



**Auditor of State
Betty Montgomery**

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

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**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2002**

FEDERAL GRANTOR <i>Pass-through Grantor</i> Program Title	Federal CFDA Number	Pass-through Entity Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE						
<i>Passed through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution	10.550	N/A	\$	\$ 14,035	\$	\$ 10,438
School Breakfast Program	10.553	05PU-2001 05PU-2002	25,068 24,703		25,068 24,703	
Total School Breakfast Program			49,771	0	49,771	0
National School Lunch Program	10.555	LLP1-2001 LLP4-2001 LLP4-2002	51,201 42,460 115,396		51,201 42,460 115,396	
Total National School Lunch Program			209,057	0	209,057	0
Total Nutrition Cluster			258,828	14,035	258,828	10,438
Total United States Department of Agriculture			258,828	14,035	258,828	10,438
UNITED STATES DEPARTMENT OF EDUCATION						
<i>Passed through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	84.010	C1S1-2001 C1S1-2002	114,889 665,535		124,020 521,420	
Total Title I Grants to Local Educational Agencies			780,424	0	645,440	0
Special Education Cluster:						
Special Education - Grants to States	84.027	6BSF-2001P 6BSF-2002P	19,182 187,135		25,215 162,687	
Total Special Education - Grants to States			206,317	0	187,902	0
Special Education - Preschool Grants	84.173	PGS1-2000P PGS1-2002P			8,273 8,480	
Total Special Education - Preschool Grants			14,069	0	16,753	0
Total Special Education Cluster			220,386	0	204,655	0
Safe and Drug-Free Schools and Communities	84.186	DRS1-1999 DRS1-2000 DRS1-2001 DRS1-2002			152 2,882 11,075 (558)	
Total Safe and Drug-Free Schools and Communities			4,841	0	13,551	0
GOALS 2000	84.276	G2S9-2001 G2SP-2001	15,000 950		875 950	
Total GOALS 2000			15,950	0	1,825	0
Eisenhower Professional Development State Grants	84.281	MSS1-2000 MSS1-2001 MSS1-2002	12,135 19,192		511 12,695 4,295	
Total Eisenhower Professional Development State Grants			31,327	0	17,501	0
Innovative Education Program Strategies	84.298	C2S1-1997 C2S1-2000 C2S1-2001 C2S1-2002			35 2,899 3,402 1,804	
Total Innovative Education Program Strategies			19,179	0	8,140	0
Technology Literacy Challenge Fund Grant	84.318	TFVL-2000	9,000		9,000	
Reading Excellence Act Program	84.338	RNS1-2000	397,771		396,413	
Class Size Reduction	84.340	CRS1-2000 CRS1-2001 CRS1-2002	7,445 14,782 121,291		13,103 19,004 96,105	
Total Class Size Reduction			143,518	0	128,212	0
Total United States Department of Education			1,622,396	0	1,424,737	0
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed through Athens County Department of Job and Family Services:</i>						
Temporary Assistance for Needy Families	93.558	N/A			234,512	
Total United States Department of Health and Human Services			0	0	234,512	0
Total Federal Awards Receipts and Expenditures			\$ 1,881,224	\$ 14,035	\$ 1,918,077	\$ 10,438

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

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**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2002**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

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**Auditor of State
Betty Montgomery**

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Athens City School District, Athens County, Ohio (the District), as of and for the year ended June 30, 2002, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 28, 2003, wherein we noted the District adopted Governmental Accounting Standards Board Statements 34, 37, and 38 and Interpretation 6. 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 basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated January 28, 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 basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2002-10705-001.

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

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

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

Betty Montgomery
Auditor of State

January 28, 2003



**Auditor of State
Betty Montgomery**

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

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

To the Board of Education:

Compliance

We have audited the compliance of the Athens City School District, Athens 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, 2002. The District's major federal program is identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to 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 School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the 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, 2002. However, we noted an instance of noncompliance that does not require inclusion in this report that we have reported to the management of the District in a separate letter dated January 28, 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. However, we noted a matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 28, 2003.

Schedule of Federal Awards Receipts and Expenditures

We have audited the basic financial statements of the District as of and for the year ended June 30, 2002, and have issued our report thereon dated January 28, 2003, wherein we noted the District adopted Governmental Accounting Standards Board Statements 34, 37 and 38 and Interpretation 6. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, it is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

January 28, 2003

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2002**

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

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2002
(Continued)**

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

Finding Number 2002-10705-001

Reportable Condition

Monthly Budgetary Reports

The District did not maintain monthly budgetary reports for the year that documented appropriations versus expenditures and estimated revenue versus actual revenue. Budgetary reports, whether revenue or expenditures, provide management with an essential tool to control the financial resources of the District. By not maintaining these documents, management does not have a clear audit trail from the original budgeted amounts approved by the Board of Education to the final budgeted amounts that appear in the District's Comprehensive Annual Financial Report. Additionally, these monthly budgetary reports should be presented to the Board so that budget versus actual activity can be adequately monitored.

Although the District's budgetary information is maintained on a day-to-day basis by the computer system, this information, if not printed, is temporary in nature. Adjustments to the data over-write previously entered data. Consequently, without the printed reports, the budgetary data cannot be retrieved from any particular month or period.

We recommend the District keep printed monthly budgetary reports on file. Budget versus actual data should also be presented to the Board as part of the monthly financial report.

3. FINDINGS FOR FEDERAL AWARDS

None.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2002



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ATHENS CITY SCHOOL DISTRICT

25 South Plains Road The Plains, Ohio 45780

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

For the fiscal year ended
June 30, 2002

Board of Education

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

Superintendent of Schools

Carl D. Martin

Issued by the Treasurer's Office

Bryan M. Bunting, CGFM
Treasurer/CFO



ATHENS CITY SCHOOL DISTRICT



INTRODUCTORY SECTION

ATHENS CITY SCHOOL DISTRICT

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ATHENS CITY SCHOOL DISTRICT

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ATHENS CITY SCHOOL DISTRICT

www.athenscity.k12.oh.us

Carl D. Martin
Superintendent

Bryan M. Bunting CGFM
Treasurer/CFO



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January 31, 2003

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

The Athens City School District (the District) is pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2002. This CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

The Comprehensive Annual Financial Report is presented in three sections:

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

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

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

THE DISTRICT AND ITS FACILITIES

The District was established in the mid 1800's and was consolidated in 1964 with the Plains Local School District and the Chauncey Local School District. It is located in Athens County, and includes the City of Athens, the Village of Chauncey and portions of the Townships of Athens, Canaan, Dover, and Waterloo. Athens is the county seat of Athens County with a population of approximately 32,700 residents. The District is the 182nd largest in the State of Ohio (among 613 school districts) in terms of enrollment.

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

The Athens City School District is one of five school districts in Athens County. With 2,993 pupils (excluding preschool), it has the largest enrollment in the county, but geographically it is one of the smallest school districts in the county encompassing only 58 square miles. The District operates 7 educational facilities, a Maintenance facility, a Transportation/Bus Garage, and a central administration building that also houses the District's Technology department and Talented and Gifted program director.

School	Grade	Enrollment
Chauncey Elementary	K-12	239
East Elementary	K-12	287
Morrison Elementary	K-12	384
The Plains Elementary	K-12	422
West Elementary	K-12	261
Athens Middle School	7-8	437
Athens High School	9-12	963

The District provides preschool programs and offers both all-day and half-day kindergarten classes. The District serves lunches to 35% of the student population daily. Slightly more than 30% of the District's student body qualify for free or reduced priced lunches. Chauncey, The Plains, and West Elementary schools are identified as Title 1 buildings and provide free lunches to more than 50% of their combined student population. These three school facilities also offer breakfast programs. However, only 30% of the student population participates in the program.

ORGANIZATION OF THE DISTRICT

The Board of Education of the Athens City School District (the Board) is a five-member body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars, and approves the annual appropriation resolution and tax budget. A list of the current Board members as of June 30, 2002 is included on page xiv.

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

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

ECONOMIC CONDITION AND OUTLOOK

The District's largest employer is Ohio University, which employs over 1,038 full-time and 704 part-time area residents including faculty. The University has an enrollment of more than 19,660 students on their Athens campus. The University also provides land for taxable retail operations and has become the District's largest real estate taxpayer. This has provided a foundation of stability for the District. Ohio University's total net assets is more than \$399 million with total expenditures for the 2002 fiscal year was in excess of \$424 million dollars. The University has an on-going facility plan which means each year they complete a number of construction and renovation projects. According to their June 30, 2002 CAFR, they completed more than \$55 million in such projects during the fiscal year. T.S. Trim Company, an automotive parts manufacturer, has expanded their production line and employs more than 320 people, and McBee Systems employs more than 310. These are currently Athens County's largest private employers. The University Mall includes major retail stores such as J.C. Penny, Elder-Beerman, and K-Mart that provides additional real estate and personal property tax revenue and employment to area residents. Recently opened were a Wal-Mart Super Store, a Ruby Tuesday's restaurant, and new Burger King location. Negotiations are on-going with other "big-box" stores for sites along the East State Street area. The City of Athens is currently conducting a major infrastructure upgrade in this area that includes additional traffic lanes, water, sewer, and electric.

The District, along with many other public school systems in the state, relies heavily on local property tax as a primary source of funds. Ohio law limits the growth in real estate tax revenues by reducing millage as assessed values increase following re-appraisals. Consequently, revenues generated from each levy remain relatively constant. As a result, the District must periodically seek additional funding from its taxing constituents. While statewide, voters have proved reluctant to increase their property taxes, the Athens City School District has received positive support from its taxpayers on 85% of tax levies and/or bond issues since 1969. The District's management is very appreciative of this support but is constantly searching for ways to provide a more efficient means of doing business while at the same time continuing to provide excellent educational services. Evidence of this is supported by the fact the District operates over 40 grants generating nearly \$3 million in funding. These grants have provided funds to implement entry-year teacher programs, school-to-work programs, Family Literacy efforts, Service Learning, and prevention programs for drugs, alcohol and violence, as well as Professional Development Grants that have increased the competency of staff and provided research based models for instructional change.

EMPLOYEE RELATIONS

The District has 421 employees of which 238 are certificated, 165 are classified and 18 administrative. Certificated employees, including teachers and educational specialists, are represented for collective bargaining purposes by the Athens Education Association (AEA), an affiliate of the Ohio Education Association (OEA). Classified employees, including bus drivers, food service, custodial, maintenance, and clerical staff, are represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846. Educational Aides are also represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846, but under a separate negotiated agreement.

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

During the summer of 2000, the Board successfully concluded negotiations with the ASFCME employees on a three year agreement for wages and fringe benefits. Wage agreements for that bargaining unit for the three year period September 1, 2000 through August 31, 2003 included hourly wage increases of \$.35 effective September 2000, September 2001, and September 2002.

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

SERVICES PROVIDED

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

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

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

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

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

Athens High School is a unique four-year comprehensive high school accredited by the North Central Association of Secondary Schools and Colleges and the Ohio Department of Education. Athens High School requires 22 units of credits to graduate. The school offers an impressive list of curricular and co-curricular programs. Over 130 courses are available including 9 advanced placement courses. Students also are eligible to take courses on the Ohio University and Hocking College campus and receive both high school credit and college credit for said courses. Students who want to enter the work force directly from high school can enter Tri-County Joint Vocational School or stay at Athens High School and work with vocational instructors. Tri-County's articulation agreements with Ohio University and Hocking College allow students in the Tech Prep program to enter these institutions with a stronger academic background and earn an enhanced associate degree or continue in a baccalaureate program.

Athens High School has 26 clubs; Student Council, Key, National Honor Society, Arena, Broadcasting, Drama, Ecology, FCCLA/HERO, Interact, French, Masquers, Thespians, Matrix, Mock Trial, Model United Nations, Spanish, Art Club, Multi-cultural Club, Marching Band, Concert Band, Summer Band, Silks, Jazz Band, Pep Band, Mixed Chorus, and Symphonic Choir. Students engage in 15 sporting activities; cross country, football, soccer (girls and boys), tennis, volleyball, golf(girls and boys), wrestling, swimming, baseball, basketball(girls and boys), softball, and track. Cheerleading squads engage in competition as well as provide school support. The Athens High School drama productions, choirs, instrumental music groups, marching band, flag corps, and competition cheerleaders have received many state and national awards.

The District's special education programs are broad and comprehensive. Approximately 12.5% of the student population has an Individualized Education Plan (IEP). A Talented and Gifted Program is available to qualified students. Programs and services are provided at the elementary, middle, and high school levels for gifted students. The District has developed a comprehensive gifted education plan. Special programs for the multi handicapped, developmentally handicapped, English as a second language, learning handicapped, speech, hearing impaired, are provided for students who meet the requirements.

TECHNOLOGY

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

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

TEACHER PROFESSIONAL DEVELOPMENT

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

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

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

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

COMMUNITY, STAFF, AND STUDENT INVOLVEMENT

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

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

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

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

MAJOR INITIATIVES AND EVENTS - FISCAL YEAR 2002

Renovation Projects

With the \$16.4 million renovation project complete, the District turned its attention to maintaining facilities and updating both structures and technology in fiscal year 2002. Improvements included electrical upgrades to enhance technology use were completed at Morrison Elementary, East Elementary, and Chauncey Elementary. New concrete parking and runway areas were constructed at the Transportation facility, High School, and Morrison Elementary. The High School track was resurfaced with an all-weather, rubberized surface.

All-Day Kindergarten Program

The Board completed their review of the all-day, every-day kindergarten educational opportunity available at all five elementary schools. In fiscal year 2001, 70% of all kindergarten students took advantage of the all day program but nearly 100% participated in fiscal year 2002. Understanding that an all-day program was not a model for all students, an option for continuing the traditional half-day program can be worked out on a case-by-case basis with the Principal at two of the five elementary schools.

Summer School

Over 90 Athens High School students enrolled in this year's summer program. Two summer school sessions were also held for elementary school students. A three-week district-wide academic intervention summer school was offered to all academically at-risk students grades 3-6.

Technology

More than 100 new computers were installed throughout the District's educational facilities. An aggressive plan was implemented to "clean" each of the District's more than 1,100 computers. A District-wide internet filtering system was implemented to comply with the federal mandate of the Children's Internet Protection Act. Federal E-Rate funding applications provided the District with over \$60,000 of federal aid which helped defray the cost of providing internet and other telecommunications access throughout the District. The District's goal of having one computer for every five students in the classroom was nearly achieved during fiscal year 2002.

Report Cards

The first official Report Card was released by the State of Ohio in 2000. Ohio law calls for each Ohio District to receive a performance accountability rating based on 27 performance standards. Athens City Schools have met 18 of the 27 performance standards for the 2000-2001 school year. Based on the State's current ranking system, this score places the District in the Continuous Improvement category. The District will continue to work with staff to increase student performance and thus increase the number of standards met.

District Continuous Improvement Plan (CIP)

We are in the final year of a three-year school improvement plan based on the identified educational needs of the District. Standing committees responsible for developing and monitoring the *CIP* are composed of individuals who represent a cross-section of those with vested interests in the community's public education system. The *CIP* serves the District's planning guide for making decisions. All aspects of the operation of Athens City Schools reflect the District Continuous Improvement Plan. Professional development and curriculum decisions are being made that reflect the plans of action within each of the major goals outlined in the *CIP* –

- GOAL 1: Within five years, the Athens City School District will reach and maintain a designation of "Effective" on the Ohio Report Card.
- GOAL 2: The District will continually improve teaching and support strategies that increase student achievement over the next five years.
- GOAL 3: Over the next five years, all school personnel will engage in professional development to perpetuate the success and achievement of children.
- GOAL 4: The technology program at Athens City Schools will provide a standardized, reliable, efficient, and cost effective infrastructure of technology resources that supports and enhances student education and district administration. The separate goals are all aligned to achieve the mission of the technology program. The successful achievement of the goals will result in exciting and innovative uses of district technology.
- GOAL 5: The District will promote and maintain a positive, safe and cohesive culture that fosters a sense of pride among students, staff and community.
- GOAL 6: Members of the broader community will demonstrate vested interest in the planning and implementation of school and district continuous improvement.

Data is the foundation for developing, completing, and assessing a district's Continuous Improvement Plan. In order to establish baseline data, track performance using on-going data collected, and make projections to plan for the future, the Athens City Schools is using a template designed by the Ohio Department of Education for continuous improvement data management. Graphed proficiency and competency based exam results provide clear performance pictures for administrators and teachers. By developing an accurate profile and on-going assessment of the system, productive decisions are made to move curriculum and instruction forward.

Comprehensive Annual Financial Report

The District prepared their third Comprehensive Annual Financial Report (CAFR) for fiscal year 2002. Both reports prior to this year have received the Certificate of Achievement from the Government Finance Officers Association. We believe that our current report also conforms to the Certificate of Achievement program requirements.

