

Olentangy Local School District

Lewis Center, Ohio

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2003

Issued by:

Office of the Treasurer

Joanne C. Little
Treasurer

OLENTANGY LOCAL SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2003

Table of Contents

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Table of Contents	i
Transmittal Letter	ix
Elected Officials and Administrative Staff	xxii
Organizational Chart	xxiii
GFOA Certificate of Achievement	xxiv
 <u>FINANCIAL SECTION</u>	
Report of Independent Auditor's	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government–Wide Financial Statements	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	16
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	17

OLENTANGY LOCAL SCHOOL DISTRICT

Table of Contents, continued

Statement of Fiduciary Net Assets	18
Statement of Changes in Fiduciary Net Assets	19
Notes to the Basic Financial Statements	21
Required Supplementary Information	45
Budgetary Comparison Schedule - General Fund	47
Notes to Required Supplementary Information	48
Combining Statements and Individual Fund Schedules	
Combining Statements Nonmajor Funds	
Description of Funds	51
Combining Balance Sheet – Nonmajor Funds	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Funds	62
Schedule of Budgetary Statements All Governmental Funds Except General Fund	
Schedule of Revenues Expenditures and Changes in Fund Balance - Budget and Actual – Debt Service Fund - Budget Basis	68
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Public School Support - Budget Basis	68
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Grant-Local Sources - Budget Basis	68

OLENTANGY LOCAL SCHOOL DISTRICT

Table of Contents, continued

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - District-Managed Student Activities - Budget Basis.....	69
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Other Local Sources - Budget Basis.....	69
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Auxiliary Services Fund - Budget Basis.....	69
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Teacher Development Grant.....	70
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - EMIS Grants - Budget Basis	70
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Onenet Network Connectivity	70
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - School Net Professional Development	71
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Textbook Subsidy	71

OLENTANGY LOCAL SCHOOL DISTRICT

Table of Contents, continued

Schedule of Revenues,
Expenditures and Changes in Fund
Balance - Budget and Actual -
Entry Year Programs71

Schedule of Revenues,
Expenditures and Changes in Fund
Balance - Budget and Actual -
Ohio Reads - Budget Basis72

Schedule of Revenues,
Expenditures and Changes in Fund
Balance - Budget and Actual -
Other State Grant - Budget Basis72

Schedule of Revenues,
Expenditures and Changes in Fund
Balance - Budget and Actual -
Federal Excellence – Title II Grant - Budget Basis.....72

Schedule of Revenues,
Expenditures and Changes in Fund
Balance - Budget and Actual -
Title VIB Grant - Budget Basis73

Schedule of Revenues,
Expenditures and Changes in Fund
Balance - Budget and Actual -
Title I Grants - Budget Basis73

Schedule of Revenues,
Expenditures and Changes in Fund
Balance - Budget and Actual -
Title V Grants - Budget Basis.....73

Schedule of Revenues,
Expenditures and Changes in Fund
Balance - Budget and Actual -
Emergency Immigrant Education - Budget Basis74

OLENTANGY LOCAL SCHOOL DISTRICT

Table of Contents, continued

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Safe and Drug-Free School Grant - Budget Basis.....	74
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Education of the Handicapped - Budget Basis	74
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - E-Rate Grant - Budget Basis	75
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Title II-A Grants – Budget Basis.....	75
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Other Federal Grants – Budget Basis	75
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Food Service Fund - Budget Basis	76
Schedule of Revenues Expenditures and Changes in Fund Balance - Budget and Actual – Permanent Improvement Fund - Budget Basis.....	76
Schedule of Revenues Expenditures and Changes in Fund Balance - Budget and Actual – Building Fund – Budget Basis.....	76

OLENTANGY LOCAL SCHOOL DISTRICT

Table of Contents, continued

Schedule of Revenues	
Expenditures and Changes in Fund	
Balance - Budget and Actual –	
SchoolNet Fund – Budget Basis	77

Schedule of Revenues	
Expenditures and Changes in Fund	
Balance - Budget and Actual –	
Private Purpose Trust Fund – Budget Basis	77

STATISTICAL SECTION

Table 1-	
General Governmental Expenditures by Function	
Last Ten Fiscal Years	79
Table 2 -	
General Governmental Revenues by Source	
Last Ten Fiscal Years	80
Table 3 -	
Property Tax Levies and Collections	
Last Ten Years	81
Table 4 -	
Assessed and Estimated Actual Value of Taxable Property	
Last Ten Years	82
Table 5 -	
Real Property Tax Rates - Direct and Overlapping Governments	
Last Ten Years - City of Whitehall	
(Per \$1,000 of Assessed Value)	84
Table 6 -	
Principal Property Taxpayers	86
Table 7 -	
Computation of Legal Debt Margin	87

OLENTANGY LOCAL SCHOOL DISTRICT

Table of Contents, continued

Table 8 -
Ratio of Net General Bonded Debt
To Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years88

Table 9 -
Ratio of Annual General Obligation Bonded Debt Service Expenditures
To Total General Governmental Expenditures
Last Ten Fiscal Years89

Table 10 -
Computation of Direct and Overlapping Debt90

Table 11 -
Demographic Statistics-Enrollment Data
Last Ten Years.....91

Table 12 -
New Construction and Real Property Values
Last Ten Years.....92

Table 13 -
Miscellaneous Statistics93

This page left blank intentionally.

**OLENTANGY LOCAL SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
for fiscal year ended June 30, 2003**

*Our mission is
to facilitate
maximum learning
for every student*

Adopted June 27, 2000

OLENTANGY | LOCAL SCHOOLS



OFFICE OF THE TREASURER

814 Shanahan Road, Suite 100

Lewis Center, OH 43035

November 21, 2003

To the Board of Education and the Citizens of the Olentangy Local School District:

As the Superintendent and the Treasurer of the Olentangy Local School District (the District), we are 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 accounting principles generally accepted in the United States of America (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).

This CAFR is presented in three sections:

- The **Introductory Section** includes a title page, the table of contents, this transmittal letter, a list of principal officials, and the District's organizational chart.
- The **Financial Section** includes the independent auditor's report on the financial statements, management's discussion and analysis, basic financial statements, required supplementary information, and the combining and individual fund financial statements and schedules that provide detailed information relative to the basic financial statements.
- The **Statistical Section** includes selective financial, economic, and demographic information, generally presented on a multi-year basis for comparative purposes.

The Office of the Treasurer 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 respects and that all disclosures necessary to enable the reader to acquire the maximum understanding of the District's financial activity are included herein.

Reporting Entity

The District, one of 612 public school districts in the State of Ohio and four in the County of Delaware, provides education to approximately 7,500 students in grades K through 12 as of June 2003. It is located in Delaware and Franklin Counties in Central Ohio, and approximately fifteen miles north of the City of Columbus. The District was created by the consolidation in 1952 of the Liberty, Hyatt, Orange and Berlin Township schools to form the Olentangy Local School District. Less than one square mile of the District's area is located in Franklin County. The School District's total area is approximately 110 square miles

Included in the District's territory are all or portions of the following cities, townships and villages:

City of Columbus	Concord Township
City of Powell	Delaware Township
City of Westerville	Genoa Township
Berkshire Township	Liberty Township
Berlin Township	Orange Township

The District is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution and various sections of the Revised Code. Under such laws, there is no authority for the District to have a charter or adopt local laws. The District is not a part of, nor under the control of, any village, township or any other municipality.

The accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations are Component Units*, in that the financial statements include all organizations, activities and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (i) the District's ability to impose its will over a component unit, or (ii) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the school district only (i.e. there are no component units).

Organization of the School District

An elected five-member Board of Education (the Board) serves as the taxing authority and policy maker for the District. The Board adopts an annual tax budget and an annual appropriations resolution, which serves as the basis for control over and authorization for all expenditures of District tax money. The Board directly approves all personnel-related expenditures.

The Superintendent is the chief executive officer of the District, responsible to the Board for total educational and support operations. The Treasurer is the chief financial officer of the District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, and investing idle funds as permitted by Ohio law. Other administrative personnel reporting to the Superintendent include the Director of Personnel, Director of Facilities and Development, Director of Operations, Director of Curriculum, Director of Pupil Services, the School Principals, and various other positions.

Economic Outlook

The District is considered a high wealth district. The valuation per pupil for fiscal year 2003 was \$259,556 compared to the State average of \$122,545. A comparison of the median Ohio adjusted gross income shows that Olentangy is approximately \$30,000 higher than the state average in tax year 2001. The District's 2002-03 expenditure per pupil (all funds) was \$8,359, compared to the state average of \$8,441.

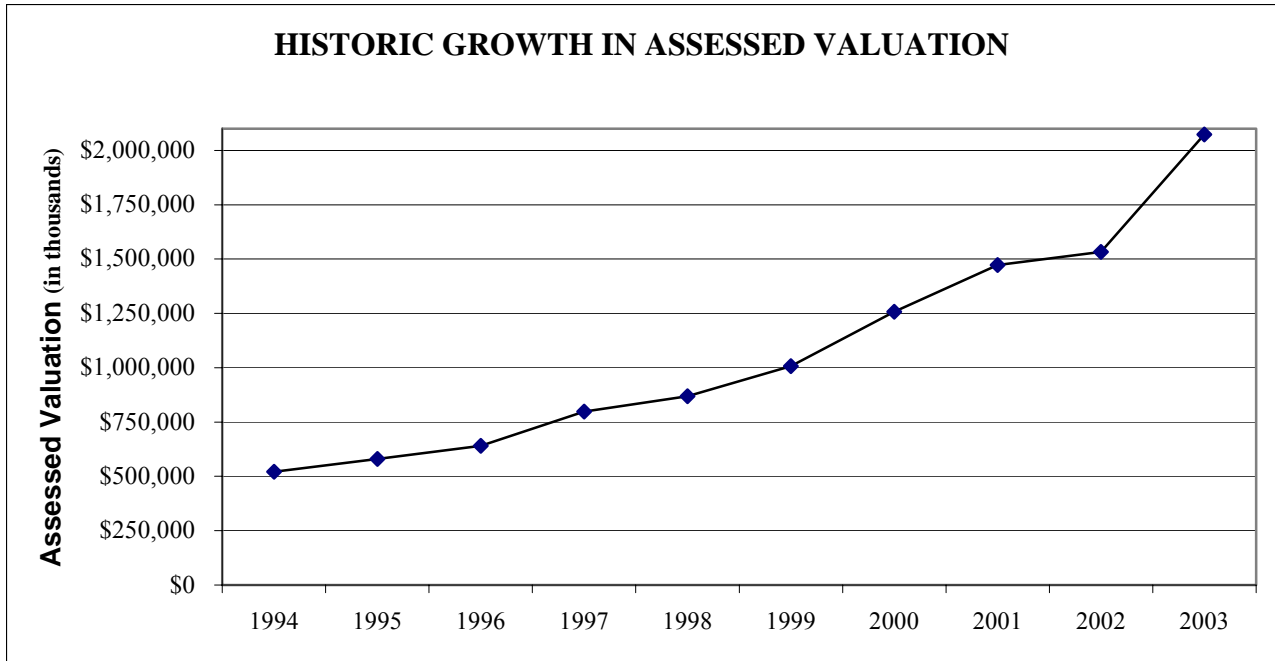
The District is located in a high growth area. The revenue raised by 1 mill is approximately \$1.9 million compared to the state average of \$363 thousand. The valuation increase for the 5-year period ended December 2003 was over 100%.

The commercial tax base of the District continues to grow at a robust pace. The Polaris development provides the heaviest concentration of office and retail development. During 1998, construction commenced on a 700,000 square foot power center within the Polaris boundaries. A 64,000 square foot Kroger store that opened in December 1998 anchors the center. An additional 200,000 square feet of retail space was completed in late 2000. The total market value of this development is expected to be between \$65 and \$75 million. As of June 2003, the growth of this development has begun to slow down.

In addition to the center discussed above, Glimcher Realty Trust constructed and opened a 1,500,000 square foot regional mall at the Polaris location. This fashion mall opened in October 2001. The total value of the completed project was approximately \$118 million, however; parcels surrounding the mall are still being developed.

The Polaris development is located within a tax increment-financing (TIF) district created by the City of Columbus. The School District is not a participant in the TIF. The TIF district is capturing only non-school real property tax revenues.

In other developments, the Kroger Company has started construction of a distribution facility in the northern portion of the District. This facility will be approximately 758,000 square feet and be located on 165 acres. Kroger will transfer 276 employees and create an additional 256 new jobs in year one. Delaware County, with input from the District, abated various portions of this project. Over the next 10 years the District will receive approximately \$8 million in revenue from this development.



Source: Delaware County Auditor (note: years of sexennial reappraisal 1994 & 2000; year of triennial appraisal 1997 & 2003). Includes real and personal property values.

Considerable residential development has also been occurring and is continuing to be planned within the District. In fact, the District has experienced more growth in 2002-03 than expected. Thus, the District has changed its assumption for new residential construction permits from 1,100 in 2002-03 to 1,400 for each of the next five years. Enrollment for school year 1987-88 was 1,618. Enrollment for the 2002-03 school year was 7,548. During the last five years the District has experienced enrollment growth ranging from 8% to 16%. The enrollment projections, as well as development projections, indicate that the growth will continue well into this century. Student enrollment projections for the year 2007-08 indicate an enrollment of approximately 13,300 (*see additional detail in Building Facilities and Growing Enrollment*).

While the tremendous growth provides revenue-enhancing opportunities, it also provides challenges and expenditure pressures. The District, along with many other public school systems in the state, still faces some difficult economic situations in the future since the primary funding source is property tax revenue. Ohio law limits growth in real estate tax revenues by reducing millage as assessed values increase. This keeps revenues from each levy relatively constant. Statewide voters have proved reluctant to increase property taxes. Although the District has received additional revenue from the valuation growth of new construction within the District, the increased expenditures from the enrollment growth have outpaced the additional revenue. The District, therefore, placed an operating levy on the May 1999 ballot that was successful and allowed the District to maintain the quality educational services that the District has been accustomed to providing. The District expects to place a new operating levy on the ballot in calendar year 2004.

In 2002, the Board entered into a three and a half-year agreement effective January 1, 2002 to June 30, 2005 with the Olentangy Teachers Association (OTA). These negotiations established the wage and benefit levels for the District's certificated employees.

Also, in 2002, the Board entered into a three-year agreement effective July 1, 2002 to June 30, 2005 with the Ohio Association of Public School Employees (OAPSE) and AFSCME AFL-CIO Local #322 (transportation drivers).

In 2003, the Board entered into a four-year agreement effective July 1, 2003 to June 30, 2007 with the Ohio Association of Public School Employees (OAPSE) and AFSCME AFL-CIO Local #039 (maintenance and custodians).

Building Facilities & Growing Enrollment

The District is fortunate in that we have been able to keep pace with the district's rapidly growing student enrollment. Since 1989 the District has grown from utilizing only the Shanahan building to a total of nine school buildings in the 2002-03 school year.

The District's Development Committee (committee of citizens) is always evaluating the construction needs that will exist within the District in the future. The District continues to face the challenge of forecasting the number of students that will be entering the schools each year and trying to provide adequate space to house the influx (*see below*).

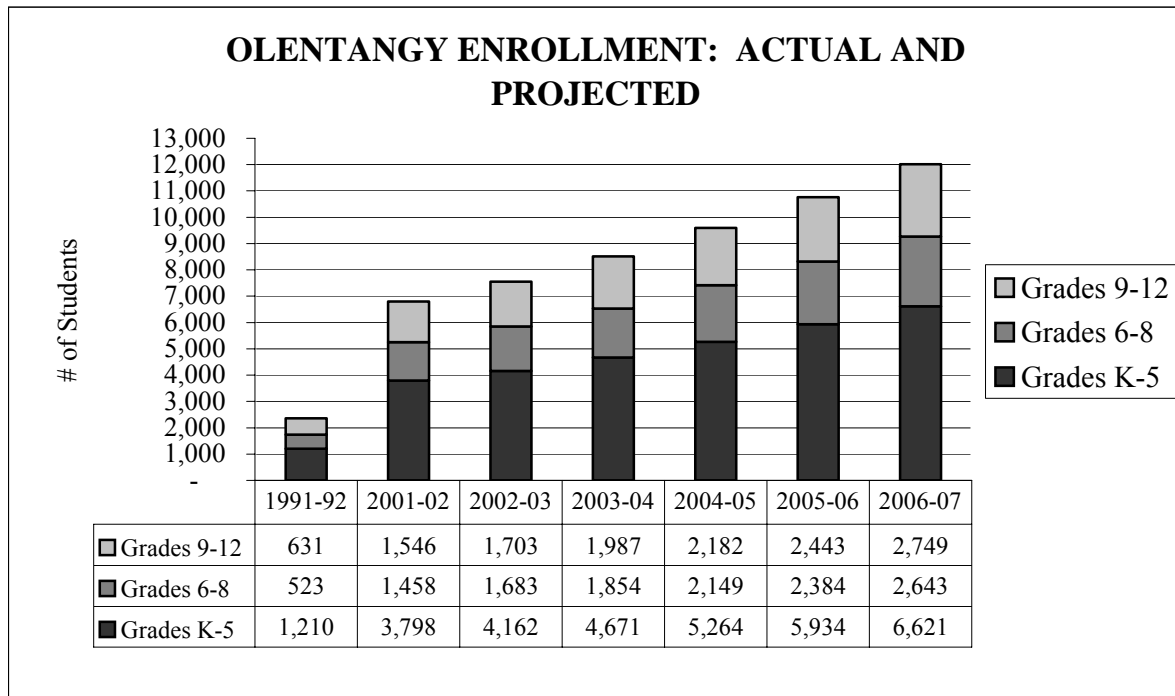
Since 1999 the District has constructed or is in the process of constructing seven schools. It started with the 1.69 mill bond issue that was successful in May 1999 that built an additional elementary school that opened the fall of 2000 and a second middle school that opened fall of 2001. The District was again on the ballot March 7, 2000, which was successful, for an additional elementary school, which also opened fall of 2001. The March ballot also contained funds to purchase land for future school facilities.

In May 2001, the community approved a 3.1 mill bond issue that would raise approximately \$73 million for the District. This issue was for the construction of a second high school, a third middle school, a bus/maintenance compound, renovation of the west wing of Shanahan middle school and high school athletic fields. This bond issue was structured so there was no increase in annual debt payments for the citizens of the District, rather the citizens will pay the same amount longer. This issue was financed in a unique manner that is only possible for a small number of tremendously fast growing districts in Ohio that allows for future residents to pay their fair share.

