improvements, vehicles, furniture and equipment, and library books and textbooks, of which all was in governmental activities. That total carries an accumulated depreciation of \$20.7 million. Table 4 shows fiscal year 2003 balances compared to fiscal year 2002.

Table 4
Capital Assets & Accumulated Depreciation at June 30, 2003

	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2002</u>
<i>Nondepreciable Capital Assets:</i>		
Land	\$1,481,240	\$1,481,240
<i>Depreciable Capital Assets:</i>		
Land Improvements	2,973,530	2,973,530
Buildings and Improvements	35,328,477	35,328,477
Furniture and Equipment	3,528,514	3,303,253
Vehicles	1,763,680	1,763,680
Library and Textbooks	1,399,405	1,399,405
<i>Total Capital Assets</i>	46,204,846	46,249,585
<i>Less Accumulated Depreciation:</i>		
Land Improvements	1,666,623	1,577,721
Buildings and Improvements	13,616,861	12,648,128
Furniture and Equipment	2,940,187	2,837,438
Vehicles	1,145,715	1,036,336
Library and Textbooks	1,334,389	1,315,813
<i>Total Accumulated Depreciation</i>	20,703,775	19,415,436
Capital Assets, Net	\$25,501,071	\$26,834,149

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

Current Issues

Although considered a mid-wealth district, Athens City School District is financially stable, and has been over the past several years. As indicated in the preceding financial information, the District is heavily dependent on property taxes. Property tax revenue does not increase solely as a result of inflation. Therefore, in the long-term, the current program and staffing levels will be dependent on increased funding to meet inflation. Careful financial planning and the passage of a building levy have permitted the District to provide a quality education for our students along with renovated facilities for the future.

In the spring of 2002, the Ohio Supreme Court issued its fourth split decision regarding the State's school funding plan. The majority opinion identified aspects of the current plan that require modification if the plan is to be considered constitutional. However, in December of 2002 the Court again ruled in a split decision that the State's plan was not acceptable. The Ohio Supreme Court will have two new Justices beginning in calendar year 2003 and the new court may be called upon to address the issue. At this time there can be no reasonable estimate of the decision or its impact on school funding.

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

The State Legislature has also made several significant changes impacting local taxes:

In 2003 the Ohio Legislature modified the provisions of the 1999 HB283. This bill was designed to reduce the assessed valuation of the inventory component of personal property tax from 25% to 0% by 2031. The modification speeds up the reduction of assessed valuation to be completed in half the original time.

Effective January 1, 2001 non-municipal owned electric utilities and rural cop-ops were deregulated in the State of Ohio. All electric company personal property was reduced from 100% assessed value (from 50% for rural co-ops) to 25%. (Distribution and transmission of personal property will continue to be assessed at 88%.) This significantly reduced revenues to certain school districts and moderately affects others.

Effective May 1, 2001 a kilowatt hour (KWH) tax began being collected. 37.8% of these new dollars would be deposited in a new Property Tax Replacement Fund (PTRF). 70% of the PTRF will be paid to school districts that lost revenue as determined by the Ohio Department of Taxation. First distribution will be made to cover costs of fixed sum levies such as debt issues and emergency levies. Next, fixed rate levies would be replaced from 2002 through 2006; after this a phase out formula would begin.

The Athens City School District does not anticipate any meaningful growth or loss in revenue as a result of these changes. Based on these factors, the Board of Education and the administration of the District must maintain careful financial planning and prudent fiscal management in order to preserve the financial stability of the District.

Residential housing is experiencing growth outside the City of Athens but within the Athens City School District. These homes are being built in several new subdivisions and tend to be upscale in both style and price. Ohio University partnered with private developers and constructed an upscale apartment building. This was constructed as profit making ventures but the property remained tax-exempt. However, in an agreement with the University, an "In Lieu" payment is made each year to the District.

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

Commercial growth saw a 15.5% increase in assessed valuation in calendar 2003. This was mainly due to development along the east edge of the City. The City has completed major improvements to the street and utilities to facilitate development. Construction included a Wal-Mart Superstore, Ruby Tuesday's restaurant, and a Staples office retailer. Additional commercial enterprises are slated to begin construction in 2004 including a Lowe's Hardware Superstore.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it received. If you have any questions about this report or need additional information contact Bryan M. Bunting, Chief Financial Officer of Athens City School Board of Education, 25 South Plains Road, The Plains, OH 45780 or e-mail at mbunting@athenscity.k12.oh.us.

ATHENS CITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2003

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$16,516,527
Property Taxes Receivable	13,886,071
Accounts Receivable	242
Intergovernmental Receivable	1,017,775
Accrued Interest Receivable	14,261
Prepaid Items	68,456
Inventory Held for Resale	6,314
Nondepreciable Capital Assets	1,481,240
Depreciable Capital Assets, Net	<u>24,019,831</u>
<i>Total Assets</i>	<u>57,010,717</u>
<u>Liabilities:</u>	
Accounts Payable	187,046
Accrued Wages	1,889,222
Contracts Payable	9,259
Intergovernmental Payable	827,198
Accrued Interest Payable	86,078
Claims Payable	263,511
Deferred Revenue	13,847,999
<i>Long-Term Liabilities:</i>	
Due within One Year	1,102,829
Due in More Than One Year	<u>19,209,209</u>
<i>Total Liabilities</i>	<u>37,422,351</u>
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	7,324,505
<i>Restricted for:</i>	
Capital Projects	3,495,507
Debt Service	2,432,745
Other Purposes	610,453
Unrestricted	<u>5,725,156</u>
<i>Total Net Assets</i>	<u>\$19,588,366</u>

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2003

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<u>Governmental Activities:</u>				
<i>Instruction:</i>				
Regular	\$13,358,975	\$60,693	\$199,718	\$42,384
Special	3,293,884	141,015	590,832	0
Vocational	404,661	0	0	44,408
<i>Support Services:</i>				
Pupil	1,119,257	0	0	0
Instructional Staff	1,349,741	0	57,579	0
Board of Education	101,298	0	0	0
Administration	1,596,823	0	65,647	0
Fiscal	697,172	0	0	0
Business	147,822	0	0	0
Operation and Maintenance of Plant	3,488,661	0	0	0
Pupil Transportation	1,719,696	12,915	0	0
Central	155,459	0	35,386	0
<i>Operation of Non-Instructional Services:</i>				
Food Services	775,953	290,035	348,626	0
Other	86,389	0	0	0
Extracurricular Activities	440,005	97,664	1,702	0
Interest and Fiscal Charges	1,376,510	0	0	0
<i>Total Governmental Activities</i>	\$30,112,306	\$602,322	\$1,299,490	\$86,792

General Revenues:

Property Taxes Levied for:

General Purposes

Debt Service

Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Gain on Sale of Capital Assets

Unrestricted Tuition and Fees

Unrestricted Contributions

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets at Beginning of Year

Net Assets at End of Year

See accompanying notes to the basic financial statements

Net (Expense)
Revenue and Changes
in Net Assets

Governmental
Activities

(\$13,056,180)
(2,562,037)
(360,253)

(1,119,257)
(1,292,162)
(101,298)
(1,531,176)
(697,172)
(147,822)
(3,488,661)
(1,706,781)
(120,073)

(137,292)
(86,389)
(340,639)
(1,376,510)

(28,123,702)

9,912,789
2,126,839
900,739
10,136,396
30,800
1,602,753
9,676
712,396
133,150

25,565,538

(2,558,164)

22,146,530

\$19,588,366

ATHENS CITY SCHOOL DISTRICT

*Balance Sheet
Governmental Funds
June 30, 2003*

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$4,047,915	\$2,638,685	\$3,411,608	\$1,092,146	\$11,190,354
Property Taxes Receivable	10,683,507	2,249,433	953,131	0	13,886,071
Accounts Receivable	172	0	0	70	242
Intergovernmental Receivable	506,561	134,648	52,034	324,532	1,017,775
Accrued Interest Receivable	11,409	0	2,852	0	14,261
Interfund Receivable	40,000	0	0	0	40,000
Prepaid Items	68,456	0	0	0	68,456
Inventory Held for Resale	0	0	0	6,314	6,314
<u>Restricted Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	107,893	0	0	0	107,893
Total Assets	\$15,465,913	\$5,022,766	\$4,419,625	\$1,423,062	\$26,331,366
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$107,662	\$0	\$26,778	\$59,615	\$194,055
Accrued Wages and Benefits	1,631,959	0	0	249,786	1,881,745
Contracts Payable	9,259	0	0	0	9,259
Intergovernmental Payable	500,785	0	0	72,978	573,763
Interfund Payable	0	0	0	40,000	40,000
Deferred Revenue	10,841,608	2,309,286	973,376	269,972	14,394,242
Compensated Absences Payable	177,522	0	0	0	177,522
Total Liabilities	13,268,795	2,309,286	1,000,154	692,351	17,270,586
<u>Fund Balances:</u>					
Reserved for Encumbrances	290,243	0	181,425	138,699	610,367
Reserved for Property Taxes	348,460	74,795	31,789	0	455,044
Reserved for Budget Stabilization	49,986	0	0	0	49,986
Reserved for Bus Purchases	57,907	0	0	0	57,907
<u>Unreserved, Undesignated, Reported in:</u>					
General Fund	1,450,522	0	0	0	1,450,522
Special Revenue Funds	0	0	0	591,004	591,004
Debt Service Fund	0	2,638,685	0	0	2,638,685
Capital Projects Funds	0	0	3,206,257	1,008	3,207,265
Total Fund Balances	2,197,118	2,713,480	3,419,471	730,711	9,060,780
Total Liabilities and Fund Balances	\$15,465,913	\$5,022,766	\$4,419,625	\$1,423,062	\$26,331,366

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2003*

Total Governmental Funds Balances \$9,060,780

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

Capital assets used in governmental activities are not financial resources and
 therefore are not reported in the funds. 25,501,071

not available soon enough to pay for the current period's expenditures and
 therefore are deferred in the funds. These receivables consist of:

Property taxes	367,121
Intergovernmental	<u>179,122</u>

Total receivables that are deferred in the funds 546,243

Intergovernmental payables include contractually required pension contributions
 not expected to be paid with expendable available financial resources and
 therefore are not reported in the funds. (250,077)

Some liabilities are not due and payable in the current period and therefore are
 not reported in the funds. Those liabilities consist of:

Energy conservation notes	(215,000)
General obligation bonds	(18,176,566)
Accrued interest on notes and bonds	(86,078)
Retirement incentive	(40,000)
Compensated absences	<u>(1,702,950)</u>

Total liabilities that are not reported in the funds (20,220,594)

An internal service fund is used by management to charge the costs of insurance
 activities to individual funds. The assets and liabilities of the internal service fund
 are included in governmental activities in the statement of net assets. 4,950,943

Net Assets of Governmental Activities \$19,588,366

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2003

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Taxes	\$9,842,645	\$2,109,142	\$892,993	\$0	\$12,844,780
Intergovernmental	8,430,339	113,801	52,344	2,804,237	11,400,721
Interest	208,651	0	188,775	0	397,426
Tuition and Fees	1,751,088	0	0	65,663	1,816,751
Extracurricular Activities	0	0	0	123,742	123,742
Rentals	11,590	0	0	0	11,590
Charges for Services	0	0	0	290,035	290,035
Contributions and Donations	0	0	0	21,378	21,378
Miscellaneous	58,949	0	0	47,272	106,221
<i>Total Revenues</i>	<u>20,303,262</u>	<u>2,222,943</u>	<u>1,134,112</u>	<u>3,352,327</u>	<u>27,012,644</u>
<u>Expenditures:</u>					
<i>Current:</i>					
<i>Instruction:</i>					
Regular	9,680,362	0	0	1,088,912	10,769,274
Special	2,206,647	0	0	842,267	3,048,914
Vocational	381,196	0	0	0	381,196
<i>Support Services:</i>					
Pupil	953,440	0	0	104,791	1,058,231
Instructional Staff	702,560	0	0	444,610	1,147,170
Board of Education	100,901	0	0	0	100,901
Administration	1,368,501	0	0	78,393	1,446,894
Fiscal	591,833	47,706	0	1,258	640,797
Business	142,610	0	0	0	142,610
Operation and Maintenance of Plant	2,624,005	0	0	30,634	2,654,639
Pupil Transportation	1,382,321	0	0	2,895	1,385,216
Central	114,551	0	0	35,441	149,992
Operation of Non-Instructional Services	35,999	0	0	763,725	799,724
Extracurricular Activities	306,386	0	0	81,620	388,006
Capital Outlay	24,483	0	1,274,335	534,318	1,833,136
<i>Debt Service:</i>					
Principal Retirement	200,000	247,947	0	0	447,947
Interest and Fiscal Charges	15,593	1,366,651	0	0	1,382,244
<i>Total Expenditures</i>	<u>20,831,388</u>	<u>1,662,304</u>	<u>1,274,335</u>	<u>4,008,864</u>	<u>27,776,891</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(528,126)</u>	<u>560,639</u>	<u>(140,223)</u>	<u>(656,537)</u>	<u>(764,247)</u>
<u>Other Financing Sources (Uses):</u>					
Proceeds from Sale of Capital Assets	35,122	0	0	0	35,122
Transfers In	0	0	0	243,754	243,754
Transfers Out	(243,754)	0	0	0	(243,754)
<i>Total Other Financing Sources (Uses)</i>	<u>(208,632)</u>	<u>0</u>	<u>0</u>	<u>243,754</u>	<u>35,122</u>
<i>Net Change in Fund Balances</i>	<u>(736,758)</u>	<u>560,639</u>	<u>(140,223)</u>	<u>(412,783)</u>	<u>(729,125)</u>
<i>Fund Balances at Beginning of Year - As Restated (See Note 3)</i>	<u>2,933,876</u>	<u>2,152,841</u>	<u>3,559,694</u>	<u>1,143,494</u>	<u>9,789,905</u>
<i>Fund Balances at End of Year</i>	<u><u>\$2,197,118</u></u>	<u><u>\$2,713,480</u></u>	<u><u>\$3,419,471</u></u>	<u><u>\$730,711</u></u>	<u><u>\$9,060,780</u></u>

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2003*

Net Change in Fund Balances - Total Governmental Funds	(\$729,125)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(1,333,078)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These revenues consist of:	
Property taxes	95,586
Intergovernmental	<u>110,578</u>
Total revenues not reported in the funds	206,164
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	447,947
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	5,734
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:	
Increase in compensated absences	(79,859)
Increase in intergovernmental payables	(30,433)
Increase in retirement incentive obligation	<u>(20,000)</u>
Total expenditures not reported in the funds	(130,292)
An internal service fund is used by management to charge the costs of insurance to individual funds. The net revenue of the internal service fund is reported as governmental activities.	<u>(1,025,514)</u>
<i>Change in Net Assets of Governmental Activities</i>	<u><u>(\$2,558,164)</u></u>
See accompanying notes to the basic financial statements	