Academic and Student Group Awards

Four Athens High School students qualified as National Merit Scholars. There were also three students who were recognized as commended students by the National Merit Scholar program. Since 1984, sixty-two Athens High School students have been named National Merit Scholars and eighty-six more have earned commended status. A number of Athens High School class of 2002 graduates received recognition and scholarships from the J. Warren McClure Foundation.

The Athens High School Band received numerous trophies and awards including superior rating in competitions. Several band members were selected to perform in the Ohio Music Education Association Honor Band.

Consolidated Local Plan

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

<u>Grant</u>	<u>Award Amount</u>	<u>Description of Grant</u>
Title I	\$665,535	This grant targets our 3 schools who demonstrate that they are serving an economically disadvantaged student population that exceeds 35% of the school's total student population.
Title II	\$21,159	Funds are designated for professional development of educational staff and the encouragement of technology and mathematics and science education.
Title IV	\$12,093	Focus for this grant is on cultivating a safe, drug-free climate within our schools, underscoring the educational mission to have students make good life decisions and feel safe in their environment.
Title VI	\$19,491	<i>An Innovative Assistance Program</i> , funds from this have helped support new and creative educational applications.
Title VI-R	\$121,291	Based on research findings that smaller class size is correlated to student success, the funds from this grant are ear-marked for class size reduction, especially in the primary grades.
Total	\$839,569	

MAJOR INITIATIVES FOR THE FUTURE

Curriculum Development and Meeting the Requirements of New State Standards

The District is actively involved in reviewing and providing input in the development of the proposed standards in each of the major discipline areas. Teachers from Athens City Schools sit on state development committees in language arts, social studies, science, fine arts, music, and foreign language. As State standards and courses of study are finalized the District will revise the local courses of study accordingly. Content of instruction and instructional practices are carefully examined and analyzed in light of performance data generated from local evaluations and proficiency and competency based tests. In 2001, the District met 18 of the 27 educational performance standards articulated by the Ohio Legislature and adopted as law. Based upon the State's current ranking system, Athens City School District is classified as a district in the *Continuous Improvement* category. All efforts are directed to increase student performance and become an *Effective* category school district. To achieve that goal a District Continuous Improvement Plan serves as a decision-making tool.

Permanent Improvements

The District intends to continue with updating the Facility Master Plan and with annual maintenance issues and improvement projects. Electrical upgrades at the remaining elementary facilities will be completed during fiscal year 2003. West Elementary will have renovations to doors and windows. Additional security cameras and equipment are planned for 2003. Renovations and additions are planned for the Transportation facility. Roof inspections and repair will also be performed over the next 12 to 18 months.

Technology Upgrades

The Information Technology (IT) Department's top two priorities for fiscal year 2003 and beyond will be to implement a unified communications system (email, chat, file sharing) throughout the District. A packaged called "First Class" has been selected to achieve this goal. A teacher/trainer will be added to train District employees in the use of this system. The other main priority is implementation of an anti-virus strategy. The District has purchased software called SOPHOS to help achieve this objective. New/replacement computer purchases will be made in accordance with the five-year replacement plan. The IT Department will be studying the feasibility of new projects such as video conferencing, wireless network access, fiber optic connections between facilities, and other advancements. The District Technology Plan is also due for a review and re-approval in 2003.

FINANCIAL INFORMATION

Internal Controls

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

Federal and State Assistance

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

Budgetary Controls

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

Financial Condition

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

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

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

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

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

Debt Administration

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

At June 30, 2002, the District had outstanding bond issues of \$18,424,513. Under current State statutes, the District's general obligation bonded debt issuances are subject to a legal limitation based on 9% of the total value of real and personal property. At June 30, 2002, the District's general obligation debt was well below the legal limit.

Risk Management

The District continues to protect its assets through a comprehensive insurance program. A schedule of insurance in force at June 30, 2002 is included in the Notes to the Financial Statements Section of this report.

Cash Management

The District believes that appropriate cash management activities are integral to the District's overall financial well-being. Forecasting of receipts and expenditures, cash budgeting and on-going variance analysis allow prudent optimization of investment maturities and interest income. Total interest earned during the fiscal year 2002 was \$331,695.

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

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

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

During fiscal year 2002, the District purchased certificates of deposit, commercial paper, and U.S. Treasury and Agency/Instrumentality securities permitted by the Ohio Revised Code. It also used the State Treasurer's Star Ohio account for short-term investments. The District does not invest in derivative securities nor engage in leverage. It utilizes yield curve analysis and relative value approaches for investment selection. All investments are transacted competitively, using three bids/offers from eligible banks and dealer firms.

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

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent accountants. The Auditor of State has conducted the District's audit since fiscal year 1998. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The independent auditor's report on the basic financial statements and combining statements and individual fund schedules is included in the financial section of this report.

GFOA Certificate Of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Athens City School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2001. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

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



Bryan M. Bunting, Treasurer/CFO



Carl D. Martin, Superintendent

List of Principal Officers

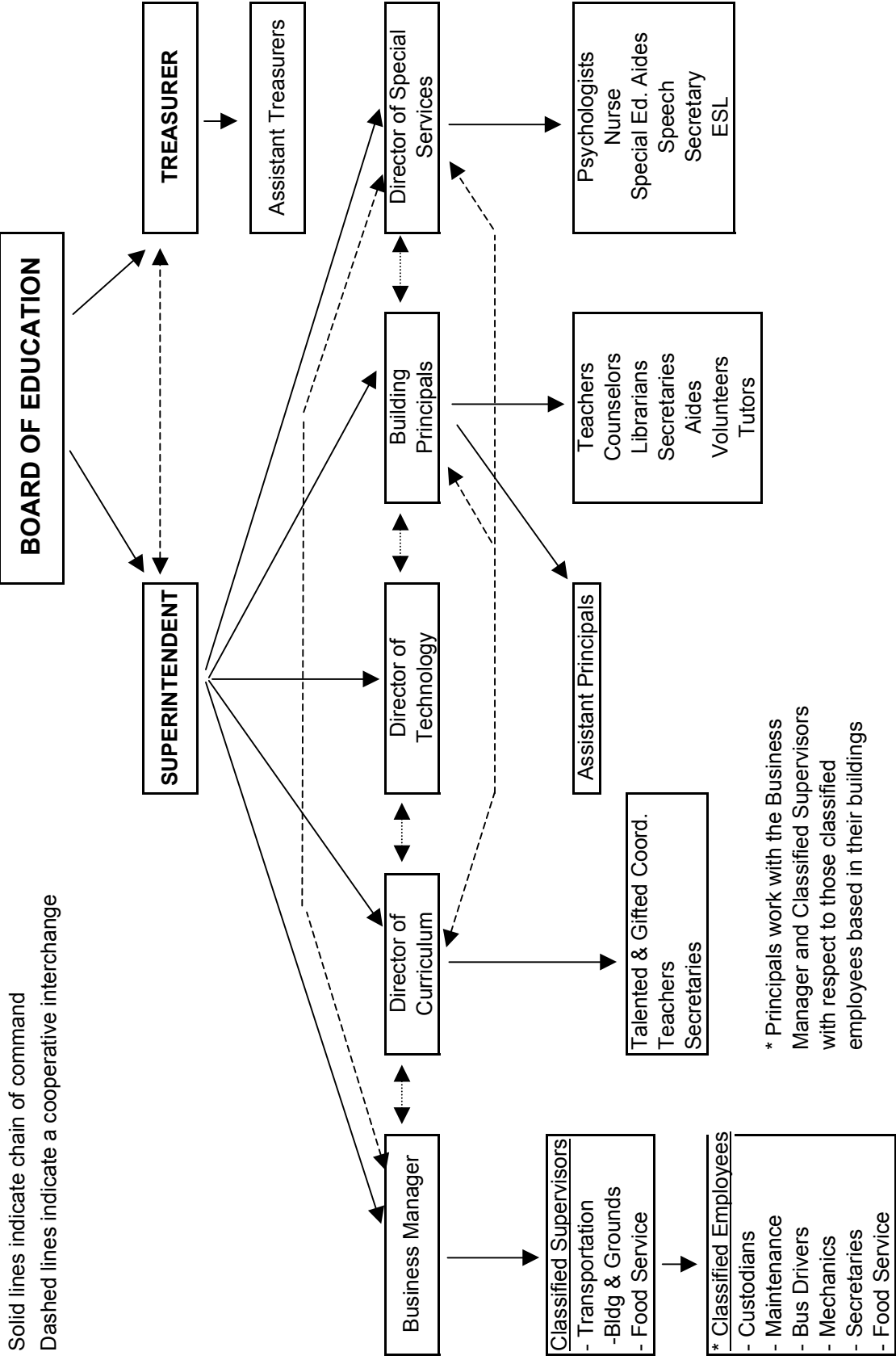
BOARD OF EDUCATION

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

CENTRAL OFFICE ADMINISTRATIVE STAFF

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

ATHENS CITY SCHOOLS ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Athens City School District,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

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.



Smith Brewer
President

Jeffrey L. Esler
Executive Director

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ATHENS CITY SCHOOL DISTRICT



FINANCIAL SECTION

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**Auditor of State
Betty Montgomery**

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www.auditor.state.oh.us

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Athens City School District, Athens County, Ohio (the District), as of and for the year ended June 30, 2002, 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 basic 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 Athens City School District, Athens County, as of June 30, 2002, and the changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the District has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments," as of June 30, 2002. Also, as mentioned in Note 3, during the year ended June 30, 2002 the District adopted GASB Statements 37 and 38, and Interpretation 6.

Management's Discussion and Analysis on pages 3 to 14 is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 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.

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 Nonmajor Fund Statements and Schedules and the Statistical Tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the Combining and Individual Nonmajor Fund Statements and Schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the Introductory Section or Statistical Tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Betty Montgomery
Auditor of State

January 28, 2003

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
(Unaudited)

The discussion and analysis of the Athens City School District's financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2002. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review our letter of transmittal, notes to the basic financial statements and the financial statements themselves to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government" issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the School Board has elected to exclude the information in this report. Subsequent reports will include the comparative information.

Financial Highlights

- ▶ The assets of Athens City School District exceeded its liabilities at June 30, 2002 by \$22.15 million. Of this amount, \$7.27 million may be used to meet the District's ongoing financial obligations. The remaining amount represents the difference between capital assets and related debt and net asset amounts restricted for specific purposes.
- ▶ In total, net assets increased by \$7.09 million, which represents a 47% increase from 2001. This is due to the stock received from demutualization in the amount of \$7.53 million.
- ▶ General revenues accounted for \$25.16 million or 93.2% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1.83 million or 6.8% of total revenues of \$26.99 million.
- ▶ The District had \$27.44 million in expenses related to governmental activities; only \$1.83 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily grants and entitlements) of \$25.16 million fell below the amount needed to provide for these programs. However, the District's carry-over balance was sufficient to meet the additional requirements.
- ▶ The District recognizes four major governmental funds: the General Fund, the Bond Retirement Fund, the Permanent Improvement Fund, and the Building Fund. Management identifies them as major because they are the funds receiving tax dollars. However, in terms of dollars received and spent, the general fund is significantly larger than all the other funds of the District combined. The General Fund had \$20.72 million in revenues and \$20.31 million in expenses in fiscal year 2002.
- ▶ The District also recognizes the self-insurance fund activity as a governmental activity and a proprietary fund. The activity for fiscal year 2002 was \$2.30 million in revenue and \$2.88 million in expenses. The beginning of the year cash reserves of \$1.60 million were adequate to fund the excess claims and fees.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
(Unaudited)

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are presented following the requirements of GASB Statement No. 34, and are organized so the reader can understand Athens City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. (The District is electing to present the financial statements for fiscal year 2002 using the GASB Statement No. 34 model. School districts like Athens will be required to use the new model beginning with the 2003 fiscal year.)

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the District as a Whole

While this document contains a large number of funds used by the District to provide programs and services, the view of the District as a whole looks at all financial transactions and asks the questions, "How did we do financially during 2002?" The *Statement of Net Assets* and the *Statements of Activities*, helps answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The cause of this change may be the result of several factors, some financial and some not. Nonfinancial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required but unfunded educational programs, and other factors. Ultimately, the District's goal is to provide services to our students, not to generate profits as commercial entities do.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
(Unaudited)

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins on page 18. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

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 that are available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can 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 determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental *activities* (reported in the Statement of Net Assets and the Statements of Activities) and governmental *funds* is reconciled in the financial statements.

Proprietary Funds

Since the internal service fund operates on a break-even, cost-reimbursement basis, the District reports it as a proprietary fund using the full accrual basis of accounting.

Fiduciary Funds

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

ATHENS CITY SCHOOL DISTRICT
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The District as a Whole

Recall that the *Statement of Net Assets* provides the perspective of the District as a whole, showing assets, liabilities, and the difference between them (net assets). Table 1 provides a summary of the District's net assets for 2002 compared to fiscal year 2001:

Table 1
Net Assets

	<u>Governmental Activities</u>	
	2002	2001
Assets		
Current and Other Assets	\$25,054,344	\$28,904,707
Capital Assets	34,363,028	23,450,854
Total Assets	<u>59,417,372</u>	<u>52,355,561</u>
Liabilities		
Long-Term Liabilities	20,568,423	21,060,534
Other Liabilities	16,702,419	16,241,443
Total Liabilities	<u>37,270,842</u>	<u>37,301,977</u>
Net Assets		
Invested in Capital Assets, Net of related Debt	8,409,636	4,765,881
Restricted	6,465,793	8,469,857
Unrestricted	7,271,101	1,817,846
Total Net Assets	<u><u>\$22,146,530</u></u>	<u><u>\$15,053,584</u></u>

Total assets increased \$7.11 million from fiscal year 2001 due to the stock received from demutualization. Capital assets increased by \$10.91 million as a result of the construction and renovation of school facilities.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
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Table 2 shows the changes in net assets for fiscal year 2002. Since this is the first year the District has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to fiscal year 2001 are not available.

Table 2
Changes in Net Assets

	Governmental Activities 2002
Revenues	
Program Revenue:	
Charges for Services and Sales	\$619,095
Operating Grants and Contributions	1,199,631
Capital Grants and Contributions	9,000
General Revenue:	
Property Tax	12,576,166
Unrestricted Grants and Entitlements	10,606,940
Unrestricted Tuition and Fees	1,460,118
Investment Earnings	331,695
Other	185,696
Special Item:	
Gain on Sale of Capital Assets	14,896
Extraordinary Item:	
Stock Received from Demutualization	7,528,879
Total Revenues	34,532,116
Expenses	
Program Expenses:	
Instruction:	
Regular	11,572,314
Special	2,957,157
Vocational	344,768

(Continued)

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
(Unaudited)

Table 2
Changes in Net Assets

	Governmental Activities 2002
	2002
Support Services:	
Pupil	1,032,824
Instructional Staff	1,095,832
Board of Education	116,184
Administration	1,489,063
Fiscal	695,109
Business	137,296
Operation and Maintenance of Plant	3,154,576
Pupil Transportation	1,483,104
Central	141,277
Operation of Non-Instructional Services:	
Food Service	919,570
Other	483,935
Extracurricular Activities	422,720
Interest & Fiscal Charges	1,393,441
Total Expenses	27,439,170
Change in Net Assets	7,092,946
Net Assets - Beginning of Year	15,053,584
Net Assets - End of Year	\$22,146,530

Governmental Activities

Over the past several fiscal years, the District has remained in stable financial condition. In May of 2001, the District asked voters to replace the millage on the 2.9 mill Permanent Improvement Levy. The request has passed by more than 54% of the District's voters. The Permanent Improvement Fund is an important piece of the District's financial picture. It funds not only facility maintenance and upkeep issues but also provides the bulk of the District's technology needs and a large percentage of the State's set-aside requirements for both textbooks and instructional materials and capital improvements.

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In May of 2002 the District asked voters to replace the millage on the 5.8 mill operating levy. The request was passed by more than 62% of the voters. This levy is the District's only non-continuing operating tax levy and generates approximately \$1.8 million dollars.

The nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a levy will not increase solely as a result of inflation. As an example, the District would receive from a home valued at \$100,000 and taxed at 1.0 mill, \$35.00 annually. If three years later the home were reappraised and the value increased to \$200,000 (and this increase in value is comparable to other property owners) the effective tax rate would become 0.5 mill and the District would still receive \$35.00 annually.

The District is heavily dependent on property taxes and, like most Ohio schools, is hampered by a lack of revenue growth. Therefore, the District must regularly return to the voters to maintain a constant level of service. Property taxes made up 52.5% of the total revenue for our four most significant funds in fiscal year 2002.

Instruction accounts for 54.17% of governmental program expenses. Support services expenses make up 34.08% of governmental expenses. The *Statement of Activities* shows the cost of program services and charges for services and grants offsetting those services.

Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. Comparisons to 2001 have not been made since they are not available.