In May 2002, the community again approved a bond issue (1 mill) that would raise approximately \$24.6 million for the District. This issue is for the construction of two elementary schools, additional land and other items to accommodate the growth in student population.

Thanks to the voters of our District, the District has been able to plan ahead for the next few years with the passage of the bond issues previously mentioned. The following projects were in progress at June 30, 2003:

- a second high school, including athletic facility (opened in fall of 2003);
- a third middle school (opening fall of 2004);
- a new bus/maintenance facility (opened fall of 2003);
- two elementary schools (opened fall of 2003).



Source: the above 5-year projections (from 2003-04 to 2006-07) came from the combined work of the Dejong & Associates and the District’s Development Committee and are based upon 1400 new home starts each year. The figures for 1991-92, 2001-02 and 2002-03 are actual enrollment figures.

Educational Program

As of June 2003, 7,548 students were enrolled in the District’s seven elementary schools, two middle schools and one high school. The average pupil/teacher ratio for the 2002-03 academic year was approximately 15.88 to 1. The District’s ten-year plan forecasts total enrollment for the 2003-04 year to increase by approximately 1,000 students.

The District’s curriculum includes a wide range of electives and comprehensive courses of study in college preparatory, liberal arts and vocational programs. Test scores indicate students are achieving higher than national averages.

Classroom teachers at all levels are supported by a Curriculum Department. All teachers K-12 are involved in curriculum revisions and the implementation process.

A full range of extracurricular programs and activities are available to students beginning in the elementary grades. A complete competitive athletics program is offered beginning in the middle school. An intramural sports program is also offered to students at selected grade levels throughout the District.

Other elements of the Education's Program include:

- Elementary students have scheduled time, each week, in computer labs. All seven elementary buildings are networked, and teachers and students have access to Internet.
- Schools in the District received the Ohio Reads Grant from the State, recognizing local efforts to promote and encourage reading.
- The District offers approximately 163 courses at the high school level.
- Athletic programs include a full range of both interscholastic and intramural sport programs.
- Latchkey programs are held at each elementary building servicing approximately 100 students.

Following are certain student achievement highlights for the 2002-03 school year illustrating the quality of educational programming in the School District:

- Today, the district is meeting more state standards than in 2000.
- In 2002-2003, met all national standards and 20 of 22 state standards.
- Number of National Merit Scholars reached all time high (11 juniors in 2002-03 are recognized).
- A student achieved a perfect score on SAT and ACT, first time ever.
- Sixth grade science proficiency scores are at five year high – 78% proficient.
- The average Olentangy student, at every grade and subject, scores in the top 30% of students nationally on achievement tests.
- SAT math score reaches a five-year high.
- ACT scores above state and national averages – highest composite score in last five years.
- 63 – 64% of students participate in SAT and ACT and scores continue to improve.
- 28% of juniors and seniors take AP exams – an all time high.

Each year, Ohio schools are graded according to an identified number of standards set by the state. As a result of new “No Child Left Behind” legislation, these “grades” are now issued by the Ohio Department of Education in August as part of the district or buildings’ report card.

In March of 2003, the Ohio Department of Education released district report cards based on 2001-02 data. On this report card, Olentangy received the state’s highest rating of “excellent” by meeting 22 of 22 state standards. The August report card, based on 2002-03 data, placed the district in the second highest category, “effective”.

Major Initiatives in Education:

In 2000, the District developed a Continuous Improvement Plan (CIP). The Board adopted this plan for the school year beginning July 1, 2000. The CIP was developed with the following vision (revised in 2003):

Vision of the District

Our students will perform at a level that surpasses or is equal to their predicted level of achievement based on measured ability. We will promote high expectations for students in all areas: academic, artistic, physical, health, citizenship, and service. In a fiscally responsible manner, we will commit the resources necessary to establish and maintain:

- A respectful, caring, and safe environment
- Research-based, student focused instruction
- Information-driven decision making
- A focused and challenging curriculum
- Collaboration focused on improving student learning
- An active partnership with parents and community

The following is our district Continuous Improvement Plan to build this vision:

Respectful, Caring & Safe Environment

Long-Range Goals:

1. Provide professional development for staff to foster a positive learning environment.
2. Create and update crisis/security/emergency plans.

Research-Based, Student-Focused Instruction

Long-Range Goals:

3. Provide professional development in research-based strategies.
4. Develop Resource Bank for map indicators.
5. Select resources for maps and provide training.

Information-Driven Decision-Making

Long-Range Goals:

6. Develop data system.
7. Develop Assessment & Rubrics.
8. Update reporting system to match maps.

Focused & Challenging Curriculum

Long-Range Goals:

9. Developing maps.
10. Define content and evidence of learning.
11. Provide professional development on map content and implementation.

Continuous Improvement Plan (continued)

Collaboration Focused on Improving Student Learning

Long-Range Goals:

- 12. Develop and maintain partnership with OTA.
- 13. Provide professional development for teaming and collaboration.

An Active Partnership with Parents & Community

Long-Range Goals:

- 14. Provide diverse opportunities to inform parents and community of improvement plans and district programs.
- 15. Create opportunities for parents & community to dialogue and discuss district needs and provide input into decision/making and goal setting.

The District is committed to following this plan and improving curriculum and instruction to meet these goals. The Continuous Improvement Department is constantly monitoring the data and performance indicators in order to assist the District in achieving these goals and making the vision a reality.

Below are initiatives accomplished in 2003 and the action plan for 2004.

CIP Initiatives: Past to Present	
<u>2002 – 03 /Accomplishments</u>	<u>2003 – 04 Action Plan</u>
Math and Science maps implemented	→ Social studies implemented; math and science continue
Language arts mapping completed	→ Language arts resources selected; map health
Pilot creative solutions for more team planning at elementary level	→ Study initiated to develop long-term solutions to create time
Gifted study completed	→ Gifted implementation plan developed
Elementary report card study initiated	→ Report card study continues
Full implementation of data system	→ Development of data system - curriculum resources
Collaboration with community through CIP, development, and curriculum committees	→ Provide opportunities for parents to understand maps and classroom resources
← Professional development ongoing →	

Internal Control

In developing and revising the District's accounting and internal control system, the Management has considered the adequacy of internal controls to provide reasonable, but not absolute, assurance regarding:

- the safeguarding of assets against loss from unauthorized use or disposition; and
- the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

- the cost of a control should not exceed the benefits likely to be derived; and
- the evaluation of costs and benefits requires estimates and judgments by management.

Management believes that the internal controls adequately meet the above objectives.

Budgetary Controls

In addition, the District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. Activities of all funds are included in the annual appropriation resolution. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is by fund. The District has chosen to present budgetary information at the function level in the basic financial statements and at the fund level in the individual fund statements.

The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding fiscal 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 first year that the District has prepared financial statements following GASB Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.” GASB Statement No. 34 created new basic financial statements for reporting on the Districts’ 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. Non-major 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. Fiduciary funds use the accrual basis of accounting.
- **Statement of budgetary comparisons** – These statements present comparisons of actual information to the legally adopted budget for the general fund. The budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the District. The discussion is located in the financial section of this report, following the audit opinion, and provides an assessment of the Districts’ finances of 2002-03.

Cash Management

The District maintains a cash management program whereby it expedites the receipt of revenues and prudently invests available cash. All available funds are invested in conformance with existing legal requirements and Board adopted policy guidelines, to the maximum extent possible, at the highest rates obtainable at the time of investment. The District’s investments are designed and managed in a manner responsive to public trust and consistent with state and local laws.

Risk Management

The District is part of a statewide plan for workers’ compensation insurance coverage. Additionally, the District carries all-risk property insurance, liability and excess liability insurance, as well as officers’ liability insurance. The District provides medical, dental, vision and life coverage for its employees on a consortium insurance basis. The District pays into the Champaign, Delaware, Marion and Union Counties (CDMU) consortium at various rates based on the coverage selected by the employee. Claims are reviewed by a claims administrator and then paid by the consortium.

Independent Auditors

The financial statements of the District for the year ended June 30, 2003, were audited by the independent public accounting firm of Steen & Kennedy LLC, whose unqualified opinion thereon is included at the beginning of the Financial Section of this report.

Certificate of Achievement Program

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Olentangy Local 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 unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America 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 of this report was made possible by the diligence of the staff of the Treasurer's Office and other departments throughout the District. Their initiative and conscientious work ensured the integrity of the information contained herein and guaranteed this report's successful completion. A special note of appreciation is extended to the District's Assistant Treasurer, Andrew L. Geistfeld, CPA, for his countless hours and dedication in preparing this report.

In closing, we would like to thank the Board of Education for their support without which the preparation of this report would not have been possible.

Respectfully submitted,

William L. Reimer, Superintendent

Joanne C. Little, Treasurer

OLENTANGY LOCAL SCHOOL DISTRICT

Olentangy Local School District
Elected Officials and District Directors
as of June 30, 2003

BOARD OF EDUCATION MEMBERS

President	Andrew W. Kerr
Vice President	James Fedako
Member	David King
Member	Teri Meider
Member	M. Brad Reynolds

APPOINTED OFFICIALS

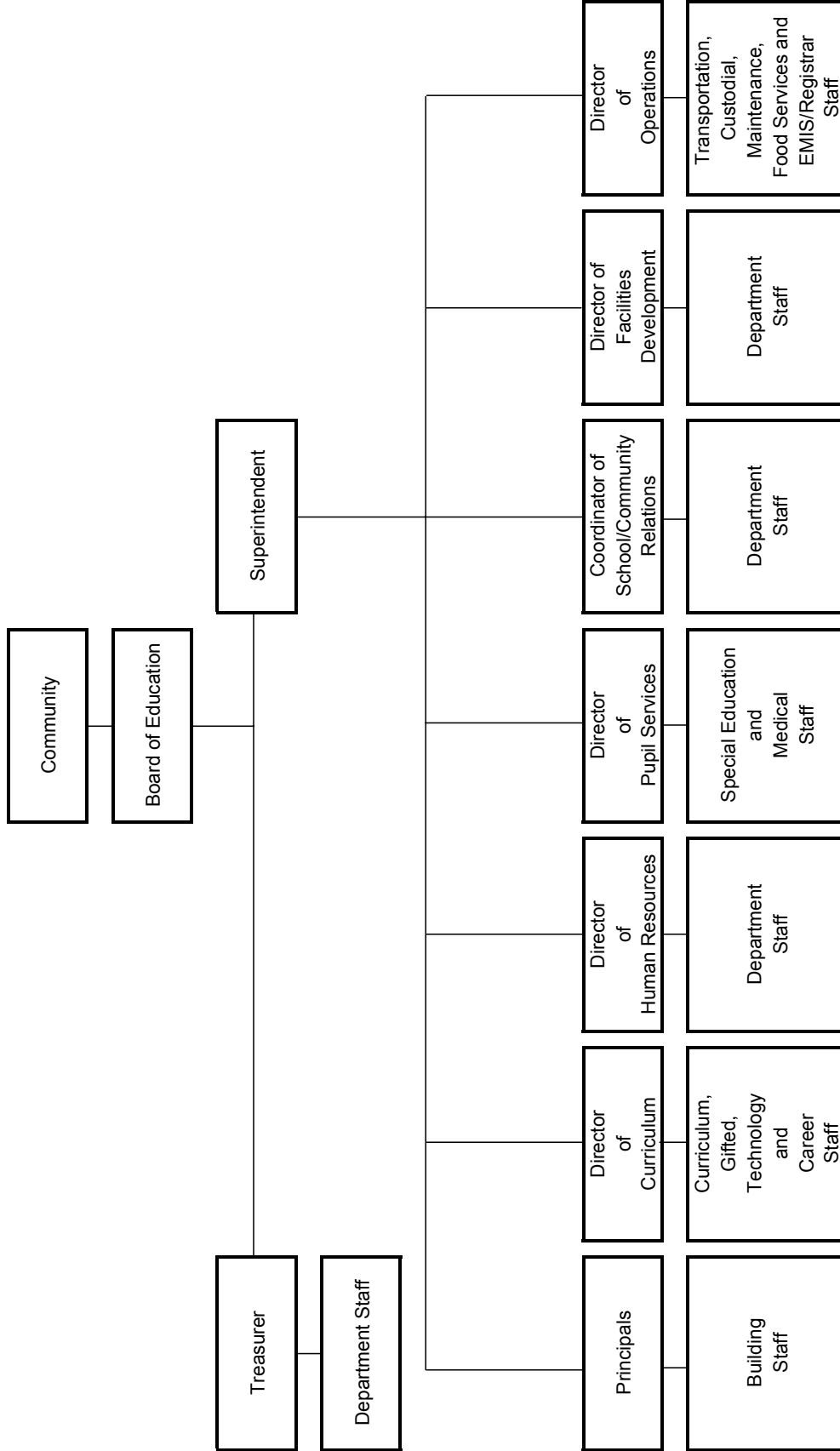
Superintendent	William L. Reimer
Treasurer	Joanne C. Little

ADMINISTRATIVE STAFF

Director of Curriculum	Jennifer Hooie
Director of Facilities Development	Dennis E. Lowry
Director of Operations	Robert N. Thompson
Director of Personnel	Ronald L. Miller
Director of Pupil Services	Karen Goebbel

OLENTANGY LOCAL SCHOOL DISTRICT

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Olentangy Local 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.



President

Executive Director

Steen & Kennedy

Certified Public Accountants Business & Government Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Education
Olentangy Local School District
814 Shanahan Road
Lewis Center, Ohio 43035

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Olentangy Local School District, Delaware County, Ohio (the District) as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 the District as of June 30, 2003, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2003 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual non-major fund statements and statistical tables are not a required part of the basic financial statements. We subjected the combining and individual non-major fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.


Steen & Kennedy LLC
November 20, 2003

This page left blank intentionally.

Olentangy Local School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2003

As management of the Olentangy Local School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the District's financial statements, which follow this section.

Financial Highlights

The District's net assets are \$31,828,191 as of June 30, 2003 according to the Statement of Net Assets. This represents an decrease of \$1,482,616 or 4% as compared to last year.

The current five-year forecast prepared by the District as mandated by state law reflects a positive operating cash balance through June 2004. The District is considering an operating levy and bond issue in calendar 2004.

The General Fund reported a positive fund balance of \$16,109,692.

Reporting the District as a Whole

The Statement of Net Assets and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds appears on the fund financial statements beginning with the Governmental Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances. These statements provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's two types of funds, governmental and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

Governmental Funds

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

Fiduciary Funds

The District's Fiduciary Funds are: 1) a Permanent Trust Fund and 2) a Student Managed Activities Agency Fund. The District's fiduciary activities are reported in the Statement of Net Assets, Fiduciary Funds. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$31,828,191 according to the Statement of Net Assets at the close of the most recent fiscal year.

A portion of the District's net assets (32%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the District's ongoing activities.

Another portion of the District's net assets reflects its investment in capital assets less depreciation and any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; 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 the capital assets themselves cannot be used to liquidate these liabilities.

A comparative analysis of fiscal year 2003 to 2002 follows from the Statements of Net Assets:

Olentangy Local School District

Net Assets

	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2002</u>
Current assets	\$ 110,442,833	84,158,289
Capital assets	<u>171,956,386</u>	<u>115,507,205</u>
Total assets	<u>282,399,219</u>	<u>199,665,494</u>
Current liabilities	60,960,647	13,252,074
Long-term liabilities	<u>189,610,381</u>	<u>153,102,613</u>
Total liabilities	<u>250,571,028</u>	<u>166,354,687</u>
Net Assets:		
Invested in capital, net of debt	7,472,715	2,348,933
Restricted	10,180,627	5,900,127
Unrestricted	<u>14,174,849</u>	<u>25,061,747</u>
Total net assets	<u>\$ 31,828,191</u>	<u>\$ 33,310,807</u>

Olentangy Local School District

Changes in Net Assets

	<u>Governmental Activities</u>
	<u>2003</u>
Program revenues:	
Charges for services	\$ 2,877,529
Federal grants	1,102,210
State grants	394,378
General revenues:	
Property taxes	55,221,377
State entitlements	9,885,088
Investment earnings	1,374,433
Other (net of loss on disposal of assets)	<u>574,193</u>
Total revenues	<u>71,429,208</u>
Program expenses:	
Instructional	35,193,933
Support services	26,254,036
Co-curricular student activities	1,792,695
Community services	387,301
Interest on long-term debt	<u>9,283,859</u>
Total expenses	<u>72,911,824</u>
Increase in net assets	<u>\$ (1,482,616)</u>

Governmental Activities

Net assets of the District's governmental activities decreased by \$1,482,616. The decrease in net assets is due to the expenditures exceeding revenues for the year. The expenditure increase over the prior year is mostly due to salary and benefits related to the additional staff hired in 2003, along with normal raises and increased health insurance premiums associated with existing staff.

The property tax laws in Ohio create the need periodically to seek voter approval for additional operating funds. Tax revenues generated from voted tax levies do not increase as a result of inflation. An operating levy is approved for a fixed millage rate, but the rate is reduced for inflation with the effect of providing the District the same amount of tax dollars as originally approved. Therefore, school districts such as ours that are dependent upon property taxes as a primary source of revenue must periodically return to the ballot and ask voters for additional resources to maintain current programs. Since the District must rely heavily on voter approval of operating tax issues, management of the resources is of paramount concern to the District's administration and the voting public.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities. General revenues including tax revenue, investment earnings and unrestricted State entitlements must support the net cost of program services.

	<u>Total Cost of Services</u>	<u>Net Cost of Service</u>
<u>Programs</u>	<u>2003</u>	<u>2003</u>
Instructional services	\$ 35,193,933	34,323,615
Support services	26,254,036	23,652,883
Co-curricular student activities	1,792,695	1,221,438
Community services	387,301	55,912
Interest on long-term debt	<u>9,283,859</u>	<u>9,283,859</u>
Total	<u>\$ 72,911,824</u>	<u>68,537,707</u>

Local property taxes make up 77.3% of total revenues for governmental activities. The net services column reflecting the need for \$68,537,707 of support indicates the reliance on general revenues to support governmental activities.

The District's Funds

The District's governmental funds reported a combined fund balance of \$52,841,217, which represents a decrease of \$20,904,723 as compared to last year's total of \$73,745,940 according to the Governmental Funds Balance Sheet. The schedule below shows the fund balance and the total change in fund balance from June 30, 2002 to 2003.