ATHENS CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Taxes	\$10,129,514	\$10,007,514	\$10,007,514	\$0
Intergovernmental	8,533,112	8,430,339	8,430,339	0
Interest	210,513	207,978	208,065	87
Tuition and Fees	1,772,435	1,751,088	1,751,088	0
Rent	11,731	11,590	11,590	0
Miscellaneous	59,693	58,974	59,337	363
<i>Total Revenues</i>	<u>20,716,998</u>	<u>20,467,483</u>	<u>20,467,933</u>	<u>450</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	9,621,512	9,602,643	9,602,643	0
Special	2,218,787	2,214,437	2,214,437	0
Vocational	391,170	390,403	390,403	0
<i>Support Services:</i>				
Pupils	936,352	934,515	934,515	0
Instructional Staff	718,807	717,396	717,396	0
Board of Education	114,788	114,564	114,564	0
Administration	1,395,610	1,392,872	1,392,872	0
Fiscal	610,100	608,904	608,904	0
Business	143,629	143,347	143,347	0
Operation and Maintenance of Plant	2,712,287	2,706,968	2,706,968	0
Pupil Transportation	1,465,299	1,462,426	1,462,426	0
Central	154,362	154,060	154,060	0
Operation of Non-Instructional Services	36,223	36,152	36,152	0
Extracurricular Activities	303,040	312,446	312,446	0
Capital Outlay	47,979	47,885	47,885	0
<i>Debt Service:</i>				
Principal Retirement	200,393	200,000	200,000	0
Interest and Fiscal Charges	15,623	15,593	15,593	0
<i>Total Expenditures</i>	<u>21,085,961</u>	<u>21,054,611</u>	<u>21,054,611</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(368,963)	(587,128)	(586,678)	450
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	35,550	35,122	35,122	0
Advances In	70,853	70,000	70,000	0
Transfers Out	(244,233)	(243,754)	(243,754)	0
Advances Out	(40,079)	(40,000)	(40,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(177,909)</u>	<u>(178,632)</u>	<u>(178,632)</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(546,872)	(765,760)	(765,310)	450
Fund Balance at Beginning of Year	4,380,817	4,380,817	4,380,817	0
Prior Year Encumbrances Appropriated	199,733	199,733	199,733	0
Fund Balance at End of Year	<u>\$4,033,678</u>	<u>\$3,814,790</u>	<u>\$3,815,240</u>	<u>\$450</u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Net Assets

Proprietary Fund

June 30, 2003

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Assets:</u>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	<u>\$5,218,280</u>
<u>Liabilities:</u>	
<i>Current Liabilities:</i>	
Accounts Payable	468
Intergovernmental Payable	3,358
Claims Payable	<u>263,511</u>
<i>Total Current Liabilities</i>	<u>267,337</u>
<u>Net Assets:</u>	
Unrestricted	<u><u>\$4,950,943</u></u>

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
*Statement of Revenues,
Expenses and Change in Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2003*

	Governmental Activities
	Internal Service
<u>Operating Revenues:</u>	
Charges for Services	\$2,314,425
<u>Operating Expenses:</u>	
Salaries	667,750
Fringe Benefits	101,071
Purchased Services	570,372
Claims	2,315,716
<i>Total Operating Expenses</i>	3,654,909
<i>Operating Income (Loss)</i>	(1,340,484)
<u>Nonoperating Revenue:</u>	
Interest	314,970
<i>Change in Net Assets</i>	(1,025,514)
<i>Net Assets at Beginning of Year - As Restated (See Note 3)</i>	5,976,457
<i>Net Assets at End of Year</i>	\$4,950,943

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2003

	Governmental Activities
	Internal Service
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Services Provided	\$2,314,425
Cash Payments for Employee Benefits	(768,821)
Cash Payments for Goods and Services	(566,872)
Cash Payments for Claims	(2,325,362)
	<hr/>
<i>Net Cash from Operating Activities</i>	(1,346,630)
<u>Cash Flows from Investing Activities:</u>	
Proceeds from the Sale of Investments	5,270,215
Interest on Investments	314,970
	<hr/>
<i>Net Cash from Investing Activities</i>	5,585,185
	<hr/>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	4,238,555
	<hr/>
<i>Cash and Cash Equivalents Beginning of Year</i>	979,725
	<hr/>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$5,218,280</u></u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash from Operating Activities:</u>	
Operating Income (Loss)	(\$1,340,484)
<u>Adjustments to Reconcile Operating Income (Loss)</u>	
<u>to Net Cash from Operating Activities:</u>	
<i>Increase (Decrease) in Liabilities:</i>	
Accounts Payable	143
Intergovernmental Payable	3,358
Claims Payable	(9,647)
	<hr/>
Total Adjustments	(6,146)
	<hr/>
<i>Net Cash from Operating Activities</i>	<u><u>(\$1,346,630)</u></u>
See accompanying notes to the basic financial statements	

ATHENS CITY SCHOOL DISTRICT

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2003

	Private Purpose Trusts	Agency
	<u> </u>	<u> </u>
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$21,121	\$48,027
	<u> </u>	<u> </u>
<u>Liabilities:</u>		
Accounts Payable	0	1,891
Due to Students	0	46,136
	<u> </u>	<u> </u>
<i>Total Liabilities</i>	0	48,027
	<u> </u>	<u> </u>
<u>Net Assets:</u>		
<i>Held in Trust for:</i>		
Other Individuals and Organizations	\$21,121	\$0
	<u> </u>	<u> </u>

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
Statement of Change in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2003

	<u>Private Purpose Trusts</u>
<i>Additions</i>	\$0
<i>Deductions</i>	<u>500</u>
<i>Change in Net Assets</i>	(500)
<i>Net Assets Beginning of Year</i>	<u>21,621</u>
<i>Net Assets End of Year</i>	<u><u>\$21,121</u></u>

See accompanying notes to the basic financial statements

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ATHENS CITY SCHOOL DISTRICT

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

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Description of the School District

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

The District was established in the mid 1800's and in 1960 the District was consolidated with the portion of the Athens Local School District located in the City of Athens. The District was consolidated in 1964 with the Plains Local School District and the Chauncey Local School District. The District serves an area of approximately 58 square miles. It is located in Athens County, and includes the City of Athens and portions of the Village of Chauncey and the Townships of Athens, Canaan, Dover, and Waterloo. The District is the 192nd largest in the State of Ohio (among 613 school districts) in terms of enrollment. It is staffed by 177 non-certificated employees, 247 certificated full-time teaching personnel and 19 administrative employees who provide services to 2,976 students and other community members. The District currently operates 7 instructional buildings, 1 administrative building and 2 garages.

Reporting Entity

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

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

The following activity is included in the reporting entity:

River Valley Community School - A private school that operates within the District boundaries. Current State legislation provides funding to this private school. These monies are received and disbursed on behalf of the private school by the Treasurer of the District, as directed by the private school. The activity of these State monies is reflected as a Special Revenue Fund for financial reporting purposes.

The District is associated with four organizations, three of which are defined as jointly governed organizations and one as an insurance purchasing pool. These organizations are the Southeast Ohio Voluntary Education Cooperative, the Tri-County Joint Vocational School, the Coalition of Rural and Appalachian Schools and the Ohio School Boards Association Worker's Compensation Group Rating Plan. These organizations are presented in Notes 17 and 18 to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District has no business-type activities.

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

Fund Financial Statements

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

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with self-balancing set of accounts. The funds of the District fall within two categories: governmental and fiduciary.

ATHENS CITY SCHOOL DISTRICT

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

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

Governmental Funds

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

The following are the District's major governmental funds:

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

Bond Retirement Fund- This fund is used to account for financial resources accumulated for the payment of general long-term debt principal, interest and related costs.

Permanent Improvement Fund- This fund is used to account for financial resources to be used for the acquisition, construction or improvement of capital facilities.

The other governmental funds of the District account for grants and other resources of the District whose use is restricted to a particular purpose.

Proprietary Fund

The proprietary fund focus is on the determination of the change in net assets, financial position and cash flows and is classified as internal service. The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides medical and prescription drug benefits to employees.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's fiduciary funds include two private purpose trust funds that account for either a trust held for scholarships or escheat property; and an agency fund which is used to account for student managed activities.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means that the resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

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

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

ATHENS CITY SCHOOL DISTRICT

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

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

Deferred Revenue

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

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

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

E. Cash and Cash Equivalents

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

During the fiscal year 2003, the District's investments were limited to the State Treasury Asset Reserve of Ohio (STAROhio). Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investments the investment could be sold for on June 30, 2003.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2003 amounted to \$208,651, which includes \$21,572 assigned from other District funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are presented on the financial statements as cash equivalents.

F. Inventory

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

ATHENS CITY SCHOOL DISTRICT

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

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

On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed or used.

G. Prepaid Items

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

H. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. Restricted assets in the General Fund include amounts required by statute to be set-aside by the District to create a reserve for budget stabilization. See Note 16 for additional information regarding set-asides.

I. Capital Assets

General capital assets are associated with and generally arise from governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 years
Buildings and Improvements	20 - 50 years
Furniture and Equipment	5 - 20 years
Vehicles	10 years
Books and Educational Media	5 years

ATHENS CITY SCHOOL DISTRICT

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

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

J. Interfund Balances

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

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributed to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The 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 District has identified as probable of receiving payments 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 District's termination policy. The District records a liability for accumulated unused sick leave for classified and certified employees and administrators who are 45 years of age or older and have at least 10 years of service with the District.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees will be paid.

L. Accrued Liabilities and Long-Term Liabilities

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

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

M. Net Assets

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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

N. Fund Balance Reserves

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

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

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services for the self-insurance program. Operating expenses are necessary costs incurred to provide the self-insurance service that is the primary activity of that fund.

P. Interfund Transactions

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

R. Estimates

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

S. Budgetary Process

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

ATHENS CITY SCHOOL DISTRICT

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

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

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

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

NOTE 3 - PRIOR PERIOD ADJUSTMENTS

Restatement of Fund Balances

In fiscal year 2002, the District received investments in the form of stocks from the demutualization of the District's group health insurance company. In the prior period, 75 percent of the investments were reported in the Employee Benefits Self-Insurance Fund and 25 percent in the Permanent Improvement Fund. In fiscal year 2003, the District adjusted the distributions by reclassifying an additional 5 percent to the Permanent Improvement Fund. The restatements for the reclassification of investments had the following effect on fund balances previously reported.

	<u>Permanent Improvement</u>	<u>Employee Benefits Self-Insurance</u>
Fund Balance/Net Assets at June 30, 2002	\$3,183,250	\$6,352,901
Reclassify Investments	376,444	(376,444)
Adjusted Fund Balance/Net Assets at July 1, 2002	<u>\$3,559,694</u>	<u>\$5,976,457</u>

NOTE 4 - ACCOUNTABILITY

The following fund had deficit fund balance as of June 30, 2003:

<i>Special Revenue Funds:</i>	
Phonics Demonstration	\$177

The deficit in this fund is the result of the application of generally accepted accounting principles and the requirement to accrue liabilities when incurred. The General Fund is liable for any deficit in this fund and provides operating transfers when cash is required, not when accruals occur. This deficit does not exist on the cash basis.

ATHENS CITY SCHOOL DISTRICT

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

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance.
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund.

<u>Net Change in Fund Balance</u>	
GAAP Basis	(\$736,758)
<i>Adjustments:</i>	
Revenue Accruals	164,671
Expenditure Accruals	117,345
Encumbrances	(340,568)
Other Sources (Uses)	30,000
Budget Basis	<u><u>(\$765,310)</u></u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

Inactive deposits are public deposits that the Board has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must be either 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 moneys. Interim moneys are those moneys which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts including passbook accounts.

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

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

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 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

At fiscal year end, the District had \$4,000 in undeposited cash on hand which is included on the balance sheet of District as part of "equity in pooled cash and cash equivalents."

Deposits: At fiscal year-end, the carrying amount of the District's deposits was \$3,572,501, and the bank balance was \$4,260,203. Of the bank balance, \$300,000 was covered by federal depository insurance and \$3,960,203 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institutions' trust department in the District's name and all State statutory requirements for the investments of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation.

Investments: The District's investments are categorized below to give an indication of the level of risk assumed by the District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counter party's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name. The District's investment in STAROhio, an investment pool operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Carrying Value	Fair Value
STAROhio	\$13,009,174	\$13,009,174
Totals	\$13,009,174	\$13,009,174

ATHENS CITY SCHOOL DISTRICT

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

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$16,585,675	\$0
Cash on Hand	(4,000)	0
<i>Investments:</i>		
STAROhio	(13,009,174)	13,009,174
GASB Statement No. 3	<u>\$3,572,501</u>	<u>\$13,009,174</u>

NOTE 7 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31, of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31. Tangible personal property assessments are 25 percent of true value.

Real property taxes are paid by taxpayers annually or semi-annually. If paid annually, payment is due December 31, unless extended; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20, unless extended. Under certain circumstances, State statute permits earlier or later payment dates to be established.

Tangible personal property taxes paid 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.

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

ATHENS CITY SCHOOL DISTRICT

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

NOTE 7 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable represents the June 2003 personal property tax settlement, delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which become measurable as of June 30, 2003. 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 total amount available as an advance at June 30, 2003 was \$455,044 and is recognized as revenue. Of this total amount, \$348,460 was available to the General Fund, \$74,795 was available to the Bond Retirement Fund, and \$31,789 was available to the Permanent Improvement Fund.

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

	2002 Second- Half Collections		2003 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$295,558,800	86.60%	\$357,211,960	88.48%
Public Utility Personal	22,422,540	6.57%	22,930,390	5.68%
Tangible Personal Property	23,319,149	6.83%	23,566,052	5.84%
Total Assessed Value	<u>\$341,300,489</u>	<u>100.00%</u>	<u>\$403,708,402</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$64.60		\$67.90	

ATHENS CITY SCHOOL DISTRICT

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

NOTE 8 - RECEIVABLES

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

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	
<hr/>	
<i>General Fund:</i>	
State Reimbursements	\$506,561
<i>Bond Retirement Fund:</i>	
State Reimbursements	134,648
<i>Permanent Improvement Fund:</i>	
State Reimbursements	52,034
<i>Nonmajor Special Revenue Funds:</i>	
Food Service	54,560
Title II	7,168
Title VI-B	12,446
Title III	2,685
Title I	122,363
Title VI	26,524
Safe and Drug Free Schools	1,984
Preschool Grant	4,859
Title VI-R	81,893
Other Federal Support	10,050
Total Nonmajor Special Revenue Funds	<hr/> 324,532 <hr/>
Total Intergovernmental Receivables	<hr/> <u>\$1,017,775</u> <hr/>

ATHENS CITY SCHOOL DISTRICT

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

NOTE 9 - CAPITAL ASSETS

Capital asset governmental activity for the fiscal year ended June 30, 2003 was as follows:

<u>Asset Category</u>	<u>Balance at July 1, 2002</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at June 30, 2003</u>
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,481,240	\$0	\$0	\$1,481,240
Total Nondepreciable Capital Assets	1,481,240	0	0	1,481,240
<i>Depreciable Capital Assets:</i>				
Land Improvements	2,973,530	0	0	2,973,530
Buildings and Improvements	35,328,477	0	0	35,328,477
Furniture, Fixtures and Equipment	3,303,253	30,513	(75,252)	3,258,514
Vehicles	1,763,680	0	0	1,763,680
Library and Textbooks	1,399,405	0	0	1,399,405
Total Depreciable Capital Assets	44,768,345	30,513	(75,252)	44,723,606
Total Capital Assets	46,249,585	30,513	(75,252)	46,204,846
<i>Accumulated Depreciation:</i>				
Land Improvements	(1,577,721)	(88,902)	0	(1,666,623)
Buildings and Improvements	(12,648,128)	(968,733)	0	(13,616,861)
Furniture, Fixtures and Equipment	(2,837,438)	(173,679)	70,930	(2,940,187)
Vehicles	(1,036,336)	(109,379)	0	(1,145,715)
Library and Textbooks	(1,315,813)	(18,576)	0	(1,334,389)
Total Accumulated Depreciation	(19,415,436)	(1,359,269)	70,930	(20,703,775)
Total Net Capital Assets	<u>\$26,834,149</u>	<u>(\$1,328,756)</u>	<u>(\$4,322)</u>	<u>\$25,501,071</u>

ATHENS CITY SCHOOL DISTRICT

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

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follow:

<i>Instruction:</i>	
Regular	\$1,083,996
Special	2,938
Vocational	144
<i>Support Services:</i>	
Pupil	436
Instructional Staff	76,520
Board of Education	326
Administration	11,442
Fiscal	78
Operation and Maintenance	9,706
Pupil Transportation	117,345
Central	705
Operation of Non-Instructional Services	12,721
Extracurricular Activities	42,912
Total Depreciation Expense	<u><u>\$1,359,269</u></u>

ATHENS CITY SCHOOL DISTRICT

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

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2003, the District contracted with Nationwide Insurance for liability insurance, Reed and Baur Insurance for property insurance, fleet and inland marine insurance and Mathews Insurance for boiler and machinery insurance. Coverages provided are as follows:

Building and Contents - replacement cost (90% co-insurance)	\$59,718,967
Boiler and Machinery (\$250 deductible)	10,000,000
Automobile Liability (\$500 deductible for collision and comprehensive)	1,000,000
Uninsured Motorists (\$500 deductible for collision and comprehensive) Each Accident	100,000
General Liability: Per Occurrence	1,000,000
Aggregate Limit	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year.