Table 3
Net Cost of Governmental Activities

	Total Cost of Services 2002	Net Cost of Services 2002
Program Expenses:		
Instruction	\$14,874,239	\$13,912,435
Support Services	9,345,265	9,136,951
Operation of Non-Instructional Services	1,403,505	823,132
Extracurricular Activities	422,720	345,485
Interest and Fiscal Charges	1,393,441	1,393,441
Total Expenses	\$27,439,170	\$25,611,444

The District's Funds

Information about the School District's major funds start on page 18. These funds are accounted for using the modified accrual basis of accounting. (See Note 2 for discussion of significant accounting policies and procedures.) All governmental funds had total revenues and other financing sources of \$27.69 million and expenditures and other financing uses of \$30.93 million. Governmental funds also received \$1.9 million from special and extraordinary items.

ATHENS CITY SCHOOL DISTRICT
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For the Fiscal Year Ended June 30, 2002
(Unaudited)

Total governmental funds net assets decreased by \$1.34 million. This decrease was due to a \$3.22 million decrease in the Building Fund net assets. This was a result of the school construction and renovation project being nearly complete by fiscal year end.

The District should remain stable in fiscal years 2003 through 2006. However, projections beyond fiscal year 2006 show the District may be unable to meet inflationary cost increases in the long-term without additional tax levies or a positive settlement to the DeRolf school funding case resulting in increased state revenues to schools.

General Fund Budget Highlights

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

During the course of fiscal year 2002, the District amended its General Fund budget several times, but no change was significant. The District uses a modified site-based budget technique that is designed to control site budgets while providing building administrators and supervisors flexibility for site management.

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

Bond Retirement Fund Highlights

The Bond Retirement Fund is one of the four governmental funds receiving the majority of its revenues from property taxes. There is no source of revenue other than property taxes for this fund. Tax rates for the bond retirement fund are set annually by the Budget Commission of Athens County in consultation with the Treasurer of the District to retire the annual principal and interest on bonded debt approved by the voters.

Permanent Improvement Fund Highlights

The Permanent Improvement Fund also receives the majority of its revenue from property taxes. In 2001, the voters approved a five-year replacement of the 2.9 mill levy. The levy is intended to finance the maintenance and improvement of capital assets, purchase textbooks, instructional equipment, and technology for the District. The levy currently generates approximately \$980,000 annually for calendar years 2002 through 2006. The District has replaced this levy every five years since it was originally approved in 1991. The District's top management personnel meet annually to update the Facility Master Plan and discuss the technology and transportation needs to be funded from this levy.

Building Fund Highlights

In fiscal year 2002, the Building Fund received no revenue since the construction project was originally started in fiscal year 2000. Expenses paid from this fund were the carry-over amounts due to the various contractors from the original budget. At fiscal year end, only \$542,324 remained as a balance to be paid to complete the project.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2002, the District had \$46.2 million invested in land, buildings and improvements, vehicles, furniture and equipment, and construction in progress, of which all was in governmental activities. That total carries an accumulated depreciation of \$19.4 million. Table 4 shows fiscal year 2002 balances compared to fiscal year 2001.

Table 4
Capital Assets & Accumulated Depreciation at June 30, 2002

	<u>Governmental Activities</u>	
	<u>2002</u>	<u>2001</u>
<i>Nondepreciable Capital Assets:</i>		
Land	\$1,481,240	\$1,481,240
Construction in Progress	0	12,568,620
<i>Depreciable Capital Assets:</i>		
Land Improvements	2,973,530	2,153,653
Buildings and Improvements	35,328,477	19,355,854
Furniture and Equipment	3,303,253	3,142,565
Vehicles	1,763,680	1,681,903
Library and Textbooks	1,399,405	1,306,525
Total Capital Assets	<u>46,249,585</u>	<u>41,690,360</u>
Less Accumulated Depreciation:		
Land Improvements	1,577,721	1,509,218
Buildings and Improvements	12,648,128	11,954,776
Furniture and Equipment	2,837,438	2,592,882
Vehicles	1,036,336	1,006,758
Library and Textbooks	1,315,813	1,175,872
Total Accumulated Depreciation	<u>19,415,436</u>	<u>18,239,506</u>
Capital Assets, Net	<u><u>\$26,834,149</u></u>	<u><u>\$23,450,854</u></u>

Because the government-wide *Statement of Net Assets* reports all government assets, a significant portion of the net assets reported are typically reflected in the District's investment in capital assets.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
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(Unaudited)

Debt Administration

At June 30, 2002, the District had \$18.4 million in bonds outstanding with \$247,947 due within one year. Table 5 summarizes bonds and notes outstanding.

Table 5
Outstanding Debt, Governmental Activities at Year End

Purpose	2002	2001
Facility Construction	\$2,474,513	\$2,534,973
Facility Renovation	15,950,000	16,150,000
Energy Conservation (H.B. 264)	415,000	610,000
Total	<u>\$18,839,513</u>	<u>\$19,294,973</u>

In 1990, the District issued bonds in the amount of \$5,000,000 for the construction of The Plains Elementary school facility. In October 1993, \$3,304,972 of these bonds were refinanced to take advantage of favorable interest rates and related cost savings. This debt is retired with annual payments toward the outstanding principal from the Bond Retirement Fund. In fiscal year 2002, the District retired \$60,460 of outstanding principal and had a remaining balance of \$2,474,513. This debt will be retired by December 2010.

In 1994, the District issued Energy Conservation notes in the amount of \$1,696,942 for the purpose of providing a more responsive and efficient heating/cooling system and related energy cost savings. The cost savings over the next 15 years are to provide funds to repay the debt. The District retires outstanding principal each year from the General Fund. In fiscal year 2002, the District retired \$195,000 of the outstanding principal which left a balance of \$415,000. This debt will be retired by December 2003.

In 2000, the District issued bonds in the amount of \$16,400,000 to renovate the Middle School, High School and smaller projects at several other facilities. This debt is retired with annual payments toward the outstanding principal from the Bond Retirement Fund. In fiscal year 2002, the District retired \$200,000 of outstanding principal and had a remaining balance of \$15,950,000. This debt will be retired by December 2024.

Current Issues

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

On March 24, 1997, the Ohio Supreme Court rendered the first of three decisions declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling to allow the Ohio General Assembly to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's School Foundation Program, which provides significant amounts of monetary support to the District.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
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(Unaudited)

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

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. As of the date of these financial statements, the District is unable to determine what effect, if any, this decision will have on its future State funding and on its financial statements.

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

In 1999, HB283 was adopted and will reduce the assessed valuation of the inventory component of personal property tax from 25% to 0% by 2031. The assessed valuation of the inventory component of personal property taxes will be reduced by 1% beginning with the January 1, 2002 tax year through the 2006 tax year. (If statewide total personal property tax revenues increase over the preceding years.) Beginning January 1, 2007, assessed values on the inventory component of personal property taxes will be the lesser of 24% or the current assessed value if lower, and will be reduced by 1% each year beginning in 2008 until the assessed value is 0%, not later than 2031.

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

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

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

Residential housing is experiencing growth outside the City of Athens but within the Athens City School District. These homes are being built in several new subdivisions and tend to be upscale in both style and price. Ohio University has partnered with private developers to construct additional upscale apartment buildings. These are constructed as profit making ventures and will increase either the tax or tax-exempt revenue to the District.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
(Unaudited)

The Athens City School District has committed itself to the highest standards of financial excellence for several years. The District has prepared a Comprehensive Annual Financial Report (CAFR) since fiscal year 2000 and has received the Government Finance Officers Association Certificate of Achievement for Excellence each year since. The commitment continues with this financial report using GASB Statement No. 34 reporting model.

Contacting the School District's Financial Management

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

ATHENS CITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2002

	<u>Governmental Activities</u>
<u>Assets:</u>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	\$10,378,226
Property Taxes Receivable	13,122,585
Accounts Receivable	925
Intergovernmental Receivable	1,471,198
Accrued Interest Receivable	24,258
Prepaid Items	48,926
Inventory Held for Resale	8,226
<i>Total Current Assets</i>	<u>25,054,344</u>
<i>Noncurrent Assets:</i>	
Investments	7,528,879
Capital Assets, Net	26,834,149
<i>Total Noncurrent Assets</i>	<u>34,363,028</u>
<i>Total Assets</i>	<u>59,417,372</u>
<u>Liabilities:</u>	
<i>Current Liabilities:</i>	
Accounts Payable	233,308
Accrued Wages	1,852,556
Contracts Payable	39,707
Intergovernmental Payable	747,719
Accrued Interest Payable	91,812
Claims Payable	273,158
Deferred Revenue	13,464,159
<i>Total Current Liabilities</i>	<u>16,702,419</u>
<i>Long-Term Liabilities:</i>	
Due within One Year	827,617
Due in More Than One Year	19,740,806
<i>Total Long-Term Liabilities</i>	<u>20,568,423</u>
<i>Total Liabilities</i>	<u>37,270,842</u>
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	8,409,636
<i>Restricted for:</i>	
Capital Projects	3,743,476
Debt Service	2,195,489
Other Purposes	526,828
Unrestricted	7,271,101
<i>Total Net Assets</i>	<u><u>\$22,146,530</u></u>

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2002

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants, and Contributions	Capital Grants and Contributions
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$11,572,314	\$69,568	\$143,241	\$9,000
Special	2,957,157	174,290	565,705	0
Vocational	344,768	0	0	0
Support Services:				
Pupil	1,032,824	0	0	0
Instructional Staff	1,095,832	0	63,892	0
Board of Education	116,184	0	0	0
Administration	1,489,063	0	99,830	0
Fiscal	695,109	0	0	0
Business	137,296	0	0	0
Operation and Maintenance of Plant	3,154,576	0	0	0
Pupil Transportation	1,483,104	9,200	0	0
Central	141,277	0	35,392	0
Operation of Non-Instructional Services:				
Food Services	919,570	292,962	287,411	0
Other	483,935	0	0	0
Extracurricular Activities	422,720	73,075	4,160	0
Interest and Fiscal Charges	1,393,441	0	0	0
<i>Total Governmental Activities</i>	<u>\$27,439,170</u>	<u>\$619,095</u>	<u>\$1,199,631</u>	<u>\$9,000</u>

General Revenues:

Property Taxes Levied for:

 General Purposes

 Debt Service

 Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Unrestricted Tuition and Fees

Unrestricted Contributions

Investment Earnings

Miscellaneous

Total General Revenues

Special Item:

 Gain on Sale of Capital Assets

Extraordinary Item:

 Stock Received from Demutualization

Total General Revenues and Special and Extraordinary Items

Change in Net Assets

Net Assets at Beginning of Year - As Restated (See Note 3)

Net Assets at End of Year

See accompanying notes to the basic financial statements

Net (Expense)
Revenue and Changes
in Net Assets

Governmental
Activities

(\$11,350,505)
(2,217,162)
(344,768)

(1,032,824)
(1,031,940)
(116,184)
(1,389,233)
(695,109)
(137,296)
(3,154,576)
(1,473,904)
(105,885)

(339,197)
(483,935)
(345,485)
(1,393,441)

(25,611,444)

9,798,612
1,949,691
827,863
10,606,940
1,460,118
6,102
331,695
179,594

25,160,615

14,896

7,528,879

32,704,390

7,092,946

15,053,584

\$22,146,530

ATHENS CITY SCHOOL DISTRICT

*Balance Sheet
Governmental Funds
June 30, 2002*

	General	Bond Retirement	Permanent Improvement	Building	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>						
Equity in Pooled Cash and Cash Equivalents	\$4,412,017	\$2,049,083	\$1,273,777	\$542,324	\$952,765	\$9,229,966
Investments	0	0	1,882,220	0	0	1,882,220
Property Taxes Receivable	10,260,531	2,012,611	849,443	0	0	13,122,585
Accounts Receivable	560	0	0	0	365	925
Intergovernmental Receivable	951,842	223,813	90,896	0	204,647	1,471,198
Accrued Interest Receivable	13,274	0	10,984	0	0	24,258
Interfund Receivable	70,000	0	0	0	0	70,000
Prepaid Items	48,926	0	0	0	0	48,926
Inventory Held for Resale	0	0	0	0	8,226	8,226
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	168,533	0	0	0	0	168,533
Total Assets	\$15,925,683	\$4,285,507	\$4,107,320	\$542,324	\$1,166,003	\$26,026,837
<u>Liabilities and Fund Balances:</u>						
<u>Liabilities:</u>						
Accounts Payable	\$83,482	\$0	\$27,124	\$0	\$122,377	\$232,983
Accrued Wages and Benefits	1,614,585	0	0	0	237,971	1,852,556
Contracts Payable	39,707	0	0	0	0	39,707
Intergovernmental Payable	468,694	0	0	0	59,381	528,075
Interfund Payable	0	0	0	0	70,000	70,000
Deferred Revenue	10,701,495	2,132,666	896,946	0	73,129	13,804,236
Compensated Absences Payable	83,844	0	0	0	1,975	85,819
Total Liabilities	12,991,807	2,132,666	924,070	0	564,833	16,613,376
<u>Fund Balances:</u>						
Reserved for Encumbrances	190,944	0	218,405	542,324	78,249	1,029,922
Reserved for Property Taxes	513,329	103,758	43,554	0	0	660,641
Reserved for Budget Stabilization	85,239	0	0	0	0	85,239
Reserved for Bus Purchases	83,294	0	0	0	0	83,294
Unreserved, Undesignated, Reported in:						
General Fund	2,061,070	0	0	0	0	2,061,070
Special Revenue Funds	0	0	0	0	522,921	522,921
Debt Service Fund	0	2,049,083	0	0	0	2,049,083
Capital Projects Funds	0	0	2,921,291	0	0	2,921,291
Total Fund Balances	2,933,876	2,152,841	3,183,250	542,324	601,170	9,413,461
Total Liabilities and Fund Balances	\$15,925,683	\$4,285,507	\$4,107,320	\$542,324	\$1,166,003	\$26,026,837

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2002*

Total Governmental Funds Balances	\$9,413,461
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	26,834,149
Some of the District's receivables will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. These receivables consist of:	
Property taxes	271,535
Intergovernmental	<u>68,544</u>
Total receivables that are deferred in the funds	340,079
Intergovernmental payables include contractually required pension contributions not expected to be paid with expendable available financial resources and therefore are not reported in the funds.	(219,644)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Energy conservation notes	(415,000)
General obligation bonds	(18,424,513)
Accrued interest on notes and bonds	(91,812)
Retirement incentive	(20,000)
Compensated absences	<u>(1,623,091)</u>
Total liabilities that are not reported in the funds	(20,574,416)
An internal service fund is used by management to charge the costs of insurance activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	<u>6,352,901</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$22,146,530</u></u>
See accompanying notes to the basic financial statements	

ATHENS CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2002

	General	Bond Retirement	Permanent Improvement	Building	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>						
Taxes	\$9,794,076	\$1,948,599	\$825,330	\$0	\$0	\$12,568,005
Intergovernmental	9,028,227	223,813	90,896	0	2,962,120	12,305,056
Interest	205,062	0	126,633	0	0	331,695
Tuition and Fees	1,623,018	0	0	0	78,198	1,701,216
Extracurricular Activities	0	0	0	0	113,665	113,665
Rentals	11,105	0	0	0	0	11,105
Charges for Services	0	0	0	0	292,962	292,962
Contributions and Donations	0	0	0	0	30,262	30,262
Miscellaneous	56,081	0	0	0	83,778	139,859
<i>Total Revenues</i>	<u>20,717,569</u>	<u>2,172,412</u>	<u>1,042,859</u>	<u>0</u>	<u>3,560,985</u>	<u>27,493,825</u>
<u>Expenditures:</u>						
<i>Current:</i>						
<i>Instruction:</i>						
Regular	9,350,867	0	0	0	1,301,077	10,651,944
Special	2,241,067	0	0	0	712,050	2,953,117
Vocational	343,891	0	0	0	0	343,891
<i>Support Services:</i>						
Pupil	909,914	0	0	0	122,698	1,032,612
Instructional Staff	629,842	0	0	0	370,758	1,000,600
Board of Education	116,622	0	0	0	0	116,622
Administration	1,374,867	0	0	0	123,113	1,497,980
Fiscal	613,316	43,458	0	0	227	657,001
Business	138,004	0	0	0	0	138,004
Operation and Maintenance of Plant	2,625,865	0	0	0	19,682	2,645,547
Pupil Transportation	1,291,548	0	0	0	71,517	1,363,065
Central	123,583	0	0	0	3,723	127,306
Operation of Non-Instructional Services	153	0	0	0	892,655	892,808
Extracurricular Activities	284,511	0	0	0	97,990	382,501
Capital Outlay	50,373	0	1,773,534	3,224,055	26,500	5,074,462
<i>Debt Service:</i>						
Principal Retirement	195,000	260,460	0	0	0	455,460
Interest and Fiscal Charges	25,369	1,370,138	0	0	0	1,395,507
<i>Total Expenditures</i>	<u>20,314,792</u>	<u>1,674,056</u>	<u>1,773,534</u>	<u>3,224,055</u>	<u>3,741,990</u>	<u>30,728,427</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>402,777</u>	<u>498,356</u>	<u>(730,675)</u>	<u>(3,224,055)</u>	<u>(181,005)</u>	<u>(3,234,602)</u>
<u>Other Financing Sources (Uses):</u>						
Transfers In	0	0	0	0	201,000	201,000
Transfers Out	(201,000)	0	0	0	0	(201,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(201,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>201,000</u>	<u>0</u>
<u>Special Item:</u>						
Proceeds from Sale of Fixed Assets	8,302	0	6,594	0	0	14,896
<u>Extraordinary Item:</u>						
Stock Received from Demutualization	0	0	1,882,220	0	0	1,882,220
<i>Net Change in Fund Balances</i>	210,079	498,356	1,158,139	(3,224,055)	19,995	(1,337,486)
<i>Fund Balances at Beginning of Year - As Restated (See Note 3)</i>	<u>2,723,797</u>	<u>1,654,485</u>	<u>2,025,111</u>	<u>3,766,379</u>	<u>581,175</u>	<u>10,750,947</u>
<i>Fund Balances at End of Year</i>	<u>\$2,933,876</u>	<u>\$2,152,841</u>	<u>\$3,183,250</u>	<u>\$542,324</u>	<u>\$601,170</u>	<u>\$9,413,461</u>