	Fund Balance at June 30, 2003	Fund Balance at June 30, 2002	Increase (Decrease)
General Fund	\$ 16,109,692	18,329,158	(2,219,466)
Debt Service	5,831,701	5,820,004	11,697
Building Fund	29,509,730	47,437,034	(17,927,304)
Other Governmental Funds	1,390,094	2,159,744	(769,650)
Total	<u>\$ 52,841,217</u>	<u>73,745,940</u>	<u>(20,904,723)</u>

General Fund

The District's General Fund balance decreased primarily because of decreases in revenues while expenditures increased. The tables that follow assist in illustrating the financial activities and balance of the General Fund.

Revenues

	<u>2003</u>	<u>2002</u>	<u>% Change</u>
Property taxes	\$ 44,233,217	46,187,066	-4.23%
Intergovernmental	8,536,066	6,873,420	24.19%
Investment income	380,627	506,135	-24.80%
Other revenue	544,930	302,687	80.03%
Total	<u>\$ 53,694,840</u>	<u>53,869,308</u>	-0.32%

Property taxes were expected to increase due to new construction; however the decrease is attributable to the timing of the certification of revenues available by the County Auditor. On a cash basis (i.e. budgetary basis) these revenues increased. Intergovernmental revenue is up 24.19% as a direct result of the increase in State allocation for transportation (related to enrollment and transportation expenses) and an increase in the amount received from the State related to real estate taxes due to new construction (The State pays 12.5% of real estate taxes for Ohio residents). Investment income is down 24.80% from fiscal 2002 due to declining interest rates and investing balances.

As the table below indicates, the largest portion of General Fund expenditures is for instructional cost.

Expenditures by Function

	<u>2003</u>	<u>2002</u>	<u>% Change</u>
Instructional services	\$ 32,352,976	28,321,812	14.23%
Support services	22,287,519	18,659,338	19.44%
Co-curricular student activities	1,143,273	923,184	23.84%
Community services	1,504	738	103.79%
Debt service	133,391	-	100.00%
Total	<u>\$ 55,918,663</u>	<u>47,905,072</u>	16.73%

Expenditures are up 16.73% over the prior year mostly due to salary and benefits related to the additional staff hired in 2003, along with normal raises and increased health insurance premiums

associated with existing staff. Expenditures exceeded revenues in the general fund during the fiscal year resulting in a decrease in fund balance of \$2,219,466.

Debt Service Fund

The District's Debt Service Fund balance increased primarily because of increases in revenues while expenditures remained stable. The tables that follow assist in illustrating the financial activities and balance of the Debt Service Fund.

Revenues	<u>2003</u>	<u>2002</u>	<u>% Change</u>
Property taxes	\$ 10,985,658	10,173,927	7.98%
Intergovernmental	1,299,619	1,001,794	29.73%
Other revenue	5,169	-	100.00%
Total	<u>\$ 12,290,446</u>	<u>\$ 11,175,721</u>	9.97%

The increase in property taxes is caused by 2003 being the first year of tax collection on the bonds approved by the voters in May 2002. A larger increase in property taxes was expected; however, the increase was offset (similar to the general fund) as a result of the timing of the certification of revenues available by the County Auditor. The increase in intergovernmental revenue is primarily related to the collection on the May 2002 bonds.

As the table below indicates, Debt Service Fund expenditures are for financing cost.

Expenditures by Function	<u>2003</u>	<u>2002</u>	<u>% Change</u>
Support services	\$ 207,012	155,778	32.89%
Interest repayment	9,415,491	6,309,053	49.24%
Principal repayment	3,344,477	33,820,970	-90.11%
Total	<u>\$ 12,966,980</u>	<u>40,285,801</u>	-67.81%

Expenditures are down 67.81% over the prior year mostly due to a refunding of debt in prior year. The increase in support services and interest expenditures are related to the issuance of \$39,635,000 in general obligation bonds in the current year.

Building Fund

The District's Building Fund is used to account for financial resources used for the acquisition or construction of major capital facilities specifically funded by bonds approved by the voters. The decrease in fund balance is primarily a result of the continued expenditures of the available construction funds, in excess of the proceeds from the current bond issues, in order to complete the significant on going construction projects as follows:

	<u>Project Authorization</u>	<u>Expended to June 30, 2003</u>	<u>Committed</u>
Liberty High School	\$ 48,170,000	38,376,951	9,793,049
Maintenance & Bus Compound	2,835,000	2,588,761	246,239
Elementary #7 (Walnut Creek)	9,200,000	7,111,913	2,088,087
Elementary #8 (Indian Springs)	9,200,000	7,575,314	1,624,686
Orange Road Middle School	<u>18,245,000</u>	<u>6,836,257</u>	<u>11,408,743</u>
Total Capital Projects	\$ <u>87,650,000</u>	<u>62,489,196</u>	<u>25,160,804</u>

Other Funds

Other governmental funds consist of Special Revenue, and other Capital Projects funds. Fund balance in these funds decreased by \$769,650. The decrease is primarily due to less interest earned during the year and more timely expenditures of grant revenue.

General Fund Budget Information

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. Changes are made to the District's budget as changes in revenues and spending patterns are experienced.

The District uses the five-year forecast as the original document from which to form the operating budget. After updating the forecast for changes in revenue and expenditure assumptions, the operating budget begins at the school level. Each school and department submits a budget to the Superintendent and Treasurer. After discussion and various modifications a final amount is agreed upon. Budgets are reviewed periodically to ensure management becomes aware of any variations during the year.

Capital Assets

The District has \$171,956,386 invested in capital assets net of depreciation. Detailed information regarding capital asset activity is included in the notes to the basic financial statements.

Debt

On June 30, 2003, the District had \$188,968,533 in outstanding bonds. The District paid \$3,344,477 in principal on bonds outstanding and \$9,415,491 in interest payments during the 2003 fiscal year. Detailed information regarding long-term debt is included in the notes to the basic financial statements.

Under current state statutes, most District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total taxable valuation of real and personal property. However, the District was approved as a "special needs district" by the State of Ohio based upon its 10-year growth in assessed valuation and is permitted to exceed the 9% limit.

Restrictions and Other Limitations

The District faces various challenges with being one of the fastest growing school districts, not only in the State but the Nation. The District has been fortunate over the years to be able to manage the growth pattern while maintaining the educational program and facilities. However, the future financial stability of the District is not without challenges.

The first challenge is to ensure resources can be preserved as long as possible. The five-year forecast of the general fund and the 10-year building/construction plan are utilized as tools to manage resources effectively. However, the District will be opening two elementary schools and a high school in the upcoming 2003-04 school year and its third middle school in 2004-05, all of which will be funded from the general fund cash balance. With the operating costs of the additional schools and the projected continual increase in enrollment (i.e. 1,000 students or more per year) the District intends to return to the ballot in calendar year 2004 to secure additional resources for both the construction of additional buildings and the operating of the district.

The second challenge facing the District is based on the local economy. The District has experienced incredible growth during the past 5 years. Building permits have ranged from 900 to 1,400 a year. If the growth pattern changes and student enrollment increases more than anticipated, the District will have to change assumptions for its five-year financial models. Similarly, an economic downturn could result in a decrease in building permits issued which could result in revenue forecasts needing to be revised downward.

The last major challenge facing the District is the future state 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 its financial operations.

BASIC FINANCIAL STATEMENTS

OLENTANGY LOCAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2003

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS:	
Cash and investments	\$ 51,392,851
Receivables	58,293,230
Due from other -	
Governments	260,078
Inventory	123,390
Deferred charges	319,913
Prepaid assets	53,371
Capital Assets:	
Land and construction in progress	78,212,365
Other capital assets, net of accumulated depreciation	93,744,021
TOTAL ASSETS	282,399,219
LIABILITIES:	
Accounts payable	7,344,855
Due to other:	
Governments	1,373,398
Other	140,000
Deferred revenue	42,177,937
Accrued liabilities	6,018,283
Long-term Liabilities:	
Due within one year	3,906,174
Due in more than one year	189,610,381
TOTAL LIABILITIES	250,571,028
NET ASSETS:	
Invested in capital assets, net of related debt	7,472,715
Restricted for:	
Debt Service	5,831,701
Capital Projects	4,348,926
Unrestricted	14,174,849
TOTAL NET ASSETS	\$ 31,828,191

See accompanying notes to the basic financial statements.

OLENTANGY LOCAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u> <u>Governmental Activities</u>
Governmental Activities				
Instructional services:				
Regular	\$ 29,233,127	227,980	9,432	(28,995,715)
Special	5,144,488	-	632,906	(4,511,582)
Vocational	625,387	-	-	(625,387)
Continuing	190,931	-	-	(190,931)
Support services:				
Operation and maintenance of plant	6,015,864	-	-	(6,015,864)
School administration	3,650,786	-	-	(3,650,786)
Pupils	3,855,730	-	-	(3,855,730)
Business operations	1,771,349	-	-	(1,771,349)
Instructional staff	2,443,651	-	94,732	(2,348,919)
Student transportation	4,153,684	-	86,342	(4,067,342)
Food services	2,420,401	2,078,292	283,197	(58,912)
Central services	1,271,013	-	58,590	(1,212,423)
General administration	192,932	-	-	(192,932)
Facilities	478,626	-	-	(478,626)
Co-curricular student activities	1,792,695	571,257	-	(1,221,438)
Community services	387,301	-	331,389	(55,912)
Interest	9,283,859	-	-	(9,283,859)
Total Governmental Activities	<u>72,911,824</u>	<u>2,877,529</u>	<u>1,496,588</u>	<u>(68,537,707)</u>
General Revenues:				
Property Taxes				55,221,377
Grants and entitlements not restricted to specific programs				9,885,088
Investment earnings				1,374,433
Loss on disposal of assets				(8,333)
Miscellaneous				582,526
Total general revenues				<u>67,055,091</u>
Change in Net Assets				(1,482,616)
Net Assets Beginning of Year				33,310,807
Net Assets End of Year				<u>\$ 31,828,191</u>

See accompanying notes to the basic financial statements.

OLENTANGY LOCAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003

	GENERAL	DEBT SERVICE	BUILDING FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS :					
Cash and investments	\$ 10,709,696	3,111,614	35,879,596	1,691,945	51,392,851
Receivables	45,765,207	12,341,000	150,539	36,484	58,293,230
Due from other:					
Governments	-	-	-	260,078	260,078
Funds	118,216	-	-	-	118,216
Inventory	45,987	-	-	77,403	123,390
Prepaid assets	53,371	-	-	-	53,371
TOTAL ASSETS	\$ 56,692,477	15,452,614	36,030,135	2,065,910	110,241,136
LIABILITIES:					
Accounts payable	\$ 751,692	-	6,520,405	72,758	7,344,855
Due to other:					
Governments	1,253,796	78,913	-	40,689	1,373,398
Funds	-	-	-	118,216	118,216
Other	-	-	-	140,000	140,000
Deferred revenue	33,505,650	9,542,000	-	176,656	43,224,306
Accrued liabilities	5,071,647	-	-	127,497	5,199,144
TOTAL LIABILITIES	40,582,785	9,620,913	6,520,405	675,816	57,399,919
FUND BALANCES:					
Fund balances:					
Reserved for encumbrances	1,436,823	-	15,218,138	250,500	16,905,461
Reserved for prepaid expenditures	53,371	-	-	-	53,371
Reserved for future appropriations	11,432,000	2,799,000	-	-	14,231,000
Unreserved, reported in:					
General fund	3,187,498	-	-	-	3,187,498
Special Revenue funds	-	-	-	951,688	951,688
Debt Service fund	-	3,032,701	-	-	3,032,701
Capital Projects funds	-	-	14,291,592	187,906	14,479,498
TOTAL FUND BALANCES	16,109,692	5,831,701	29,509,730	1,390,094	52,841,217
TOTAL LIABILITIES AND FUND BALANCE	\$ 56,692,477	15,452,614	36,030,135	2,065,910	110,241,136

See accompanying notes to the basic financial statements.

OLENTANGY LOCAL SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2003

Total Governmental Fund Balances	\$ 52,841,217
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not functional resources and therefore are not reported in the funds.	171,956,386
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	1,366,282
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Interest payable	(819,139)
Compensated absences	(3,182,557)
Pension obligation	(371,980)
Bonds payable	(189,644,475)
Capital lease payable	(317,543)
Net Assets of Governmental Activities	\$ 31,828,191

See accompanying notes to the basic financial statements.

OLENTANGY LOCAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2003

	GENERAL	DEBT SERVICE	BUILDING FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Property taxes	\$ 44,233,217	10,985,658	-	-	55,218,875
Intergovernmental:					
Federal Restricted Grants-in-aid	-	-	-	987,165	987,165
State:					
Unrestricted Grants-in-aid	8,440,173	1,299,619	-	-	9,739,792
Restricted Grants-in-aid	95,893	-	-	443,781	539,674
Food services	-	-	-	2,078,292	2,078,292
Investment income	380,627	-	958,194	35,612	1,374,433
Co-curricular activities	-	-	-	571,257	571,257
Tuition fees	227,980	-	-	-	227,980
Other	316,950	5,169	2,741	257,666	582,526
TOTAL REVENUES	<u>53,694,840</u>	<u>12,290,446</u>	<u>960,935</u>	<u>4,373,773</u>	<u>71,319,994</u>
EXPENDITURES:					
Current:					
Instructional services:					
Regular	27,069,262	-	4,492	213,101	27,286,855
Special	4,508,011	-	-	558,337	5,066,348
Vocational	584,772	-	-	8,034	592,806
Continuing	190,931	-	-	-	190,931
TOTAL INSTRUCTIONAL SERVICES	<u>32,352,976</u>	<u>-</u>	<u>4,492</u>	<u>779,472</u>	<u>33,136,940</u>
Support services:					
Operation and maintenance of plant	6,132,466	-	14,316	10,167	6,156,949
School administration	3,534,270	-	-	-	3,534,270
Pupils	3,714,237	-	-	91,812	3,806,049
Business operations	1,507,199	207,012	14,000	-	1,728,211
Instructional staff	2,024,629	-	323,861	131,210	2,479,700
Student transportation	3,934,400	-	552,008	599,685	5,086,093
Food services	-	-	-	2,255,382	2,255,382
Central services	1,180,923	-	-	44,048	1,224,971
General administration	193,851	-	-	329	194,180
Facilities	65,544	-	-	-	65,544
TOTAL SUPPORT SERVICES	<u>22,287,519</u>	<u>207,012</u>	<u>904,185</u>	<u>3,132,633</u>	<u>26,531,349</u>
Co-curricular student activities	1,143,273	-	3,843	576,667	1,723,783
Community services	1,504	-	-	385,772	387,276
Capital outlay	-	-	57,610,719	237,633	57,848,352
Debt service:					
Principal retirement	107,060	3,344,477	-	-	3,451,537
Interest	26,331	9,415,491	-	26,889	9,468,711
TOTAL EXPENDITURES	<u>55,918,663</u>	<u>12,966,980</u>	<u>58,523,239</u>	<u>5,139,066</u>	<u>132,547,948</u>
Excess (deficiency) of revenues over expenditures	(2,223,823)	(676,534)	(57,562,304)	(765,293)	(61,227,954)
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of bonds	-	-	39,635,000	-	39,635,000
Premium and accrued interest	-	688,231	-	-	688,231
Transfers in	4,357	-	-	-	4,357
Transfers out	-	-	-	(4,357)	(4,357)
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,357</u>	<u>688,231</u>	<u>39,635,000</u>	<u>(4,357)</u>	<u>40,323,231</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,219,466)	11,697	(17,927,304)	(769,650)	(20,904,723)
FUND BALANCES AT BEGINNING OF YEAR, as restated	<u>18,329,158</u>	<u>5,820,004</u>	<u>47,437,034</u>	<u>2,159,744</u>	<u>73,745,940</u>
FUND BALANCE AT END OF YEAR	<u>\$ 16,109,692</u>	<u>5,831,701</u>	<u>29,509,730</u>	<u>1,390,094</u>	<u>52,841,217</u>

See accompanying notes to the basic financial statements.

OLENTANGY LOCAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Net Changes in Fund Balances - Total Governmental Funds \$(20,904,723)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 56,457,514

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. 117,547

Bond issuance cost associated with new debt issued in fiscal 2003 were reported as expenditures in governmental funds, whereas bond issuance cost are deferred and amortized over the life of the bonds in the entity wide statements 325,730

Proceeds from the issuance of debt is revenues in the governmental funds but is an increase in long-term liabilities in the statement of net assets (40,323,231)

Repayment of bond and capital lease principal is an expenditure in governmental fund, but the repayment reduces long-term liabilities in the statement of net assets and does not result in an expense in the statement of activities. 3,451,537

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is recorded when due. (147,351)

Some expenses 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.

Compensated absences	(427,844)
Pension obligation	(29,935)
Loss on disposal of assets	(8,333)
Amortization, net	6,473

Change in Net Assets of Governmental Activities \$ (1,482,616)

OLENTANGY LOCAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2003

	PRIVATE PURPOSE TRUST	AGENCY FUNDS
ASSETS:		
Cash and investments	\$ 22,095	\$ 214,776
Receivables	-	1,091
TOTAL ASSETS	22,095	215,867
LIABILITIES:		
Accounts payable	-	8,211
Due to other		207,656
TOTAL LIABILITIES	-	\$ 215,867
NET ASSETS		
Assets held in trust	\$ 22,095	

See accompanying notes to the basic financial statements.

OLENTANGY LOCAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2003

	<u>PRIVATE PURPOSE TRUST</u>
ADDITIONS	
Investment Earnings- Interest	\$ 187
TOTAL ADDITIONS	<u>187</u>
DEDUCTIONS	
Contributions-Scholarships	1,000
TOTAL DEDUCTIONS	<u>1,000</u>
Change in net assets	(813)
NET ASSETS-beginning of the year	22,908
NET ASSETS-end of the year	<u>\$ 22,095</u>

See accompanying notes to the basic financial statements.

This page left blank intentionally.

OLENTANGY LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

1. REPORTING ENTITY

The Olentangy Local School District (the District) is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution and various sections of the Revised Code. The District is governed by a five-member board of education (the Board) elected by the citizens of the District.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations are Component Units*, in that the financial statements include all organizations, activities, and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (i) the District's ability to impose its will over a component unit, or (ii) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the school district only (i.e. there are no component units).

Jointly Governed Organizations

Certain students of the District, as well as certain students from other school districts in Delaware and the surrounding counties, attend the Delaware Joint Vocational School District (DJVS). DJVS's board is comprised of seven members, of which the District appoints one member. However, the financial statements of DJVS are not included within the District's reporting entity, as the District cannot impose its will and there is no financial benefit or financial burden relationship between the District and DJVS.