For fiscal year 2003, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (the "Plan"), an insurance purchasing pool (Note 18). The intent of the Plan is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Plan. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria. The firm Gates McDonald & Co. provides administrative, cost control and actuarial services to the Plan.

The District provides a limited health insurance program for its employees. Premiums are paid directly to a third party administrator, Anthem Blue Cross/Blue Shield, out of the District's Employee Benefits Self-Insurance Internal Service Fund. Anthem Blue Cross/Blue Shield services all claims submitted by employees. The Internal Service Fund presented in the financial statements reflects the premiums paid by the same funds that pay the employees' salaries. The premiums paid into the Internal Service Fund are used for claims, claim reserves and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$100,000 per employee per year.

The District also provides prescription drug insurance to its employees through a self-insured program. The third party administrator, Anthem reviews and pays claims for both certified and classified employees.

ATHENS CITY SCHOOL DISTRICT

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

NOTE 10 - RISK MANAGEMENT - (Continued)

The claims liability of \$263,511 reported at June 30, 2003 is based on an estimate provided by the third party administrators and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2002	\$471,527	\$2,398,179	\$2,596,548	\$273,158
2003	273,158	2,315,715	2,325,362	263,511

NOTE 11 - DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2003, 8.17 percent of the annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$340,858, \$210,661, and \$166,003, respectively; 55.76 percent has been contributed for fiscal year 2003 and 100 percent for the fiscal years 2002 and 2001. \$150,793 representing the unpaid contribution for fiscal year 2003, is recorded as a liability within the respective funds.

State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090.

ATHENS CITY SCHOOL DISTRICT

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$1,500,725, \$1,046,341, and \$975,244, respectively; 83.39 percent has been contributed for fiscal year 2003 and 100 percent for the fiscal years 2002 and 2001. \$249,334 representing the unpaid contribution for fiscal year 2003, is recorded as a liability within the respective funds.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2003, no members of the Board of Education have elected Social Security.

NOTE 12 - POSTEMPLOYMENT BENEFITS

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

ATHENS CITY SCHOOL DISTRICT

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

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By Ohio Law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 2003, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund from which payments for health care benefits are paid. For the District, this amount equaled \$115,440 during fiscal year 2003.

STRS pays health care benefits from the Health Care Stabilization Fund. The balance in the Health Care Stabilization Fund was \$3.011 billion at June 30, 2002 (the latest information year available). For the year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000 and STRS had 105,300 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For fiscal year 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established at \$14,500. The surcharge added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2002 (the latest information year available), were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 million. The number of participants currently receiving health care benefits is approximately 50,000. For the District, the amount to fund health care benefits, including the surcharge, equaled \$305,524 during the 2003 fiscal year.

NOTE 13 - EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who work less than 260 days per year do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 200 days for aides and 220 for all other classified employees and 260 for certified employees. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 50 days for aides and 55 days for all other classified employees and 65 days for certified employees.

ATHENS CITY SCHOOL DISTRICT

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

NOTE 13 - EMPLOYEE BENEFITS - Continued

Dental, Vision, and Life Insurance

Dental insurance coverage is provided through Core Source, Inc. Vision insurance is provided by the District through Vision Services Plus (VSP), Inc. The employees share the cost of the monthly premium with the Board, which varies with employees depending on the terms of the union contract.

The District provides life insurance and accidental death and dismemberment insurance to all employees through Guardian, in the amount of \$25,000 for classified employees, \$25,000 for certified employees, \$50,000 for administrators, \$150,000 for the Superintendent, \$100,000 for the Business Manager, and \$100,000 for the Treasurer.

Retirement Incentive

On January 16, 1999, the District Board of Education approved a Retirement Incentive Program. Participation is open to members of the Athens Education Association the year in which the member first attains thirty years of service credit with the STRS. Such members must retire at the end of the first year of eligibility (June 30) in order to receive the retirement incentive. The Board has elected to make the retirement incentive a lump sum payment of \$20,000. Members who do not retire in the first year of eligibility will not receive the retirement incentive. The retirement incentive program is a part of the negotiated union contract and is in effect until January 15, 2005. As of June 30, 2003, there was a \$40,000 retirement incentive liability recorded by the District.

NOTE 14 - LONG-TERM LIABILITIES

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

	Issue Date	Interest Rate	Principal Outstanding at July 1, 2002	Additions	Deletions	Principal Outstanding at June 30, 2003	Amount Due in One Year
<u>Governmental Activities:</u>							
Energy Conservation Note	1994	4.95%	\$415,000	\$0	\$200,000	\$215,000	\$215,000
Renovation Bonds	2000	6.01%	15,950,000	0	200,000	15,750,000	370,000
Refunding Bonds	1993	2.4 -5.2%	2,474,513	0	47,947	2,426,566	39,118
Retirement Incentive Obligation			20,000	40,000	20,000	40,000	40,000
Compensated Absences			1,708,910	853,930	682,368	1,880,472	438,711
Total Governmental Activities Long-Term Liabilities			<u>\$20,568,423</u>	<u>\$893,930</u>	<u>\$1,150,315</u>	<u>\$20,312,038</u>	<u>\$1,102,829</u>

ATHENS CITY SCHOOL DISTRICT

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

NOTE 14 - LONG-TERM LIABILITIES - (Continued)

Energy Conservation Note - On March 1, 1994, Athens City School District issued \$1,696,942 in unvoted general obligation notes for the purpose of installing energy conservation improvements for the District, under the authority of Ohio Revised Code sections 133.06(G) and 3313.372. The notes were issued for a ten year period with final maturity during fiscal year 2004. This debt is retired through the General Fund through reductions in energy consumption and cost savings attributed to the installation of the energy conservation improvements.

Renovations General Obligation Bonds - In 2000, Athens City School District issued voted general obligation bonds for the purpose of renovating the Middle School, High School and smaller projects at several other facilities. The bonds were issued for a twenty-four year period with final maturity at December 1, 2024. The proceeds from the sale of these bonds were recorded in the Building Fund. These bonds are retired through the Bond Retirement Fund using tax revenues.

Refunding General Obligation Bonds - The 1993 Series Refunding General Obligation Bonds were issued for the purpose of providing the funds necessary to advance refund \$3,305,000 of School Improvement Bonds, Series 1990. The proceeds of the refunding were deposited in an irrevocable trust with Bank One Trust Company to provide for all future debt service payments. The payment to the escrow agent resulted in an in-substance defeasance of the 1990 Series bonds. As a result, the liability for the 1990 Series bonds was removed as a liability of the District. During fiscal year 2001, the defeased 1990 series bonds in the amount of \$3,305,000 were fully retired by the escrow agent. The 1990 series bonds were issued for the purpose of constructing, furnishing and equipping a new elementary school and other buildings and facilities for school purposes. The refunding bonds are retired through the Bond Retirement Fund using tax revenues.

The retirement incentives and compensated absences are paid from the fund from which the respective employees' salaries are paid. Most of the District's employees are paid from the General Fund, with the remainder being paid from the Food Service, Disadvantaged Pupil Impact Aid, Title VI-B and Title I Funds.

The District's overall legal debt margin was \$20,870,670 with an unvoted debt margin of \$403,708 at June 30, 2003.

ATHENS CITY SCHOOL DISTRICT

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

NOTE 14 - LONG-TERM LIABILITIES - (Continued)

Principal and interest requirements to retire general obligation bonds and the energy conservation note outstanding at June 30, 2003, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$624,118	\$1,368,702	\$1,992,820
2005	422,448	1,342,249	1,764,697
2006	760,000	992,613	1,752,613
2007	805,000	952,008	1,757,008
2008	845,000	910,253	1,755,253
2009-2013	3,990,000	3,861,734	7,851,734
2014-2018	3,635,000	2,796,939	6,431,939
2019-2023	4,920,000	1,487,993	6,407,993
2024-2025	2,390,000	145,500	2,535,500
Total	<u>\$18,391,566</u>	<u>\$13,857,991</u>	<u>\$32,249,557</u>

NOTE 15 - INTERFUND ACTIVITY

As of June 30, 2003, receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<i>General Fund</i>	\$40,000	\$0
<i>Nonmajor Special Revenue Fund:</i>		
Food Service	0	40,000
Total	<u>\$40,000</u>	<u>\$40,000</u>

The interfund transaction was an advance from the General Fund to help cover operating expenses in the Food Service Fund. This advance is expected to be repaid in fiscal year 2004.

ATHENS CITY SCHOOL DISTRICT

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

NOTE 15 - INTERFUND ACTIVITY - (Continued)

As summary of interfund transfers for 2003 were as follows:

Fund	Transfers Out	Transfers In
<i>General Fund</i>	\$243,754	\$0
<i>Nonmajor Special Revenue Fund:</i>		
Food Service	0	241,500
Uniform School Supplies	0	2,254
Total	<u>\$243,754</u>	<u>\$243,754</u>

During fiscal year 2003, the District made transfers from the General Fund to subsidize food service and uniform school supplies operations.

NOTE 16 - STATUTORY SET-ASIDES

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2003:

	Textbooks	Capital Improvements	Budget Stabilization	Totals
Set-Aside Balance as of July 1, 2002	\$0	\$0	\$85,239	\$85,239
Current Year Set-Aside Requirement	407,296	407,296	0	814,592
Qualifying Disbursements	(407,296)	(407,296)	(35,253)	(849,845)
Total	<u>0</u>	<u>0</u>	<u>49,986</u>	<u>49,986</u>
Set-Aside Balance as of June 30, 2003	<u>\$0</u>	<u>\$0</u>	<u>\$49,986</u>	
Total Restricted Assets				<u>\$49,986</u>

Although the District can have qualifying disbursements during the year that exceed the current year set-aside requirements in both the textbook and capital improvement reserve accounts, only the excess in the textbook reserve account can be carried forward to offset future years' textbook set-aside requirements. Each reserve must be represented by restricted cash at year-end and carried forward to be used for the same purposes in future years.

ATHENS CITY SCHOOL DISTRICT

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

NOTE 17 - JOINTLY GOVERNED ORGANIZATION

Southeast Ohio Voluntary Education Cooperative (SEOVEC)

Southeast Ohio Voluntary Education Cooperative, is a jointly governed organization created as a regional council of governments pursuant to State statutes. SEOVEC has 35 participants consisting of 26 school districts and 9 county boards of education. SEOVEC provides financial accounting services, educational management information, and cooperative purchasing services to member districts. Each member district pays a fee annually for services provided by SEOVEC. SEOVEC is governed by a governing board which is selected by the member districts. Each district has one vote in all matters, and each member district's control over budgeting and financing of SEOVEC is limited to its voting authority and any representation it may have on the governing board. SEOVEC operates with its own Treasurer. The continued existence of SEOVEC is not dependent on the District's continued participation and no equity interest exists. SEOVEC has no outstanding debt. Financial statements for SEOVEC can be obtained from the Southeast Ohio Voluntary Education Cooperative, 221 North Columbus Road, Athens, Ohio 45701. The District made payments of \$128,213 to SEOVEC in fiscal year 2003.

Tri-County Joint Vocational School

The Tri-County Joint Vocational School is a jointly governed organization providing vocational services to its eight member Districts. The Joint Vocational School is governed by a board of education comprised of eleven members appointed by the participating schools. The board controls the financial activity of the Joint Vocational School and reports to the Ohio Department of Education and the Auditor of State of Ohio. The continued existence of the Joint Vocational School is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2003, the District made no contributions to the Joint Vocational School. Financial information can be obtained from the Tri-County Joint Vocational School, 15676 State Route 691, Nelsonville, Ohio 45764.

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization including over 100 school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of fourteen members. The board members are composed of one superintendent from each county elected by the school districts within that county. The Council provides various inservice for school district administrative personnel; gathers of data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Council is not dependent on the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for the Council. The District made no significant payments for membership in fiscal year 2003.

NOTE 18 - INSURANCE PURCHASING POOL

Ohio School Boards Association Worker's Compensation Group Rating Plan

The District participates in the Ohio School Boards Association Worker's Compensation Group Rating Program (GRP), and 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.

ATHENS CITY SCHOOL DISTRICT

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

NOTE 19 - CONTINGENCIES

Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2003.

NOTE 20 - SCHOOL FUNDING

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school funding plan is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school funding scheme that is thorough and efficient...".

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

NOTE 21 - SUBSEQUENT EVENTS

In September 2003, the District's Board of Education approved a plan to refinance some of the District's debt. The District refinanced their 1993 Refunding Bonds in the amount of \$2,355,000, in December 2003. The District was able to take advantage of lower interest rates, as well as reduce the maturity of the debt from fiscal year 2011 to fiscal year 2005. This debt is to be repaid using tax revenue.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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ATHENS CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than amounts related to expendable trusts or major capital projects) that are legally restricted by law and administrative action to expenditures for specified purposes. The following are descriptions of the District's nonmajor special revenue funds:

Nonmajor Special Revenue Funds

Food Service

A fund used to account for the financial transactions related to the food service operations of the District.

Uniform School Supplies

A fund used to account for the purchase and sale of school supplies as adopted by the Board of Education for use in the District. Profits derived from sales are used for school purposes or activities in connection with the school.

Venture Capital

To account for monies received per Section 3307.02 of the Ohio Revised Code. The revenue is used to implement educational programs.

Other Local Support

A fund used to account for the proceeds of specific revenue sources, except for state and federal grants, that are legally restricted to expenditures for specified purposes. These sources include Martha Jennings Holden Grant, General PRC Grant, Trisolini Gallery Shop Grant, Betty Hoty Fuller Foundation, Phi Beta Phi, Public School Support and other miscellaneous local support.

District Managed Student Activities

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

Disadvantaged Pupil Impact Aid

A fund used to account for monies received for disadvantaged pupil impact aid.

Ohio Reads

A fund used to account for grant monies that are used to coordinate volunteers and administer a program to improve reading skills.

Other State Support

A fund used to account for various restricted monies received from State agencies which are not classified elsewhere. This state funding includes: Auxiliary Services Grant, Phonics Demonstration Grant, Teacher Development Grant, Gifted Children Grant, Management Information Systems, Preschool Grant, Entry Year Program Grant, OneNet Program, School Net Professional Development Grant, Summer School Subsidy, Extended Learning Opportunities Program and other miscellaneous state grants.

ATHENS CITY SCHOOL DISTRICT

Nonmajor Special Revenue Funds (Continued)

Title VI-B

A fund used to account for programs to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

Title I

A fund used to account for financial assistance provided to State and local educational agencies to meet the special needs of educationally deprived children.

Other Federal Support

A fund used to account for monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. This federal funding includes: Dwight D. Eisenhower Grant, Title II Grant, Title III Grant, Title VI Grant, Drug Free Schools Grant, EHA Preschool Grant for the Handicapped, Telecommunications Act (E-Rate) Grant, Goals 2000 Grant, Title VI-R Grant, and other miscellaneous federal grants.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the financing and acquisition or construction of major capital assets or facilities, such as new school buildings or additions to existing buildings, or for major renovation projects, other than those financed by proprietary funds or trust funds. The following is a description of the District's nonmajor capital projects funds.

Nonmajor Capital Projects Funds

Building

A fund used to account for the receipts and expenditures related to all special bond funds in the District, including the proceeds from the sale of the bonds, notes or certificates of indebtedness. Expenditures of the fund represent the costs of acquiring capital facilities including real property.