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2002*

Net Change in Fund Balances - Total Governmental Funds (\$1,337,486)

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. 3,383,295

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These revenues consist of:

Property taxes	8,160	
Intergovernmental	(513,646)	

Total revenues not reported in the funds (505,486)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 455,460

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 2,066

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in compensated absences	46,428	
Increase in intergovernmental payables	(24,860)	
Decrease in retirement incentive obligation	10,000	

Total expenditures not reported in the funds 31,568

An internal service fund is used by management to charge the costs of insurance to individual funds. The net revenue of the internal service fund is reported as governmental activities. 5,063,529

Change in Net Assets of Governmental Activities \$7,092,946

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Taxes	\$9,339,279	\$9,711,233	\$9,711,233	\$0
Intergovernmental	8,682,433	9,028,227	9,028,227	0
Interest	232,928	242,205	242,205	0
Tuition and Fees	1,560,854	1,623,018	1,623,018	0
Rent	10,680	11,105	11,105	0
Miscellaneous	53,706	55,845	55,845	0
<i>Total Revenues</i>	19,879,880	20,671,633	20,671,633	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	9,248,314	9,365,994	9,365,994	0
Special	2,202,817	2,230,847	2,230,847	0
Vocational	369,470	374,172	374,172	0
<i>Support Services:</i>				
Pupils	906,263	914,757	914,757	0
Instructional Staff	621,701	629,611	629,611	0
Board of Education	107,087	108,450	108,450	0
Administration	1,347,100	1,364,241	1,364,241	0
Fiscal	591,595	599,122	599,122	0
Business	135,478	137,201	137,201	0
Operation and Maintenance of Plant	2,620,374	2,653,717	2,653,717	0
Pupil Transportation	1,313,267	1,329,976	1,329,976	0
Central	101,603	102,932	102,932	0
Extracurricular Activities	275,799	279,309	279,309	0
Capital Outlay	65,824	66,662	48,366	18,296
<i>Debt Service:</i>				
Principal Retirement	192,550	195,000	195,000	0
Interest and Fiscal Charges	25,050	25,369	25,369	0
<i>Total Expenditures</i>	20,124,292	20,377,360	20,359,064	18,296
Excess of Revenues Over (Under) Expenditures	(244,412)	294,273	312,569	18,296
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Fixed Assets	7,984	8,302	8,302	0
Advances In	91,361	95,000	95,000	0
Operating Transfers Out	(198,475)	(201,000)	(201,000)	0
Advances Out	(69,120)	(70,000)	(70,000)	0
<i>Total Other Financing Sources (Uses)</i>	(168,250)	(167,698)	(167,698)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(412,662)	126,575	144,871	18,296
Fund Balance at Beginning of Year	3,980,106	3,980,106	3,980,106	0
Prior Year Encumbrances Appropriated	255,840	255,840	255,840	0
Fund Balance at End of Year	\$3,823,284	\$4,362,521	\$4,380,817	\$18,296

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Net Assets

Proprietary Fund

June 30, 2002

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Assets:</u>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	\$979,725
<i>Noncurrent Assets:</i>	
Investments	<u>5,646,659</u>
<i>Total Assets</i>	<u>6,626,384</u>
<u>Liabilities:</u>	
<i>Current Liabilities:</i>	
Accounts Payable	325
Claims Payable	<u>273,158</u>
<i>Total Current Liabilities</i>	<u>273,483</u>
<u>Net Assets:</u>	
Unrestricted	<u><u>\$6,352,901</u></u>

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
*Statement of Revenues,
Expenses and Change in Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2002*

	Governmental Activities
	Internal Service
<u>Operating Revenues:</u>	
Charges for Services	\$2,297,738
<u>Operating Expenses:</u>	
Purchased Services	482,689
Claims	2,398,179
<i>Total Operating Expenses</i>	2,880,868
<i>Operating Income (Loss)</i>	(583,130)
<u>Extraordinary Item:</u>	
Stock Received from Demutualization	5,646,659
<i>Change in Net Assets</i>	5,063,529
<i>Net Assets at Beginning of Year</i>	1,289,372
<i>Net Assets at End of Year</i>	\$6,352,901

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2002

	Governmental Activities
	Internal Service
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Quasi-External Transactions with Other Funds	\$2,297,738
Cash Payments to Suppliers for Goods and Services	(355,770)
Cash Payments for Claims	(2,596,548)
	(654,580)
<u>Net Cash from Operating Activities</u>	
<u>Cash Flows from Investing Activities:</u>	
Interest on Investments	35,378
	35,378
<u>Net Cash from Investing Activities</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	(619,202)
Cash and Cash Equivalents at Beginning of Year	1,598,927
	\$979,725
	\$979,725
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash from Operating Activities:</u>	
Operating Income (Loss)	(\$583,130)
<u>Adjustments to Reconcile Operating Income (Loss)</u>	
<u>to Net Cash from Operating Activities:</u>	
<i>Changes in Assets and Liabilities:</i>	
(Increase) Decrease in Prepaid Items	120,962
Increase (Decrease) in Accounts Payable	68
Increase (Decrease) in Claims Payable	(192,480)
	(71,450)
Total Adjustments	(71,450)
Net Cash from Operating Activities	(\$654,580)

Noncash Investing Activities:

At the end of the fiscal year, the District received \$5,646,659 in stock options in the Internal Service Fund for the demutualization of the insurance company that provides the District's health self-insurance.

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2002

	Private Purpose Trusts	Agency
	<u> </u>	<u> </u>
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$21,621	\$48,039
	<u> </u>	<u> </u>
<u>Liabilities:</u>		
Accounts Payable	0	1,249
Due to Students	0	46,790
	<u> </u>	<u> </u>
<i>Total Liabilities</i>	0	48,039
	<u> </u>	<u> </u>
<u>Net Assets:</u>		
<i>Held in Trust for:</i>		
Scholarships	500	0
Other Individuals and Organizations	21,121	0
	<u> </u>	<u> </u>
<i>Total Net Assets</i>	\$21,621	\$0
	<u> </u>	<u> </u>

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
Statement of Change in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2002

	<u>Private Purpose Trusts</u>
<u>Additions:</u>	
Gifts and Donations	\$500
Other	<u>7,019</u>
<i>Total Additions</i>	7,519
<u>Deductions</u>	<u>0</u>
<i>Change in Net Assets</i>	7,519
<i>Net Assets Beginning of Year</i>	<u>14,102</u>
<i>Net Assets End of Year</i>	<u><u>\$21,621</u></u>

See accompanying notes to the basic financial statements

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ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Description of the School District

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

The District was established in the mid 1800's and in 1960 the District was consolidated with the portion of the Athens Local School District located in the City of Athens. The District was consolidated in 1964 with the Plains Local School District and the Chauncey Local School District. The District serves an area of approximately 58 square miles. It is located in Athens County, and includes the City of Athens and portions of the Village of Chauncey and the Townships of Athens, Canaan, Dover, and Waterloo. The District is the 182nd largest in the State of Ohio (among 613 school districts) in terms of enrollment. It is staffed by 165 non-certificated employees, 238 certificated full-time teaching personnel and 18 administrative employees who provide services to 2,544 students and other community members. The District currently operates 7 instructional buildings, 1 administrative building and 2 garages.

Reporting Entity

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

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

The following activity is included in the reporting entity:

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District has no business-type activities.

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

Fund Financial Statements

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

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

B. Fund Accounting

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

Governmental Funds

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

The following are the District's major governmental funds:

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

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

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

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

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

Proprietary Fund

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

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

Fiduciary Funds

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

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

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

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

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. Cash and Cash Equivalents

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

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

During the fiscal year 2002, the District's investments were limited to the State Treasury Asset Reserve of Ohio (STAROhio), stocks, and treasury notes. Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investments the investment could be sold for on June 30, 2002.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2002 amounted to \$205,062, which includes \$87,465 assigned from other District funds.

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

F. Inventory

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

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2002, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Restricted Assets

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

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

I. Capital Assets

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

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

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

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

J. Interfund Balances

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

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributed to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payments in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated unused sick leave for classified and certified employees and administrators who are 45 years of age or older and have at least 10 years of service with the District.

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

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

L. Accrued Liabilities and Long-Term Liabilities

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

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

M. Net Assets

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

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

N. Fund Balance Reserves

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

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

O. Operating Revenues and Expenses

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

P. Interfund Transactions

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

Q. Extraordinary and Special Items

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

R. Estimates

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

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

S. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2002.

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

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS

Changes in Accounting Principles

For fiscal year 2002, the District has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments," GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus," GASB Statement No. 38, "Certain Financial Statement Note Disclosures," and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements." At June 30, 2001, there was no effect on fund balance as a result of implementing GASB Statement Nos. 37 and 38, and GASB Interpretation No. 6.

GASB Statement No. 34 creates new basic financial statements for reporting on the District's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements present the District's programs as governmental activities. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at June 30, 2001, caused by the conversion to the accrual basis of accounting.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS - (Continued)

Restatement of Fund Balances

The restatements for a fund reclassification, the reclassification of accrued interest revenue and GASB Statement No. 34 had the following effects on fund balance of the major and nonmajor funds of the District as they were previously reported.

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Building</u>	<u>Nonmajor</u>	<u>Total</u>
Fund Balances, June 30 2001	\$2,723,797	\$1,654,485	\$1,960,676	\$3,830,814	\$2,016,064	\$12,185,836
Fund Reclassification	0	0	0	0	(145,517)	(145,517)
Reclassify Accrued Interest	0	0	64,435	(64,435)	0	0
Adjusted Fund Balances, June 30, 2001	<u>\$2,723,797</u>	<u>\$1,654,485</u>	<u>\$2,025,111</u>	<u>\$3,766,379</u>	<u>\$1,870,547</u>	12,040,319
GASB 34 Adjustments:						
Intergovernmental Receivables						582,189
Property Taxes						263,375
Capital Assets						4,765,881
Accrued Interest Payable						(93,877)
Intergovernmental Payable						(194,784)
Long-Term Obligations:						
Compensated Absences Payable						(1,669,519)
Retirement Incentive Payable						(30,000)
Energy Conservation Notes						(610,000)
Governmental Activities Net Assets, June 30, 2001						<u>\$15,053,584</u>

NOTE 4 - ACCOUNTABILITY

The following funds had deficit fund balances/retained earnings as of June 30, 2002:

Special Revenue Funds:

Food Service	\$110,659
Title VI-B	3,037

The deficits in these funds are the result of the application of generally accepted accounting principles and the requirement to accrue liabilities when incurred. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur. These deficits do not exist on the cash basis.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$210,079
<i>Adjustments:</i>	
Revenue Accruals	(45,936)
Expenditure Accruals	155,102
Encumbrances	(199,374)
Other Sources (Uses)	25,000
Budget Basis	<u><u>\$144,871</u></u>

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

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

Deposits: At fiscal year-end, the carrying amount of the District's deposits was \$5,355,108, and the bank balance was \$5,919,963. Of the bank balance, \$300,000 was covered by federal depository insurance and \$5,619,963 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institutions' trust department in the District's name and all State statutory requirements for the investments of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation.

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

	Category 2	Category 3	Carrying Value	Fair Value
Treasury Note	\$0	\$270,000	\$270,000	\$270,000
Stocks	7,528,879	0	7,528,879	7,528,879
STAR Ohio			4,749,118	4,749,118
Totals	<u>\$7,528,879</u>	<u>\$270,000</u>	<u>\$12,547,997</u>	<u>\$12,547,997</u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$10,378,226	\$7,528,879
Cash on Hand	(4,000)	0
<i>Investments:</i>		
Treasury Note	(270,000)	270,000
STAR Ohio	(4,749,118)	4,749,118
GASB Statement No. 3	<u>\$5,355,108</u>	<u>\$12,547,997</u>

NOTE 7 - PROPERTY TAXES

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

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The District receives property taxes from Athens County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2002 are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 7 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable represents the June 2002 personal property tax settlement, delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which become measurable as of June 30, 2002. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The total amount available as an advance at June 30, 2002 was \$660,641 and is recognized as revenue. Of this total amount, \$513,329 was available to the General Fund, \$103,758 was available to the Bond Retirement Fund, and \$43,554 was available to the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2002 taxes were collected are:

	2001 Second- Half Collections		2002 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$291,086,680	85.27%	\$295,558,800	86.60%
Public Utility Personal	26,776,310	7.84%	22,422,540	6.57%
Tangible Personal Property	23,500,232	6.89%	23,319,149	6.83%
Total Assessed Value	<u>\$341,363,222</u>	<u>100.00%</u>	<u>\$341,300,489</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$64.60		\$64.60	

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 8 - RECEIVABLES

Receivables at June 30, 2002 consisted of property taxes, accounts (student fees), interfund, interest, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities:</u>	
<i>General Fund:</i>	
State Reimbursements	\$951,842
<i>Bond Retirement Fund:</i>	
State Reimbursements	223,813
<i>Permanent Improvement Fund:</i>	
State Reimbursements	90,896
<i>Nonmajor Special Revenue Funds:</i>	
Food Service	70,847
Ohio Reads	59,986
Other State Support	1,625
Title VI-B	21,066
Title I	8,706
Other Federal Support	42,417
Total Nonmajor Special Revenue Funds	<u>204,647</u>
Total Intergovernmental Receivables	<u><u>\$1,471,198</u></u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 9 - CAPITAL ASSETS

Capital asset governmental activity for the fiscal year ended June 30, 2002 was as follows:

<u>Asset Category</u>	<u>Balance at July 1, 2001</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at June 30, 2002</u>
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,481,240	\$0	\$0	\$1,481,240
Construction in Progress	12,568,620	0	12,568,620	0
Total Nondepreciable Capital Assets	14,049,860	0	12,568,620	1,481,240
<i>Depreciable Capital Assets:</i>				
Land Improvements	2,153,653	819,877	0	2,973,530
Buildings and Improvements	19,355,854	15,972,623	0	35,328,477
Furniture, Fixtures and Equipment	3,142,565	160,688	0	3,303,253
Vehicles	1,681,903	161,019	79,242	1,763,680
Library and Textbooks	1,306,525	92,880	0	1,399,405
Total Depreciable Capital Assets	27,640,500	17,207,087	79,242	44,768,345
Total Capital Assets	41,690,360	17,207,087	12,647,862	46,249,585
<i>Accumulated Depreciation:</i>				
Land Improvements	1,509,218	68,503	0	1,577,721
Buildings and Improvements	11,954,776	693,352	0	12,648,128
Furniture, Fixtures and Equipment	2,592,882	244,556	0	2,837,438
Vehicles	1,006,758	108,820	79,242	1,036,336
Library and Textbooks	1,175,872	139,941	0	1,315,813
Total Accumulated Depreciation	18,239,506	1,255,172	79,242	19,415,436
Total Net Capital Assets	<u>\$23,450,854</u>	<u>\$15,951,915</u>	<u>\$12,568,620</u>	<u>\$26,834,149</u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follow:

<i>Instruction:</i>	
Regular	\$910,679
Special	4,550
Vocational	164
<i>Support Services:</i>	
Pupil	872
Instructional Staff	146,432
Board of Education	163
Administration	15,056
Fiscal	2,388
Operation and Maintenance	9,643
Pupil Transportation	116,786
Central	353
Operation of Non-Instructional Services	14,443
Extracurricular Activities	33,643
	<hr/>
Total Depreciation Expense	<u><u>\$1,255,172</u></u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2002, the District contracted with Nationwide Insurance for liability insurance, Reed and Baur Insurance for property insurance, fleet and inlandmarine insurance and Mathews Insurance for boiler and machinery insurance. Coverages provided are as follows:

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

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

For fiscal year 2002, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (the "Plan"), an insurance purchasing pool (Note 18). The intent of the Plan is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Plan. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria. The firm Gates McDonald & Co. provides administrative, cost control and actuarial services to the Plan.