The District is a participant among sixty-four educationally-focused entities in a jointly governed organization to operate the Tri-Rivers Educational Computer Association (TRECA). TRECA was formed for the purpose of applying modern technology, with the aid of computers and other electronic equipment, to administrative and instructional functions among the member districts. TRECA is governed by a board of directors consisting of a member of the board of education and member of the administrative staff from each of the participating members. The District does not have an ongoing financial interest or ongoing financial responsibility for TRECA. Financial statements for TRECA can be obtained from TRECA administrative offices at: 2222 Marion-MT. Gilead Road, Marion, OHIO 43302.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

(a) *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from legally separate *component units* for which the primary government is financially accountable. The District (primary government) has no business-type activities or component units.

The statements of activities demonstrate the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to those who benefit from the goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The District has no proprietary funds.

(b) *Measurement focus, basis of accounting, and financial statement presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related cash flows. Property taxes are recognized as revenues in the year for which they are levied and certified by the county auditor. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

Property taxes are recognized as revenue in the fiscal year for which taxes have been levied, provided they are collected and certified by the county auditor by the fiscal year-end. Additionally, taxes collected within 60 days after fiscal year-end are recorded as a receivable with an offset to deferred revenue for amounts not collected and available for advance on June 30 by the county auditor.

Tuition, grants, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

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

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Building Fund – The Building Fund is used to account for the receipts and expenditures related to the acquisition and construction of capital facilities including real property.

Additionally, the District reports the following fund types:

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. This includes Agency Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has one Agency Fund and one Private Purpose Trust Fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

Amounts reported as program revenues include 1) charges to those who benefit from the goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

(c) *Cash and Investments*

Monies received by the District are pooled in a central bank account with individual fund balance integrity retained throughout. The District records all its investments at fair value.

(d) *Inventory*

On government-wide financial statements, inventories are presented at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis and inventories are determined by physical count.

(e) *Capital Assets and Depreciation*

General capital assets are those assets specifically related to activities reported in the governmental funds. These assets are reported in 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 follows the policy of not capitalizing assets with a cost of less than \$2,000 and a useful life of less than one year. The District does not possess any infrastructure.

All reported capital assets, with the exception of 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:

Buildings & Improvements	10-50
Furniture and Equipment	5-20
Vehicles	8-15

(f) *Interfund Activity*

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net assets.

(g) *Compensated Absences*

The District has implemented the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

earned if the employee's right to receive compensation is attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and state laws.

The entire compensated absence liability is reported on the entity-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources. The balance of the liability is not recorded.

(h) Accrued Liabilities and Long-term Debt

All accrued liabilities and long-term debt is reported in the entity-wide financial statements. For governmental fund financial statements, these accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims for judgments and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources. Long-term liabilities paid from governmental funds are not recognized as a liability in the fund financial statements until due.

(i) Fund Balance Reserves / Restrictions

The District records reservations for portions of fund equity, which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriation for expenditures. Fund equity reserves have been established for encumbrances, prepaid assets, property tax revenue reserved by the Board for future year's appropriations and reserves for textbooks and capital maintenance as required by state statute (see Note 14).

The District complies with all restrictions governing the use of restricted assets. Such restrictions do not offer discretion regarding use of these resources in an unrestricted manner. When capital restricted funds, usually bond proceeds, are available, capital assets are acquired from such resources. Capital assets can be, however, and to a lesser amount are, acquired from unrestricted resources.

(j) Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

3. CASH AND INVESTMENTS

At June 30, 2003, the fair value exceeded the District's net cost for investments by \$52,865.

The investment and deposit of District funds is governed by the provisions of the Ohio Revised Code. In accordance with these statutes, the District is authorized to invest in United States and State of Ohio bonds, notes and other obligations; bank certificates of deposit; bankers acceptances; commercial paper notes rated prime and issued by United States corporations; repurchase agreements secured by United States obligations; and State Treasury Asset Reserve of Ohio (STAROhio). Earnings on investments are credited to various funds at the discretion of the Board, which is in compliance with ORC section 3315.01.

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2003.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at least 105% of the total value of public funds on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the District's name. During fiscal year 2003, the District complied with the provisions of these statutes.

Deposits with Financial Institutions:

At year-end, the carrying amount of all District deposits was \$6,197,203, including \$7,500,000 in non-negotiable certificates of deposit. The bank balance was \$7,114,214 of which \$200,000 was covered by federal depository insurance and \$6,914,214 was uncollateralized, as defined by the GASB. These uncollateralized deposits were, however, covered by a pledged collateral pool, as discussed above. In addition, the District had cash on hand of \$550.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

Investments:

The District's investments are categorized to give an indication of the level of risk assumed by the District. 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 for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or its trust department or agent, but not in the District's name. The investment with STAR Ohio is not required to be categorized due to its nature.

	Category			Fair Value
	1	2	3	
U.S. Treasury and agency obligations	\$ -	12,771,375	-	12,771,375
Repurchase agreement	-	-	1,000,000	1,000,000
STAR Ohio	-	-	-	31,660,594
Total investments	-	12,771,375	1,000,000	45,431,969
Deposits:				
Cash deposits including cash on hand of \$550				6,197,753
Total cash and investments				\$ 51,629,722

4. PROPERTY TAXES

Property taxes are levied and assessed on a calendar-year basis. Distributions from the second half of the calendar year occur in a new fiscal year and are intended to finance the operations of that year, except monies available to be advanced against such distributions which may be appropriated and used in the current fiscal year. Property taxes include amounts levied against all real, public and tangible (i.e., used in business) property located in the District.

Real property taxes and public utility taxes are levied after April against the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised value.

Public utility property taxes are assessed on tangible personal property as well as land and improvements. Real property is assessed at market value and personal property is assessed at true value (normally 50% of cost).

The Delaware County Treasurer and Franklin County Treasurer collect property taxes on behalf of the District. The County Auditors periodically remit to the District its portion

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

of the taxes collected. These tax "advances" are based on historical cash flow collection rates. Final "settlements" are made each March and August.

Tangible personal property taxes attach as a lien and are levied January 1 of the current year. Tangible personal property assessments are 25% of true value. The majority of property tax revenues (in excess of 99%) are collected by the Delaware County Treasurer. Therefore the assessed values for collection in 2003, upon which the 2002 levies were based, are disclosed for Delaware County only, as follows:

Agricultural/Residential Real Estate	\$	1,414,356,270
Commercial/Industrial Real Estate		454,323,565
Public Utility Real Estate		201,590
Public Utility Tangible		70,270,560
General Tangible Property		134,155,435
Total		\$ 2,073,307,420

Real property taxes are payable annually or semiannually. If paid annually, the payment is due February 10; if paid semiannually, the payment is due February 10 with the remainder payable by July 10.

Accrued property taxes receivables represent real property, personal property and public utility taxes which were measurable but not available as of June 30, 2003. However, monies legally available as an advance to the District as of June 30, 2003 are recognized as revenue as they are both measurable and available. The property tax amount recognized as revenue is reflected as a reservation of fund balance (reserve for future appropriations) as the District is prohibited by law from appropriating this amount in accordance with Ohio Revised Code Section 5705.35.

5. RECEIVABLES

Receivables at June 30, 2003, consisted of taxes, interest and other accounts. Taxes receivable include current and delinquent taxes receivable. A summary of the principal items of receivables follows:

Governmental Activities:	
Taxes current	57,132,784
Taxes delinquent	900,000
Interest	202,815
Other	57,631
Total receivable	\$ 58,293,230

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

6. DUE FROM OTHER GOVERNMENTS

Intergovernmental receivables at June 30, 2003, consist of the following:

Governmental Activities:			
Federal	\$	259,536	
State		542	
Total	\$	<u>260,078</u>	

7. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2003 consist of the following individual fund receivables and payables on the fund basis:

	<u>Receivable</u>		<u>Payable</u>	
General Fund	\$ 118,216	\$	-	
Other Governmental Funds	-		118,216	
Total	<u>\$ 118,216</u>	<u>\$</u>	<u>118,216</u>	

8. CAPITAL ASSETS

A summary of capital asset activity for the fiscal year follows:

	Balance June 30, 2002, as restated	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	Balance June 30, 2003
<u>Governmental Activities Cost</u>					
Land	\$ 10,711,960	5,011,209			15,723,169
Building and improvements	99,007,517	886,179		3,052,452	102,946,148
Furniture, fixtures and equipment	3,983,635	665,664	10,000		4,639,299
Buses, autos and trucks	4,250,657	1,423,998			5,674,655
Construction in progress	14,320,659	51,220,989		(3,052,452)	62,489,196
Total at cost	<u>132,274,428</u>	<u>59,208,039</u>	<u>10,000</u>	<u>-</u>	<u>191,472,467</u>
<u>Less accumulated depreciation</u>					
Building and improvements	13,751,141	2,018,830			15,769,971
Furniture, fixtures and equipment	1,329,765	417,467	1,667		1,745,565
Buses, autos and trucks	1,686,317	314,228			2,000,545
Total accumulated depreciation	<u>16,767,223</u>	<u>2,750,525</u>	<u>1,667</u>	<u>-</u>	<u>19,516,081</u>
Capital assets, net	<u>\$ 115,507,205</u>	<u>56,457,514</u>	<u>8,333</u>	<u>-</u>	<u>171,956,386</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

Depreciation expense was charged to governmental functions as follows:

Instructional services:	
Regular	\$ 2,047,764
Special	56,500
Support services:	
Operation and maintenance of plant	163,969
School administration	20,895
Pupils	5,581
Business operations	14,428
Instructional staff	8,248
Food services	115,802
Central	15,411
Student transportation	258,219
Co-curricular student activities	43,683
Community services	25
Total depreciation	\$ 2,750,525

Construction in progress at June 30, 2003 is composed of the following:

	Project Authorization	Expended to June 30, 2003	Committed
Liberty High School	\$ 48,170,000	38,376,951	9,793,049
Maintenance & Bus Compound	2,835,000	2,588,761	246,239
Elementary #7 (Walnut Creek)	9,200,000	7,111,913	2,088,087
Elementary #8 (Indian Springs)	9,200,000	7,575,314	1,624,686
Orange Road Middle School	18,245,000	6,836,257	11,408,743
Total Capital Projects	\$ 87,650,000	62,489,196	25,160,804

9. GENERAL LONG-TERM OBLIGATIONS

All current obligation bonds outstanding, issued to provide funds for the acquisition and construction of equipment and facilities, are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Long-Term obligations of the District are included in the Statement of Net Assets. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service Fund.

As of June 30, 2003, the District had eight general obligation bonds outstanding. This debt was issued for general government activities, specifically, the construction and renovation of school buildings. General obligations currently outstanding are:

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

Purpose	Date Issued	Interest Rate	Final Maturity	Balance at June 30, 2003
Construction of High School	12/01/88	7.75%	12/01/11	\$ 6,065,000
Construction/Improvement of Schools (2)	02/01/95	5.1 -6.25%	12/01/15	1,770,220
Building improvement bonds	02/01/95	5.1 -6.25%	12/01/11	2,051,531
Building improvement refunds bonds (1)	07/17/97	3.65 -5.25%	12/01/17	19,309,666
Various purpose/refund bonds (3)	06/22/99	3.45 -5.35%	12/01/27	45,579,603
Construction of schools (4)	08/08/00	5.57%	12/01/27	14,847,910
Construction of schools (5)	02/14/02	4.1 -5.5%	12/01/30	59,709,603
School Facilities Construction/Improv. (6)	09/10/02	5.00%	12/01/30	39,635,000
				<u>\$ 188,968,533</u>

- (1) These general obligation bonds consisted of: \$17,000,000 for the purpose of constructing two elementary schools and improving, remodeling, furnishing and equipping buildings and facilities, and \$10,470,000 for the advance refunding of general obligation bonds dated January 15, 1992.
- (2) Included construction of new elementary, addition to high school and major renovations to the middle school.
- (3) General bond obligations consisted of: \$27,100,000 for the construction, furnishing and equipping an elementary and a middle school building and the remaining amount for the advanced refunding of general obligation bonds dated February 16, 1995.
- (4) These general obligation bonds are for the purpose of constructing, furnishing and equipping an elementary school; acquiring real estate for other district facilities; and providing security improvements to district facilities.
- (5) In February 2002, the District issued \$59,709,603 in various purpose general obligation bonds. These general obligations consist of:
- a. \$58,169,625 for the purpose of constructing, furnishing, and equipping a new high school, new middle school, a new bus/maintenance facility, athletic fields and renovation of the west wing of current middle school, including a current refunding of the Districts \$30,000,000 School Facilities Construction and Improvement Notes dated October 16, 2001.
 - b. \$1,539,978 to partially advance refund the 1997 series and 2000 series general obligation building improvement and construction bonds.
- (6) On September 10, 2002, the District issued \$39,635,000 of general obligation bonds consisting of:
- \$15,000,000 of the issued bonds was a portion of the \$73,170,000 approved by voters on May 8, 2001 for the purpose of constructing, furnishing, and equipping a new high school, new middle school, a new bus/maintenance facility, athletic fields, and renovations of the west wing of the current middle school.
- \$24,635,000 of the issued bonds was approved by voters on May 7, 2002 for the purpose of acquiring land for school sites, constructing, furnishing, and equipping new elementary schools.
- Bond issuance cost and the bond premium of \$325,700 and \$688,231 respectively has been recorded on the statement of net assets net of related amortization as deferred charges and accrued liabilities, respectively.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

Bonds payable above, and amounts included on the Statements of Net Assets are comprised of the following:

Amount outstanding at June 30, 2003	\$ 188,968,533
Unamortized bond premium, net of accumulated amortization of \$ 12,290	675,942
Amount included in the Statement of Net Assets	\$ 189,644,475

On August 26, 2002, the District entered into a loan of \$688,482, which was part of the State of Ohio's School Energy Conservation Financing Program. The purpose of the loan was to fund energy efficiency improvements at four schools. This loan was repaid in fiscal 2003 with available resources.

The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds:

Year ending June 30,	Interest rates	Principal	Interest
2004	3.65 -7.75%	\$ 3,426,751	\$ 9,616,271
2005	3.65 -7.75%	5,740,000	8,675,551
2006	3.65 -7.75%	6,688,028	9,253,814
2007	3.65 -7.75%	6,333,309	10,694,395
2008	3.65 -7.75%	6,225,852	11,254,887
2009-2013	3.65 -7.75%	41,529,593	42,183,684
2014-2018	3.65 -7.75%	45,795,000	23,943,624
2019-2023	3.65 -7.75%	25,795,000	15,385,121
2024-2028	3.65 -7.75%	33,115,000	7,900,874
2029-2031	3.65 -7.75%	14,320,000	1,097,250
Total		\$ 188,968,533	\$ 140,005,471

Not included in the above amounts as of June 30, 2003 are \$21,060,000 of bonds that the District defeased in June of 1999, \$7,315,000 of bonds which the District defeased in July, 1997 and \$1,145,000 the District defeased in February, 2002. For accounting purposes, the assets and liabilities for the defeased bonds are not reflected in the District's financial statements.

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

The effects of these debt limitations at June 30, 2003 are a voted debt margin of \$273,350,076 and an unvoted debt margin of \$2,073,307. The aggregate amount of the District's unvoted debt is also subject to overlapping debt restrictions with Delaware

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

County and other taxing entities. As of June 30, 2003, these entities have complied with the requirement that unvoted overlapping debt must not exceed 1% (10 mills) of the assessed property value. Management believes that the District has complied with all bond covenants.

Capital Lease Obligation

The District entered into several agreements to lease photocopiers during fiscal year 2002. The terms of the agreements provide options to purchase the equipment. The leases meet the criteria of a capital lease as defined by Statement of the Financial Accounting Standards No. 13 "Accounting of Leases."

All the leases relate to the General Fund. The principal and interest payments made on the leases during fiscal 2003 were \$107,060 and \$26,331, respectively.

The District's future minimum lease payments under capital lease obligations as of June 30, 2003 are as follows:

Year ending June 30,	Capital Leases
2004	\$ 126,055
2005	89,389
2006	81,339
2007	60,481
Total minimum lease payments	357,264
Less: amounts representing interest	39,721
Present value of minimum lease payments	\$ 317,543

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

A summary of the changes in long-term liabilities follows:

	Balance June 30, 2002	Additions	Reductions	Balance June 30, 2003
Accrued liabilities (accrued vacation and sick leave)	2,754,713	427,844	-	3,182,557
General obligation bonds payable	152,678,010	39,635,000	3,344,477	188,968,533
General obligation notes payable	-	688,482	688,482	-
Capital lease obligations	424,603	-	107,060	317,543
Due to other governments-pension liability	342,045	371,980	342,045	371,980
	<u>156,199,371</u>	<u>41,123,306</u>	<u>4,482,064</u>	<u>192,840,613</u>

Amounts Due In One Year

General obligation bonds payable	\$ 3,426,751
Capital lease obligation	107,443
Due to other governments-pension liability	<u>371,980</u>
	<u>\$ 3,906,174</u>

Additions and deletions of accrued vacation and sick leave are shown net, since it is impracticable for the District to determine these amounts separately. The District employees are granted vacation and sick leave in varying amounts.

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. The District contracts with third-party insurance company for property insurance (including boiler and machinery) and general liability insurance and vehicle insurance.

The District pays the Ohio Bureau of Workers' Compensation a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Professional liability is protected by another third-party insurance company with a \$1 million single occurrence limit, \$3 million aggregate limit and no deductible. Vehicles are covered by another third-party insurer and have no deductible for comprehensive and a \$250 deductible for collision. Automobile liability has a \$1 million combined single limit of liability.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

The District provides life insurance and accidental death and dismemberment insurance to most employees through another third-party insurance carrier in an amount related to the employee's position, ranging from \$30,000 to \$60,000.

Additionally, the District provides health care benefits for its employees and officers through a joint insurance program known as the Champaign, Delaware, Marion, Union School Employee Welfare Benefit Association Consortium (the Pool), which commenced on June 1, 1988. The Pool is a legal entity, separate and apart from its 9 members and provides for joint administration of the funds of the Pool. The Board of Directors of the Pool is comprised of 1 representative from each of its members.

The Pool establishes funds that consist of member contributions in amounts deemed to be sufficient to annually fund the administrative expenses, to purchase excess insurance, reinsurance, to pay current year claims and claim expenses, and to maintain sufficient reserves. The amount of claims is estimated by an actuary. The contribution factor for each member is based on the number of lives covered as a percentage of total lives covered. The District has made all required contributions.

The members may also be required to make supplementary payments to the Pool for any necessary or appropriate purposes where there is reasonable concern that the funds then available to the Pool will not be sufficient to meet the responsibilities of the Pool. All assessments for supplementary payments are calculated proportionately among its members in direct relation to the number of lives covered as a percentage of total lives covered by the Pool. Since the Pool's inception, the District has never been required to make supplementary payments.