SchoolNet

A fund used to account for monies used to obtain computers and related educational technology equipment and/or necessary infrastructure for educational technology. This fund includes the SchoolNet Community Link Grant and SchoolNet Plus Grant.

INTERNAL SERVICE FUND

The Internal Service Fund is used to account for the financing of services provided by one department to other departments of the District on a cost-reimbursement basis. The following is a Description of the District's nonmajor internal service fund.

ATHENS CITY SCHOOL DISTRICT

Employee Benefits Self-Insurance

A fund used to account for health and prescription drug self-insurance revenues and expenses. Since this is the only internal service fund, no combining statements for the internal service fund are presented.

FIDUCIARY FUNDS

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

Private Purpose Trust Funds

Private Purpose Trust Funds are used to report escheat property and all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Gretchen Gallucci Scholarship

To account for assets held by the District in a trustee capacity to be distributed as a scholarship.

Unclaimed Monies

To account for monies which have yet to be claimed by their rightful owners. These monies include outstanding checks that are over one year old.

Agency Fund

Agency Funds are used to account for assets held by the District in a purely custodial capacity.

Student Managed Activities

A fund used to account for those student activity programs which have student participation in the activity and have student involvement in the management of the program.

ATHENS CITY SCHOOL DISTRICT

*Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$1,041,756	\$50,390	\$1,092,146
Accounts Receivable	70	0	70
Intergovernmental Receivable	324,532	0	324,532
Inventory Held for Resale	6,314	0	6,314
<i>Total Assets</i>	<u>\$1,372,672</u>	<u>\$50,390</u>	<u>\$1,423,062</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$59,615	\$0	\$59,615
Accrued Wages and Benefits	249,786	0	249,786
Intergovernmental Payable	72,978	0	72,978
Interfund Payable	40,000	0	40,000
Deferred Revenue	269,972	0	269,972
<i>Total Liabilities</i>	<u>692,351</u>	<u>0</u>	<u>692,351</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	89,317	49,382	138,699
<i>Unreserved, Undesignated, Reported in:</i>			
Special Revenue Funds	591,004	0	591,004
Capital Project Funds	0	1,008	1,008
<i>Total Fund Balances</i>	<u>680,321</u>	<u>50,390</u>	<u>730,711</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,372,672</u>	<u>\$50,390</u>	<u>\$1,423,062</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Intergovernmental	\$2,761,853	\$42,384	\$2,804,237
Tuition and Fees	65,663	0	65,663
Extracurricular Activities	123,742	0	123,742
Charges for Services	290,035	0	290,035
Contributions and Donations	21,378	0	21,378
Miscellaneous	47,272	0	47,272
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	3,309,943	42,384	3,352,327
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	1,088,912	0	1,088,912
Special	842,267	0	842,267
<i>Support Services:</i>			
Pupil	104,791	0	104,791
Instructional Staff	444,610	0	444,610
Administration	78,393	0	78,393
Fiscal	1,258	0	1,258
Operation and Maintenance of Plant	30,634	0	30,634
Pupil Transportation	2,895	0	2,895
Central	35,441	0	35,441
Operation of Non-Instructional Services	763,725	0	763,725
Extracurricular Activities	81,620	0	81,620
Capital Outlay	0	534,318	534,318
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	3,474,546	534,318	4,008,864
	<hr/>	<hr/>	<hr/>
<i>Excess of Revenues Over (Under) Expenditures</i>	(164,603)	(491,934)	(656,537)
<u>Other Financing Sources:</u>			
Transfers In	243,754	0	243,754
	<hr/>	<hr/>	<hr/>
<i>Net Change in Fund Balances</i>	79,151	(491,934)	(412,783)
	<hr/>	<hr/>	<hr/>
<i>Fund Balances at Beginning of Year</i>	601,170	542,324	1,143,494
	<hr/>	<hr/>	<hr/>
<i>Fund Balances at End of Year</i>	<u>\$680,321</u>	<u>\$50,390</u>	<u>\$730,711</u>

ATHENS CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003

	Food Service	Uniform School Supplies	Venture Capital	Other Local Support	District Managed Activities
<u>Assets:</u>					
Equity In Pooled Cash and Cash Equivalents	\$36,379	\$27,734	\$0	\$100,543	\$50,676
Accounts Receivable	0	0	0	0	70
Intergovernmental Receivable	54,560	0	0	0	0
Inventory Held for Resale	6,314	0	0	0	0
<i>Total Assets</i>	<u>\$97,253</u>	<u>\$27,734</u>	<u>\$0</u>	<u>\$100,543</u>	<u>\$50,746</u>
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$79	\$2,449	\$0	\$4,921	\$1,246
Accrued Wages and Benefits	26,613	0	0	627	0
Intergovernmental Payable	7,008	0	0	164	0
Interfund Payable	40,000	0	0	0	0
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>73,700</u>	<u>2,449</u>	<u>0</u>	<u>5,712</u>	<u>1,246</u>
<u>Fund Balances:</u>					
Reserved for Encumbrances	36,191	1,684	0	3,800	2,405
<i>Unreserved, Undesignated, Reported in:</i> Special Revenue Funds	<u>(12,638)</u>	<u>23,601</u>	<u>0</u>	<u>91,031</u>	<u>47,095</u>
<i>Total Fund Balances</i>	<u>23,553</u>	<u>25,285</u>	<u>0</u>	<u>94,831</u>	<u>49,500</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$97,253</u>	<u>\$27,734</u>	<u>\$0</u>	<u>\$100,543</u>	<u>\$50,746</u>

Disadvantaged Pupil Impact Aid	Ohio Reads	Other State Support	Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$348,996	\$105,927	\$130,124	\$35,487	\$82,800	\$123,090	\$1,041,756
0	0	0	0	0	0	70
0	0	0	12,446	122,363	135,163	324,532
0	0	0	0	0	0	6,314
<u>\$348,996</u>	<u>\$105,927</u>	<u>\$130,124</u>	<u>\$47,933</u>	<u>\$205,163</u>	<u>\$258,253</u>	<u>\$1,372,672</u>
\$30,634	\$1,937	\$12,900	\$0	\$478	\$4,971	\$59,615
81,222	1,000	14,850	36,989	63,287	25,198	249,786
23,360	525	7,065	10,364	16,958	7,534	72,978
0	0	0	0	0	0	40,000
0	0	0	12,446	122,363	135,163	269,972
<u>135,216</u>	<u>3,462</u>	<u>34,815</u>	<u>59,799</u>	<u>203,086</u>	<u>172,866</u>	<u>692,351</u>
24,853	2,686	4,676	0	3,390	9,632	89,317
<u>188,927</u>	<u>99,779</u>	<u>90,633</u>	<u>(11,866)</u>	<u>(1,313)</u>	<u>75,755</u>	<u>591,004</u>
<u>213,780</u>	<u>102,465</u>	<u>95,309</u>	<u>(11,866)</u>	<u>2,077</u>	<u>85,387</u>	<u>680,321</u>
<u>\$348,996</u>	<u>\$105,927</u>	<u>\$130,124</u>	<u>\$47,933</u>	<u>\$205,163</u>	<u>\$258,253</u>	<u>\$1,372,672</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Food Service	Uniform School Supplies	Venture Capital	Other Local Support	District Managed Activities
<u>Revenues:</u>					
Intergovernmental	\$359,064	\$0	\$0	\$0	\$0
Tuition and Fees	0	60,068	0	5,595	0
Extracurricular Activities	0	0	0	26,078	97,664
Charges for Services	290,035	0	0	0	0
Contributions and Donations	0	0	0	19,676	1,702
Miscellaneous	5,591	0	0	37,105	4,576
<i>Total Revenues</i>	<u>654,690</u>	<u>60,068</u>	<u>0</u>	<u>88,454</u>	<u>103,942</u>
<u>Expenditures:</u>					
<i>Current:</i>					
<i>Instruction:</i>					
Regular	0	51,694	0	83,145	0
Special	0	0	0	6,403	22,934
<i>Support Services:</i>					
Pupil	0	7,380	0	0	0
Instructional Staff	0	0	27,487	18,787	0
Administration	0	0	0	3,040	0
Fiscal	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	761,978	0	0	0	0
Extracurricular Activities	0	0	0	80	81,540
<i>Total Expenditures</i>	<u>761,978</u>	<u>59,074</u>	<u>27,487</u>	<u>111,455</u>	<u>104,474</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(107,288)	994	(27,487)	(23,001)	(532)
<u>Other Financing Sources:</u>					
Transfers In	241,500	2,254	0	0	0
<i>Net Change in Fund Balances</i>	134,212	3,248	(27,487)	(23,001)	(532)
<i>Fund Balances (Deficits) at Beginning of Year</i>	<u>(110,659)</u>	<u>22,037</u>	<u>27,487</u>	<u>117,832</u>	<u>50,032</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u>\$23,553</u>	<u>\$25,285</u>	<u>\$0</u>	<u>\$94,831</u>	<u>\$49,500</u>

Disadvantaged Pupil Impact Aid	Ohio Reads	Other State Support	Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$861,175	\$81,988	\$142,006	\$291,798	\$542,821	\$483,001	\$2,761,853
0	0	0	0	0	0	65,663
0	0	0	0	0	0	123,742
0	0	0	0	0	0	290,035
0	0	0	0	0	0	21,378
0	0	0	0	0	0	47,272
<u>861,175</u>	<u>81,988</u>	<u>142,006</u>	<u>291,798</u>	<u>542,821</u>	<u>483,001</u>	<u>3,309,943</u>
441,022	83,371	75,273	0	0	354,407	1,088,912
0	0	423	237,835	535,283	39,389	842,267
44,378	6,133	0	42,551	3,055	1,294	104,791
248,128	10,846	17,829	20,241	7,803	93,489	444,610
0	0	23,959	0	47,807	3,587	78,393
0	0	1,258	0	0	0	1,258
30,634	0	0	0	0	0	30,634
0	2,895	0	0	0	0	2,895
0	0	35,441	0	0	0	35,441
0	1,247	500	0	0	0	763,725
0	0	0	0	0	0	81,620
<u>764,162</u>	<u>104,492</u>	<u>154,683</u>	<u>300,627</u>	<u>593,948</u>	<u>492,166</u>	<u>3,474,546</u>
97,013	(22,504)	(12,677)	(8,829)	(51,127)	(9,165)	(164,603)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>243,754</u>
97,013	(22,504)	(12,677)	(8,829)	(51,127)	(9,165)	79,151
116,767	124,969	107,986	(3,037)	53,204	94,552	601,170
<u>\$213,780</u>	<u>\$102,465</u>	<u>\$95,309</u>	<u>(\$11,866)</u>	<u>\$2,077</u>	<u>\$85,387</u>	<u>\$680,321</u>

ATHENS CITY SCHOOL DISTRICT

*Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2003*

	<u>Building</u>	<u>SchoolNet</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	<u>\$48,798</u>	<u>\$1,592</u>	<u>\$50,390</u>
<i>Liabilities</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	48,798	584	49,382
<i>Unreserved, Undesignated, Reported in:</i>			
Capital Projects Funds	<u>0</u>	<u>1,008</u>	<u>1,008</u>
<i>Total Fund Balances</i>	<u>48,798</u>	<u>1,592</u>	<u>50,390</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$48,798</u>	<u>\$1,592</u>	<u>\$50,390</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2003

	<u>Building</u>	<u>SchoolNet</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Revenues:</u>			
Intergovernmental	\$0	\$42,384	\$42,384
<u>Expenditures:</u>			
Capital Outlay	<u>493,526</u>	<u>40,792</u>	<u>534,318</u>
<i>Net Change in Fund Balances</i>	(493,526)	1,592	(491,934)
<i>Fund Balances at Beginning of Year</i>	<u>542,324</u>	<u>0</u>	<u>542,324</u>
<i>Fund Balances at End of Year</i>	<u><u>\$48,798</u></u>	<u><u>\$1,592</u></u>	<u><u>\$50,390</u></u>

ATHENS CITY SCHOOL DISTRICT

Combining Statement of Net Assets

Private Purpose Trust Funds

June 30, 2003

	<u>Gretchen Gallucci Scholarship</u>	<u>Unclaimed Monies</u>	<u>Total Private Purpose Trust Funds</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	<u>\$0</u>	<u>\$21,121</u>	<u>\$21,121</u>
<u>Liabilities</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Assets:</u>			
<i>Held in Trust for:</i>			
Other Individuals and Organizations	<u>0</u>	<u>21,121</u>	<u>21,121</u>
<i>Total Net Assets</i>	<u>\$0</u>	<u>\$21,121</u>	<u>\$21,121</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2003

	Gretchen Gallucci Scholarship	Unclaimed Monies	Total Private Purpose Trust Funds
<i>Additions</i>	\$0	\$0	\$0
<i>Deductions</i>	500	0	500
<i>Change in Net Assets</i>	(500)	0	(500)
<i>Net Assets Beginning of Year</i>	500	21,121	21,621
<i>Net Assets End of Year</i>	\$0	\$21,121	\$21,121

ATHENS CITY SCHOOL DISTRICT
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2003

	Balance at July 1, 2002	Additions	Deductions	Balance at June 30, 2003
<u>STUDENT MANAGED ACTIVITIES</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$48,039	\$119,495	\$119,507	\$48,027
<u>Liabilities:</u>				
Accounts Payable	\$1,249	\$1,891	\$1,249	\$1,891
Due to Students	46,790	117,604	118,258	46,136
<i>Total Liabilities</i>	<u>\$48,039</u>	<u>\$119,495</u>	<u>\$119,507</u>	<u>\$48,027</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
 General Fund
 For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$10,129,514	\$10,007,514	\$10,007,514	\$0
Intergovernmental	8,533,112	8,430,339	8,430,339	0
Interest	210,513	207,978	208,065	87
Tuition and Fees	1,772,435	1,751,088	1,751,088	0
Rent	11,731	11,590	11,590	0
Miscellaneous	59,693	58,974	59,337	363
<i>Total Revenues</i>	20,716,998	20,467,483	20,467,933	450
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	6,863,074	6,849,615	6,849,615	0
Fringe Benefits	1,891,113	1,887,404	1,887,404	0
Purchased Services	639,321	638,067	638,067	0
Materials and Supplies	161,821	161,504	161,504	0
Other	71	71	71	0
Capital Outlay	66,112	65,982	65,982	0
<i>Total Regular Instruction</i>	9,621,512	9,602,643	9,602,643	0
Special				
Salaries	1,692,254	1,688,936	1,688,936	0
Fringe Benefits	471,960	471,034	471,034	0
Purchased Services	17,766	17,732	17,732	0
Materials and Supplies	28,864	28,807	28,807	0
Capital Outlay	7,943	7,928	7,928	0
<i>Total Special Instruction</i>	2,218,787	2,214,437	2,214,437	0
Vocational				
Salaries	251,088	250,595	250,595	0
Fringe Benefits	65,394	65,266	65,266	0
Purchased Services	1,771	1,767	1,767	0
Materials and Supplies	23,400	23,355	23,355	0
Capital Outlay	49,517	49,420	49,420	0
<i>Total Vocational Instruction</i>	391,170	390,403	390,403	0
<i>Total Instruction</i>	12,231,469	12,207,483	12,207,483	0
<i>Support Services:</i>				
Pupils				
Salaries	643,954	642,691	642,691	0
Fringe Benefits	162,264	161,946	161,946	0
Purchased Services	66,807	66,676	66,676	0
Materials and Supplies	1,991	1,987	1,987	0
Other	59,626	59,509	59,509	0
Capital Outlay	1,710	1,706	1,706	0
<i>Total Pupils</i>	936,352	934,515	934,515	0