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 10 - RISK MANAGEMENT - (Continued)

The claims liability of \$273,158 reported at June 30, 2002 is based on an estimate provided by the third party administrators and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2001	\$269,120	\$1,787,197	\$1,584,790	\$471,527
2002	471,527	2,398,179	2,596,548	273,158

NOTE 11 - DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2002, 5.46 percent of the annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$210,661, \$166,003, and \$175,073, respectively; 56.30 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$92,051 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds.

State Teachers Retirement System

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,046,341, \$975,244, and \$627,110, respectively; 83.77 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$169,784 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2002, no members of the Board of Education have elected Social Security.

NOTE 12 - POSTEMPLOYMENT BENEFITS

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By Ohio Law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 2002, the Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$495,635 during fiscal year 2002.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3.256 billion at June 30, 2001. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For fiscal year 2002, employer contributions to fund health care benefits were 8.54 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay has been established at \$12,400. The surcharge added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2002 were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 million. The number of participants currently receiving health care benefits is approximately 50,000. For the District, the amount to fund health care benefits, including the surcharge, equaled \$391,788 during the 2002 fiscal year.

NOTE 13 - EMPLOYEE BENEFITS

Compensated Absences

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

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

Dental, Vision, and Life Insurance

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 13 - EMPLOYEE BENEFITS - (Continued)

Retirement Incentive

On January 16, 1999, the District Board of Education approved a Retirement Incentive Program. Participation is open to members of the Athens Education Association the year in which the member first attains thirty years of service credit with the STRS. Such members must retire at the end of the first year of eligibility (June 30) in order to receive the retirement incentive. The Board has elected to make the retirement incentive a lump sum payment of \$20,000. Members who do not retire in the first year of eligibility will not receive the retirement incentive. The retirement incentive program is a part of the negotiated union contract and is in effect until January 15, 2005. As of June 30, 2002, there was a \$20,000 of retirement incentive liability recorded by the District.

NOTE 14 - LONG-TERM LIABILITIES

The changes in the District's long-term liabilities during fiscal year 2002 were as follows:

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Principal Outstanding at July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Principal Outstanding at June 30, 2002</u>	<u>Amount Due in One Year</u>
<u>Governmental Activities:</u>							
Energy Conservation Note	1994	4.95%	\$610,000	\$0	\$195,000	\$415,000	\$200,000
Renovation Bonds	2000	6.01%	16,150,000	0	200,000	15,950,000	200,000
Refunding Bonds	1993	2.4 -5.2%	2,534,973	0	60,460	2,474,513	47,947
Retirement Incentive Obligation			30,000	20,000	30,000	20,000	20,000
Compensated Absences			1,669,519	450,842	411,451	1,708,910	359,670
Total Governmental Activities Long-Term Liabilities			<u>\$20,994,492</u>	<u>\$470,842</u>	<u>\$896,911</u>	<u>\$20,568,423</u>	<u>\$827,617</u>

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 14 - LONG-TERM LIABILITIES - (Continued)

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

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

The retirement incentives and compensated absences are paid from the fund from which the respective employees' salaries are paid.

The District's overall legal debt margin was \$14,860,372 with an unvoted debt margin of \$341,300 at June 30, 2002.

Principal and interest requirements to retire general obligation bonds and the energy conservation note outstanding at June 30, 2002, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$447,947	\$1,382,244	\$1,830,191
2004	624,118	1,368,702	1,992,820
2005	422,448	1,342,249	1,764,697
2006	760,000	992,613	1,752,613
2007	805,000	952,008	1,757,008
2008-2012	4,230,000	4,081,353	8,311,353
2013-2017	3,420,000	3,025,471	6,445,471
2018-2022	4,645,000	1,773,842	6,418,842
2023-2025	3,485,000	321,750	3,806,750
Total	<u>\$18,839,513</u>	<u>\$15,240,232</u>	<u>\$34,079,745</u>

NOTE 15 - INTERFUND ACTIVITY

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

As of June 30, 2002, receivables and payables that resulted from various interfund transactions were as follows:

Fund	Interfund Receivables	Interfund Payables
<i>General Fund</i>	\$70,000	\$0
<i>Nonmajor Special Revenue Fund:</i>		
Food Service	0	70,000
Total	\$70,000	\$70,000

Additionally, there was an interfund transfer of \$201,000 from the General Fund to the Food Service Fund.

NOTE 16 - STATUTORY SET-ASIDES

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2002:

	Textbooks	Capital Improvements	Budget Stabilization	Totals
Set-Aside Balance as of July 1, 2001	\$0	\$0	\$223,528	\$223,528
Current Year Set-Aside Requirement	369,547	369,547	0	739,094
Qualifying Disbursements	(369,547)	(369,547)	(138,289)	(877,383)
Total	0	0	85,239	85,239
Set-Aside Balance as of June 30, 2002	\$0	\$0	\$85,239	
Total Restricted Assets				\$85,239

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 17 - JOINTLY GOVERNED ORGANIZATION

Southeast Ohio Voluntary Education Cooperative (SEOVEC)

Southeast Ohio Voluntary Education Cooperative, is a jointly governed organization created as a regional council of governments pursuant to State statutes. SEOVEC has 35 participants consisting of 26 school districts and 9 county boards of education. SEOVEC provides financial accounting services, educational management information, and cooperative purchasing services to member districts. Each member district pays a fee annually for services provided by SEOVEC. SEOVEC is governed by a governing board which is selected by the member districts. Each district has one vote in all matters, and each member district's control over budgeting and financing of SEOVEC is limited to its voting authority and any representation it may have on the governing board. SEOVEC operates with its own Treasurer. The continued existence of SEOVEC is not dependent on the District's continued participation and no equity interest exists. SEOVEC has no outstanding debt. Financial statements for SEOVEC can be obtained from the Southeast Ohio Voluntary Education Cooperative, 221 North Columbus Road, Athens, Ohio 45701. The District made payments of \$31,300 to SEOVEC in fiscal year 2002.

Tri-County Joint Vocational School

The Tri-County Joint Vocational School is a jointly governed organization providing vocational services to its eight member Districts. The Joint Vocational School is governed by a board of education comprised of eleven members appointed by the participating schools. The board controls the financial activity of the Joint Vocational School and reports to the Ohio Department of Education and the Auditor of State of Ohio. The continued existence of the Joint Vocational School is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2002, the District made no contributions to the Joint Vocational School. Financial information can be obtained from the Tri-County Joint Vocational School, 15676 State Route 691, Nelsonville, Ohio 45764.

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization including over 100 school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of fourteen members. The board members are composed of one superintendent from each county elected by the school districts within that county. The Council provides various inservice for school district administrative personnel; gathers of data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Council is not dependent on the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for the Council. The District made no significant payments for membership in fiscal year 2002.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002*

NOTE 18 - INSURANCE PURCHASING POOL

Ohio School Boards Association Worker's Compensation Group Rating Plan

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

NOTE 19 - CONTINGENCIES

Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2002.

NOTE 20 - SCHOOL FUNDING

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

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

NOTE 21 - SUBSEQUENT EVENTS

On November 2, 2001, Anthem Insurance Companies, Inc., the parent company of Anthem Blue Cross/Blue Shield, converted from a mutual insurance company to a stock insurance company. As a result of this conversion, Anthem Insurance Companies became a stock subsidiary of a new entity called Anthem, Inc., a publicly traded stock company. Since the District holds a group health insurance policy issued by Anthem Insurance Companies, it has both a contractual and membership interest with Anthem Insurance Companies. This conversion entitles the District to receive cash (which is limited as to the amount available) or Anthem stock as compensation for the extinguishment of its membership interest in Anthem Insurance Companies. During fiscal year 2002, the District chose to accept the Anthem stock option and received 111,572 shares. The District also determined that 75 percent of the proceeds from the sale of the shares of stock would go to the Employees Benefits Self-Insurance Internal Service Fund and the remaining 25 percent would go to the Permanent Improvement Fund. In August 2002 and October 2002, the District sold all of their shares of Anthem stock which resulted in the receipt of \$7,978,835.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

ATHENS CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

Food Service

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

Uniform School Supplies

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

Venture Capital

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

Other Local Support

A fund used to account for the proceeds of specific revenue sources, except for state and federal grants, that are legally restricted to expenditures for specified purposes. These sources include Martha Jennings Holden Grant, General PRC Grant, JOGS Grant, Pioneer Grant, Southeast Region Professional Development Program, and Public School Support.

District Managed Student Activities

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

Disadvantaged Pupil Impact Aid

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

Ohio Reads

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

Other State Support

A fund used to account for various restricted monies received from State agencies which are not classified elsewhere. This state funding includes: Auxiliary Services Grant, Teacher Development Grant, Management Information Systems, Preschool Grant, Entry Year Program Grant, Disadvantaged Pupil Impact Aid, OneNet Program, School Net Professional Development Grant, Safe School Help Line Grant, School Improvement Incentive Grant, Partnership 2000 Grant, Ohio Reads Grant, Summer School Subsidy, and Extended Learning Opportunities Program.

ATHENS CITY SCHOOL DISTRICT

Nonmajor Special Revenue Funds (Continued)

Title VI-B

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

Title I

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

Other Federal Support

A fund used to account for monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. This federal funding includes: Dwight D. Eisenhower Grant, Title VI-B Grant, Title I Grant, Title II Grant, Drug Free Schools Grant, EHA Preschool Grant for the Handicapped, Telecommunications Act (E-Rate) Grant, School-to-Work Grant, Title VI-R Grant, and Local Reading Improvement Grant.

CAPITAL PROJECTS FUND

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

Nonmajor Capital Projects Fund

SchoolNet

A fund used to account for monies used to obtain computers and related educational technology equipment and/or necessary infrastructure for educational technology. This fund includes the SchoolNet Community Link Grant and SchoolNet Plus Grant. Since this is the only nonmajor capital projects fund, no combining statements for the capital projects funds are presented.

INTERNAL SERVICE FUND

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

Employee Benefits Self-Insurance

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

ATHENS CITY SCHOOL DISTRICT

FIDUCIARY FUNDS

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

Private Purpose Trust Funds

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

Gretchen Gallucci Scholarship

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

Unclaimed Monies

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

Agency Fund

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

Student Managed Activities

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

ATHENS CITY SCHOOL DISTRICT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2002

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$952,765	\$0	\$952,765
Receivables:			
Accounts	365	0	365
Intergovernmental	204,647	0	204,647
Inventory Held for Resale	8,226	0	8,226
<i>Total Assets</i>	<u>\$1,166,003</u>	<u>\$0</u>	<u>\$1,166,003</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$122,377	\$0	\$122,377
Accrued Wages and Benefits	237,971	0	237,971
Intergovernmental Payable	59,381	0	59,381
Interfund Payable	70,000	0	70,000
Deferred Revenue	73,129	0	73,129
Compensated Absences Payable	1,975	0	1,975
<i>Total Liabilities</i>	<u>564,833</u>	<u>0</u>	<u>564,833</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	78,249	0	78,249
Unreserved, Undesignated, Reported in: Special Revenue Funds	522,921	0	522,921
<i>Total Fund Balances</i>	<u>601,170</u>	<u>0</u>	<u>601,170</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,166,003</u>	<u>\$0</u>	<u>\$1,166,003</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2002

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Intergovernmental	\$2,953,120	\$9,000	\$2,962,120
Tuition and Fees	78,198	0	78,198
Extracurricular Activities	113,665	0	113,665
Charges for Services	292,962	0	292,962
Contributions and Donations	30,262	0	30,262
Miscellaneous	83,778	0	83,778
<i>Total Revenues</i>	<u>3,551,985</u>	<u>9,000</u>	<u>3,560,985</u>
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	1,301,077	0	1,301,077
Special	712,050	0	712,050
<i>Support Services:</i>			
Pupil	122,698	0	122,698
Instructional Staff	370,758	0	370,758
Administration	123,113	0	123,113
Fiscal	227	0	227
Operation and Maintenance of Plant	19,682	0	19,682
Pupil Transportation	71,517	0	71,517
Central	3,723	0	3,723
Operation of Non-Instructional Services	892,655	0	892,655
Extracurricular Activities	97,990	0	97,990
Capital Outlay	0	26,500	26,500
<i>Total Expenditures</i>	<u>3,715,490</u>	<u>26,500</u>	<u>3,741,990</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(163,505)</u>	<u>(17,500)</u>	<u>(181,005)</u>
<u>Other Financing Sources:</u>			
Transfers In	201,000	0	201,000
<i>Net Change in Fund Balances</i>	37,495	(17,500)	19,995
<i>Fund Balances at Beginning of Year</i>	<u>563,675</u>	<u>17,500</u>	<u>581,175</u>
<i>Fund Balances at End of Year</i>	<u><u>\$601,170</u></u>	<u><u>\$0</u></u>	<u><u>\$601,170</u></u>

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ATHENS CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002

	Food Service	Uniform School Supplies	Venture Capital	Other Local Support	District Managed Activities
<u>Assets:</u>					
Equity In Pooled Cash and Cash Equivalents	\$4,362	\$23,253	\$27,487	\$130,422	\$51,409
Receivables:					
Accounts	40	0	0	325	0
Intergovernmental	70,847	0	0	0	0
Inventory Held for Resale	8,226	0	0	0	0
<i>Total Assets</i>	<u>\$83,475</u>	<u>\$23,253</u>	<u>\$27,487</u>	<u>\$130,747</u>	<u>\$51,409</u>
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$82,713	\$1,216	\$0	\$12,899	\$1,377
Accrued Wages and Benefits	27,504	0	0	0	0
Intergovernmental Payable	7,356	0	0	16	0
Interfund Payable	70,000	0	0	0	0
Deferred Revenue	4,586	0	0	0	0
Compensated Absences Payable	1,975	0	0	0	0
<i>Total Liabilities</i>	<u>194,134</u>	<u>1,216</u>	<u>0</u>	<u>12,915</u>	<u>1,377</u>
<u>Fund Balances:</u>					
Reserved for Encumbrances	0	79	2,487	22,335	2,335
Unreserved, Undesignated, Reported in: Special Revenue Funds	(110,659)	21,958	25,000	95,497	47,697
<i>Total Fund Balances</i>	<u>(110,659)</u>	<u>22,037</u>	<u>27,487</u>	<u>117,832</u>	<u>50,032</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$83,475</u>	<u>\$23,253</u>	<u>\$27,487</u>	<u>\$130,747</u>	<u>\$51,409</u>

Disadvantaged Pupil Impact Aid	Ohio Reads	Other State Support	Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$208,165	\$71,116	\$127,888	\$24,625	\$144,115	\$139,923	\$952,765
0	0	0	0	0	0	365
0	59,986	1,625	21,066	8,706	42,417	204,647
0	0	0	0	0	0	8,226
<u>\$208,165</u>	<u>\$131,102</u>	<u>\$129,513</u>	<u>\$45,691</u>	<u>\$152,821</u>	<u>\$182,340</u>	<u>\$1,166,003</u>
\$0	\$4,363	\$87	\$0	\$171	\$19,551	\$122,377
73,385	1,530	17,237	22,359	72,904	23,052	237,971
18,013	240	4,203	5,303	17,836	6,414	59,381
0	0	0	0	0	0	70,000
0	0	0	21,066	8,706	38,771	73,129
0	0	0	0	0	0	1,975
<u>91,398</u>	<u>6,133</u>	<u>21,527</u>	<u>48,728</u>	<u>99,617</u>	<u>87,788</u>	<u>564,833</u>
0	9,613	2,847	0	61	38,492	78,249
<u>116,767</u>	<u>115,356</u>	<u>105,139</u>	<u>(3,037)</u>	<u>53,143</u>	<u>56,060</u>	<u>522,921</u>
<u>116,767</u>	<u>124,969</u>	<u>107,986</u>	<u>(3,037)</u>	<u>53,204</u>	<u>94,552</u>	<u>601,170</u>
<u>\$208,165</u>	<u>\$131,102</u>	<u>\$129,513</u>	<u>\$45,691</u>	<u>\$152,821</u>	<u>\$182,340</u>	<u>\$1,166,003</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2002