The Pool issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to the Pool at: 4565 Columbus Pike, Delaware, Ohio 43015.

There were no changes to the above policies during the current fiscal year. Additionally, no payments have been made within the last three years to settle claims in excess of the above-noted insurance coverages.

11. DEFINED BENEFIT PENSION PLANS

Certificated District employees are covered by the State Teachers Retirement System of Ohio (STRS). All other District employees are covered by the School Employees Retirement System of Ohio (SERS). STRS and SERS (the Systems) are cost sharing, defined benefit, multiple-employer public employee retirement systems.

STRS has provided the following information to the District to comply with required disclosure pursuant to GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* (Statement No. 27):

- A. STRS is a cost-sharing, multiple-employer public employee retirement system.
- B. STRS is a statewide retirement plan for certified teachers and other faculty members employed in the public schools of Ohio or any school, college, university,

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

institution or other agency wholly controlled, managed and supported in whole, or in part, by the state or any political subdivision thereof.

Plan Options – Effective July 1, 2001, two new plan options were offered to selected members. New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC plan allows members to invest all of their member contributions and employer contributions equal to 10.5% of earned compensation. The Combined Plan offers features of 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. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. 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 balance from the existing DB Plan into the DC Plan or Combined Plan. This option expired on December 31, 2001.

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Ohio Revised Code. Any member who has (i) five years of service credit and attained age 60; (ii) 25 years if service credit and attained age 55; or (iii) 30 years of service credit regardless of age may retire. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit”, the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest years’ salaries. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 and 3307.89 of the Ohio Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among nine investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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

A retiree of STRS or other Ohio public retirement system is eligible for reemployment as a teacher following the lapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance.

Prior to February 1, 2002, benefits are increased annually by the greater of the amount of the change in the Consumer Price Index (CPI) or the cumulative CPI increases since retirement, less previous cost-of-living increases, up to a maximum of 3% of the original base benefit. Effective February 1, 2002, benefits are increased annually by 3% of the original base amount, regardless of the change in CPI.

The Defined Benefit and Combined Plans offer access to health care coverage to retirees who participated in the plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums.

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

- C. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

- D. Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2003, were 9.3% of covered payroll for members and 14% for employers. These were the same contribution rates for 2001 and 2002. Employer contributions for 2003, 2002, and 2001 were approximately \$3,703,000, \$3,269,000, and \$2,629,000, respectively, equal to 100% of the required contribution each year.
- E. STRS Ohio issues a stand-alone financial report. Copies of STRS Comprehensive Annual Financial Report can be requested in writing to STRS, 275 E. Broad St., Columbus, OH 43215-3371, or by calling (614) 227-4090.

SERS has provided the following information to the District to comply with required disclosures pursuant to GASB Statement No. 27.

- A. SERS is a cost-sharing multiple-employer defined benefit pension plan.
- B. SERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. SERS members are eligible for retirement benefits at age 60 with 5 years of service credit, between ages 55 and 60 with at least 25 years of service credit, or at any age with 30 years of service credit. An annual pension will be based upon actual age at retirement, salary (average of best three years) and service credit. At age 65, a member will receive 2.1% of final average salary to 30 years, and 2.5% for each year over 30 years, or a minimum of \$86, for every year of service credit. Members under the age of 65 who retire with less than 30 years of service credit receive reduced benefits.
- C. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code.
- D. Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. The contribution requirements of the plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Board. Employer contributions to SERS for the years ended June 30, 2003, 2002, and 2001 were approximately \$1,054,000, \$913,000, and \$740,000, respectively, equal to 100% of the required contribution for each year.
- E. SERS issues a stand alone financial report. Interested parties may obtain a copy by making a written request to SERS at: 300 East Broad Street, Suite 100, Columbus, Ohio 43215 or by calling (614) 222-5853.

12. Postemployment Benefits Other than Pension Benefits

STRS has provided the following information (the latest information available) pertaining to other postemployment benefits for health care costs in order to assist the District in complying with GASB Statement No. 12, Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers (Statement No. 12).

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

- A. STRS provides access to health care coverage to retirees who participated in the Defined Benefit or Combined Plans and their dependents. Coverage under the current program includes hospitalization, physician fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code, the STRS Board has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of the health care cost in the form of a monthly premium.
- B. The Ohio Revised Code grants authority to STRS to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll.
- C. The STRS Retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For fiscal year ended June 30, 2002, the STRS Board allocated employer contributions equal to 4.5% of covered payroll to the Health Care Stabilization Fund. Effective July 1, 2002, 1% of covered payroll will be allocated to the fund. For the District this amount approximated \$1,190,000 during fiscal year 2002. The balance in the Health Care Stabilization Fund was \$3.011 billion on June 30, 2002.
- D. For the year ended June 30, 2002, the net health care costs paid by STRS were \$354,697,000. There were 105,300 eligible benefit recipients.

SERS has provided the following information (the latest information available) pertaining to other postemployment benefits for health care costs in order to assist the District in complying with GASB Statement No. 12.

- A. The Ohio Revised Code gives SERS the discretionary authority to provide post-retirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premiums for health care. The portion is based on years of service up to a maximum of 75% of the premium.
- B. After the allocation for basic benefits, the remainder of the employer's 14% contributions is allocated to providing health care benefits. At June 30, 2002, the allocation rate was 8.54%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay was established as \$12,400. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

- C. Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for healthcare at June 30, 2002 were \$182.9 million 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.

- D. The number of participants currently receiving health care benefits is approximately 50,000.

- E. Employer contributions in the amount of \$643,000 and a surcharge in the amount of \$75,000 were used to fund post-employment benefits for the year ended June 30, 2003.

13. CONTINGENCIES

(a) *Grants*

The federal and state grants remain subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the District's administration believes such disallowances, if any, would be minimal.

(b) *Litigation*

The District is a defendant in various lawsuits. The outcome and possible impact of these lawsuits is not presently determinable.

(c) *State School Funding Decision*

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

14. SET-ASIDES

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

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

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

	Textbook Reserve	Capital Maintenance Reserve
Balance, July 1, 2002	\$ -	-
Required Set-Aside	1,033,317	1,033,317
Qualifying Expenditures	(2,722,413)	(1,280,549)
Total	<u>(1,689,096)</u>	<u>(247,232)</u>
Balance, June 30, 2003	<u>\$ -</u>	<u>-</u>

15. CHANGE IN ACCOUNTING PRINCIPLE/RESTATEMENT

Effective July 1, 2002, the District adopted the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*; and Statement No. 38, *Certain Financial Statement Disclosures*.

Statement No. 34 (as amended by Statement No. 37) represents a very significant change in the financial reporting model used by state and local governments. Statement No. 34 requires government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund but aggregate all of the District’s governmental activities on the statement of net assets and statement of activities. Significantly, the District’s statement of net assets includes both noncurrent assets and noncurrent liabilities of the District, which were not recorded in the fund financial statements. In addition, the government-wide statement of activities reflects the effect of depreciation expenses on the District’s capital assets.

In addition to the government-wide financial statements, the District has prepared fund financial statements, which continue to use the modified accrual basis of accounting and the current financial resources measurement focus for governmental funds. Accordingly, the accounting and financial reporting for the District’s General Fund, Special Revenue Funds, Debt Service, and Capital Projects Funds is similar to that previously presented in the District’s financial statements, although the format of financial statements has been modified by Statement No. 34.

Statement No. 34 also requires as supplemental information Management’s Discussion and Analysis, which includes an analytical overview of the District’s financial activities. In addition, budgetary comparison statements are presented that compare the adopted and modified budget with actual results for the General fund.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

For the Governmental Funds, Statement No. 38 requires certain disclosures to be made in the notes to the financial statements concurrent with the implementation of Statement No. 34. While this Statement did not affect amounts reported in the financial statements of the District, certain note disclosures have been added and/or amended, including descriptions of activities of major funds, violations of legal or contractual provisions, future debt service and lease obligations in five-year increments, short-term obligations, interest rates, and interfund balances and transactions.

Effective July 1, 2002, the District adopted the provisions of GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. This Interpretation clarifies that long-term indebtedness, including debt issues, compensated absences, and claims and judgments, should be recorded as a fund liability in governmental funds when they mature (i.e., are due) and unmatured liabilities should only be reported as general long-term liabilities in the government-wide statement of net assets. There was no financial statement effect of adopting this Interpretation for the District.

The beginning net asset amount for the governmental funds at June 30, 2002, represents fund balance for the combined governmental funds adjusted as follows:

Total Governmental Fund		
Balances at June 30, 2002, as restated	\$	73,745,940
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not functional resources and therefore are not reported in the funds.		115,507,205
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		928,821
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Interest payable		(671,788)
Compensated absences		(2,754,713)
Pension obligation		(342,045)
Bonds payable		(152,678,010)
Capital leases payable		(424,603)
		(424,603)
Net Assets of Governmental Activities, as restated	\$	33,310,807

In conjunction with the restatement above the District reclassified the Food Service fund, the Uniform School Supplies Fund, and Rotary Fund to Special Revenue Funds, previously recorded as Enterprise Funds, and the Expendable Trust Fund monies to a Special Revenue Fund. Additionally, the District changed its revenue recognition methodology of recording grant revenue to more appropriately record grant revenue in accordance with GASB Statement No. 33 as follows:

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

Total Governmental Fund	
Balances at June 30, 2002, as previously recorded	\$ 73,251,221
Restatements:	
Fund reclasses:	
Food Servies	334,989
Uniform School Supplies	31,084
Special Rotary	23,735
Expendable Trust	18,120
Grant revenue recognition	86,791
 Total Governmental Fund	
Balances at June 30, 2002, as restated	<u><u>\$ 73,745,940</u></u>

Additionally, the District restated Capital Assets in the beginning of the year as follows:

	Capital Assets, at Cost
Balance at June 30, 2002	\$ 131,575,687
Restatement	698,741
Balance as restated	<u><u>\$ 132,274,428</u></u>

16. FUND BALANCE

The Title VI-B Fund, Safe and Drug Free Schools Fund, and Title II-A Fund had GAAP basis fund balance deficits of \$3,194, \$11,341, and \$8,739, respectively, at June 30, 2003. These deficits will be funded by future revenues.

This page left blank intentionally.

REQUIRED SUPPLEMENTARY INFORMATION

This page left blank intentionally.

OLENTANGY LOCAL SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2003

	GENERAL FUND			VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	
REVENUES:				
Property taxes	\$ 45,700,000	\$ 44,562,095	\$ 44,562,095	\$ -
Investment income	650,000	410,760	410,760	-
Tuition fees	317,000	283,790	283,790	-
Miscellaneous	2,193,438	1,791,243	1,787,186	(4,057)
State sources	7,878,352	8,536,066	8,536,066	-
TOTAL REVENUES	56,738,790	55,583,954	55,579,897	(4,057)
EXPENDITURES:				
Instructional services:				
Regular	28,871,007	28,006,275	28,005,691	584
Special	4,205,787	4,503,435	4,503,435	-
Vocational	612,716	601,048	601,048	-
Continuing	70,000	190,930	190,930	-
TOTAL INSTRUCTIONAL SERVICES	33,759,510	33,301,688	33,301,104	584
Support services:				
Pupils	4,165,600	3,940,280	3,940,280	-
Instructional staff	2,223,564	2,057,409	2,056,959	450
Board of Education	385,311	265,662	265,662	-
School administration	3,699,885	3,565,164	3,565,164	-
Fiscal services	1,362,163	1,330,307	1,330,307	-
Business operations	320,035	320,696	320,696	-
Operation and maintenance of plant	6,222,192	6,360,890	6,360,890	-
Student transportation	3,756,967	3,905,745	3,905,745	-
Central services	1,209,394	1,267,064	1,267,064	-
TOTAL SUPPORT SERVICES	23,345,111	23,013,217	23,012,767	450
Community recreation services	3,000	1,658	1,658	-
Co-curricular activities	1,125,048	1,118,145	1,118,145	-
Site improvement	919,105	882,581	882,581	-
Debt service	156,300	-	-	-
TOTAL EXPENDITURES	59,308,074	58,317,289	58,316,255	1,034
Excess (deficiency) of revenues over expenditures	(2,569,284)	(2,733,335)	(2,736,358)	3,023
OTHER FINANCING SOURCES (USES):				
Transfers in	1,000	4,357	4,357	-
Advances in	24,537	24,537	24,537	-
Advances out	(10,000)	(118,216)	(118,216)	-
Refund of prior year expenditures (receipts)	5,000	6,788	6,788	-
TOTAL OTHER FINANCING SOURCES (USES)	20,537	(82,534)	(82,534)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,548,747)	(2,815,869)	(2,818,892)	(3,023)
Prior year encumbrances appropriated	1,700,882	1,700,882	1,700,882	-
FUND BALANCES AT BEGINNING OF YEAR	9,608,428	9,608,428	9,608,428	-
FUND BALANCES (DEFICIT) AT END OF YEAR	\$ 8,760,563	\$ 8,493,441	\$ 8,490,418	\$ (3,023)

See notes to the required supplementary schedule.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2003

NOTE A - BUDGETARY DATA

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level. Any budgetary modifications at this level must be made by resolution of the Board of Education.

Tax Budget:

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

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

Estimated Resources:

Prior to March 15, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year do not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final Amended Certificate issued during fiscal year 2003.

Appropriations:

Upon receipt from the County Auditor of an amended official certificate of estimated resources based on the final assessed values and tax rates or a certificate stating no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the

OLENTANGY LOCAL SCHOOL DISTRICT
 Notes to the Required Supplementary Information, Continued

statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations.

Formal budgetary integration is employed as a management control device during the year for all funds, including the Debt Service Fund, consistent with statutory provisions.

Encumbrances:

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

Lapsing of Appropriations:

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

NOTE B - RECONCILING BUDGET BASIS AND GAAP

The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual column presented on the Budgetary Comparison Schedule – General Fund is prepared in accordance with the budget basis of accounting.

The major differences between the budgetary basis of accounting and GAAP are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- B. Expenditures are recorded when encumbered (budget basis) as opposed to when the liability is incurred (GAAP basis);
- C. Encumbrances are recorded as the equivalent of expenditures (budget basis) as opposed to a reservation of fund balance (GAAP basis); and
- D. Investments are recorded at cost (budget basis) as opposed to fair value (GAAP basis).

A reconciliation of the General Fund results of operations at the end of the year on the GAAP basis to the budget basis follows:

Excess of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$ (2,219,466)
Adjustments	
Due to revenues	1,878,551
Due to expenditures	(2,391,086)
Due to other financing sources	(86,891)
Excess of revenues and other financing sources over expenditures and other financing uses (Budget Basis)	\$ (2,818,892)

This page left blank intentionally.

OLENTANGY LOCAL SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Public School Support - A fund used for the proceeds of specific revenue sources, except for State and Federal grants that are legally restricted to expenditures for specified purposes.

Grants - Local Sources - A fund provided to account for specific local revenue sources, other than taxes or expendable trusts (i.e., profits from vending machines sales of pictures, etc.), that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

District-Managed Student Activities - A fund provided to account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Other Local Sources - A rotary fund provided to account for the purchase and sale of school supplies and other miscellaneous school donations. Profit and moneys derived from such sales or donations are to be used for school purposes or activities in connection with the school.

Auxiliary Services Fund - A fund used to account for monies which provide services and materials to pupils attending non-public schools within the school district. For generally accepted accounting purposes, this fund is accounted for as a special revenue fund.

Teacher Development Grants- A fund provided to account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs.

EMIS Grant - A fund provided to account for the monies received and expended for the implementation of the Educational Management Information System that was required by recent legislation in Ohio.

Onenet Network Connectivity – A fund provided to account for money appropriated from the State of Ohio for Ohio Educational Computer Network Connections.

OLENTANGY LOCAL SCHOOL DISTRICT

School Net Professional Development – A fund provided to account for a limited number of professional development subsidy grants.

Textbook Subsidy - A fund provided to account for moneys received from the state for textbooks, instructional software, instructional materials, and any other materials the district deems to be helpful in providing appropriate instruction to students in the following subject areas: reading, writing, mathematics, science and citizenship.

Entry Year Programs – A fund to account for funds used to implement entry year programs pursuant to division (T) of section 3317.024 of the Ohio Revised Code.

Ohio Reads Grant – A fund intended to improve reading outcomes, especially for fourth grade reading proficiency test and for volunteer coordinators and costs associated with volunteer coordination.

Other State Grants – A fund used to account for various monies received from state agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

Federal Excellence Grants-Title II - A fund provided to account for funds used for strengthening instruction in science, mathematics, modern foreign languages, English, arts and humanities, reading, history, geography civics, economics, and industrial arts through acquisition of laboratory and other special equipment and materials and through minor remodeling.

Title VI-B Grants- A fund provided to account for grants used to assist states 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 Grants - A fund to account for grants providing financial assistance to State and Local Educational Agencies to meet the special needs of educationally deprived children.

Title V Grants - A fund to consolidate various programs into a single authorization of grants to States to be used in accordance with the educational needs and priorities of the state and local agencies.

Emergency Immigrant Education – A fund provided to account for educational services and costs for eligible immigrant children enrolled in elementary and secondary schools.

Safe and Drug Free Schools Grants - A fund which accounts for federal funds used to establish, operate, and improve local programs of drug abuse prevention, early intervention, rehabilitation referral, and education in the District.

Education of the Handicapped Preschool Grants - A fund to address the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

OLENTANGY LOCAL SCHOOL DISTRICT

Telecommunications Act Grant Fund (E-Rate) – A fund used to account for a federal grant which is paid directly to the telecommunication service provider.

Title II-A - A fund to account for grants providing financial assistance to State and Local Educational Agencies to improve teacher quality.

Other Federal Grants – A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant and be approved by the Auditor of State.

Food Service Fund - a fund used to record financial transactions related to the District's food service operations.

NonMajor

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessments and trust funds).

Permanent Improvement Fund - A fund provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as authorized by Section 5705 of the Ohio Revised Code.

School Net Fund - A fund used to provide for computer hardware and software in K-4 classrooms in the district.

OLENTANGY LOCAL SCHOOL DISTRICT

Fiduciary Fund Type

Trust and Agency Funds

Private Purpose Trust Fund - A trust fund to account for assets held in a trust that were created by scholarship trust agreements, whereby income of those assets held is used for student scholarships.

Student Activity Fund - An agency fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

The statement of Fiduciary Net Assets and Statement of Changes in Fiduciary Net Assets are not presented here since there is only one permanent trust fund and one Agency fund which are presented in the basic financial statements.