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Instructional Staff				
Salaries	444,681	443,809	443,809	0
Fringe Benefits	251,171	250,678	250,678	0
Purchased Services	7,281	7,266	7,266	0
Materials and Supplies	15,674	15,643	15,643	0
Total Instructional Staff	718,807	717,396	717,396	0
Board of Education				
Salaries	6,763	6,750	6,750	0
Fringe Benefits	98	98	98	0
Purchased Services	50,732	50,633	50,633	0
Materials and Supplies	105	105	105	0
Other	57,090	56,978	56,978	0
Total Board of Education	114,788	114,564	114,564	0
Administration				
Salaries	973,014	971,106	971,106	0
Fringe Benefits	330,409	329,761	329,761	0
Purchased Services	13,798	13,770	13,770	0
Materials and Supplies	22,520	22,476	22,476	0
Other	54,493	54,386	54,386	0
Capital Outlay	1,376	1,373	1,373	0
Total Administration	1,395,610	1,392,872	1,392,872	0
Fiscal				
Salaries	228,552	228,104	228,104	0
Fringe Benefits	70,873	70,734	70,734	0
Purchased Services	23,595	23,549	23,549	0
Materials and Supplies	5,183	5,173	5,173	0
Other	280,864	280,313	280,313	0
Capital Outlay	1,033	1,031	1,031	0
Total Fiscal	610,100	608,904	608,904	0
Business				
Salaries	105,061	104,855	104,855	0
Fringe Benefits	31,530	31,468	31,468	0
Purchased Services	4,219	4,211	4,211	0
Materials and Supplies	1,417	1,414	1,414	0
Other	1,402	1,399	1,399	0
Total Business	143,629	143,347	143,347	0
Operation and Maintenance of Plant				
Salaries	1,178,308	1,175,997	1,175,997	0
Fringe Benefits	314,655	314,038	314,038	0
Purchased Services	793,415	791,859	791,859	0
Materials and Supplies	425,909	425,074	425,074	0
Total Operation and Maintenance of Plant	2,712,287	2,706,968	2,706,968	0

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil Transportation				
Salaries	635,570	634,324	634,324	0
Fringe Benefits	335,493	334,835	334,835	0
Purchased Services	14,895	14,866	14,866	0
Materials and Supplies	294,817	294,239	294,239	0
Other	43,918	43,832	43,832	0
Capital Outlay	140,606	140,330	140,330	0
Total Pupil Transportation	1,465,299	1,462,426	1,462,426	0
Central				
Salaries	55,598	55,489	55,489	0
Fringe Benefits	16,760	16,727	16,727	0
Purchased Services	68,901	68,766	68,766	0
Materials and Supplies	10,223	10,204	10,204	0
Capital Outlay	2,880	2,874	2,874	0
Total Central	154,362	154,060	154,060	0
Total Support Services	8,251,234	8,235,052	8,235,052	0
<i>Operation of Non-Instructional Services:</i>				
Food Service Operations				
Salaries	150	150	150	0
Fringe Benefits	2	2	2	0
Materials and Supplies	36,071	36,000	36,000	0
Total Food Service Operations	36,223	36,152	36,152	0
Total Operation of Non-Instructional Services	36,223	36,152	36,152	0
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Salaries	73,489	73,345	73,345	0
Fringe Benefits	1,189	11,187	11,187	0
Capital Outlay	8,513	8,496	8,496	0
Total Academic Oriented Activities	83,191	93,028	93,028	0
Sport Oriented Activities				
Salaries	177,021	176,674	176,674	0
Fringe Benefits	37,135	37,062	37,062	0
Purchased Services	5,693	5,682	5,682	0
Total Sport Oriented Activities	219,849	219,418	219,418	0
Total Extracurricular Activities	303,040	312,446	312,446	0
<i>Capital Outlay:</i>				
Site Improvement Services				
Purchased Services	15,865	15,834	15,834	0
Architecture and Engineering Services				
Purchased Services	9,591	9,572	9,572	0
Building Improvement Services				
Purchased Services	22,523	22,479	22,479	0
Total Capital Outlay	47,979	47,885	47,885	0

(Continued)

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)*
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Debt Service:</i>				
Principal Retirement	200,393	200,000	200,000	0
Interest and Fiscal Charges	15,623	15,593	15,593	0
Total Debt Service	216,016	215,593	215,593	0
<i>Total Expenditures</i>	21,085,961	21,054,611	21,054,611	0
Excess of Revenues Over (Under) Expenditures	(368,963)	(587,128)	(586,678)	450
<i>Other Financing Sources (Uses):</i>				
Proceeds from Sale of Capital Assets	35,550	35,122	35,122	0
Advances In	70,853	70,000	70,000	0
Transfers Out	(244,233)	(243,754)	(243,754)	0
Advances Out	(40,079)	(40,000)	(40,000)	0
<i>Total Other Financing Sources (Uses)</i>	(177,909)	(178,632)	(178,632)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(546,872)	(765,760)	(765,310)	450
Fund Balance at Beginning of Year	4,380,817	4,380,817	4,380,817	0
Prior Year Encumbrances Appropriated	199,733	199,733	199,733	0
Fund Balance at End of Year	\$4,033,678	\$3,814,790	\$3,815,240	\$450

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Bond Retirement Debt Service Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$2,056,615	\$2,138,105	\$2,138,105	\$0
Intergovernmental	109,463	113,801	113,801	0
<i>Total Revenues</i>	<u>2,166,078</u>	<u>2,251,906</u>	<u>2,251,906</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Support Services:</i>				
Fiscal				
Other	45,972	47,706	47,706	0
<i>Debt Service:</i>				
Principal Retirement	238,935	247,947	247,947	0
Interest and Fiscal Charges	1,316,981	1,366,651	1,366,651	0
<i>Total Expenditures</i>	<u>1,601,888</u>	<u>1,662,304</u>	<u>1,662,304</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	564,190	589,602	589,602	0
Fund Balance at Beginning of Year	<u>2,049,084</u>	<u>2,049,084</u>	<u>2,049,084</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,613,274</u></u>	<u><u>\$2,638,686</u></u>	<u><u>\$2,638,686</u></u>	<u><u>\$0</u></u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$323,150	\$904,758	\$904,758	\$0
Intergovernmental	18,695	52,344	52,344	0
Interest	876,984	2,455,389	2,455,410	21
<i>Total Revenues</i>	1,218,829	3,412,491	3,412,512	21
<u>Expenditures:</u>				
<i>Capital Outlay:</i>				
Site Acquisition Services				
Capital Outlay	25,839	57,416	57,416	0
Architecture and Engineering Services				
Purchased Services	2,978	6,617	6,617	0
Building Improvement Services				
Purchased Services	195,149	433,628	433,628	0
Materials and Supplies	76,085	169,065	169,065	0
Other	13,205	29,341	29,341	0
Capital Outlay	354,097	786,818	786,818	0
Total Building Improvement Services	638,536	1,418,852	1,418,852	0
<i>Total Expenditures</i>	667,353	1,482,885	1,482,885	0
Excess of Revenues Over (Under) Expenditures	551,476	1,929,606	1,929,627	21
Fund Balance at Beginning of Year	1,034,993	1,034,993	1,034,993	0
Prior Year Encumbrances Appropriated	238,784	238,784	238,784	0
Fund Balance at End of Year	\$1,825,253	\$3,203,383	\$3,203,404	\$21

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$334,377	\$344,749	\$344,749	\$0
Charges for Services	281,309	290,035	290,035	0
Miscellaneous	5,462	5,631	5,631	0
<i>Total Revenues</i>	621,148	640,415	640,415	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Salaries	117,516	246,867	246,867	0
Fringe Benefits	58,694	123,299	123,299	0
Purchased Services	129,629	272,313	272,313	0
Materials and Supplies	100,987	212,145	212,145	0
Capital Outlay	697	1,465	1,465	0
<i>Total Expenditures</i>	407,523	856,089	856,089	0
Excess of Revenues Over (Under) Expenditures	213,625	(215,674)	(215,674)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	38,797	40,000	40,000	0
Transfers In	234,234	241,500	241,500	0
Advances Out	(33,322)	(70,000)	(70,000)	0
<i>Total Other Financing Sources (Uses)</i>	239,709	211,500	211,500	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	453,334	(4,174)	(4,174)	0
Fund Balance at Beginning of Year	4,363	4,363	4,363	0
Fund Balance at End of Year	\$457,697	\$189	\$189	\$0

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Uniform School Supplies Special Revenue Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Tuition and Fees	\$67,054	\$60,068	\$60,068	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Materials and Supplies	69,645	53,577	53,577	0
<i>Support Services:</i>				
Pupils				
Materials and Supplies	9,593	7,380	7,380	0
<i>Total Expenditures</i>	<u>79,238</u>	<u>60,957</u>	<u>60,957</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(12,184)	(889)	(889)	0
<u>Other Financing Sources:</u>				
Transfers In	<u>2,516</u>	<u>2,254</u>	<u>2,254</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(9,668)	1,365	1,365	0
Fund Balance at Beginning of Year	22,166	22,166	22,166	0
Prior Year Encumbrances Appropriated	<u>1,086</u>	<u>1,086</u>	<u>1,086</u>	<u>0</u>
Fund Balance at End of Year	<u>\$13,584</u>	<u>\$24,617</u>	<u>\$24,617</u>	<u>\$0</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)
 Venture Capital Special Revenue Fund
 For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Support Services:</i>				
Instructional Staff				
Purchased Services	<u>25,000</u>	<u>27,487</u>	<u>27,487</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(25,000)	(27,487)	(27,487)	0
Fund Balance at Beginning of Year	25,000	25,000	25,000	0
Prior Year Encumbrances Appropriated	<u>2,487</u>	<u>2,487</u>	<u>2,487</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,487</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other Local Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Tuition and Fees	\$5,046	\$5,595	\$5,595	\$0
Extracurricular Activities	23,814	26,402	26,402	0
Gifts and Donations	17,747	19,676	19,676	0
Miscellaneous	33,467	37,105	37,105	0
<i>Total Revenues</i>	<u>80,074</u>	<u>88,778</u>	<u>88,778</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	481	545	495	50
Fringe Benefits	19	22	22	0
Purchased Services	18,701	21,198	19,664	1,534
Materials and Supplies	57,014	64,627	60,000	4,627
Other	8,097	9,179	8,842	337
Capital Outlay	9,541	10,815	10,798	17
<i>Total Regular Instruction</i>	<u>93,853</u>	<u>106,386</u>	<u>99,821</u>	<u>6,565</u>
Special				
Materials and Supplies	5,650	6,404	6,404	0
<i>Support Services:</i>				
Pupils				
Materials and Supplies	1,439	1,631	0	1,631
Other	353	400	0	400
<i>Total Pupils</i>	<u>1,792</u>	<u>2,031</u>	<u>0</u>	<u>2,031</u>
Instructional Staff				
Salaries	11,261	12,765	12,765	0
Fringe Benefits	849	962	962	0
Purchased Services	2,545	2,885	2,385	500
Materials and Supplies	1,670	1,894	1,894	0
<i>Total Instructional Staff</i>	<u>16,325</u>	<u>18,506</u>	<u>18,006</u>	<u>500</u>
Administration				
Purchased Services	882	1,000	0	1,000
Materials and Supplies	1,048	1,188	1,188	0
Capital Outlay	1,634	1,852	1,852	0
<i>Total Administration</i>	<u>3,564</u>	<u>4,040</u>	<u>3,040</u>	<u>1,000</u>
Operation and Maintenance of Plant				
Salaries	165	187	0	187
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Materials and Supplies	71	80	80	0
<i>Total Expenditures</i>	<u>121,420</u>	<u>137,634</u>	<u>127,351</u>	<u>10,283</u>
Excess of Revenues Over (Under) Expenditures	(41,346)	(48,856)	(38,573)	10,283
Fund Balance at Beginning of Year	95,596	95,596	95,596	0
Prior Year Encumbrances Appropriated	34,826	34,826	34,826	0
Fund Balance at End of Year	<u>\$89,076</u>	<u>\$81,566</u>	<u>\$91,849</u>	<u>\$10,283</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
District Managed Student Activities Special Revenue Fund
For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Extracurricular Activities	\$56,564	\$97,594	\$97,594	\$0
Gifts and Donations	987	1,702	1,702	0
Miscellaneous	2,652	4,576	4,576	0
<i>Total Revenues</i>	<u>60,203</u>	<u>103,872</u>	<u>103,872</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Special</i>				
Purchased Services	19,009	22,935	22,935	0
<i>Extracurricular Activities:</i>				
<i>Academic Oriented Activities</i>				
Purchased Services	2,603	3,141	3,141	0
Materials and Supplies	7,201	8,688	8,688	0
Capital Outlay	3,879	4,680	4,680	0
<i>Total Academic Oriented Extracurricular Activities</i>	<u>13,683</u>	<u>16,509</u>	<u>16,509</u>	<u>0</u>
<i>Sport Oriented Activities</i>				
Purchased Services	23,701	28,595	28,595	0
Materials and Supplies	26,607	32,101	29,353	2,748
Other	5,490	6,624	6,624	0
Capital Outlay	3,111	3,754	3,754	0
<i>Total Sport Oriented Extracurricular Activities</i>	<u>58,909</u>	<u>71,074</u>	<u>68,326</u>	<u>2,748</u>
<i>School & Public Service Co-Curricular Activities</i>				
Materials and Supplies	360	434	434	0
<i>Total Extracurricular Activities</i>	<u>72,592</u>	<u>88,017</u>	<u>85,269</u>	<u>2,748</u>
<i>Total Expenditures</i>	<u>91,961</u>	<u>110,952</u>	<u>108,204</u>	<u>2,748</u>
Excess of Revenues Over (Under) Expenditures	(31,758)	(7,080)	(4,332)	2,748
Fund Balance at Beginning of Year	47,864	47,864	47,864	0
Prior Year Encumbrances Appropriated	<u>3,544</u>	<u>3,544</u>	<u>3,544</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$19,650</u></u>	<u><u>\$44,328</u></u>	<u><u>\$47,076</u></u>	<u><u>\$2,748</u></u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)
 Disadvantaged Pupil Impact Aid Special Revenue Fund
 For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$742,820	\$861,175	\$861,175	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	51,316	457,591	344,961	112,630
Fringe Benefits	13,171	117,448	83,448	34,000
Total Regular Instruction	64,487	575,039	428,409	146,630
<i>Support Services:</i>				
Pupils				
Salaries	4,253	37,922	26,018	11,904
Fringe Benefits	2,685	23,943	17,991	5,952
Total Pupils	6,938	61,865	44,009	17,856
Instructional Staff				
Salaries	26,323	234,729	162,679	72,050
Fringe Benefits	13,513	120,498	85,248	35,250
Total Instructional Staff	39,836	355,227	247,927	107,300
Operation and Maintenance of Plant				
Capital Outlay	6,223	55,487	55,487	0
Total Expenditures	117,484	1,047,618	775,832	271,786
Excess of Revenues Over (Under) Expenditures	625,336	(186,443)	85,343	271,786
Fund Balance at Beginning of Year	208,165	208,165	208,165	0
Fund Balance at End of Year	\$833,501	\$21,722	\$293,508	\$271,786

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Ohio Reads Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Intergovernmental	\$22,000	\$141,974	\$141,974	\$0
<i>Expenditures:</i>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	14,581	17,820	10,867	6,953
Fringe Benefits	1,980	2,420	1,653	767
Purchased Services	48,682	59,497	14,427	45,070
Materials and Supplies	36,228	44,276	43,596	680
Other	4,630	5,659	5,659	0
Capital Outlay	10,992	13,434	13,318	116
Total Regular Instruction	117,093	143,106	89,520	53,586
<i>Support Services:</i>				
Pupils				
Salaries	180	220	220	0
Materials and Supplies	1,800	2,200	2,200	0
Other	2,489	3,042	3,020	22
Capital Outlay	1,974	2,412	2,050	362
Total Pupils	6,443	7,874	7,490	384
Instructional Staff				
Salaries	1,473	1,800	1,800	0
Fringe Benefits	164	200	192	8
Purchased Services	8,135	9,942	8,341	1,601
Materials and Supplies	82	100	88	12
Other	178	218	215	3
Total Instructional Staff	10,032	12,260	10,636	1,624
Pupil Transportation				
Purchased Services	2,369	2,895	2,895	0
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Materials and Supplies	1,218	1,489	1,247	242
Total Expenditures	137,155	167,624	111,788	55,836
Excess of Revenues Over (Under) Expenditures	(115,155)	(25,650)	30,186	55,836
Fund Balance at Beginning of Year	57,141	57,141	57,141	0
Prior Year Encumbrances Appropriated	13,976	13,976	13,976	0
Fund Balance at End of Year	(\$44,038)	\$45,467	\$101,303	\$55,836