	Food Service	Uniform School Supplies	Venture Capital	Other Local Support	District Managed Activities
<u>Revenues:</u>					
Intergovernmental	\$287,410	\$0	\$25,000	\$1,950	\$0
Tuition and Fees	0	69,568	0	8,630	0
Extracurricular Activities	0	0	0	28,630	85,035
Charges for Services	292,962	0	0	0	0
Contributions and Donations	0	0	0	26,102	4,160
Miscellaneous	39,086	0	0	39,587	5,105
<i>Total Revenues</i>	<u>619,458</u>	<u>69,568</u>	<u>25,000</u>	<u>104,899</u>	<u>94,300</u>
<u>Expenditures:</u>					
<i>Current:</i>					
<i>Instruction:</i>					
Regular	0	60,255	18,498	236,117	0
Special	0	0	0	4,314	12,949
<i>Support Services:</i>					
Pupil	0	4,198	0	5,074	0
Instructional Staff	0	0	4,426	0	0
Administration	0	0	0	1,213	0
Fiscal	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	3,288	0
Pupil Transportation	0	0	0	71,517	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	891,561	0	0	0	0
Extracurricular Activities	0	992	0	0	96,998
<i>Total Expenditures</i>	<u>891,561</u>	<u>65,445</u>	<u>22,924</u>	<u>321,523</u>	<u>109,947</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(272,103)	4,123	2,076	(216,624)	(15,647)
<u>Other Financing Sources:</u>					
Transfers In	201,000	0	0	0	0
<i>Net Change in Fund Balances</i>	(71,103)	4,123	2,076	(216,624)	(15,647)
<i>Fund Balances (Deficits) at Beginning of Year</i>	<u>(39,556)</u>	<u>17,914</u>	<u>25,411</u>	<u>334,456</u>	<u>65,679</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u>(\$110,659)</u>	<u>\$22,037</u>	<u>\$27,487</u>	<u>\$117,832</u>	<u>\$50,032</u>

Disadvantaged Pupil Impact Aid	Ohio Reads	Other State Support	Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$707,447	\$201,960	\$125,395	\$206,317	\$780,424	\$617,217	\$2,953,120
0	0	0	0	0	0	78,198
0	0	0	0	0	0	113,665
0	0	0	0	0	0	292,962
0	0	0	0	0	0	30,262
0	0	0	0	0	0	83,778
<u>707,447</u>	<u>201,960</u>	<u>125,395</u>	<u>206,317</u>	<u>780,424</u>	<u>617,217</u>	<u>3,551,985</u>
419,904	55,803	85,591	0	0	424,909	1,301,077
0	0	950	134,816	553,897	5,124	712,050
62,963	8,823	279	41,209	0	152	122,698
232,359	20,863	13,054	14,537	9	85,510	370,758
0	0	8,304	0	93,548	20,048	123,113
0	0	227	0	0	0	227
16,394	0	0	0	0	0	19,682
0	0	0	0	0	0	71,517
0	0	3,525	0	0	198	3,723
0	1,094	0	0	0	0	892,655
0	0	0	0	0	0	97,990
<u>731,620</u>	<u>86,583</u>	<u>111,930</u>	<u>190,562</u>	<u>647,454</u>	<u>535,941</u>	<u>3,715,490</u>
(24,173)	115,377	13,465	15,755	132,970	81,276	(163,505)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>201,000</u>
(24,173)	115,377	13,465	15,755	132,970	81,276	37,495
140,940	9,592	94,521	(18,792)	(79,766)	13,276	563,675
<u>\$116,767</u>	<u>\$124,969</u>	<u>\$107,986</u>	<u>(\$3,037)</u>	<u>\$53,204</u>	<u>\$94,552</u>	<u>\$601,170</u>

ATHENS CITY SCHOOL DISTRICT

Combining Statement of Net Assets

Private Purpose Trust Funds

June 30, 2002

	<u>Gretchen Gallucci Scholarship</u>	<u>Unclaimed Monies</u>	<u>Total Private Purpose Trust Funds</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$500	\$21,121	\$21,621
<u>Liabilities</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Net Assets:</u>			
<i>Held in Trust for:</i>			
Scholarships	500	0	500
Other Individuals and Organizations	<u>0</u>	<u>21,121</u>	<u>21,121</u>
<i>Total Net Assets</i>	<u><u>\$500</u></u>	<u><u>\$21,121</u></u>	<u><u>\$21,621</u></u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2002

	Gretchen Gallucci Scholarship	Unclaimed Monies	Total Private Purpose Trust Funds
<u>Additions:</u>			
Gifts and Donations	\$500	\$0	\$500
Other	0	7,019	7,019
	500	7,019	7,519
<i>Total Additions</i>			
	0	0	0
	0	0	0
<u>Deductions</u>			
<i>Change in Net Assets</i>	500	7,019	7,519
<i>Net Assets Beginning of Year</i>	0	14,102	14,102
	0	14,102	14,102
<i>Net Assets End of Year</i>	\$500	\$21,121	\$21,621
	\$500	\$21,121	\$21,621

ATHENS CITY SCHOOL DISTRICT
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2002

	Balance at July 1, 2001	Additions	Deductions	Balance at June 30, 2002
<u>STUDENT MANAGED ACTIVITIES</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$58,237	\$109,661	\$119,859	\$48,039
<u>Liabilities:</u>				
Accounts Payable	\$0	\$1,249	\$0	\$1,249
Due to Students	58,237	108,412	119,859	46,790
<i>Total Liabilities</i>	<u>\$58,237</u>	<u>\$109,661</u>	<u>\$119,859</u>	<u>\$48,039</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Taxes	\$9,339,279	\$9,711,233	\$9,711,233	\$0
Intergovernmental	8,682,433	9,028,227	9,028,227	0
Interest	232,928	242,205	242,205	0
Tuition and Fees	1,560,854	1,623,018	1,623,018	0
Rent	10,680	11,105	11,105	0
Miscellaneous	53,706	55,845	55,845	0
<i>Total Revenues</i>	<u>19,879,880</u>	<u>20,671,633</u>	<u>20,671,633</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Salaries	6,498,288	6,580,976	6,580,976	0
Fringe Benefits	1,798,143	1,821,023	1,821,023	0
Purchased Services	642,061	650,231	650,231	0
Materials and Supplies	150,905	152,825	152,825	0
Capital Outlay	158,917	160,939	160,939	0
<i>Total Regular Instruction</i>	<u>9,248,314</u>	<u>9,365,994</u>	<u>9,365,994</u>	<u>0</u>
<i>Special</i>				
Salaries	1,654,727	1,675,783	1,675,783	0
Fringe Benefits	479,864	485,970	485,970	0
Purchased Services	29,113	29,483	29,483	0
Materials and Supplies	29,167	29,538	29,538	0
Capital Outlay	9,946	10,073	10,073	0
<i>Total Special Instruction</i>	<u>2,202,817</u>	<u>2,230,847</u>	<u>2,230,847</u>	<u>0</u>
<i>Vocational</i>				
Salaries	238,933	241,973	241,973	0
Fringe Benefits	65,151	65,980	65,980	0
Purchased Services	924	936	936	0
Materials and Supplies	16,152	16,358	16,358	0
Capital Outlay	48,310	48,925	48,925	0
<i>Total Vocational Instruction</i>	<u>369,470</u>	<u>374,172</u>	<u>374,172</u>	<u>0</u>
<i>Total Instruction</i>	<u>11,820,601</u>	<u>11,971,013</u>	<u>11,971,013</u>	<u>0</u>
<i>Support Services:</i>				
<i>Pupils</i>				
Salaries	616,621	624,467	624,467	0
Fringe Benefits	175,693	177,929	177,929	0
Purchased Services	45,512	43,053	43,053	0
Materials and Supplies	3,448	3,492	3,492	0
Other	60,829	61,603	61,603	0
Capital Outlay	4,160	4,213	4,213	0
<i>Total Pupils</i>	<u>906,263</u>	<u>914,757</u>	<u>914,757</u>	<u>0</u>

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Instructional Staff				
Salaries	392,270	397,261	397,261	0
Fringe Benefits	226,039	228,915	228,915	0
Purchased Services	2,421	2,452	2,452	0
Materials and Supplies	971	983	983	0
Total Instructional Staff	<u>621,701</u>	<u>629,611</u>	<u>629,611</u>	<u>0</u>
Board of Education				
Salaries	5,115	5,180	5,180	0
Fringe Benefits	74	75	75	0
Purchased Services	84,147	85,218	85,218	0
Materials and Supplies	2,698	2,732	2,732	0
Other	15,053	15,245	15,245	0
Total Board of Education	<u>107,087</u>	<u>108,450</u>	<u>108,450</u>	<u>0</u>
Administration				
Salaries	936,328	948,242	948,242	0
Fringe Benefits	314,896	318,903	318,903	0
Purchased Services	24,228	24,536	24,536	0
Materials and Supplies	21,165	21,434	21,434	0
Other	46,106	46,693	46,693	0
Capital Outlay	4,377	4,433	4,433	0
Total Administration	<u>1,347,100</u>	<u>1,364,241</u>	<u>1,364,241</u>	<u>0</u>
Fiscal				
Salaries	214,227	216,953	216,953	0
Fringe Benefits	81,406	82,442	82,442	0
Purchased Services	22,038	22,318	22,318	0
Materials and Supplies	11,011	11,151	11,151	0
Other	259,817	263,123	263,123	0
Capital Outlay	3,096	3,135	3,135	0
Total Fiscal	<u>591,595</u>	<u>599,122</u>	<u>599,122</u>	<u>0</u>
Business				
Salaries	100,233	101,508	101,508	0
Fringe Benefits	30,954	31,348	31,348	0
Purchased Services	3,544	3,589	3,589	0
Materials and Supplies	244	247	247	0
Other	503	509	509	0
Total Business	<u>135,478</u>	<u>137,201</u>	<u>137,201</u>	<u>0</u>
Operation and Maintenance of Plant				
Salaries	1,127,686	1,142,035	1,142,035	0
Fringe Benefits	357,631	362,182	362,182	0
Purchased Services	644,007	652,202	652,202	0
Materials and Supplies	480,682	486,798	486,798	0
Capital Outlay	10,368	10,500	10,500	0
Total Operation and Maintenance of Plant	<u>2,620,374</u>	<u>2,653,717</u>	<u>2,653,717</u>	<u>0</u>

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Pupil Transportation				
Salaries	602,806	610,476	610,476	0
Fringe Benefits	325,063	329,199	329,199	0
Purchased Services	5,039	5,103	5,103	0
Materials and Supplies	241,761	244,837	244,837	0
Other	33,199	33,621	33,621	0
Capital Outlay	105,399	106,740	106,740	0
Total Pupil Transportation	1,313,267	1,329,976	1,329,976	0
Central				
Salaries	52,104	52,803	52,803	0
Fringe Benefits	15,796	15,997	15,997	0
Purchased Services	16,682	16,894	16,894	0
Materials and Supplies	15,538	15,736	15,736	0
Capital Outlay	1,483	1,502	1,502	0
Total Central	101,603	102,932	102,932	0
Total Support Services	7,744,468	7,840,007	7,840,007	
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Salaries	55,960	56,672	56,672	0
Fringe Benefits	7,913	8,014	8,014	0
Total Academic Oriented Activities	63,873	64,686	64,686	0
Sport Oriented Activities				
Salaries	170,629	172,800	172,800	0
Fringe Benefits	33,370	33,795	33,795	0
Purchased Services	7,927	8,028	8,028	0
Total Sport Oriented Activities	211,926	214,623	214,623	0
Total Extracurricular Activities	275,799	279,309	279,309	0
<i>Capital Outlay:</i>				
Site Improvement Services				
Purchased Services	1,219	1,235	1,235	0
Building Improvement Services				
Purchased Services	29,918	30,299	27,383	2,916
Capital Outlay - New	32,613	33,028	17,648	15,380
Total Building Improvement Services	62,531	63,327	45,031	18,296
Other Facilities Acquisition & Construction				
Purchased Services	2,074	2,100	2,100	0
Total Capital Outlay	65,824	66,662	48,366	18,296

(Continued)

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Debt Service:</i>				
Principal Retirement	192,550	195,000	195,000	0
Interest and Fiscal Charges	25,050	25,369	25,369	0
Total Debt Service	217,600	220,369	220,369	0
<i>Total Expenditures</i>	20,124,292	20,377,360	20,359,064	18,296
Excess of Revenues Over (Under) Expenditures	(244,412)	294,273	312,569	18,296
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Fixed Assets	7,984	8,302	8,302	0
Advances In	91,361	95,000	95,000	0
Operating Transfers Out	(198,475)	(201,000)	(201,000)	0
Advances Out	(69,120)	(70,000)	(70,000)	0
<i>Total Other Financing Sources (Uses)</i>	(168,250)	(167,698)	(167,698)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(412,662)	126,575	144,871	18,296
Fund Balance at Beginning of Year	3,980,106	3,980,106	3,980,106	0
Prior Year Encumbrances Appropriated	255,840	255,840	255,840	0
Fund Balance at End of Year	\$3,823,284	\$4,362,521	\$4,380,817	\$18,296

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual (Budget Basis)
 Bond Retirement Debt Service Fund
 For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$1,805,757	\$1,931,490	\$1,931,490	\$0
Intergovernmental	209,243	223,812	223,812	0
<i>Total Revenues</i>	2,015,000	2,155,302	2,155,302	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Support Services:</i>				
Fiscal	19,521	43,361	43,458	(97)
<i>Debt Service:</i>				
Principal Retirement	26,460	260,460	260,460	0
Interest and Fiscal Charges	1,370,137	1,370,137	1,370,137	0
<i>Total Expenditures</i>	1,416,118	1,673,958	1,674,055	(97)
Excess of Revenues Over (Under) Expenditures	598,882	481,344	481,247	(97)
Fund Balance at Beginning of Year	1,567,837	1,567,837	1,567,837	0
Fund Balance at End of Year	\$2,166,719	\$2,049,181	\$2,049,084	(\$97)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$726,104	\$813,820	\$813,820	\$0
Intergovernmental	81,099	90,896	90,896	0
Interest	159,914	179,232	180,245	1,013
Miscellaneous	5,883	6,594	6,594	0
<i>Total Revenues</i>	<i>973,000</i>	<i>1,090,542</i>	<i>1,091,555</i>	<i>1,013</i>
<u>Expenditures:</u>				
Capital Outlay	1,755,335	2,013,003	2,013,003	0
Excess of Revenues Over (Under) Expenditures	(782,335)	(922,461)	(921,448)	1,013
Fund Balance at Beginning of Year	1,914,086	1,914,086	1,914,086	0
Prior Year Encumbrances Appropriated	42,355	42,355	42,355	0
Fund Balance at End of Year	\$1,174,106	\$1,033,980	\$1,034,993	\$1,013

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Building Capital Projects Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Capital Outlay	250,000	3,831,379	3,831,379	0
Excess of Revenues Over (Under) Expenditures	(250,000)	(3,831,379)	(3,831,379)	0
Fund Balance at Beginning of Year	84,926	84,926	84,926	0
Prior Year Encumbrances Appropriated	3,746,453	3,746,453	3,746,453	0
Fund Balance at End of Year	<u>\$3,581,379</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$279,821	\$282,031	\$282,031	\$0
Charges for Services	290,666	292,962	292,962	0
Miscellaneous	38,740	39,046	39,046	0
<i>Total Revenues</i>	<i>609,227</i>	<i>614,039</i>	<i>614,039</i>	<i>0</i>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Salaries	175,558	253,529	253,529	0
Fringe Benefits	91,156	131,642	131,642	0
Purchased Services	80,348	116,033	116,033	0
Materials and Supplies	270,068	390,014	390,014	0
Capital Outlay	7,428	10,727	10,727	0
<i>Total Expenditures</i>	<i>624,558</i>	<i>901,945</i>	<i>901,945</i>	<i>0</i>
Excess of Revenues Over (Under) Expenditures	(15,331)	(287,906)	(287,906)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	69,451	70,000	70,000	0
Operating Transfers In	199,425	201,000	201,000	0
Advances Out	(41,547)	(60,000)	(60,000)	0
<i>Total Other Financing Sources (Uses)</i>	<i>227,329</i>	<i>211,000</i>	<i>211,000</i>	<i>0</i>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	211,998	(76,906)	(76,906)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	81,269	81,269	81,269	0
Fund Balance at End of Year	<i>\$293,267</i>	<i>\$4,363</i>	<i>\$4,363</i>	<i>\$0</i>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Uniform School Supplies Special Revenue Fund
For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Tuition and Fees	\$72,342	\$69,568	\$69,568	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Materials and Supplies	77,441	62,020	61,807	213
<i>Support Services:</i>				
Pupils				
Materials and Supplies	7,188	5,757	4,198	1,559
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Materials and Supplies	1,237	991	991	0
<i>Total Expenditures</i>	<u>85,866</u>	<u>68,768</u>	<u>66,996</u>	<u>1,772</u>
Excess of Revenues Over (Under) Expenditures	(13,524)	800	2,572	1,772
Fund Balance at Beginning of Year	18,965	18,965	18,965	0
Prior Year Encumbrances Appropriated	<u>629</u>	<u>629</u>	<u>629</u>	<u>0</u>
Fund Balance at End of Year	<u>\$6,070</u>	<u>\$20,394</u>	<u>\$22,166</u>	<u>\$1,772</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Venture Capital Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$25,000	\$25,000	\$25,000	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	88	50	50	0
Fringe Benefits	12	7	7	0
Purchased Services	110	62	62	0
Materials and Supplies	28,664	16,197	16,197	0
Capital Outlay	4,200	2,373	2,373	0
Total Regular Instruction	33,074	18,689	18,689	0
<i>Support Services:</i>				
Instructional Staff				
Purchased Services	8,659	4,893	4,893	0
Materials and Supplies	3,624	2,048	2,048	0
Total Instructional Staff	12,283	6,941	6,941	0
Total Expenditures	45,357	25,630	25,630	0
Excess of Revenues Over (Under) Expenditures	(20,357)	(630)	(630)	0
Fund Balance at Beginning of Year	22,633	22,633	22,633	0
Prior Year Encumbrances Appropriated	2,997	2,997	2,997	0
Fund Balance at End of Year	\$5,273	\$25,000	\$25,000	\$0