This page left blank intentionally.

**OLENTANGY LOCAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003**

SPECIAL REVENUE FUNDS

	PUBLIC SCHOOL SUPPORT	GRANTS - LOCAL SOURCES	DISTRICT MANAGED STUDENT ACTIVITIES	OTHER LOCAL SOURCES
ASSETS:				
Cash and investments	\$ 167,674	236,471	76,131	65,346
Receivables	3,335	-	2,372	3,557
Inventory	-	-	-	-
Due from other governments	-	-	-	-
TOTAL ASSETS	\$ 171,009	236,471	78,503	68,903
LIABILITIES:				
Accounts payable	\$ 3,656	882	6,733	-
Due to other governments	-	-	-	-
Due to other funds	-	-	835	-
Due to others	-	-	-	-
Deferred revenue	-	-	-	-
Accrued liabilities	-	-	-	-
TOTAL LIABILITIES	3,656	882	7,568	-
FUND BALANCE:				
Fund balance:				
Reserve for encumbrances	7,420	2,362	8,499	-
Unreserved	159,933	233,227	62,436	68,903
Total fund balance	167,353	235,589	70,935	68,903
TOTAL LIABILITIES AND FUND BALANCE	\$ 171,009	236,471	78,503	68,903

OLENTANGY LOCAL SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

<u>AUXILIARY SERVICE</u>	<u>TEACHER DEVELOPMENT GRANTS</u>	<u>EMIS GRANTS</u>	<u>ONENET NETWORK CONNECTIVITY</u>	<u>SCHOOL NET PROFESSIONAL DEVELOPMENT</u>	<u>TEXTBOOK SUBSIDY</u>
158,224	271	-	36,000	4,600	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>158,224</u>	<u>271</u>	<u>-</u>	<u>36,000</u>	<u>4,600</u>	<u>-</u>
18,224	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
140,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>158,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
134,692	-	-	-	-	-
<u>(134,692)</u>	<u>271</u>	<u>-</u>	<u>36,000</u>	<u>4,600</u>	<u>-</u>
-	271	-	36,000	4,600	-
<u>158,224</u>	<u>271</u>	<u>-</u>	<u>36,000</u>	<u>4,600</u>	<u>-</u>

(Continued)

OLENTANGY LOCAL SCHOOL DISTRICT
COMBINING BALANCE SHEET, Continued
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003

SPECIAL REVENUE FUNDS

	ENTRY YEAR PROGRAMS	OHIO READS GRANT	OTHER STATE GRANTS	FEDERAL EXCELLENCE GRANTS - TITLE II
ASSETS:				
Cash and investments	\$ 74	-	-	6,056
Receivables	-	-	-	-
Inventory	-	-	-	-
Due from other governments	-	-	-	-
TOTAL ASSETS	\$ 74	-	-	6,056
LIABILITIES:				
Accounts payable	\$ -	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Due to others	-	-	-	-
Deferred revenue	-	-	-	-
Accrued liabilities	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCE:				
Fund balance:				
Reserve for encumbrances	-	-	-	228
Unreserved	74	-	-	5,828
Total fund balance	74	-	-	6,056
TOTAL LIABILITIES AND FUND BALANCE	\$ 74	-	-	6,056

OLENTANGY LOCAL SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

TITLE VIB GRANTS	TITLE I GRANTS	TITLE V GRANTS	EMERGENCY IMMIGRANT EDUCATION	SAFE AND DRUG-FREE SCHOOLS	EDUCATION OF THE HANDICAPPED PRESCHOOL GRANTS
10,003	19,780	5,753	-	4,200	-
50	540	-	-	-	-
-	-	-	-	-	-
70,422	34,792	15,463	-	15,634	-
<u>80,475</u>	<u>55,112</u>	<u>21,216</u>	<u>-</u>	<u>19,834</u>	<u>-</u>
7,858	1,240	-	-	280	-
-	-	-	-	-	-
5,554	31,344	6,778	-	15,261	-
-	-	-	-	-	-
70,257	2,500	6,392	-	15,634	-
-	4,750	-	-	-	-
<u>83,669</u>	<u>39,834</u>	<u>13,170</u>	<u>-</u>	<u>31,175</u>	<u>-</u>
2,145	16,027	3,423	-	2,290	-
(5,339)	(749)	4,623	-	(13,631)	-
<u>(3,194)</u>	<u>15,278</u>	<u>8,046</u>	<u>-</u>	<u>(11,341)</u>	<u>-</u>
<u>80,475</u>	<u>55,112</u>	<u>21,216</u>	<u>-</u>	<u>19,834</u>	<u>-</u>

(Continued)

**OLENTANGY LOCAL SCHOOL DISTRICT
COMBINING BALANCE SHEET, Continued
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003**

SPECIAL REVENUE FUNDS

	E-RATE GRANT	TITLE II-A	OTHER FEDERAL GRANTS	FOOD SERVICE
ASSETS:				
Cash and investments	\$ 95,638	46,407	13,096	498,820
Receivables	15,601	-	-	11,029
Inventory	-	-	-	77,403
Due from other governments	-	68,975	1,982	52,810
TOTAL ASSETS	\$ 111,239	115,382	15,078	640,062
LIABILITIES:				
Accounts payable	\$ -	16,073	328	246
Due to other governments	-	-	-	40,689
Due to other funds	-	58,444	-	-
Due to others	-	-	-	-
Deferred revenue	-	49,604	1,982	30,287
Accrued liabilities	-	-	-	122,747
TOTAL LIABILITIES	-	124,121	2,310	193,969
FUND BALANCE:				
Fund balance:				
Reserve for encumbrances	520	30,334	303	-
Unreserved	110,719	(39,073)	12,465	446,093
Total fund balance	111,239	(8,739)	12,768	446,093
TOTAL LIABILITIES AND FUND BALANCE	\$ 111,239	115,382	15,078	640,062

OLENTANGY LOCAL SCHOOL DISTRICT

TOTAL NONMAJOR SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS		TOTAL NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	PERMANENT IMPROVEMENT FUND	SCHOOL NET FUND		
1,444,544	246,961	440	247,401	1,691,945
36,484	-	-	-	36,484
77,403	-	-	-	77,403
260,078	-	-	-	260,078
<u>1,818,509</u>	<u>246,961</u>	<u>440</u>	<u>247,401</u>	<u>2,065,910</u>
55,520	17,238	-	17,238	72,758
40,689	-	-	-	40,689
118,216	-	-	-	118,216
140,000	-	-	-	140,000
176,656	-	-	-	176,656
127,497	-	-	-	127,497
<u>658,578</u>	<u>17,238</u>	<u>-</u>	<u>17,238</u>	<u>675,816</u>
208,243	42,257	-	42,257	250,500
951,688	187,466	440	187,906	1,139,594
1,159,931	229,723	440	230,163	1,390,094
<u>1,818,509</u>	<u>246,961</u>	<u>440</u>	<u>247,401</u>	<u>2,065,910</u>

**OLENTANGY LOCAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2003**

SPECIAL REVENUE FUNDS				
	PUBLIC SCHOOL SUPPORT	GRANTS - LOCAL SOURCES	DISTRICT-MANAGED STUDENT ACTIVITIES	OTHER LOCAL SOURCES
REVENUES:				
Intergovernmental:				
Federal restricted grants-in-aid	\$ -	-	-	-
State restricted grants-in-aid	-	20,700	-	-
Food Service	-	-	-	-
Investment Income	-	-	-	-
Co-curricular activities	736	-	140,219	430,302
Other	117,418	25,110	59,327	1,787
TOTAL REVENUES	118,154	45,810	199,546	432,089
EXPENDITURES:				
Current:				
Instructional services:				
Regular	127,573	12,635	-	-
Special	-	962	-	-
Vocational	-	-	-	-
Total Instructional Services	127,573	13,597	-	-
Support services:				
Operation and maintenance	-	-	-	-
Pupils	-	4,500	-	-
Instructional Staff	24,285	443	-	-
Student transportation	-	-	-	-
General Administration	-	-	-	-
Food Service	-	-	-	-
Central services	-	-	-	-
Total Support Services	24,285	4,943	-	-
Co-curricular student activities	-	-	158,662	418,005
Community services	8,879	-	35,290	-
Capital outlay	-	-	-	-
Debt Service-Interest	-	-	-	-
TOTAL EXPENDITURES	160,737	18,540	193,952	418,005
Excess (deficiency) of revenues over expenditures	(42,583)	27,270	5,594	14,084
OTHER FINANCING SOURCES -				
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(42,583)	27,270	5,594	14,084
FUND BALANCE AT BEGINNING OF YEAR	209,936	208,319	65,341	54,819
FUND BALANCE AT END OF YEAR	\$ 167,353	235,589	70,935	68,903

OLENTANGY LOCAL SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

<u>AUXILIARY SERVICE</u>	<u>TEACHER DEVELOPMENT GRANTS</u>	<u>EMIS GRANTS</u>	<u>ONENET NETWORK CONNECTIVITY</u>	<u>SCHOOL NET PROFESSIONAL DEVELOPMENT</u>	<u>TEXTBOOK SUBSIDY</u>
-	-	-	-	-	-
331,389	-	27,090	31,500	4,600	-
-	-	-	-	-	-
1,650	-	-	-	-	-
-	-	-	-	-	-
748	-	-	-	-	-
<u>333,787</u>	<u>-</u>	<u>27,090</u>	<u>31,500</u>	<u>4,600</u>	<u>-</u>
-	-	-	-	3,410	665
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,410	665
-	-	-	-	-	-
-	-	-	-	5	-
-	7	-	-	4,965	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	30,548	13,500	-	-
-	7	30,548	13,500	4,970	-
-	-	-	-	-	-
333,787	2,455	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>333,787</u>	<u>2,462</u>	<u>30,548</u>	<u>13,500</u>	<u>8,380</u>	<u>665</u>
-	(2,462)	(3,458)	18,000	(3,780)	(665)
-	-	-	-	-	-
-	-	-	-	-	-
-	(2,462)	(3,458)	18,000	(3,780)	(665)
-	2,733	3,458	18,000	8,380	665
-	271	-	36,000	4,600	-

(Continued)

**OLENTANGY LOCAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS, Continued
 YEAR ENDED JUNE 30, 2003**

SPECIAL REVENUE FUNDS

	ENTRY YEAR PROGRAMS	OHIO READS GRANT	OTHER STATE GRANTS	FEDERAL EXCELLENCE GRANTS - TITLE II
REVENUES:				
Intergovernmental:				
Federal restricted grants-in-aid	\$ -	-	-	-
State restricted grants-in-aid	-	6,000	18,710	-
Food Service	-	-	-	-
Investment Income	-	-	-	-
Co-curricular activities	-	-	-	-
Other	-	-	-	-
TOTAL REVENUES	-	6,000	18,710	-
EXPENDITURES:				
Current:				
Instructional services:				
Regular	-	18,000	-	-
Special	-	-	-	-
Vocational	-	-	-	-
Total Instructional Services	-	18,000	-	-
Support services:				
Operation and maintenance	-	-	5,319	-
Pupils	-	-	-	-
Instructional Staff	-	-	25,000	2,400
Student transportation	-	-	-	-
General Administration	-	-	-	-
Food Service	-	-	-	-
Central services	-	-	-	-
Total Support Services	-	-	30,319	2,400
Co-curricular student activities	-	-	-	-
Community services	-	-	-	2,207
Capital outlay	-	-	-	-
Debt Service-Interest	-	-	-	-
TOTAL EXPENDITURES	-	18,000	30,319	4,607
Excess (deficiency) of revenues over expenditures	-	(12,000)	(11,609)	(4,607)
OTHER FINANCING SOURCES -				
Transfers out	-	-	(4,357)	-
TOTAL OTHER FINANCING SOURCES	-	-	(4,357)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	(12,000)	(15,966)	(4,607)
FUND BALANCE AT BEGINNING OF YEAR	74	12,000	15,966	10,663
FUND BALANCE AT END OF YEAR	\$ 74	-	-	6,056

OLENTANGY LOCAL SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

TITLE VIB GRANTS	TITLE I GRANTS	TITLE V GRANTS	EMERGENCY IMMIGRANT EDUCATION	SAFE AND DRUG-FREE SCHOOLS	EDUCATION OF THE HANDICAPPED PRESCHOOL GRANTS
425,509	153,863	37,291	-	3,432	16,243
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
50	540	-	-	-	-
<u>425,559</u>	<u>154,403</u>	<u>37,291</u>	<u>-</u>	<u>3,432</u>	<u>16,243</u>
-	5,313	-	-	21,863	-
414,527	86,133	30,154	3,250	-	16,878
-	-	-	-	-	-
<u>414,527</u>	<u>91,446</u>	<u>30,154</u>	<u>3,250</u>	<u>21,863</u>	<u>16,878</u>
-	-	-	-	-	-
21,687	49,646	-	-	-	12,502
11,763	1,220	1,900	-	-	-
-	-	-	-	-	-
-	329	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>33,450</u>	<u>51,195</u>	<u>1,900</u>	<u>-</u>	<u>-</u>	<u>12,502</u>
-	-	-	-	-	-
-	-	1,309	-	700	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>447,977</u>	<u>142,641</u>	<u>33,363</u>	<u>3,250</u>	<u>22,563</u>	<u>29,380</u>
(22,418)	11,762	3,928	(3,250)	(19,131)	(13,137)
-	-	-	-	-	-
-	-	-	-	-	-
(22,418)	11,762	3,928	(3,250)	(19,131)	(13,137)
19,224	3,516	4,118	3,250	7,790	13,137
<u>(3,194)</u>	<u>15,278</u>	<u>8,046</u>	<u>-</u>	<u>(11,341)</u>	<u>-</u>

(Continued)

**OLENTANGY LOCAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS, Continued
 YEAR ENDED JUNE 30, 2003**

SPECIAL REVENUE FUNDS				
	E-RATE GRANT	TITLE II-A	OTHER FEDERAL GRANTS	FOOD SERVICE
REVENUES:				
Intergovernmental:				
Federal restricted grants-in-aid	\$ -	51,633	19,789	279,405
State restricted grants-in-aid	-	-	-	3,792
Food Service	-	-	-	2,078,292
Investment Income	-	-	-	4,997
Co-curricular activities	-	-	-	-
Other	52,616	-	-	-
TOTAL REVENUES	52,616	51,633	19,789	2,366,486
EXPENDITURES:				
Current:				
Instructional services:				
Regular	-	-	17,647	-
Special	-	-	6,433	-
Vocational	-	-	8,034	-
Total Instructional Services	-	-	32,114	-
Support services:				
Operation and maintenance	4,848	-	-	-
Pupils	-	-	-	-
Instructional Staff	-	59,227	-	-
Student transportation	-	-	-	-
General Administration	-	-	-	-
Food Service	-	-	-	2,255,382
Central services	-	-	-	-
Total Support Services	4,848	59,227	-	2,255,382
Co-curricular student activities	-	-	-	-
Community services	-	1,145	-	-
Capital outlay	-	-	-	-
Debt Service-Interest	-	-	-	-
TOTAL EXPENDITURES	4,848	60,372	32,114	2,255,382
Excess (deficiency) of revenues over expenditures	47,768	(8,739)	(12,325)	111,104
OTHER FINANCING SOURCES -				
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	47,768	(8,739)	(12,325)	111,104
FUND BALANCE AT BEGINNING OF YEAR	63,471	-	25,093	334,989
FUND BALANCE AT END OF YEAR	\$ 111,239	(8,739)	12,768	446,093

OLENTANGY LOCAL SCHOOL DISTRICT

TOTAL NONMAJOR SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS		TOTAL NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	PERMANENT IMPROVEMENT FUND	SCHOOL NET FUND		
987,165	-	-	-	987,165
443,781	-	-	-	443,781
2,078,292	-	-	-	2,078,292
6,647	28,965	-	28,965	35,612
571,257	-	-	-	571,257
257,596	70	-	70	257,666
<u>4,344,738</u>	<u>29,035</u>	<u>-</u>	<u>29,035</u>	<u>4,373,773</u>
207,106	-	5,995	5,995	213,101
558,337	-	-	-	558,337
8,034	-	-	-	8,034
<u>773,477</u>	<u>-</u>	<u>5,995</u>	<u>5,995</u>	<u>779,472</u>
10,167	-	-	-	10,167
88,340	-	3,472	3,472	91,812
131,210	-	-	-	131,210
-	599,685	-	599,685	599,685
329	-	-	-	329
2,255,382	-	-	-	2,255,382
44,048	-	-	-	44,048
<u>2,529,476</u>	<u>599,685</u>	<u>3,472</u>	<u>603,157</u>	<u>3,132,633</u>
576,667	-	-	-	576,667
385,772	-	-	-	385,772
-	237,633	-	237,633	237,633
-	26,889	-	26,889	26,889
<u>4,265,392</u>	<u>864,207</u>	<u>9,467</u>	<u>873,674</u>	<u>5,139,066</u>
79,346	(835,172)	(9,467)	(844,639)	(765,293)
(4,357)	-	-	-	(4,357)
<u>(4,357)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,357)</u>
74,989	(835,172)	(9,467)	(844,639)	(769,650)
<u>1,084,942</u>	<u>1,064,895</u>	<u>9,907</u>	<u>1,074,802</u>	<u>2,159,744</u>
<u>1,159,931</u>	<u>229,723</u>	<u>440</u>	<u>230,163</u>	<u>1,390,094</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2003

	Revised Budget	Actual	Variance with Revised Budget
DEBT SERVICE FUND			
Debt Service Fund			
Total Revenues and Other Sources	\$ 12,816,991	12,816,991	-
Total Expenditures and Other Uses	12,615,181	12,615,181	-
Net Change in Fund Balance	201,810	201,810	-
Fund Balance, July 1	2,888,392	2,888,392	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	\$ 3,090,202	3,090,202	-
SPECIAL REVENUE FUNDS			
Public School Support			
Total Revenues and Other Sources	\$ 131,237	131,237	-
Total Expenditures and Other Uses	216,957	216,957	-
Net Change in Fund Balance	(85,720)	(85,720)	-
Fund Balance, July 1	183,822	183,822	-
Prior Year Encumbrances Appropriated	58,494	58,494	-
Fund Balance, June 30	\$ 156,596	156,596	-
Grants-Local Sources			
Total Revenues and Other Sources	\$ 45,810	45,810	-
Total Expenditures and Other Uses	22,424	22,424	-
Net Change in Fund Balance	23,386	23,386	-
Fund Balance, July 1	208,282	208,282	-
Prior Year Encumbrances Appropriated	1,557	1,557	-
Fund Balance, June 30	\$ 233,225	233,225	-