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other State Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$3,722	\$143,631	\$143,631	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	55,081	53,902	48,453	5,449
Fringe Benefits	6,982	6,833	6,339	494
Purchased Services	201	197	0	197
Materials and Supplies	21,352	20,895	17,105	3,790
Other	3,066	3,000	87	2,913
Capital Outlay	7,513	7,353	7,353	0
Total Regular Instruction	94,195	92,180	79,337	12,843
Special				
Materials and Supplies	431	422	422	0
<i>Support Services:</i>				
Pupils				
Purchased Services	91	89	0	89
Instructional Staff				
Salaries	5,922	5,795	0	5,795
Fringe Benefits	1,866	1,826	0	1,826
Purchased Services	4,985	4,879	2,746	2,133
Materials and Supplies	7,767	7,601	6,734	867
Total Instructional Staff	20,540	20,101	9,480	10,621
Administration				
Salaries	10,462	10,237	6,545	3,692
Fringe Benefits	3,385	3,313	1,858	1,455
Purchased Services	15,832	15,493	15,493	0
Materials and Supplies	19	19	19	0
Total Administration	29,698	29,062	23,915	5,147
Fiscal				
Materials and Supplies	2,377	2,327	2,327	0
Central				
Purchased Services	31,316	30,646	30,646	0
Capital Outlay	4,900	4,795	4,795	0
Total Central	36,216	35,441	35,441	0
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Purchased Services	511	500	500	0
Total Expenditures	184,059	180,122	151,422	28,700
Excess of Revenues Over (Under) Expenditures	(180,337)	(36,491)	(7,791)	28,700
Fund Balance at Beginning of Year	124,955	124,955	124,955	0
Prior Year Encumbrances Appropriated	2,933	2,933	2,933	0
Fund Balance at End of Year	(\$52,449)	\$91,397	\$120,097	\$28,700

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Title VI-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$302,804	\$304,244	\$291,798	(\$12,446)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Special				
Salaries	175,798	176,064	169,150	6,914
Fringe Benefits	55,123	55,206	44,804	10,402
Materials and Supplies	8,978	8,992	3,814	5,178
Capital Outlay	1,333	1,336	1,336	0
Total Special Instruction	241,232	241,598	219,104	22,494
<i>Support Services:</i>				
Pupils				
Salaries	42,582	42,646	34,711	7,935
Fringe Benefits	9,407	9,422	7,323	2,099
Purchased Services	5,991	6,000	0	6,000
Total Pupils	57,980	58,068	42,034	16,034
Instructional Staff				
Salaries	16,737	16,762	12,545	4,217
Fringe Benefits	12,421	12,440	7,252	5,188
Total Instructional Staff	29,158	29,202	19,797	9,405
<i>Total Expenditures</i>	328,370	328,868	280,935	47,933
Excess of Revenues Over (Under) Expenditures	(25,566)	(24,624)	10,863	35,487
Fund Balance at Beginning of Year	24,624	24,624	24,624	0
Fund Balance at End of Year	(\$942)	\$0	\$35,487	\$35,487

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$657,510	\$666,216	\$542,821	(\$123,395)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Special				
Salaries	560,953	561,113	435,647	125,466
Fringe Benefits	106,764	106,795	94,641	12,154
Purchased Services	3,495	3,496	3,496	0
Materials and Supplies	9,115	9,118	4,118	5,000
Capital Outlay	6,838	6,840	1,443	5,397
Total Special Instruction	<u>687,165</u>	<u>687,362</u>	<u>539,345</u>	<u>148,017</u>
<i>Support Services:</i>				
Pupils				
Materials and Supplies	6,573	6,575	4,049	2,526
Instructional Staff				
Salaries	7,504	7,506	3,700	3,806
Fringe Benefits	2,399	2,400	504	1,896
Purchased Services	7,753	7,755	3,327	4,428
Materials and Supplies	4,324	4,325	1,283	3,042
Capital Outlay	21,202	21,208	0	21,208
Total Instructional Staff	<u>43,182</u>	<u>43,194</u>	<u>8,814</u>	<u>34,380</u>
Administration				
Salaries	55,330	55,347	46,333	9,014
Fringe Benefits	8,821	8,824	7,196	1,628
Purchased Services	1,999	2,000	533	1,467
Materials and Supplies	2,199	2,200	1,225	975
Capital Outlay	863	863	493	370
Total Administration	<u>69,212</u>	<u>69,234</u>	<u>55,780</u>	<u>13,454</u>
Total Expenditures	<u>806,132</u>	<u>806,365</u>	<u>607,988</u>	<u>198,377</u>
Excess of Revenues Over (Under) Expenditures	(148,622)	(140,149)	(65,167)	74,982
Fund Balance at Beginning of Year	143,883	143,883	143,883	0
Prior Year Encumbrances Appropriated	<u>232</u>	<u>232</u>	<u>232</u>	<u>0</u>
Fund Balance at End of Year	<u>(\$4,507)</u>	<u>\$3,966</u>	<u>\$78,948</u>	<u>\$74,982</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other Federal Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$600,571	\$606,202	\$486,646	(\$119,556)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	131,932	146,447	131,717	14,730
Fringe Benefits	60,902	67,602	29,983	37,619
Purchased Services	141,461	157,025	156,025	1,000
Materials and Supplies	26,585	29,510	29,510	0
Capital Outlay	18,948	21,034	20,352	682
Total Regular Instruction	379,828	421,618	367,587	54,031
Special				
Salaries	4,267	4,737	4,737	0
Fringe Benefits	653	725	725	0
Purchased Services	5,134	5,699	5,699	0
Materials and Supplies	7,653	8,495	8,495	0
Capital Outlay	23,901	26,531	25,765	766
Total Special Instruction	41,608	46,187	45,421	766
<i>Support Services:</i>				
Pupils				
Materials and Supplies	9,544	10,594	1,293	9,301
Instructional Staff				
Salaries	47,921	53,193	24,944	28,249
Fringe Benefits	12,239	13,585	8,000	5,585
Purchased Services	46,792	51,941	45,652	6,289
Materials and Supplies	20,676	22,951	19,317	3,634
Other	1,075	1,193	0	1,193
Capital Outlay	9,833	10,915	0	10,915
Total Instructional Staff	138,536	153,778	97,913	55,865
Administration				
Purchased Services	2,647	2,938	0	2,938
Materials and Supplies	5,679	6,304	2,304	4,000
Other	1,799	1,997	1,497	500
Capital Outlay	1,397	1,551	1,500	51
Total Administration	11,522	12,790	5,301	7,489
<i>Operation of Non-Instructional Services:</i>				
Community Services				
Materials and Supplies	139	154	0	154
Total Expenditures	581,177	645,121	517,515	127,606
Excess of Revenues Over (Under) Expenditures	19,394	(38,919)	(30,869)	8,050
Fund Balance at Beginning of Year	82,683	82,683	82,683	0
Prior Year Encumbrances Appropriated	57,242	57,242	57,242	0
Fund Balance at End of Year	\$159,319	\$101,006	\$109,056	\$8,050

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
Building Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$90,000	\$0	\$0	\$0
<u>Expenditures:</u>				
<i>Capital Outlay:</i>				
Architecture and Engineering Services				
Purchased Services	2,608	15,000	15,000	0
Building Improvement Services				
Capital Outlay	91,685	527,324	527,324	0
<i>Total Expenditures</i>	<u>94,293</u>	<u>542,324</u>	<u>542,324</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(4,293)	(542,324)	(542,324)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>542,324</u>	<u>542,324</u>	<u>542,324</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$538,031</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
SchoolNet Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$42,384	\$42,384	\$42,384	\$0
<u>Expenditures:</u>				
<i>Capital Outlay:</i>				
Building Improvement Services				
Purchased Services	1,713	2,474	2,474	0
Materials and Supplies	5,538	8,000	7,971	29
Capital Outlay	22,089	31,910	30,931	979
<i>Total Expenditures</i>	<u>29,340</u>	<u>42,384</u>	<u>41,376</u>	<u>1,008</u>
Excess of Revenues Over (Under) Expenditures	13,044	0	1,008	1,008
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$13,044</u>	<u>\$0</u>	<u>\$1,008</u>	<u>\$1,008</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenses, and
Changes in Fund Equity - Budget and Actual (Budget Basis)
Employee Benefits Self-Insurance Internal Service Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$1,221,172	\$2,314,425	\$2,314,425	\$0
Interest	2,946,940	5,585,185	5,585,185	0
<i>Total Revenues</i>	4,168,112	7,899,610	7,899,610	0
<u>Expenses:</u>				
Operating Expenses				
Salaries	469,106	667,750	667,750	0
Fringe Benefits	551,028	101,071	101,071	0
Purchased Services	83,404	568,475	568,475	0
Claims	1,996,396	2,419,283	2,325,362	93,921
<i>Total Expenses</i>	3,099,934	3,756,579	3,662,658	93,921
Excess of Revenues Over (Under) Expenses	1,068,178	4,143,031	4,236,952	93,921
Fund Equity at Beginning of Year	979,725	979,725	979,725	0
Fund Equity at End of Year	\$2,047,903	\$5,122,756	\$5,216,677	93,921

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
Gretchen Gallucci Scholarship Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<u>Revenues:</u>				
Miscellaneous	\$500	\$0	\$0	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Other	0	500	500	0
Excess of Revenues Over (Under) Expenditures	500	(500)	(500)	0
Fund Balance at Beginning of Year	500	500	500	0
Fund Balance at End of Year	<u>\$1,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)
 Unclaimed Monies Private Purpose Trust Fund
 For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	21,121	21,121	21,121	0
Fund Balance at End of Year	<u>\$21,121</u>	<u>\$21,121</u>	<u>\$21,121</u>	<u>\$0</u>

ATHENS CITY SCHOOL DISTRICT



STATISTICAL SECTION

Table 1

ATHENS CITY SCHOOL DISTRICT
Summary of Revenue by Source - General Fund
Last Ten Fiscal Years

	2003 (b)	2002 (b)	2001 (b)	2000 (b)	1999 (b)	1998 (b)	1997 (b)	1996 (b)	1995 (b)	1994 (a)
Taxes	\$ 9,842,645	\$ 9,794,076	\$ 9,641,433	\$ 9,388,093	\$ 8,776,586	\$ 8,821,942	\$ 8,529,419	\$ 8,096,007	\$ 7,673,833	\$ 6,931,567
Intergovernmental	8,430,339	9,028,227	8,852,284	7,850,711	8,993,459	8,538,953	8,230,653	8,055,048	6,954,822	7,039,052
Interest	208,651	205,062	376,250	304,611	185,642	176,694	97,832	86,711	139,568	103,006
Tuition and Fees	1,751,088	1,623,018	1,032,291	867,114	268,416	16,053	92,309	72,986	12,877	-
Rent	11,590	11,105	3,588	7,585	17,285	13,077	11,190	12,404	-	30,440
Extracurricular Activities	-	-	-	-	-	-	-	-	-	7,735
Gifts and Donations	-	-	-	-	-	-	13,374	-	-	-
Miscellaneous	58,949	56,081	89,370	112,161	80,934	157,037	86,208	72,306	19,100	28,785
Total Revenue	\$ 20,303,262	\$ 20,717,569	\$ 19,995,216	\$ 18,530,275	\$ 18,322,322	\$ 17,723,756	\$ 17,060,985	\$ 16,395,462	\$ 14,800,200	\$ 14,140,585

Source: Athens City School District Fund Financial Statements

(a) - Cash Basis Data

(b) - GAAP Basis Data

Table 2

ATHENS CITY SCHOOL DISTRICT
Summary of Expenditures by Function - General Fund
Last Ten Fiscal Years

	2003 (b)	2002 (b)	2001 (b)	2000 (b)	1999 (b)	1998 (b)	1997 (b)	1996 (b)	1995 (b)	1994 (a)
Instruction										
Regular	\$ 9,680,362	\$ 9,350,867	\$ 8,688,076	\$ 7,799,876	\$ 8,655,140	\$ 8,175,580	\$ 7,706,126	\$ 7,387,102	\$ 6,846,039	\$ 6,950,321
Special	2,206,647	2,241,067	2,262,488	2,057,624	1,916,816	1,688,144	1,713,080	1,569,875	1,471,172	1,446,743
Vocational	381,196	343,891	358,621	313,166	325,737	314,354	343,767	383,590	359,201	377,696
Other Instruction	-	-	1,702	13,103	20,171	49,489	32,524	40,417	77,248	34,581
Total Instruction	12,268,205	11,935,825	11,310,887	10,183,769	10,917,864	10,227,567	9,795,497	9,380,984	8,753,660	8,809,341
Support Services										
Pupils	953,440	909,914	906,736	770,765	904,312	781,655	720,269	647,993	572,980	651,931
Instructional Staff	702,560	629,842	562,925	459,858	447,097	381,835	371,624	289,812	275,949	206,197
Board of Education	100,901	116,622	97,760	51,116	67,149	93,328	42,488	50,676	44,736	148,307
Administration	1,368,501	1,374,867	1,401,083	1,222,476	1,402,705	1,259,443	1,145,481	1,097,475	1,035,675	1,113,268
Fiscal	591,833	613,316	573,290	529,596	555,755	485,491	464,497	454,062	451,789	423,811
Business	142,610	138,004	110,840	105,617	876	-	-	-	-	-
Operation & Maintenance of Plant	2,624,005	2,625,865	2,402,066	2,272,982	2,117,342	2,077,186	2,067,734	1,974,654	1,847,520	1,661,508
Pupil Transportation	1,382,321	1,291,548	1,207,507	1,281,289	1,292,922	1,117,317	1,104,413	1,105,605	990,995	993,578
Central	114,551	123,583	109,865	69,999	6,386	11,500	-	-	-	-
Total Support Services	7,980,722	7,823,561	7,372,072	6,763,698	6,774,544	6,207,755	5,916,506	5,620,277	5,219,644	5,198,600
Operations of Non-instructional Services	35,999	153	-	-	-	-	-	-	-	-
Extracurricular Activities	306,386	284,511	258,538	253,906	283,279	234,241	210,398	210,387	179,721	122,020
Capital Outlay	24,483	50,373	17,966	2,323	5,483	6,662	4,819	9,570	3,210	16,036
Debt Services	215,593	220,369	219,774	218,685	217,099	192,051	347,605	317,665	240,279	1,328,517
Total Expenditures and Other Uses	\$ 20,831,388	\$ 20,314,792	\$ 19,179,237	\$ 17,422,381	\$ 18,198,269	\$ 16,868,276	\$ 16,274,825	\$ 15,538,883	\$ 14,396,514	\$ 15,474,514

Source: Athens City School District Fund Financial Statements

(a) - Cash Basis Data
 (b) - GAAP Basis Data

Table 3

ATHENS CITY SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Years

Collection Years (1)	Current Tax Levied (2)	Current Taxes Collected (2)	Percent of Current Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections to Taxes Levied	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Current Levied
1993	\$8,173,923	\$7,946,786	97.22%	\$210,320	\$8,157,106	99.79%	\$392,661	4.80%
1994	7,952,257	7,787,144	97.92%	286,022	8,073,166	101.52%	430,365	5.41%
1995	9,633,381	9,369,889	97.26%	209,390	9,579,279	99.44%	315,071	3.27%
1996	9,857,164	9,480,431	96.18%	221,957	9,702,388	98.43%	318,456	3.23%
1997	9,436,858	9,039,341	95.79%	309,221	9,348,563	99.06%	496,541	5.26%
1998	10,706,049	10,296,314	96.17%	551,518	10,847,831	101.32%	672,549	6.28%
1999	11,028,914	10,641,196	96.48%	421,432	11,062,629	100.31%	565,254	5.13%
2000	12,690,846	12,315,346	97.04%	420,680	12,736,027	100.36%	571,684	4.50%
2001	13,089,931	12,297,066	93.94%	166,803	12,463,869	95.22%	609,497	4.66%
2002	13,654,139	11,713,239	85.79%	415,260	12,128,500	88.83%	718,292	5.26%

Source: Office of the County Auditor, Athens County, Ohio

- (1) Represents calendar year data. 2003 information cannot be presented because all collections have not been made by June 30.
- (2) Included Homestead/Rollback on real estate and reimbursement on personal property taxes assessed locally, but distributed through the State of Ohio and reported as Intergovernmental Revenue.