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other Local Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$1,582	\$1,950	\$1,950	\$0
Tuition and Fees	7,001	8,631	8,631	0
Extracurricular Activities	23,201	28,601	28,834	233
Gifts and Donations	21,174	26,102	26,102	0
Miscellaneous	34,510	42,543	46,605	4,062
<i>Total Revenues</i>	87,468	107,827	112,122	4,295
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	1,301	1,383	1,383	0
Fringe Benefits	242	257	367	(110)
Purchased Services	17,500	18,596	17,033	1,563
Materials and Supplies	226,857	241,067	226,125	14,942
Other	7,271	7,726	7,705	21
Capital Outlay	16,372	17,398	17,384	14
<i>Total Regular Instruction</i>	269,543	286,427	269,997	16,430
Special				
Materials and Supplies	7,235	7,688	7,587	101
<i>Support Services:</i>				
Pupils				
Materials and Supplies	5,531	5,877	5,492	385
Other	376	400	0	400
Capital Outlay	779	828	828	0
<i>Total Pupils</i>	6,686	7,105	6,320	785
Administration				
Materials and Supplies	1,141	1,213	1,213	0
Operation and Maintenance of Plant				
Salaries	3,281	3,486	3,299	187
Pupil Transportation				
Purchased Services	60,960	64,779	71,517	(6,738)
<i>Total Expenditures</i>	348,846	370,698	359,933	10,765
Excess of Revenues Over (Under) Expenditures	(261,378)	(262,871)	(247,811)	15,060
Fund Balance at Beginning of Year	321,194	321,194	321,194	0
Prior Year Encumbrances Appropriated	43,334	43,334	43,334	0
Fund Balance at End of Year	\$103,150	\$101,657	\$116,717	\$15,060

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
District Managed Student Activities Special Revenue Fund
For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Extracurricular Activities	\$75,206	\$85,035	\$85,035	\$0
Gifts and Donations	3,679	4,160	4,160	0
Miscellaneous	4,515	5,105	5,105	0
<i>Total Revenues</i>	83,400	94,300	94,300	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Special</i>				
Purchased Services	13,726	12,965	12,949	16
<i>Extracurricular Activities:</i>				
<i>Academic Oriented Activities</i>				
Purchased Services	4,806	4,539	4,539	0
Materials and Supplies	9,973	9,420	8,332	1,088
Other	515	486	486	0
Capital Outlay	6,002	5,669	5,669	0
Total Academic Oriented Extracurricular Activities	21,296	20,114	19,026	1,088
<i>Sport Oriented Activities</i>				
Salaries	2,753	2,600	2,600	0
Fringe Benefits	1,664	1,572	1,572	0
Purchased Services	31,506	29,759	29,759	0
Materials and Supplies	33,297	31,450	31,094	356
Other	4,332	4,092	4,092	0
Capital Outlay	13,682	12,923	12,923	0
Total Sport Oriented Extracurricular Activities	87,234	82,396	82,040	356
<i>Total Expenditures</i>	122,256	115,475	114,015	1,460
Excess of Revenues Over (Under) Expenditures	(38,856)	(21,175)	(19,715)	1,460
Fund Balance at Beginning of Year	52,417	52,417	52,417	0
Prior Year Encumbrances Appropriated	15,162	15,162	15,162	0
Fund Balance at End of Year	\$28,723	\$46,404	\$47,864	\$1,460

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)
 Disadvantaged Pupil Impact Aid Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$731,169	\$707,447	\$707,447	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	326,132	326,132	326,132	0
Fringe Benefits	77,558	77,558	77,558	0
Total Regular Instruction	403,690	403,690	403,690	0
<i>Support Services:</i>				
Pupils				
Salaries	29,296	29,296	29,296	0
Fringe Benefits	21,269	21,269	21,269	0
Purchased Services	3,280	3,280	3,280	0
Materials and Supplies	11,835	11,835	11,835	0
Total Pupils	65,680	65,680	65,680	0
Instructional Staff				
Salaries	152,168	152,168	152,168	0
Fringe Benefits	73,199	73,199	73,199	0
Total Instructional Staff	225,367	225,367	225,367	0
Operation and Maintenance of Plant				
Purchased Services	1,197	1,197	1,197	0
Materials and Supplies	3,792	3,792	3,792	0
Capital Outlay	11,405	11,405	11,405	0
Total Operation and Maintenance of Plant	16,394	16,394	16,394	0
<i>Total Expenditures</i>	711,131	711,131	711,131	0
Excess of Revenues Over (Under) Expenditures	20,038	(3,684)	(3,684)	0
Fund Balance at Beginning of Year	211,849	211,849	211,849	0
Fund Balance at End of Year	\$231,887	\$208,165	\$208,165	\$0

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Ohio Reads Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$141,974	\$141,974	\$141,974	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	11,988	12,764	9,820	2,944
Fringe Benefits	1,768	1,882	1,401	481
Purchased Services	6,688	7,121	6,499	622
Materials and Supplies	34,416	36,643	34,718	1,925
Other	3,210	3,418	3,418	0
Capital Outlay	11,197	11,922	9,673	2,249
Total Regular Instruction	69,267	73,750	65,529	8,221
<i>Support Services:</i>				
Pupils				
Salaries	1,437	1,530	0	1,530
Fringe Benefits	254	270	0	270
Purchased Services	6,612	7,040	7,040	0
Other	2,520	2,683	2,483	200
Total Pupils	10,823	11,523	9,523	2,000
Instructional Staff				
Salaries	1,409	1,500	1,000	500
Fringe Benefits	141	150	155	(5)
Purchased Services	19,724	21,000	19,586	1,414
Materials and Supplies	47	50	0	50
Other	188	200	183	17
Total Instructional Staff	21,509	22,900	20,924	1,976
Pupil Transportation				
Purchased Services	1,310	1,395	0	1,395
<i>Operation of Non-Instructional Services:</i>				
Other				
Materials and Supplies	1,111	1,183	2,750	(1,567)
Total Expenditures	104,020	110,751	98,726	12,025
Excess of Revenues Over (Under) Expenditures	37,954	31,223	43,248	12,025
Fund Balance at Beginning of Year	7,161	7,161	7,161	0
Prior Year Encumbrances Appropriated	6,732	6,732	6,732	0
Fund Balance at End of Year	\$51,847	\$45,116	\$57,141	\$12,025

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other State Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$168,481	\$173,480	\$123,770	(\$49,710)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	97,538	101,424	48,289	53,135
Fringe Benefits	18,228	18,954	11,506	7,448
Purchased Services	189	197	0	197
Materials and Supplies	16,642	17,305	7,295	10,010
Other	2,885	3,000	0	3,000
Capital Outlay	8,409	8,744	6,524	2,220
Total Regular Instruction	143,891	149,624	73,614	76,010
Special				
Capital Outlay	914	950	950	0
<i>Support Services:</i>				
Pupils				
Purchased Services	86	89	0	89
Materials and Supplies	674	701	279	422
Total Pupils	760	790	279	511
Instructional Staff				
Salaries	3,562	3,704	5,522	(1,818)
Fringe Benefits	3,586	3,729	2,157	1,572
Purchased Services	10,352	10,765	2,547	8,218
Materials and Supplies	9,081	9,443	6,993	2,450
Total Instructional Staff	26,581	27,641	17,219	10,422
Administration				
Salaries	10,912	11,347	5,062	6,285
Fringe Benefits	2,494	2,593	1,610	983
Purchased Services	1,044	1,086	520	566
Materials and Supplies	666	693	674	19
Capital Outlay	587	610	610	0
Total Administration	15,703	16,329	8,476	7,853
Fiscal				
Materials and Supplies	1,428	1,485	227	1,258
Pupil Transportation				
Purchased Services	96	100	0	100
Central				
Purchased Services	32,452	33,745	21,000	12,745
Capital Outlay	4,273	4,443	3,525	918
Total Central	36,725	38,188	24,525	13,663
Total Expenditures	226,098	235,107	125,290	109,817

(Continued)

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)
 Other State Support Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Excess of Revenues Over (Under) Expenditures	(57,617)	(61,627)	(1,520)	60,107
Fund Balance at Beginning of Year	117,638	117,638	117,638	0
Prior Year Encumbrances Appropriated	<u>8,837</u>	<u>8,837</u>	<u>8,837</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$68,858</u></u>	<u><u>\$64,848</u></u>	<u><u>\$124,955</u></u>	<u><u>\$60,107</u></u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Title VI-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$225,942	\$225,942	\$206,317	(\$19,625)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Special				
Salaries	114,887	114,887	97,996	16,891
Fringe Benefits	32,119	32,119	28,666	3,453
Materials and Supplies	4,000	4,000	0	4,000
Capital Outlay	9,260	9,260	7,380	1,880
Total Special Instruction	160,266	160,266	134,042	26,224
<i>Support Services:</i>				
Pupils				
Salaries	39,793	39,793	33,397	6,396
Fringe Benefits	11,801	11,801	7,908	3,893
Total Pupils	51,594	51,594	41,305	10,289
Instructional Staff				
Salaries	12,000	12,000	8,195	3,805
Fringe Benefits	8,114	8,114	4,359	3,755
Total Instructional Staff	20,114	20,114	12,554	7,560
<i>Total Expenditures</i>	231,974	231,974	187,901	44,073
Excess of Revenues Over (Under) Expenditures	(6,032)	(6,032)	18,416	24,448
Fund Balance at Beginning of Year	6,208	6,208	6,208	0
Fund Balance at End of Year	\$176	\$176	\$24,624	\$24,448

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$780,424	\$780,424	\$780,424	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Special				
Salaries	551,420	553,837	436,689	117,148
Fringe Benefits	107,485	107,956	112,375	(4,419)
Purchased Services	5,805	5,830	1,834	3,996
Materials and Supplies	14,045	14,107	8,121	5,986
Capital Outlay	7,965	8,000	410	7,590
Total Special Instruction	686,720	689,730	559,429	130,301
<i>Support Services:</i>				
Instructional Staff				
Fringe Benefits	13	13	13	0
Administration				
Salaries	80,856	81,210	64,626	16,584
Fringe Benefits	13,244	13,302	17,453	(4,151)
Purchased Services	2,170	2,180	2,122	58
Materials and Supplies	2,111	2,120	1,849	271
Capital Outlay	996	1,000	180	820
Total Administration	99,377	99,812	86,230	13,582
<i>Total Expenditures</i>	786,110	789,555	645,672	143,883
Excess of Revenues Over (Under) Expenditures	(5,686)	(9,131)	134,752	143,883
Fund Balance at Beginning of Year	5,687	5,687	5,687	0
Prior Year Encumbrances Appropriated	3,444	3,444	3,444	0
Fund Balance at End of Year	\$3,445	\$0	\$143,883	\$143,883

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other Federal Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$639,954	\$639,879	\$613,571	(\$26,308)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	166,373	188,713	154,668	34,045
Fringe Benefits	29,577	33,549	39,195	(5,646)
Purchased Services	167,486	189,975	188,968	1,007
Materials and Supplies	106,103	120,350	116,873	3,477
Capital Outlay	4,864	5,517	4,562	955
Total Regular Instruction	474,403	538,104	504,266	33,838
Special				
Purchased Services	9,698	11,000	3,732	7,268
Materials and Supplies	9,609	10,899	1,624	9,275
Capital Outlay	12,343	14,000	0	14,000
Total Special Instruction	31,650	35,899	5,356	30,543
<i>Support Services:</i>				
Pupils				
Materials and Supplies	0	0	152	(152)
Instructional Staff				
Salaries	28,769	32,632	26,477	6,155
Fringe Benefits	11,209	12,714	11,101	1,613
Purchased Services	43,778	49,656	32,709	16,947
Materials and Supplies	30,282	34,348	24,535	9,813
Capital Outlay	9,864	11,188	6,188	5,000
Total Instructional Staff	123,902	140,538	101,010	39,528
Administration				
Purchased Services	13,255	15,035	22,500	(7,465)
Materials and Supplies	4,636	5,259	5,407	(148)
Other	1,322	1,500	0	1,500
Total Administration	19,213	21,794	27,907	(6,113)
Central				
Fringe Benefits	2,426	2,752	0	2,752
Purchased Services	45	51	300	(249)
Materials and Supplies	78	88	0	88
Total Central	2,549	2,891	300	2,591
<i>Operation of Non-Instructional Services:</i>				
Other				
Purchased Services	338	383	0	383
Total Expenditures	652,055	739,609	638,991	100,618
Excess of Revenues Over (Under) Expenditures	(12,101)	(99,730)	(25,420)	74,310

(Continued)

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)
 Other Federal Support Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Other Financing Uses:</u>				
Advances Out	(30,857)	(35,000)	(35,000)	0
Excess of Revenues Over (Under)				
Expenditures and Other Financing Uses	(42,958)	(134,730)	(60,420)	74,310
Fund Balance at Beginning of Year	51,405	51,405	51,405	0
Prior Year Encumbrances Appropriated	91,698	91,698	91,698	0
Fund Balance at End of Year	<u>\$100,145</u>	<u>\$8,373</u>	<u>\$82,683</u>	<u>\$74,310</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
SchoolNet Capital Projects Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$9,000	\$9,000	\$9,000	\$0
<u>Expenditures:</u>				
Capital Outlay	26,500	26,500	26,500	0
Excess of Revenues Over (Under) Expenditures	(17,500)	(17,500)	(17,500)	0
Fund Balance at Beginning of Year	17,500	17,500	17,500	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Equity - Budget and Actual (Budget Basis)
 Employee Benefits Self-Insurance Internal Service Fund
 For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$1,920,431	\$2,297,738	\$2,297,738	\$0
Interest	29,569	35,378	35,378	0
<i>Total Revenues</i>	1,950,000	2,333,116	2,333,116	0
<u>Expenses:</u>				
Purchased Services	355,770	355,770	355,770	0
Claims	2,596,548	2,596,548	2,596,548	0
<i>Total Expenses</i>	2,952,318	2,952,318	2,952,318	0
Excess of Revenues Over (Under) Expenses	(1,002,318)	(619,202)	(619,202)	0
Fund Balance at Beginning of Year	1,598,927	1,598,927	1,598,927	
Fund Balance at End of Year	\$596,609	\$979,725	\$979,725	\$0

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Equity - Budget and Actual (Budget Basis)
 Gretchen Gallucci Scholarship Private Purpose Trust Fund
 For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<u>Revenues:</u>				
Gifts and Donations	\$500	\$500	\$500	\$0
<u>Expenses</u>	0	0	0	0
Excess of Revenues Over (Under) Expenses	500	500	500	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$500	\$500	\$500	\$0

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Equity - Budget and Actual (Budget Basis)*
Unclaimed Monies Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Other	\$2,957	\$2,957	\$7,019	\$4,062
<u>Expenses</u>	0	0	0	0
Excess of Revenues Over (Under) Expenses	2,957	2,957	7,019	(4,062)
Fund Balance at Beginning of Year	14,102	14,102	14,102	0
Fund Balance at End of Year	\$17,059	\$17,059	\$21,121	\$0

ATHENS CITY
SCHOOL DISTRICT



STATISTICAL
SECTION

Table 1

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

	2002 (b)	2001 (b)	2000 (b)	1999 (b)	1998 (b)	1997 (b)	1996 (b)	1995 (b)	1994 (a)	1993 (a)
Taxes	\$ 9,794,076	\$ 9,641,433	\$ 9,388,093	\$ 8,776,586	\$ 8,821,942	\$ 8,529,419	\$ 8,096,007	\$ 7,673,833	\$ 6,931,567	\$ 8,097,434
Intergovernmental	9,028,227	8,852,284	7,850,711	8,993,459	8,538,953	8,230,653	8,055,048	6,954,822	7,039,052	6,542,797
Interest	205,062	376,250	304,611	185,642	176,694	97,832	86,711	139,568	103,006	54,817
Tuition and Fees	1,623,018	1,032,291	867,114	268,416	16,053	92,309	72,986	12,877	-	-
Rent	11,105	3,588	7,585	17,285	13,077	11,190	12,404	-	30,440	25,508
Extracurricular Activities	-	-	-	-	-	-	-	-	7,735	14,175
Gifts and Donations	-	-	-	-	-	13,374	-	-	-	-
Miscellaneous	56,081	89,370	112,161	80,934	157,037	86,208	72,306	19,100	28,785	16,008
Total Revenue	\$ 20,717,569	\$ 19,995,216	\$ 18,530,275	\$ 18,322,322	\$ 17,723,756	\$ 17,060,985	\$ 16,395,462	\$ 14,800,200	\$ 14,140,585	\$ 14,750,739