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2003

	Revised Budget	Actual	Variance with Revised Budget
District-Managed Student Activities			
Total Revenues and Other Sources	\$ 252,937	252,937	-
Total Expenditures and Other Uses	258,088	258,088	-
Net Change in Fund Balance	(5,151)	(5,151)	-
Fund Balance, July 1	60,245	60,245	-
Prior Year Encumbrances Appropriated	5,808	5,808	-
Fund Balance, June 30	<u>\$ 60,902</u>	<u>60,902</u>	-
Other Local Sources			
Total Revenues and Other Sources	\$ 436,416	436,416	-
Total Expenditures and Other Uses	421,564	421,564	-
Net Change in Fund Balance	14,852	14,852	-
Fund Balance, July 1	29,724	29,724	-
Prior Year Encumbrances Appropriated	17,375	17,375	-
Fund Balance, June 30	<u>\$ 61,951</u>	<u>61,951</u>	-
Auxiliary Services			
Total Revenues and Other Sources	\$ 323,933	323,933	-
Total Expenditures and Other Uses	477,474	477,474	-
Net Change in Fund Balance	(153,541)	(153,541)	-
Fund Balance, July 1	100,825	100,825	-
Prior Year Encumbrances Appropriated	58,023	58,023	-
Fund Balance, June 30	<u>\$ 5,307</u>	<u>5,307</u>	-

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Revised Budget</u>
Teacher Development Grants			
Total Revenues and Other Sources	\$ -	-	-
Total Expenditures and Other Uses	2,462	2,462	-
Net Change in Fund Balance	(2,462)	(2,462)	-
Fund Balance, July 1	1,535	1,535	-
Prior Year Encumbrances Appropriated	1,200	1,200	-
Fund Balance, June 30	<u>\$ 273</u>	<u>273</u>	-
EMIS Grants			
Total Revenues and Other Sources	\$ 27,091	27,091	-
Total Expenditures and Other Uses	31,712	31,712	-
Net Change in Fund Balance	(4,621)	(4,621)	-
Fund Balance, July 1	4,621	4,621	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	-
Onenet Network Connectivity			
Total Revenues and Other Sources	\$ 31,500	31,500	-
Total Expenditures and Other Uses	13,500	13,500	-
Net Change in Fund Balance	18,000	18,000	-
Fund Balance, July 1	18,000	18,000	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	<u>\$ 36,000</u>	<u>36,000</u>	-

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Revised Budget</u>
School Net Professional Development			
Total Revenues and Other Sources	\$ 4,600	4,600	-
Total Expenditures and Other Uses	8,380	8,380	-
Net Change in Fund Balance	(3,780)	(3,780)	-
Fund Balance, July 1	8,380	8,380	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	<u>\$ 4,600</u>	<u>4,600</u>	<u>-</u>
Textbook Subsidy			
Total Revenues and Other Sources	\$ -	-	-
Total Expenditures and Other Uses	665	665	-
Net Change in Fund Balance	(665)	(665)	-
Fund Balance, July 1	-	-	-
Prior Year Encumbrances Appropriated	665	665	-
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>
Entry Year Grant			
Total Revenues and Other Sources	\$ -	-	-
Total Expenditures and Other Uses	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance, July 1	74	74	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	<u>\$ 74</u>	<u>74</u>	<u>-</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Revised Budget</u>
Ohio Reads			
Total Revenues and Other Sources	\$ 6,000	6,000	-
Total Expenditures and Other Uses	20,000	20,000	-
Net Change in Fund Balance	(14,000)	(14,000)	-
Fund Balance, July 1	14,000	14,000	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>
Other State Grants			
Total Revenues and Other Sources	\$ 18,710	18,710	-
Total Expenditures and Other Uses	34,677	34,677	-
Net Change in Fund Balance	(15,967)	(15,967)	-
Fund Balance, July 1	15,967	15,967	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>
Federal Excellence Grants-Title-II			
Total Revenues and Other Sources	\$ -	-	-
Total Expenditures and Other Uses	4,607	4,607	-
Net Change in Fund Balance	(4,607)	(4,607)	-
Fund Balance, July 1	10,436	10,436	-
Prior Year Encumbrances Appropriated	228	228	-
Fund Balance, June 30	<u>\$ 6,057</u>	<u>6,057</u>	<u>-</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2003

	Revised Budget	Actual	Variance with Revised Budget
Title VI-B Grants			
Total Revenues and Other Sources	\$ 460,168	460,168	-
Total Expenditures and Other Uses	469,455	469,455	-
Net Change in Fund Balance	(9,287)	(9,287)	-
Fund Balance, July 1	612	612	-
Prior Year Encumbrances Appropriated	8,675	8,675	-
Fund Balance, June 30	\$ -	-	-
Title I Grants			
Total Revenues and Other Sources	\$ 34,998	34,998	-
Total Expenditures and Other Uses	45,097	44,927	170
Net Change in Fund Balance	(10,099)	(9,929)	170
Fund Balance, July 1	3,797	3,797	-
Prior Year Encumbrances Appropriated	8,461	8,461	-
Fund Balance, June 30	\$ 2,159	2,329	170
Title V Grants			
Total Revenues and Other Sources	\$ 153,019	153,019	-
Total Expenditures and Other Uses	178,229	178,229	-
Net Change in Fund Balance	(25,210)	(25,210)	-
Fund Balance, July 1	20,921	20,921	-
Prior Year Encumbrances Appropriated	6,803	6,803	-
Fund Balance, June 30	\$ 2,514	2,514	-

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Revised Budget</u>
Emergency Immigrant Education			
Total Revenues and Other Sources	\$ -	-	-
Total Expenditures and Other Uses	3,250	3,250	-
Net Change in Fund Balance	(3,250)	(3,250)	-
Fund Balance, July 1	3,250	3,250	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>
Safe and Drug Free Schools Grant			
Total Revenues and Other Sources	\$ 38,930	38,930	-
Total Expenditures and Other Uses	40,985	40,985	-
Net Change in Fund Balance	(2,055)	(2,055)	-
Fund Balance, July 1	2,185	2,185	-
Prior Year Encumbrances Appropriated	1,500	1,500	-
Fund Balance, June 30	<u>\$ 1,630</u>	<u>1,630</u>	<u>-</u>
Education of the Handicapped Preschool Grant			
Total Revenues and Other Sources	\$ 16,243	16,243	-
Total Expenditures and Other Uses	29,380	29,380	-
Net Change in Fund Balance	(13,137)	(13,137)	-
Fund Balance, July 1	13,137	13,137	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2003

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Revised Budget</u>
E-rate			
Total Revenues and Other Sources	\$ 37,015	37,015	-
Total Expenditures and Other Uses	5,368	5,368	-
Net Change in Fund Balance	31,647	31,647	-
Fund Balance, July 1	61,971	61,971	-
Prior Year Encumbrances Appropriated	1,500	1,500	-
Fund Balance, June 30	<u>\$ 95,118</u>	<u>95,118</u>	<u>-</u>
Title II-A Grant			
Total Revenues and Other Sources	\$ 90,706	90,706	-
Total Expenditures and Other Uses	90,706	90,706	-
Net Change in Fund Balance	-	-	-
Fund Balance, July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>
Other Federal Grants			
Total Revenues and Other Sources	\$ 19,789	19,789	-
Total Expenditures and Other Uses	46,838	47,008	(170)
Net Change in Fund Balance	(27,049)	(27,219)	(170)
Fund Balance, July 1	38,724	38,724	-
Prior Year Encumbrances Appropriated	959	959	-
Fund Balance, June 30	<u>\$ 12,634</u>	<u>12,464</u>	<u>(170)</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2003

	Revised Budget	Actual	Variance with Revised Budget
Food Service			
Total Revenues and Other Sources	\$ 2,255,925	2,255,925	-
Total Expenditures and Other Uses	2,241,748	2,241,748	-
Net Change in Fund Balance	14,177	14,177	-
Fund Balance, July 1	478,412	478,412	-
Prior Year Encumbrances Appropriated	1,936	1,936	-
Fund Balance, June 30	\$ 494,525	494,525	-

CAPITAL PROJECTS FUNDS

Permanent Improvement Fund			
Total Revenues and Other Sources	\$ 29,035	29,035	-
Total Expenditures and Other Uses	1,199,961	1,199,928	33
Net Change in Fund Balance	(1,170,926)	(1,170,893)	33
Fund Balance, July 1	972,968	972,968	-
Prior Year Encumbrances Appropriated	385,392	385,392	-
Fund Balance, June 30	\$ 187,434	187,467	33

Building Fund			
Total Revenues and Other Sources	\$ 40,618,140	40,618,140	-
Total Expenditures and Other Uses	78,115,537	78,115,537	-
Net Change in Fund Balance	(37,497,397)	(37,497,397)	-
Fund Balance, July 1	12,864,980	12,864,980	-
Prior Year Encumbrances Appropriated	38,772,779	38,772,779	-
Fund Balance, June 30	\$ 14,140,362	14,140,362	-

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2003

	Revised Budget	Actual	Variance with Revised Budget
School Net			
Total Revenues and Other Sources	\$ -	-	-
Total Expenditures and Other Uses	9,466	9,466	-
Net Change in Fund Balance	(9,466)	(9,466)	-
Fund Balance, July 1	6,435	6,435	-
Prior Year Encumbrances Appropriated	3,471	3,471	-
Fund Balance, June 30	\$ 440	440	-
FIDUCIARY FUND			
Private Purpose Trust Fund			
Total Revenues and Other Sources	\$ 187	187	-
Total Expenditures and Other Uses	1,000	1,000	-
Net Change in Fund Balance	(813)	(813)	-
Fund Balance, July 1	22,908	22,908	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	\$ 22,095	22,095	-

This page left blank intentionally.

Table 1

OLENTANGY LOCAL SCHOOL DISTRICT
General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

CASH BASIS

<u>Fiscal Years</u>	<u>Instructional Services</u>	<u>Support Services</u>	<u>Co-Curricular</u>	<u>Community Service</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1994	\$ 7,602,121	\$ 5,195,393	\$ 349,567	\$ 4,865	\$ 2,960,141	\$ 2,782,146	\$ 18,894,233
1995	8,432,821	6,229,438	392,233	2,497	1,617,124	13,310,005	29,984,118
MODIFIED ACCRUAL BASIS							
1996	10,132,714	7,169,061	470,041	48,570	18,508,907	4,645,184	40,974,477
1997	12,373,519	8,176,477	551,348	139,305	7,430,812	4,671,284	33,342,745
1998	14,653,258	9,335,112	626,628	130,575	16,126,782	21,660,198	62,532,553
1999	16,259,697	10,699,961	642,359	261,490	6,905,393	5,423,373	40,192,273
2000	19,130,143	12,106,046	819,914	160,072	11,762,822	6,085,726	50,064,723
2001	23,181,018	15,630,713	880,653	343,761	25,933,739	24,915,950	90,885,834
2002	28,151,589	20,757,652	1,155,611	239,522	22,092,229	40,218,307	112,614,910
2003 (2)	33,136,940	26,531,349	1,723,783	387,276	57,848,352	12,920,248	132,547,948

Note:

(1) Includes General, Special Revenue, Debt Service, and Capital Projects Fund. Prior to July 1995, all statements were issued on a cash basis.

(2) In 2003, funds previously reported as Enterprise Funds are now reported as Special Revenue Funds and are included in this table.

Source:

Office of the Treasurer, Olentangy Local School District

Table 2

OLENTANGY LOCAL SCHOOL DISTRICT
General Governmental Revenues by Source (1)
Last Ten Fiscal Years

CASH BASIS

<u>Fiscal Years</u>	<u>Property Taxes</u>	<u>State Sources</u>	<u>Federal Sources</u>	<u>Investment Income</u>	<u>Food Service</u>	<u>Co-curricular Activities</u>	<u>Tuition</u>	<u>Other</u>	<u>Total</u>
1994	\$ 13,416,845	\$ 2,543,020	\$ 174,953	\$ 207,382	Note (2)	\$ 119,313	\$ 14,608	\$ 113,292	16,589,413
1995	17,054,672	3,016,506	212,490	959,656	Note (2)	154,086	22,611	153,002	21,573,023
MODIFIED ACCRUAL BASIS									
1996	19,034,353	3,843,653	184,415	1,680,964	Note (2)	155,517	8,828	174,424	25,082,154
1997	21,726,869	3,863,858	279,712	1,085,128	Note (2)	208,073	20,063	255,811	27,439,514
1998	23,583,091	4,370,026	296,640	1,548,163	Note (2)	215,714	27,009	392,849	30,433,492
1999	29,566,893	5,245,586	368,751	784,125	Note (2)	234,953	40,082	305,161	36,545,551
2000	34,327,453	5,984,204	313,463	2,185,069	Note (2)	289,418	48,618	469,820	43,618,045
2001	45,741,420	7,279,328	705,011	2,931,925	Note (2)	324,723	94,058	465,109	57,541,574
2002	56,360,993	8,212,894	762,370	1,603,859	Note (2)	361,028	101,432	347,143	67,749,719
2003	55,218,875	10,279,466	987,165	1,374,433	2,078,292	571,257	227,980	582,526	71,319,994

Note:

- (1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds. Prior to July 1, 1995, all statements were issued on a cash basis.
- (2) In 2003, funds previously reported as Enterprise Funds are now reported as Special Revenue Funds and are included in this table.

Source:

Office of the Treasurer, Olentangy Local School District

Table 3

OLENTANGY LOCAL SCHOOL DISTRICT
Property Tax Levies and Collections (1)
Last Ten Fiscal Years

Collection Year	Total Tax Levy	Current Tax Collections	% of Levy Collected	Delq. Tax Collections	Total Tax Collections	% of Tax Collection to Levy
1993	10,849,124	10,587,559	97.59%	549,617	11,137,176	102.66%
1994	13,895,949	13,661,416	98.31%	815,096	14,476,512	104.18%
1995	16,757,529	16,552,769	98.78%	539,475	17,092,244	102.00%
1996	17,617,722	17,417,744	98.86%	487,661	17,905,405	101.63%
1997	23,427,593	22,936,246	97.90%	619,582	23,555,828	100.55%
1998	27,767,013	27,354,395	98.51%	734,422	28,088,817	101.16%
1999	30,032,686	29,478,681	98.16%	1,041,221	30,519,902	101.62%
2000	43,991,457	43,420,766	98.70%	810,788	44,231,554	100.55%
2001	49,769,612	48,562,867	97.58%	1,167,949	49,730,816	99.92%
2002	51,455,151	51,396,125	99.89%	2,169,730	53,565,855	104.10%

Note:

(1) The information above is for real estate, public utilities and tangible personal property collections and levies.

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

Table 4

OLENTANGY LOCAL SCHOOL DISTRICT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Tax Year	Real Estate		Tangible Personal		Public Utility		Total	
	Assessed Value \$	Estimated Actual Value \$	Assessed Value \$	Estimated Actual Value \$	Assessed Value \$	Estimated Actual Value \$	Assessed Value \$	Estimated Actual Value \$
1993	340,923,260	974,066,457	35,261,666	135,621,792	50,475,100	144,214,571	426,660,026	1,253,902,820
	35%	26%	25%	35%	35%	35%		
1994	435,949,840	1,245,570,971	31,998,242	127,992,968	53,317,830	152,336,657	521,265,912	1,525,900,596
	35%	25%	35%	35%	35%	35%		
1995	493,947,630	1,411,278,943	31,998,242	127,992,968	54,670,520	156,201,486	580,616,392	1,695,473,397
	35%	25%	35%	35%	35%	35%		
1996	553,234,670	1,580,670,486	35,587,694	142,350,776	51,607,800	147,450,857	640,430,164	1,870,472,119
	35%	25%	35%	35%	35%	35%		
1997	699,615,650	1,998,901,857	47,115,866	188,463,464	51,861,030	148,174,371	798,592,546	2,335,539,692
	35%	25%	35%	35%	35%	35%		
1998	770,133,530	2,200,381,514	44,953,984	179,815,936	53,958,310	154,166,600	869,045,824	2,534,364,050
	35%	25%	35%	35%	35%	35%		
1999	883,942,390	2,525,549,686	67,767,810	271,071,240	56,209,140	160,597,543	1,007,919,340	2,957,218,469
	35%	25%	35%	35%	35%	35%		
2000	1,119,499,810	3,198,570,886	80,381,764	321,527,056	58,289,990	166,542,829	1,258,171,564	3,686,640,771
	35%	25%	35%	35%	35%	35%		
2001	1,314,040,180	3,754,400,514	100,711,129	402,844,516	57,814,390	165,183,971	1,472,565,699	4,322,429,001
	35%	25%	35%	35%	35%	35%		
2002	1,377,776,500	3,936,504,286	109,991,816	439,967,264	45,782,250	130,806,429	1,533,550,566	4,507,277,979
	35%	25%	35%	35%	35%	35%		
2003	1,868,881,425	5,339,661,214	134,155,435	536,621,740	70,270,560	200,773,029	2,073,307,420	6,077,055,983
	35%	25%	35%	35%	35%	35%		

Source: Office of Auditor, Delaware County, Ohio

This page left blank intentionally.

OLENTANGY LOCAL SCHOOL DISTRICT
Property Tax Rates - Direct and Overlapping Governments
(per \$1,000 of Assessed Valuation)

Tax Year/ Collection Year	Delaware County	Delaware JVS	Delaware Library	Westerville Corp.	Columbus Corp./Orange Township	Olentangy Local School District			Total
						-----Voted----- Gen. Fund	Bond	Unvoted	
1993/1994	6.62	2.57	0.40	0.00	0.00	31.40	4.40	5.00	40.80
1994/1995	7.12	2.50	0.40	0.00	6.60	31.40	7.45	5.00	43.85
1995/1996	7.12	2.50	0.37	13.89	0.00	31.40	6.85	5.00	43.25
1996/1997	6.12	4.40	0.29	14.17	0.00	31.40	4.61	5.00	41.01
1997/1998	6.12	3.40	0.31	14.14	0.00	31.40	6.44	5.00	42.84
1998/1999	6.12	3.40	0.29	14.10	6.10	31.40	5.17	5.00	41.57
1999/2000	6.72	3.40	0.24	14.02	6.10	38.60	6.17	5.00	49.77
2000/2001	5.92	3.40	0.19	13.99	6.10	38.60	6.20	5.00	49.80
2001/2002	5.61	3.20	0.18	13.95	11.75	38.60	6.20	5.00	49.80
2002/2003	5.61	3.20	0.15	17.85	12.15	38.60	6.96	5.00	50.56

Source: Office of Auditor, Delaware County, Ohio
Data provided on a collection year basis, the manner in which it is maintained by the County Auditor.