Table 4

ATHENS CITY SCHOOL DISTRICT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property			Personal Property			Public Utility/Personal			Total			
	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1994	35%	\$198,639,960	\$567,542,743	25%	\$17,432,346	\$69,729,384	88%	\$31,331,480	\$35,603,955	\$247,403,786	\$672,876,081	\$247,403,786	\$672,876,081
1995	35%	202,769,240	579,340,686	25%	17,974,750	71,899,000	88%	32,839,900	37,318,068	253,583,890	688,557,754	253,583,890	688,557,754
1996	35%	206,713,970	590,611,343	25%	19,251,537	77,006,148	88%	29,626,160	33,666,091	255,591,667	701,283,582	255,591,667	701,283,582
1997	35%	243,463,640	695,610,400	25%	19,558,176	78,232,704	88%	29,454,860	33,471,432	292,476,676	807,314,536	292,476,676	807,314,536
1998	35%	246,407,920	704,022,629	25%	20,849,558	83,398,232	88%	27,953,770	31,765,648	295,211,248	819,186,508	295,211,248	819,186,508
1999	35%	251,378,830	718,225,229	25%	21,348,845	85,395,380	88%	29,537,640	33,565,500	302,265,315	837,186,109	302,265,315	837,186,109
2000	35%	285,737,630	816,393,229	25%	22,056,469	88,225,876	88%	26,617,680	30,247,364	334,411,779	934,866,468	334,411,779	934,866,468
2001	35%	291,086,680	831,676,229	25%	23,500,232	94,000,928	88%	26,776,310	30,427,625	341,363,222	956,104,782	341,363,222	956,104,782
2002	35%	295,558,800	844,453,714	25%	23,319,149	93,276,596	88%	22,422,540	25,480,159	341,300,489	963,210,469	341,300,489	963,210,469
2003	35%	357,211,960	1,020,605,600	25%	23,566,052	94,264,208	88%	22,930,390	26,057,261	403,708,402	1,140,927,069	403,708,402	1,140,927,069

Source: Office of the County Auditor, Athens County, Ohio

Table 5-A

ATHENS CITY SCHOOL DISTRICT
Property Tax Rates - Direct and Overlapping Governments
Last Ten Years
(Per \$1,000 of Assessed Valuation)

Athens Township (A01)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1994	52.60	18.45	3.30	8.20	82.55	50.849806	54.308157
1995	58.40	18.95	3.30	8.20	88.85	58.780493	62.083940
1996	59.40	19.05	3.30	8.20	89.95	60.011470	64.033992
1997	60.40	19.05	3.30	8.20	90.95	54.604301	58.432589
1998	60.40	18.55	3.30	8.02	90.27	55.207356	59.032734
1999	59.70	18.55	3.30	8.20	89.75	55.544992	59.433921
2000	64.60	18.55	3.30	8.20	94.65	55.755979	61.208002
2001	64.60	18.55	3.30	8.20	94.65	56.710329	62.119860
2002	64.60	18.55	3.30	8.20	94.65	58.173659	63.584096
2003	64.60	18.80	3.30	8.20	94.90	53.861848	61.423461

Note: The Athens City School District consists of eight taxing districts:

- A01 Athens Township
- A02 Athens Township - City of Athens
- A04 Athens Township - The Plains Fire District
- E02 Canaan Township
- E03 Canaan Township - City of Athens
- G01 Dover Township
- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

Source: Office of the County Auditor, Athens County, Ohio

Table 5-B

ATHENS CITY SCHOOL DISTRICT
Property Tax Rates - Direct and Overlapping Governments
Last Ten Years
(Per \$1,000 of Assessed Valuation)

Athens Township - City of Athens (A02)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	City of Athens	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1994	52.60	18.45	3.30	2.60	0.30	77.25	47.598434	51.018123
1995	58.40	18.95	3.30	2.60	0.30	83.55	55.536946	58.813199
1996	59.40	19.05	3.30	2.60	0.30	84.65	56.774003	60.765034
1997	60.40	19.05	3.30	2.60	0.30	85.65	51.796455	55.605945
1998	60.40	18.55	3.30	2.60	0.30	85.15	52.400055	56.200331
1999	59.70	18.55	3.30	2.60	0.30	84.45	52.741033	56.602678
2000	64.60	18.55	3.30	2.60	0.30	89.35	53.255867	58.542443
2001	64.60	18.55	3.30	2.60	0.30	89.35	54.213092	59.454460
2002	64.60	18.55	3.30	2.60	0.30	89.35	55.679583	60.921219
2003	64.60	18.80	3.30	2.60	0.30	89.60	50.691695	57.778373

Note: The Athens City School District consists of eight taxing districts:

- A01 Athens Township
- A02 Athens Township - City of Athens
- A04 Athens Township - The Plains Fire District
- E02 Canaan Township
- E03 Canaan Township - City of Athens
- G01 Dover Township
- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

Source: Office of the County Auditor, Athens County, Ohio

Table 5-C

ATHENS CITY SCHOOL DISTRICT
Property Tax Rates - Direct and Overlapping Governments
Last Ten Years
(Per \$1,000 of Assessed Valuation)

Athens Township - The Plains Fire District (A04)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	The Plains Fire District	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1994	52.60	18.45	3.30	3.00	8.20	85.55	52.133340	56.610133
1995	58.40	18.95	3.30	4.50	8.20	93.35	62.251372	66.164679
1996	59.40	19.05	3.30	4.50	8.20	94.45	63.472670	68.113637
1997	60.40	19.05	3.30	4.50	8.20	95.45	57.979399	62.495305
1998	60.40	18.55	3.30	4.50	8.02	94.77	59.981313	64.260193
1999	59.70	18.55	3.30	4.50	8.20	94.25	60.309732	64.653918
2000	64.60	18.55	3.30	4.00	8.20	98.65	59.956295	65.887433
2001	64.60	18.55	3.30	4.00	8.20	98.65	60.888887	66.798762
2002	64.60	18.55	3.30	4.00	8.20	98.65	62.347988	68.247927
2003	64.60	18.80	3.30	4.00	8.20	98.90	56.877365	64.994188

Note: The Athens City School District consists of eight taxing districts:

- A01 Athens Township
- A02 Athens Township - City of Athens
- A04 Athens Township - The Plains Fire District
- E02 Canaan Township
- E03 Canaan Township - City of Athens
- G01 Dover Township
- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

Source: Office of the County Auditor, Athens County, Ohio

Table 5-D

ATHENS CITY SCHOOL DISTRICT
Property Tax Rates - Direct and Overlapping Governments
Last Ten Years
(Per \$1,000 of Assessed Valuation)

Canaan Township (E02)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	Canaan Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1994	52.60	18.45	3.30	4.60	78.95	48.583431	52.153890
1995	58.40	18.95	3.30	4.60	85.25	56.521078	59.948860
1996	59.40	19.05	3.30	4.60	86.35	57.756387	61.900845
1997	60.40	19.05	3.30	6.60	89.35	54.407651	58.574268
1998	60.40	18.55	3.30	6.60	88.85	55.476303	59.530792
1999	59.70	18.55	3.30	6.60	88.15	55.815175	59.933068
2000	64.60	18.55	3.30	6.60	93.05	56.115695	61.676778
2001	64.60	18.55	3.30	6.60	93.05	57.067981	62.693727
2002	64.60	18.55	3.30	6.60	93.05	59.305377	64.594136
2003	64.60	18.80	3.30	6.60	93.30	53.877320	61.329580

Note: The Athens City School District consists of eight taxing districts:

- A01 Athens Township
- A02 Athens Township - City of Athens
- A04 Athens Township - The Plains Fire District
- E02 Canaan Township
- E03 Canaan Township - City of Athens
- G01 Dover Township
- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

Source: Office of the County Auditor, Athens County, Ohio

Table 5-E

ATHENS CITY SCHOOL DISTRICT
Property Tax Rates - Direct and Overlapping Governments
Last Ten Years
(Per \$1,000 of Assessed Valuation)

Canaan Township - City of Athens (E03)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	City of Athens	Canaan Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1994	52.60	18.45	3.30	2.40	2.70	79.45	49.083431	52.653890
1995	58.40	18.95	3.30	2.40	2.70	85.75	57.021078	60.448886
1996	59.40	19.05	3.30	2.40	2.70	86.85	58.256387	62.400845
1997	60.40	19.05	3.30	2.40	4.70	89.85	54.907651	59.074268
1998	60.40	18.55	3.30	2.40	4.70	89.35	55.976303	60.030792
1999	59.70	18.55	3.30	2.40	4.70	88.65	56.315175	60.433068
2000	64.60	18.55	3.30	2.40	4.70	93.55	56.615695	62.176778
2001	64.60	18.55	3.30	2.40	4.70	93.55	57.567981	63.193727
2002	64.60	18.55	3.30	2.40	4.70	93.55	59.805715	65.094136
2003	64.60	18.80	3.30	2.40	4.70	93.80	54.377320	61.829580

Note: The Athens City School District consists of eight taxing districts:

- A01 Athens Township
- A02 Athens Township - City of Athens
- A04 Athens Township - The Plains Fire District
- E02 Canaan Township
- E03 Canaan Township - City of Athens
- G01 Dover Township
- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

Source: Office of the County Auditor, Athens County, Ohio

Table 5-F

ATHENS CITY SCHOOL DISTRICT
Property Tax Rates - Direct and Overlapping Governments
Last Ten Years
(Per \$1,000 of Assessed Valuation)

Dover Township (G01)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	Dover Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1994	52.60	18.45	3.30	10.70	85.05	52.160383	55.224890
1995	58.40	18.95	3.30	10.70	91.35	60.091746	62.873640
1996	59.40	19.05	3.30	10.70	92.45	62.475198	66.338002
1997	60.40	19.05	3.30	8.70	91.45	54.979144	58.990779
1998	60.40	18.55	3.30	8.70	90.95	56.321954	60.334607
1999	59.70	18.55	3.30	8.70	90.25	57.762736	61.652130
2000	64.60	18.55	3.30	8.70	95.15	57.722326	63.406713
2001	64.60	18.55	3.30	8.70	95.15	59.728240	65.070822
2002	64.60	18.55	3.30	8.70	95.15	61.175868	66.538118
2003	64.60	18.80	3.30	11.20	97.90	57.607682	65.217816

Note: The Athens City School District consists of eight taxing districts:

- A01 Athens Township
- A02 Athens Township - City of Athens
- A04 Athens Township - The Plains Fire District
- E02 Canaan Township
- E03 Canaan Township - City of Athens
- G01 Dover Township
- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

Source: Office of the County Auditor, Athens County, Ohio

Table 5-G

ATHENS CITY SCHOOL DISTRICT
Property Tax Rates - Direct and Overlapping Governments
Last Ten Years
(Per \$1,000 of Assessed Valuation)

Dover Township - Village of Chauncey (G02)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	Village of Chauncey	Dover Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1994	52.60	18.45	3.30	7.90	5.30	87.55	54.689214	58.422130
1995	58.40	18.95	3.30	3.90	5.30	89.85	60.320354	63.492614
1996	59.40	19.05	3.30	7.90	5.30	94.95	65.557233	69.536735
1997	60.40	19.05	3.30	7.90	3.30	93.95	57.602755	61.706041
1998	60.40	18.55	3.30	7.90	3.30	93.45	58.212419	62.303016
1999	59.70	18.55	3.30	7.90	3.30	92.75	59.657580	63.815493
2000	64.60	18.55	3.30	7.90	3.30	97.65	59.919503	65.574419
2001	64.60	18.55	3.30	7.90	3.30	97.65	62.354574	67.656663
2002	64.60	18.55	3.30	7.90	3.30	97.65	63.813636	69.132517
2003	64.60	18.80	3.30	7.90	5.80	100.40	59.382383	67.451832

Note: The Athens City School District consists of eight taxing districts:

- A01 Athens Township
- A02 Athens Township - City of Athens
- A04 Athens Township - The Plains Fire District
- E02 Canaan Township
- E03 Canaan Township - City of Athens
- G01 Dover Township
- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

Source: Office of the County Auditor, Athens County, Ohio

Table 5-H

ATHENS CITY SCHOOL DISTRICT
Property Tax Rates - Direct and Overlapping Governments
Last Ten Years
(Per \$1,000 of Assessed Valuation)

Waterloo Township (N02)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	Waterloo Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1994	52.60	18.45	3.30	9.80	84.15	51.715924	55.236696
1995	58.40	18.95	3.30	10.80	91.45	60.643039	63.935523
1996	59.40	19.05	3.30	10.80	92.55	62.873018	66.763189
1997	60.40	19.05	3.30	10.80	93.55	56.878921	60.085145
1998	60.40	18.55	3.30	10.80	93.05	58.180004	61.551999
1999	59.70	18.55	3.30	9.90	91.45	58.871122	62.404502
2000	64.60	18.55	3.30	9.90	96.35	58.978506	64.117153
2001	64.60	18.55	3.30	9.90	96.35	60.165682	65.327257
2002	64.60	18.55	3.30	9.90	96.35	61.579783	66.794016
2003	64.60	18.80	3.30	9.90	96.60	55.708064	63.386606

Note: The Athens City School District consists of eight taxing districts:

- A01 Athens Township
- A02 Athens Township - City of Athens
- A04 Athens Township - The Plains Fire District
- E02 Canaan Township
- E03 Canaan Township - City of Athens
- G01 Dover Township
- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

Source: Office of the County Auditor, Athens County, Ohio

Table 6

ATHENS CITY SCHOOL DISTRICT
Principal Property Taxpayers
2003 Collection Year

<u>PUBLIC UTILITY</u>			
<u>Property Owner</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Columbus Southern Power	Electricity	\$ 12,187,710	53.15%
Verizon North, Inc.	Communications	4,680,260	20.41%
Texas Eastern Transmission	Natural Gas	1,229,530	5.36%
Tennessee Gas Pipeline Co.	Natural Gas	1,178,150	5.14%
Columbia Gas of Ohio, Inc.	Natural Gas	883,950	3.85%
Norfolk Southern	Transportation	587,100	2.56%
Ohio Telephone & Telegraph	Communications	567,470	2.47%
Columbia Gas Transmission	Natural Gas	403,880	1.76%
Orange County Cellular	Communications	387,710	1.69%
Horizon Personal	Communications	293,390	1.28%
Total Top Ten		22,399,150	
All Others		531,240	2.32%
Total Public Utility		\$22,930,390	100.00%

<u>REAL ESTATE</u>			
<u>Property Owner</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Ohio University	Retail Sales	\$ 6,522,800	1.83%
University Mall Associates	Retail Sales	4,634,830	1.30%
AAC Athens LLC	Apartments	4,069,060	1.14%
Continental 72 Fund, LLC	Retail Sales	2,465,440	0.69%
Inn-Ohio of Athens, Inc.	Motel	1,903,690	0.53%
McCoady Properties LTD	Various Properties	1,634,540	0.46%
Presidents and Trustees of Ohio Univ.	Apartments	1,611,440	0.45%
City of Athens	Various Properties	1,577,190	0.44%
Diversified Properties	Various Properties	1,461,920	0.41%
Southeast Development Co. 2	Apartments	1,423,060	0.40%
Total Top Ten		27,303,970	
All Others		329,907,990	92.36%
Total Real Estate		\$357,211,960	100.00%

<u>TAXABLE PERSONAL PROPERTY</u>			
<u>Property Owner</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
TS Trim Industries	Automotive Car Seat Mfg.	\$ 1,519,850	6.45%
Don Wood Buick, Inc.	Auto Sales and Service Center	744,770	3.16%
Don Wood Ford, Lincoln Mercury, Inc.	Auto Sales and Service Center	716,290	3.04%
Kroger Co.	Grocery Store	642,360	2.73%
K Mart Corp.	Retail Sales	598,780	2.54%
Taylor Motors, Inc.	Auto Sales and Service Center	496,840	2.11%
Athens Mold & Machine, Inc.	Machine Shop	496,680	2.11%
Ames Merchandising, Inc.	Retail Sales	378,940	1.61%
Elder Beerman Stores Corp.	Retail Sales	377,060	1.60%
Hook SuperX Inc.	Retail Sales	363,180	1.54%
Total Top Ten		6,334,750	
All Others		17,231,302	73.12%
Total Tangible Personal Property		\$ 23,566,052	100.00%
Total Assessed Valuation		<u>403,708,402</u>	

Table 7

ATHENS CITY SCHOOL DISTRICT
Legal Debt Margin
June 30, 2003

Total Assessed Valuation	\$ 403,708,402
Overall Debt Limitation - 9.0% of Assessed Valuation (1)	36,333,756
Gross Indebtedness Authorized by the School Board	18,391,566
Less Debt Outside Limitation:	<u>(215,000)</u>
Debt within 9.0% Limitation	18,176,566
Less Amount Available in Debt Service Fund	2,713,480
Net Debt within 9.0% Limitation	<u>15,463,086</u>
Legal Debt Margin within 9.0% Limitation	<u><u>\$ 20,870,670</u></u>
<hr/>	
Energy Conservation Debt Limit - .90% of Assessed Value (1)	\$ 3,633,376
Net Debt within .90% Limitation	<u>(215,000)</u>
Energy Conservation Debt Margin	<u><u>\$ 3,418,376</u></u>
<hr/>	
Unvoted Debt Limitation - .10% of Assessed Valuation	\$ 403,708
Net Debt within .10% Limitation	<u>-</u>
Legal Debt Margin within .10% Limitation	<u><u>\$ 403,708</u></u>

(1) Section 136.06, Ohio Revised Code, imposes direct debt limitations on unvoted and combined unvoted and voted net indebtedness of 9.0% of the school districts assessed valuation. The unvoted limitation is .10%, with exceptions for financing for energy conservation projects which is .90%.

Table 8

ATHENS CITY SCHOOL DISTRICT
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Estimated Population	Assessed Value Real & Personal Property (1)	General Bonded Debt (2)	Less Debt Service (2)	Net Bonded Debt	Ratio Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1994	(a) 32,170	\$247,403,786	\$5,824,973	\$644,494	\$5,180,479	2.09%	\$161
1995	(b) 32,170	253,583,890	5,339,973	286,786	5,053,187	1.99%	157
1996	(b) 32,330	255,591,667	4,849,973	51,401	4,798,572	1.88%	148
1997	(b) 32,450	292,476,676	4,344,973	161,609	4,183,364	1.43%	129
1998	(b) 32,600	295,211,248	3,824,973	487,536	3,337,437	1.13%	102
1999	(b) 32,721	302,265,315	3,289,973	721,757	2,568,216	0.85%	78
2000	(b) 32,721	334,411,779	19,319,973	1,707,620	17,612,353	5.27%	538
2001	(b) 32,596	341,363,222	18,684,973	1,654,485	17,030,488	4.99%	522
2002	(b) 32,596	341,300,489	18,424,513	2,152,841	16,271,672	4.77%	499
2003	(b) 32,596	403,708,402	18,176,566	2,713,480	15,463,086	3.83%	474

(1) Office of the County Auditor, Athens County, Ohio

(2) General Obligation Bonded Debt Excludes Energy Conservation Notes

(a) - Cash Basis Data

(b) - GAAP Basis Data

Table 9

ATHENS CITY SCHOOL DISTRICT
Ratio of Annual General Obligation Bonded Debt Service Expenditures
To Total General Fund Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal (1)	Interest (1)	Total Debt Service (1)	Total General Fund Expenditures	Percent of Debt Service to General Fund Expenditures
1994 (a)	\$550,535	\$201,327	\$751,862	\$15,474,514	4.86%
1995 (b)	485,000	282,038	767,038	14,396,514	5.33%
1996 (b)	490,000	271,330	761,330	15,538,883	4.90%
1997 (b)	505,000	241,358	746,358	16,274,825	4.59%
1998 (b)	520,000	247,588	767,588	16,868,276	4.55%
1999 (b)	535,000	173,801	708,801	18,198,269	3.89%
2000 (b)	370,000	153,582	523,582	17,422,381	3.01%
2001 (b)	635,000	1,099,065	1,734,065	19,179,237	9.04%
2002 (b)	260,460	1,370,137	1,630,598	20,314,792	8.03%
2003 (b)	247,947	1,366,651	1,614,598	20,831,388	7.75%

Source: Athens City School District Fund Financial Statements
(1) General Obligation Bonded Debt Excludes Energy Conservation Notes

(a) - Cash Basis Data
(b) - GAAP Basis Data

Table 10

ATHENS CITY SCHOOL DISTRICT
Computation of Direct and Overlapping Debt
June 30, 2003

	<u>General Obligation Debt (1)</u>	<u>Percent Overlapping</u>	<u>Applicable To Athens City School District</u>
<u>Direct Debt:</u>			
Athens City School District	\$ 18,176,566	100.00%	\$ 18,176,566
<u>Overlapping Debt:</u>			
Athens County	2,980,224	55.26%	1,646,872
City of Athens	9,085,000	98.04%	<u>8,906,934</u>
Total Overlapping Debt			<u>10,553,806</u>
Total Direct and Overlapping Debt			<u><u>\$ 28,730,372</u></u>

Source: Ohio Municipal Advisory Council

(1) General Obligation Bonded Debt Excludes Energy Conservation Notes

Table 11

ATHENS CITY SCHOOL DISTRICT
New Construction, Tax Exempt Value, and Assessed Property Value
Last Ten Years

Collection Year	Total Value New Construction	Tax Exempt Value	Assessed Property Values (1)				Total
			Real Property	Tangible Personal	Public Utility Personal		
1994	\$4,232,440	\$140,764,640	\$198,639,960	\$17,432,346	\$31,331,480	\$247,403,786	
1995	4,508,220	149,216,130	202,769,240	17,974,750	32,839,900	253,583,890	
1996	6,711,340	152,311,580	206,713,970	19,251,537	29,626,160	255,591,667	
1997	4,653,200	175,212,750	243,463,640	19,558,176	29,454,860	292,476,676	
1998	2,327,440	175,032,770	246,407,920	20,849,558	27,953,770	295,211,248	
1999	4,863,550	179,911,980	251,378,830	21,348,845	29,537,640	302,265,315	
2000	3,338,130	195,411,980	285,737,630	22,056,469	26,617,680	334,411,779	
2001	6,031,520	198,545,120	291,086,680	23,500,232	26,776,310	341,363,222	
2002	5,471,520	204,652,910	295,558,800	23,319,149	22,422,540	341,300,489	
2003	5,715,850	209,958,420	357,211,960	23,566,052	22,930,390	403,708,402	

(1) Office of the County Auditor, Athens County, Ohio
 Note: Mineral Value and Public Utility Real Estate Value are included in Real Property Value
 Bank deposit data is not included. No major banks report their headquarters as the City of Athens, Athens County, Ohio.

Table 12

ATHENS CITY SCHOOL DISTRICT
Cost to Educate a 2002 Graduate

School Year Ended	Grade	Annual Expenditure Per Pupil	
		District Average	State Average
1990	Kindergarten	\$ 3,717	\$ 4,159
1991	1st Grade	3,920	4,373
1992	2nd Grade	4,434	4,619
1993	3rd Grade	4,538	4,815
1994	4th Grade	4,386	5,010
1995	5th Grade	5,181	5,151
1996	6th Grade	5,230	5,328
1997	7th Grade	5,889	5,557
1998	8th Grade	6,116	5,673
1999 #	9th Grade	6,681	6,642
2000 #	10th Grade	6,972	7,057
2001 #	11th Grade	7,832	7,591
2002 #	12th Grade	8,608	8,073
		<u>\$ 73,504</u>	<u>\$ 74,048</u>

Source: Ohio Department of Education - Financial Data Per Pupil Report - All Funds
 # - Ohio Department of Education "District School Report Card"

Table 13

ATHENS CITY SCHOOL DISTRICT
Average Daily Membership (ADM) Data
Last Ten Fiscal Years

Fiscal Year	Number Of Graduates (1)	Average Daily Membership (ADM) (2)	Percentage ADM Increase (Decrease)
1994	212	2,926	1.21%
1995	208	2,837	(3.04)%
1996	204	2,850	0.46%
1997	225	2,793	(2.00)%
1998	242	2,705	(3.15)%
1999	234	2,966	9.65%
2000	235	2,823	(4.82)%
2001	235	2,757	(2.34)%
2002	233	2,544	(7.73)%
2003	209	2,482	(2.44)%

(1) Athens High School Guidance Department

(2) Ohio Department of Education Final Fiscal-Year-End SF3 Report

Table 14

ATHENS CITY SCHOOL DISTRICT
Staffing Statistics - Full Time Equivalents (FTE)
 Last Ten Fiscal Years

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000 (1)</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Professional Staff:										
Teaching Staff:										
Elementary (K-6)	137.5	146.9	147.9	153.3	147.0	150.4	115.6	112.1	108.8	108.8
Secondary (7-12)	50.1	54.2	56.2	55.7	57.0	57.4	81.2	81.2	81.5	82.5
Administrators:										
Districtwide	15.0	16.0	14.0	16.0	16.0	17.0	18.0	18.0	18.0	17.0
Auxilliary Positions:										
Guidance/Counselors	5.0	5.0	5.0	4.8	4.0	4.0	5.0	5.0	5.0	5.0
Librarians/Audio Visual	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Special Education	13.7	15.7	15.7	13.6	14.6	14.0	34.0	35.5	39.0	39.0
Psychologists	2.6	3.4	2.6	2.6	2.8	3.0	3.0	3.0	2.0	2.0
Nurses	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Support Staff:										
Secretarial	20.5	19.5	20.0	18.0	17.0	15.5	21.5	22.5	22.5	22.5
Aides	43.0	43.0	43.0	44.0	44.0	52.0	49.5	55.5	60.5	63.5
Maintenance/Mechanic	6.0	6.0	6.0	6.0	6.0	6.0	8.0	8.0	8.0	7.0
Transportation	31.0	35.0	37.0	38.0	31.0	31.0	29.0	30.0	28.0	29.5
Custodial	22.0	24.0	22.0	25.0	23.0	24.0	24.5	24.5	24.5	24.5
Lunchroom	18.0	17.0	25.0	38.0	37.0	38.0	21.5	21.5	21.5	21.5
TOTAL	366.4	387.7	396.4	417.0	401.4	414.3	412.8	418.8	421.3	424.8

Source: Actual Data from Ohio Department of Education - Staff Profile Data
 (1) Athens City School District Records and represents a change in the method used to classify Special Education and Secondary Teachers.

Table 15

ATHENS CITY SCHOOL DISTRICT
Educational Standardized Testing Statistics
*Last Eight School Years **

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>
4th Grade Proficiency Tests:								
Citizenship	61.1	53.6	61.7	79.2	68.3	73.3	79.5	68.8
Mathematics	48.7	39.6	41.5	56.2	50.9	66.1	75.1	63.5
Reading	51.5	52.1	56.6	66.0	67.1	65.7	75.8	74.5
Writing	61.5	70.3	71.8	77.0	80.1	82.0	85.7	84.1
Science	49.8	48.3	50.3	62.1	50.3	62.2	75.3	60.6
6th Grade Proficiency Tests:								
Citizenship	70.3	61.6	74.6	75.3	68.8	77.9	75.1	80.4
Mathematics	58.5	50.0	53.1	59.1	51.1	66.1	58.0	70.9
Reading	57.2	53.2	64.3	58.2	51.7	61.8	58.0	78.4
Writing	68.5	76.9	98.1	85.1	84.7	85.3	87.1	94.0
Science	54.0	48.3	64.3	57.2	51.1	69.0	60.5	74.9
9th Grade Proficiency Tests:								
Citizenship	89.2	85.5	91.6	87.7	81.9	88.8	88.3	91.1
Mathematics	74.9	78.3	81.4	83.3	75.0	81.3	83.1	85.5
Reading	90.8	90.0	95.4	94.0	88.4	95.1	94.4	95.1
Writing	81.3	86.7	92.0	96.2	90.3	93.3	93.3	92.4
Science	68.5	77.6	85.6	85.5	78.9	85.1	83.7	88.9
ACT Scores (Composite Averages)								
Athens City Schools	23.0	23.2	24.3	22.7	23.1	23.1	23.7	23.1
SAT Scores (Average)								
Athens City Schools								
Verbal	560	564	575	580	562	548	592	562
Mathematics	556	566	574	575	569	564	583	573

Source: Ohio Department of Education - School District Report Card Data
 # = Preliminary Test Scores not yet Certified by the Ohio Department of Education
 * Ohio Proficiency Testing Began in 1995-96

Table 16

ATHENS CITY SCHOOL DISTRICT
Educational Testing Comparison
2002-2003 School Year

	<u>District</u>	<u>State Average</u>	<u>Similar Districts *</u>
4th Grade Proficiency Tests:			
Citizenship	68.8	60.9	66.7
Mathematics	63.5	58.6	63.5
Reading	74.5	66.3	71.6
Writing	84.1	78.3	80.8
Science	60.6	58.9	65.8
6th Grade Proficiency Tests:			
Citizenship	80.4	69.9	73.9
Mathematics	70.9	52.8	55.9
Reading	78.4	65.0	67.7
Writing	94.0	85.8	86.8
Science	74.9	65.8	70.6
9th Grade Proficiency Tests:			
Citizenship	91.1	89.6	89.9
Mathematics	85.5	82.0	83.6
Reading	95.1	93.8	93.8
Writing	92.4	94.0	93.0
Science	88.9	86.2	87.6
	<u>District</u>	<u>State Average</u>	<u>National Average</u>
ACT Scores (Composite Averages)	23.1	21.4	20.8
SAT Scores (Average)			
Verbal	562	536	507
Mathematics	573	541	519

Source: Ohio Department of Education - School District Report Card Data
= Preliminary Test Scores not yet Certified by the Ohio Department of Education
* = Districts selected by the Ohio Department of Education as "Similar"

Table 17

ATHENS CITY SCHOOL DISTRICT
Valuation Data by Governmental Subdivision
Calendar Year 2002

	<u>Percent of Subdivisions's Assessed Valuation Within the School District</u>	<u>Percent of School District's Assessed Valuation Within the Subdivision</u>
Athens City School District	55.46%	100.00%
City of Athens	98.44%	62.31%
Village of Chauncey	100.00%	1.47%
Athens Township	99.21%	84.32%
Dover Township	97.41%	8.21%
Canaan Township	60.02%	3.52%
Waterloo Township	14.53%	76.00%
Tri-County Career Center	31.61%	100.00%

Source: Ohio Municipal Advisory Council



**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

ATHENS CITY SCHOOL DISTRICT

ATHENS 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 4, 2004**