OLENTANGY LOCAL SCHOOL DISTRICT

Table 5

Berkshire Township	Berlin Township	Concord Township	Delaware Township	Genoa Township	Powell Corp.	Liberty Township	Orange Township	Columbus Corp.	Delaware Corp.
3.50	6.80	13.40	7.30	10.70	1.20	6.30	7.30	0.60	0.00
3.50	6.80	13.40	6.80	10.70	2.54	6.30	7.30	2.10	2.70
3.50	6.60	13.40	6.80	10.70	2.04	6.30	6.80	2.10	2.10
3.50	6.60	13.40	7.30	11.20	2.12	6.30	6.80	2.10	2.10
3.50	4.80	13.40	7.30	11.20	3.09	6.80	6.80	2.10	2.10
3.50	4.80	13.40	7.30	11.20	2.93	6.80	6.80	2.10	2.10
3.50	4.80	12.00	7.30	10.80	3.09	7.63	6.80	2.10	2.10
3.50	4.80	12.00	7.30	12.80	5.22	7.12	12.45	2.10	2.10
3.50	4.80	12.00	7.30	12.80	3.13	7.45	12.45	2.10	2.10
3.50	5.30	12.00	7.30	12.80	5.30	9.40	12.85	2.10	2.10

Table 6

**OLENTANGY LOCAL SCHOOL DISTRICT
Principal Property Taxpayers**

Real Property (2003 collection year)

<u>Name</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation *</u>
1 Banc One Management Corporation	\$ 13,898,500	0.67%
2 Kroger Company	9,905,000	0.48%
3 National Mutual Insurance Company	8,096,130	0.39%
4 Fairfield Green Apartments LP	7,249,130	0.35%
5 Tuller Square Northpointe LLC	6,168,715	0.30%
6 Casto Lazelle Limited	4,931,430	0.24%
7 Meijer Limited Partnership	4,844,070	0.23%
8 Wal-Mart Real Estate - Business Trust	4,609,500	0.22%
9 Duke Realty, Ohio	4,352,180	0.21%
10 Rennob, Inc.	4,165,000	0.20%

Tangible Personal Property (2003 collection year)

1) Banc One Corporation Mortgage Corp	4,675,360	0.23%
2) Rockwell International	3,907,430	0.19%
3) ATS Ohio, Inc.	3,273,710	0.16%
4) McGraw Hill Companies, Inc	2,749,560	0.13%
5) May Department Stores	2,469,530	0.12%
6) Trucco Construction Co, Inc	2,276,420	0.11%
7) Meijer Stores LTD Ptshp	2,234,560	0.11%
8) Abrasive Technology	2,211,920	0.11%
9) Tamarkin Company	1,996,190	0.10%
10) Excel Logistics	1,963,650	0.09%

Public Utility (2003 collection year)

1) Columbus Southern Power	39,474,841	1.90%
2) American Transmissions Systems Inc.	6,148,090	0.30%
3) Verizon North, Inc.	3,737,248	0.18%
4) Ohio Bell Telephone Co.	3,315,200	0.16%
5) Columbia Gas of Ohio	1,935,770	0.09%

TOTAL PRINCIPAL TAXPAYERS	\$ 150,589,134	7.26%
ALL OTHERS	\$ 1,922,718,286	92.74%
TOTAL ASSESSED VALUATION	<u>\$ 2,073,307,420</u>	<u>100.00%</u>

*Percent based on Collection Year 2003 Assessed Valuation

Source: Office of the Auditor, Delaware County, Ohio

OLENTANGY LOCAL SCHOOL DISTRICT
Computation of Legal Debt Margin
June 30, 2003

Total Assessed Valuation (1) \$ 2,073,307,420

OVERALL DEBT LIMITATION

9 % of assessed valuation (2)	462,994,551
Gross indebtedness	188,968,533
Less: Debt outside limitations	-
Debt subject to 9% limitations	188,968,533
Less: Debt service fund balance	-
Net debt subject to limitations	188,968,533
Legal debt margin within 9% limitation	\$ 274,026,018

UNVOTED DEBT LIMITATION

.1% of assessed valuation	\$ 2,073,307
Gross indebtedness	-
Less: Debt outside limitations	-
Debt subject to limitations	-
Legal debt margin within .1% limitation	\$ 2,073,307

Note: (1) Assessed valuation from table 4.

(2) Amount is greater than 9% due to District being approved as a "special needs district" based on its 10-year growth in assessed valuation, as authorized by Ohio Revised Code 133.06.

Source: Office of the Treasurer, Olentangy Local School District

Table 8

OLENTANGY LOCAL SCHOOL DISTRICT
Ratio of Net General Debt
to Assessed Value and Debt per Capita (1)
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Assessed Value Real & Personal Property (2)</u>	<u>General Debt (3)</u>	<u>Ratio of General Debt to Assessed Value</u>	<u>General Debt Per Capita</u>
1994	17,693	521,265,912	24,942,000	0.0478	1,410
1995	19,462	580,616,392	50,906,750	0.0877	2,616
1996	21,409	640,430,164	48,966,750	0.0765	2,287
1997	23,550	798,592,546	64,181,750	0.0804	2,725
1998	24,514	869,045,824	62,921,750	0.0724	2,567
1999	27,634	1,007,919,340	87,931,019	0.0872	3,182
2000	32,182	1,258,171,564	101,849,019	0.0810	3,165
2001	38,773	1,472,565,699	98,329,377	0.0668	2,536
2002	45,422	1,533,550,566	152,678,010	0.0996	3,361
2003	49,024	2,073,307,420	188,968,533	0.0911	3,855

Notes:

(1) Census for the Olentangy Local School District as such was not available between 1993 and 2001. Information relating to the City of Powell, Liberty, Berlin and Orange Townships, (each of which is located substantially within the School District) was used to calculate this estimate. Starting in 2002 Delaware County began estimating population for the school district. The population reported is the estimated amount for the calendar year. Information obtained from Delaware County Regional Planning.

(2) Assessed value from Table 4.

(3) Office of the Treasurer, Olentangy Local School District

Source: Office of the Treasurer, Olentangy Local School District

OLENTANGY LOCAL SCHOOL DISTRICT
Ratio of Annual General Obligation Bonded Debt Service Expenditures
to Total General Governmental Expenditures
Last Ten Years

<u>Fiscal Years</u>	<u>Total Debt Repayment (1)</u>	<u>Total General Governmental Expenditures (2)</u>	<u>Ratio of General Obligation Bond Debt Service to Total General Governmental Expenditures</u>
1994	\$ 2,782,146	\$ 18,894,233	0.1472
1995	13,310,005	29,984,118	0.4439
1996	4,645,184	40,974,477	0.1134
1997	4,671,284	33,342,745	0.1401
1998	21,660,198	62,532,553	0.3464
1999	5,423,373	40,192,273	0.1349
2000	6,085,726	50,064,723	0.1216
2001	24,915,950	90,885,834	0.2741
2002	40,130,023	112,614,910	0.3563
2003	12,920,248	132,547,948	0.0975

Note:

- (1) Bond Anticipation Notes (BANs) were issued against 1994, 1997, 2000 and 2002 bond issues. The notes were issued and repaid with bond proceeds during fiscal years 1995, 1998, 2001 and 2002.
- (2) General governmental expenditures include all governmental fund types' expenditures. Fiscal years 1993-95 reported on a cash basis; whereas, 1996-2001 reported on a modified accrual basis.

Source: Office of the Treasurer, Olentangy Local School District

Table 10

OLENTANGY LOCAL SCHOOL DISTRICT
Computation of Direct and Overlapping Debt
June 30, 2003

<u>Overlapping Units</u>	Estimate Outstanding Debt	Percent Overlapping	Applicable to Olentangy Local School District
Delaware County	\$ 65,139,500	44.67%	\$ 29,097,815
Franklin County	128,005,000	0.11%	140,806
City of Columbus	768,935,000	1.47%	11,303,345
City of Delaware	6,800,000	0.92%	62,560
City of Powell	22,030,000	100.00%	22,030,000
City of Westerville	23,678,500	1.85%	438,052
Concord Township	190,662	12.49%	23,814
Liberty Township	6,034,984	99.85%	6,025,932
Delaware Co. Library	1,034,517	60.91%	630,124
Olentangy Local School District	1,021,848,163		69,752,448
	188,573,533	100.00%	188,573,533
Total	\$ 1,210,421,696		\$ 258,325,981

Source: Ohio Municipal Advisory Council July 1, 2003

Table 11

**Olentangy Local School District
Demographic Statistics
Enrollment Data (1)
Last Ten Years**

Year	Elementary Schools Enrollment	Middle School Enrollment	High School Enrollment	Total School Enrollment
1994	1,426	648	690	2,764
1995	1,567	709	774	3,050
1996	1,797	799	864	3,460
1997	1,962	878	992	3,832
1998	2,260	986	1,092	4,338
1999	2,678	1,136	1,157	4,971
2000	3,005	1,200	1,284	5,489
2001	3,497	1,387	1,461	6,345
2002	3,798	1,458	1,546	6,802
2003	4,162	1,683	1,703	7,548

Source: Olentangy Local School District

(1) Enrollment the last day of the school year

OLENTANGY LOCAL SCHOOL DISTRICT
New Construction, Bank Deposits and Real Property Values
Last Ten Years

Collection Year	New Construction - Entire Delaware County (1)			Bank Deposits (2)	Real Property Values - Entire Delaware County (1)			
	Agricultural/Residential	Commercial/Industrial	Total		Agricultural/Residential	Commercial/Industrial	Public Utility	
1993	\$ 40,552,260	\$ 4,984,030	\$ 45,536,290	\$ 217,640,000	\$ 862,051,030	\$ 154,654,740	\$	450,250
1994	59,298,440	8,603,330	67,901,770	229,752,000	1,077,547,670	192,574,140		482,780
1995	73,919,490	14,552,460	88,471,950	243,856,000	1,173,077,910	203,241,190		420,570
1996	93,017,130	10,420,320	103,437,450	279,091,000	1,291,884,120	207,388,500		454,630
1997	84,307,140	29,649,640	113,956,780	322,576,000	1,572,128,350	263,777,690		636,330
1998	102,210,220	14,498,990	116,709,210	n/a	1,697,250,260	280,073,940		568,730
1999	118,504,620	28,453,030	146,957,650	n/a	1,851,792,270	322,212,030		600,800
2000	150,767,430	36,121,110	186,888,540	n/a	2,294,190,810	413,775,480		636,430
2001	178,842,590	73,596,520	252,439,110	n/a	2,504,397,000	509,803,270		588,580
2002	187,150,890	27,990,800	215,141,690	n/a	2,753,065,960	455,986,150		556,950

Sources: (1) Office of the County Auditor, Delaware County, Ohio.
(2) State of Ohio, Department of Commerce, Banks Division. Total deposits of all banks headquartered in Delaware County.

n/a Not available

OLENTANGY LOCAL SCHOOL DISTRICT
Miscellaneous Statistics

Date of Incorporation 1952

Enrollment - June 2003 7,548

Staff - October 2002

Certified	543
Classified	300
Total	843

Buildings:

High School	1
Middle School	2
Elementary School	7
Bus Compound	1
Maintenance Facility	1

	Olentangy	State Comparison Group Average	State Average
Expenditure Per Pupil - FY03	\$ 8,359	\$ 9,278	\$ 8,441

Standardized Test Scores:

2002-03 American College Test (ACT) Composite

2002-03 Scholastic Aptitude Test (SAT) Average

Verbal

Math

2002-03 Ohio Proficiency Test (Percent Passing-Grade 9)

Reading

Math

Citizenship

Writing

Science

	Olentangy	Ohio	Nation
2002-03 American College Test (ACT) Composite	22.8	21.4	20.8
2002-03 Scholastic Aptitude Test (SAT) Average			
Verbal	530	536	507
Math	542	541	519
2002-03 Ohio Proficiency Test (Percent Passing-Grade 9)			
Reading	95.2%	86.9%	
Math	88.7%	71.2%	
Citizenship	92.6%	81.2%	
Writing	96.6%	88.2%	
Science	90.1%	74.8%	

This page left blank intentionally.

OLENTANGY LOCAL SCHOOL DISTRICT

Reports Issued Pursuant to the
OMB Circular A-133

For the year ended June 30, 2003



**Auditor of State
Betty Montgomery**

Board of Education
Olentangy Local School District
814 Shanahan Rd. Suite 100
Lewis Center, OH 43035-9080

We have reviewed the Independent Auditor's Report of the Olentangy Local School District, Delaware County, prepared by Steen & Kennedy LLC, for the audit period July 1, 2002 through June 30, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

December 23, 2003

This Page is Intentionally Left Blank.

**OLENTANGY LOCAL SCHOOL DISTRICT
TABLE OF CONTENTS**

June 30, 2003

	<u>Page(s)</u>
Independent Auditors' Report on Compliance and on Internal Controls Required by <i>Government Auditing Standards</i>	1
Independent Auditors' Report on Compliance With Requirements Applicable to Major Federal Programs and Internal Control Over Compliance in Accordance With OMB Circular A-133 and Schedule of Receipts and Expenditures of Federal Awards	2-3
Schedule of Receipts and Expenditures of Federal Awards for the year ended June 30, 2003	4
Notes to the Schedule of Receipts and Expenditures of Federal Awards	5
Schedule of Findings and Questioned Costs	6

This Page is Intentionally Left Blank.

Steen & Kennedy

Certified Public Accountants Business & Government Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROLS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Board of Education
Olentangy Local School District
814 Shanahan Road
Lewis Center, Ohio 43035

We have audited the accompanying financial statements of the Olentangy Local School District, Delaware County, Ohio (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated November 20, 2003. 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 District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of 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 District in a separate letter dated November 20, 2003.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated November 20, 2003.

This report is intended for the information and use of the audit committee, management, 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.


Steen & Kennedy LLC
November 20, 2003

Steen & Kennedy

Certified Public Accountants | Business & Government Consultants

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS

Olentangy Local School District
Delaware County
814 Shanahan Road
Lewis Center, Ohio 43035

Compliance

We have audited the compliance of The Olentangy Local School District, Delaware County, Ohio (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2003. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2003. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated November 20, 2003.

Internal Control over Compliance

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

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

Board of Education
Olentangy Local School District
Report on Compliance with Requirements applicable to Major Federal Programs and
Internal Control Over Compliance in Accordance with OMB Circular A-133 and
Schedule of Receipts and Expenditures of Federal Awards
Page 2

Schedule of Receipts and Expenditures of Federal Awards

We have audited the basic financial statements of the District as of and for the year ended June 30, 2003, and have issued our report thereon dated November 20, 2003. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of receipts and expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, 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.


Steen & Kennedy LLC
November 20, 2003

OLENTANGY LOCAL SCHOOL DISTRICT

Schedule of Receipts and Expenditures of Federal Awards

For the year ended June 30, 2003

<u>Federal grantor/Pass through grantor/Program title</u>	<u>Federal CFDA Number</u>	<u>Agency or pass through number</u>	<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Expenditures</u>	<u>Non-Cash Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Pass-through State Department of Education:</i>						
Nutrition Cluster:						
Food Donation	10.550		\$	168,402		165,017
National School Lunch Program	10.555	046763 LL-P4	172,206	-	172,206	-
Total U.S. Department of Agriculture - Nutrition Cluster			<u>172,206</u>	<u>168,402</u>	<u>172,206</u>	<u>165,017</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Pass-through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education-Grants to States-Title VI-B	84.027	046763 6B-SF	454,614	-	450,436	-
Special Education-Preschool Grants	84.173	046763 PG-S1	16,237	-	28,745	-
Total - Special Education Cluster			<u>470,851</u>	<u>-</u>	<u>479,181</u>	<u>-</u>
Title I Grants to Local Education Agencies	84.010	046763 C1-S1	65,473	-	115,767	-
Safe and Drug Free Schools and Communities	84.186	046763 DR-S1	19,359	-	17,973	-
Eisenhower Professional Development State Grants	84.281	046763 MS-S1	-	-	2,595	-
Innovative Education Program Strategies	84.298	046763 C2-S1	26,929	-	40,213	-
Education Technology State Grants	84.318	046763 TJ-S1	435	-	-	-
Comprehensive School Reform Demonstration	84.332	046763 RF-S2	56,098	-	45,194	-
Title VI-R-Class-Size Reduction	84.340	046763 CR-S1	2,812	-	31,828	-
School Renovation - Idea & Technology	84.352A	046763 AT-S3	6,542	-	6,542	-
Improving Teacher Quality State Grants	84.367	046763 TR-S1	32,262	-	44,299	-
Total U.S. Department of Education			<u>680,761</u>	<u>-</u>	<u>783,592</u>	<u>-</u>
<u>CORP. FOR NATIONAL AND COMMUNITY SERVICE</u>						
<i>Pass-through Ohio Department of Education:</i>						
Learn and Serve America	94.004	046763 SV-S3	9,698		7,706	
Total Corp. for National and Community Service			<u>9,698</u>	<u>-</u>	<u>7,706</u>	<u>-</u>
Total Receipts and Expenditures of Federal Awards			\$ <u>862,665</u>	<u>168,402</u>	<u>963,504</u>	<u>165,017</u>

See accompanying notes to the Schedule of Receipts and Expenditures of Federal Awards

OLENTANGY LOCAL SCHOOL DISTRICT

Notes to the Schedule of Receipts and Expenditures of Federal Awards

June 30, 2003

(1) General

The accompanying Schedule of Receipts and Expenditures of Federal Awards (Schedule) presents the activity of all federal financial assistance programs of the Olentangy Local School District (District) as the primary government. The District's reporting entity is defined in Note 1 to the District's basic financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies is included on the Schedule.

(2) Basis of Accounting

The accompanying Schedule is presented on a cash basis of accounting in which revenues are recognized when received and expenses are recognized when paid.

(3) Noncash Programs

The District values its noncash programs (National School Lunch Program) on the basis of the value of the goods received during the fiscal year.

(4) Revenue

The revenue balances are reported net of refunds to the governmental agency.

**OLENTANGY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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)?	No
(d)(1)(ii)	Were there any other reportable control weakness 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?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a) of Circular A-133?	No
(d)(1)(vii)	Major Programs (list):	Special Education, Part B-IDEA CFDA # 84.027
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

OLENTANGY LOCAL SCHOOL DISTRICT

DELAWARE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 13, 2004**