Source: Athens City School District Fund Financial Statements

(a) - Cash Basis Data

(b) - GAAP Basis Data

Table 2

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

	2002 (b)	2001 (b)	2000 (b)	1999 (b)	1998 (b)	1997 (b)	1996 (b)	1995 (b)	1994 (a)	1993 (a)
Instruction										
Regular	\$ 9,350,867	\$ 8,688,076	\$ 7,799,876	\$ 8,655,140	\$ 8,175,580	\$ 7,706,126	\$ 7,387,102	\$ 6,846,039	\$ 6,950,321	\$ 6,776,716
Special	2,241,067	2,262,488	2,057,624	1,916,816	1,688,144	1,713,080	1,569,875	1,471,172	1,446,743	1,362,578
Vocational	343,891	358,621	313,166	325,737	314,354	343,767	383,590	359,201	377,696	363,414
Other Instruction	-	1,702	13,103	20,171	49,489	32,524	40,417	77,248	34,581	20,489
Total Instruction	11,935,825	11,310,887	10,183,769	10,917,864	10,227,567	9,795,497	9,380,984	8,753,660	8,809,341	8,523,197
Support Services										
Pupils	909,914	906,736	770,765	904,312	781,655	720,269	647,993	572,980	651,931	584,461
Instructional Staff	629,842	562,925	459,858	447,097	381,835	371,624	289,812	275,949	206,197	190,036
Board of Education	116,622	97,760	51,116	67,149	93,328	42,488	50,676	44,736	148,307	53,303
Administration	1,374,867	1,401,083	1,222,476	1,402,705	1,259,443	1,145,481	1,097,475	1,035,675	1,113,268	1,025,438
Fiscal	613,316	573,290	529,596	535,755	485,491	464,497	454,062	451,789	423,811	394,604
Business	138,004	110,840	105,617	876	-	-	-	-	-	-
Operation & Maintenance of Plant	2,625,865	2,402,066	2,272,982	2,117,342	2,077,186	2,067,734	1,974,654	1,847,520	1,661,508	1,533,521
Pupil Transportation	1,291,548	1,207,507	1,281,289	1,292,922	1,117,317	1,104,413	1,105,605	990,995	993,578	963,976
Central	123,583	109,865	69,999	6,386	11,500	-	-	-	-	-
Total Support Services	7,823,561	7,372,072	6,763,698	6,774,544	6,207,755	5,916,506	5,620,277	5,219,644	5,198,600	4,745,339
Operations of Non-instructional Services	153	-	-	-	-	-	-	-	-	-
Extracurricular Activities	284,511	258,538	253,906	283,279	234,241	210,398	210,387	179,721	122,020	184,022
Capital Outlay	50,373	17,966	2,323	5,483	6,662	4,819	9,570	3,210	16,036	12,001
Debt Services	220,369	219,774	218,685	217,099	192,051	347,605	317,665	240,279	1,328,517	-
Total Expenditures and Other Uses	\$ 20,314,792	\$ 19,179,237	\$ 17,422,381	\$ 18,198,269	\$ 16,868,276	\$ 16,274,825	\$ 15,538,883	\$ 14,396,514	\$ 15,474,514	\$ 13,464,559

Source: Athens City School District Fund Financial Statements

(a) - Cash Basis Data

(b) - GAAP Basis Data

Table 3

ATHENS CITY SCHOOL DISTRICT

Property Tax Levies and Collections
Last Ten Years

Collection Years (1)	Current Tax Levied (2)	Current Taxes Collected (2)	Percent of		Delinquent Tax Collections	Total Tax Collections	Total Tax		Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Current Levied
			Current Levy Collected	Delinquent Tax Collections			Collections to Taxes Levied	Collections to Taxes Levied		
1992	\$ 7,920,099	\$ 7,685,110	97.03%	\$ 265,437	\$ 7,950,547	100.38%	\$ 432,096	5.46%		
1993	8,173,923	7,946,786	97.22%	210,320	8,157,106	99.79%	392,661	4.80%		
1994	7,952,257	7,787,144	97.92%	286,022	8,073,166	101.52%	430,365	5.41%		
1995	9,633,381	9,369,889	97.26%	209,390	9,579,279	99.44%	315,071	3.27%		
1996	9,857,164	9,480,431	96.18%	221,957	9,702,388	98.43%	318,456	3.23%		
1997	9,436,858	9,039,341	95.79%	309,221	9,348,563	99.06%	496,541	5.26%		
1998	10,706,049	10,296,314	96.17%	551,518	10,847,831	101.32%	672,549	6.28%		
1999	11,028,914	10,641,196	96.48%	421,432	11,062,629	100.31%	565,254	5.13%		
2000	12,690,846	12,315,346	97.04%	420,680	12,736,027	100.36%	571,684	4.50%		
2001	13,089,931	12,297,066	93.94%	166,803	12,463,869	95.22%	609,497	4.66%		

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

- (1) Represents calendar year data. 2002 information cannot be presented because all collections have not been made by June 30.
- (2) Included Homestead/Rollback on real estate and reimbursement on personal property taxes assessed locally, but distributed through the State of Ohio and reported as Intergovernmental Revenue.

Table 4

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

Collection Year	Real Property			Personal Property			Public Utility Personal			Total		
	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value
1993	35%	\$178,278,440	\$509,366,971	26%	\$18,076,160	\$69,523,692	88%	\$30,006,980	\$34,098,841	88%	\$226,361,580	\$612,989,505
1994	35%	198,639,960	567,542,743	25%	17,432,346	69,729,384	88%	31,331,480	35,603,955	88%	247,403,786	672,876,081
1995	35%	202,769,240	579,340,686	25%	17,974,750	71,899,000	88%	32,839,900	37,318,068	88%	253,583,890	688,557,754
1996	35%	206,713,970	590,611,343	25%	19,251,537	77,006,148	88%	29,626,160	33,666,091	88%	255,591,667	701,283,582
1997	35%	243,463,640	695,610,400	25%	19,558,176	78,232,704	88%	29,454,860	33,471,432	88%	292,476,676	807,314,536
1998	35%	246,407,920	704,022,629	25%	20,849,558	83,398,232	88%	27,953,770	31,765,648	88%	295,211,248	819,186,508
1999	35%	251,378,830	718,225,229	25%	21,348,845	85,395,380	88%	29,537,640	33,565,500	88%	302,265,315	837,186,109
2000	35%	285,737,630	816,393,229	25%	22,056,469	88,225,876	88%	26,617,680	30,247,364	88%	334,411,779	934,866,468
2001	35%	291,086,680	831,676,229	25%	23,500,232	94,000,928	88%	26,776,310	30,427,625	88%	341,363,222	956,104,782
2002	35%	295,558,800	844,453,714	25%	23,319,149	93,276,596	88%	22,422,540	25,480,159	88%	341,300,489	963,210,469

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

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

Athens Township (A01)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School		Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	<u>District</u>	<u>County</u>	<u>Vocational</u>	<u>School</u>	<u>Township</u>	<u>Rate</u>	<u>Effective Rate</u>	<u>Effective Rate</u>
1993	55.60	18.45	3.30	3.30	8.20	85.55	57.601357	59.436205
1994	52.60	18.45	3.30	3.30	8.20	82.55	50.849806	54.308157
1995	58.40	18.95	3.30	3.30	8.20	88.85	58.780493	62.083940
1996	59.40	19.05	3.30	3.30	8.20	89.95	60.011470	64.033992
1997	60.40	19.05	3.30	3.30	8.20	90.95	54.604301	58.432589
1998	60.40	18.55	3.30	3.30	8.02	90.27	55.207356	59.032734
1999	59.70	18.55	3.30	3.30	8.20	89.75	55.544992	59.433921
2000	64.60	18.55	3.30	3.30	8.20	94.65	55.755979	61.208002
2001	64.60	18.55	3.30	3.30	8.20	94.65	56.710329	62.119860
2002	64.60	18.55	3.30	3.30	8.20	94.65	58.173659	63.584096

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

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

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

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

Athens Township - City of Athens (A02)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	City of Athens	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	<u>District</u>	<u>County</u>	<u>Vocational School</u>	<u>Athens</u>	<u>Township</u>	<u>Rate</u>	<u>Effective Rate</u>	<u>Effective Rate</u>
1993	55.60	18.45	3.30	2.60	0.30	80.25	53.999464	56.064509
1994	52.60	18.45	3.30	2.60	0.30	77.25	47.598434	51.018123
1995	58.40	18.95	3.30	2.60	0.30	83.55	55.536946	58.813199
1996	59.40	19.05	3.30	2.60	0.30	84.65	56.774003	60.765034
1997	60.40	19.05	3.30	2.60	0.30	85.65	51.796455	55.605945
1998	60.40	18.55	3.30	2.60	0.30	85.15	52.400055	56.200331
1999	59.70	18.55	3.30	2.60	0.30	84.45	52.741033	56.602678
2000	64.60	18.55	3.30	2.60	0.30	89.35	53.255867	58.542443
2001	64.60	18.55	3.30	2.60	0.30	89.35	54.213092	59.454460
2002	64.60	18.55	3.30	2.60	0.30	89.35	55.679583	60.921219

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

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

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

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

Athens Township - The Plains Fire District (A04)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School		The Plains Fire District	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	<u>District</u>	<u>County</u>	<u>Vocational</u>	<u>School</u>	<u>Fire District</u>	<u>Township</u>	<u>Rate</u>	<u>Effective Rate</u>	<u>Effective Rate</u>
1993	55.60	18.45	3.30	3.30	3.00	8.20	88.55	59.034209	61.719928
1994	52.60	18.45	3.30	3.30	3.00	8.20	85.55	52.133340	56.610133
1995	58.40	18.95	3.30	3.30	4.50	8.20	93.35	62.251372	66.164679
1996	59.40	19.05	3.30	3.30	4.50	8.20	94.45	63.472670	68.113637
1997	60.40	19.05	3.30	3.30	4.50	8.20	95.45	57.979399	62.495305
1998	60.40	18.55	3.30	3.30	4.50	8.02	94.77	59.981313	64.260193
1999	59.70	18.55	3.30	3.30	4.50	8.20	94.25	60.309732	64.653918
2000	64.60	18.55	3.30	3.30	4.00	8.20	98.65	59.956295	65.887433
2001	64.60	18.55	3.30	3.30	4.00	8.20	98.65	60.888887	66.798762
2002	64.60	18.55	3.30	3.30	4.00	8.20	98.65	62.347988	68.247927

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

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

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

ATHENS CITY SCHOOL DISTRICT

Property Tax Rates - Direct and Overlapping Governments

Last Ten Years

(Per \$1,000 of Assessed Valuation)

Canaan Township (E02)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School		Canaan Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	<u>District</u>	<u>County</u>	<u>Vocational</u>	<u>School</u>	<u>Township</u>	<u>Rate</u>	<u>Effective Rate</u>	<u>Effective Rate</u>
1993	55.60	18.45	3.30	3.30	4.60	81.95	55.064971	57.234527
1994	52.60	18.45	3.30	3.30	4.60	78.95	48.583431	52.153890
1995	58.40	18.95	3.30	3.30	4.60	85.25	56.521078	59.948860
1996	59.40	19.05	3.30	3.30	4.60	86.35	57.756387	61.900845
1997	60.40	19.05	3.30	3.30	6.60	89.35	54.407651	58.574268
1998	60.40	18.55	3.30	3.30	6.60	88.85	55.476303	59.530792
1999	59.70	18.55	3.30	3.30	6.60	88.15	55.815175	59.933068
2000	64.60	18.55	3.30	3.30	6.60	93.05	56.115695	61.676778
2001	64.60	18.55	3.30	3.30	6.60	93.05	57.067981	62.693727
2002	64.60	18.55	3.30	3.30	6.60	93.05	59.305377	64.594136

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

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

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

Table 5-E

ATHENS CITY SCHOOL DISTRICT

Property Tax Rates - Direct and Overlapping Governments

Last Ten Years

(Per \$1,000 of Assessed Valuation)

Canaan Township - City of Athens (E03)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	City of Athens	Canaan Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	<u>District</u>	<u>County</u>	<u>Vocational School</u>	<u>Athens</u>	<u>Township</u>	<u>Rate</u>	<u>Effective Rate</u>	<u>Effective Rate</u>
1993	55.60	18.45	3.30	2.40	2.70	82.45	55.564971	57.734527
1994	52.60	18.45	3.30	2.40	2.70	79.45	49.083431	52.653890
1995	58.40	18.95	3.30	2.40	2.70	85.75	57.021078	60.448886
1996	59.40	19.05	3.30	2.40	2.70	86.85	58.256387	62.400845
1997	60.40	19.05	3.30	2.40	4.70	89.85	54.907651	59.074268
1998	60.40	18.55	3.30	2.40	4.70	89.35	55.976303	60.030792
1999	59.70	18.55	3.30	2.40	4.70	88.65	56.315175	60.433068
2000	64.60	18.55	3.30	2.40	4.70	93.55	56.615695	62.176778
2001	64.60	18.55	3.30	2.40	4.70	93.55	57.567981	63.193727
2002	64.60	18.55	3.30	2.40	4.70	93.55	59.805715	65.094136

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

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- E02 Canaan Township
- E03 Canaan Township - City of Athens
- G01 Dover Township
- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

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

Table 5-F

ATHENS CITY SCHOOL DISTRICT

Property Tax Rates - Direct and Overlapping Governments

Last Ten Years

(Per \$1,000 of Assessed Valuation)

Dover Township (G01)

Calendar Year	Athens	Tri-County		Dover Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	City School District	Athens County	Joint Vocational School				
1993	55.60	18.45	3.30	10.70	88.05	58.735613	60.265862
1994	52.60	18.45	3.30	10.70	85.05	52.160383	55.224890
1995	58.40	18.95	3.30	10.70	91.35	60.091746	62.873640
1996	59.40	19.05	3.30	10.70	92.45	62.475198	66.338002
1997	60.40	19.05	3.30	8.70	91.45	54.979144	58.990779
1998	60.40	18.55	3.30	8.70	90.95	56.321954	60.334607
1999	59.70	18.55	3.30	8.70	90.25	57.762736	61.652130
2000	64.60	18.55	3.30	8.70	95.15	57.722326	63.406713
2001	64.60	18.55	3.30	8.70	95.15	59.728240	65.070822
2002	64.60	18.55	3.30	8.70	95.15	61.175868	66.538118

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

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- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

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

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

Dover Township - Village of Chauncey (G02)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	Village of Chauncey	Dover Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	<u>District</u>	<u>County</u>	<u>Vocational School</u>	<u>Chauncey</u>	<u>Township</u>	<u>Rate</u>	<u>Effective Rate</u>	<u>Effective Rate</u>
1993	55.60	18.45	3.30	7.90	5.30	90.55	61.212580	63.261159
1994	52.60	18.45	3.30	7.90	5.30	87.55	54.689214	58.422130
1995	58.40	18.95	3.30	3.90	5.30	89.85	60.320354	63.492614
1996	59.40	19.05	3.30	7.90	5.30	94.95	65.557233	69.536735
1997	60.40	19.05	3.30	7.90	3.30	93.95	57.602755	61.706041
1998	60.40	18.55	3.30	7.90	3.30	93.45	58.212419	62.303016
1999	59.70	18.55	3.30	7.90	3.30	92.75	59.657580	63.815493
2000	64.60	18.55	3.30	7.90	3.30	97.65	59.919503	65.574419
2001	64.60	18.55	3.30	7.90	3.30	97.65	62.354574	67.656663
2002	64.60	18.55	3.30	7.90	3.30	97.65	63.813636	69.132517

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

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- A02 Athens Township - City of Athens
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- E03 Canaan Township - City of Athens
- G01 Dover Township
- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

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

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

Waterloo Township (N02)

Calendar Year	Athens	Tri-County		Waterloo Township		Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	City School District	Athens County	Joint Vocational School	Waterloo Township	Rate			
1993	55.60	18.45	3.30	9.80	87.15	58.348534	60.289789	
1994	52.60	18.45	3.30	9.80	84.15	51.715924	55.236696	
1995	58.40	18.95	3.30	10.80	91.45	60.643039	63.935523	
1996	59.40	19.05	3.30	10.80	92.55	62.873018	66.763189	
1997	60.40	19.05	3.30	10.80	93.55	56.878921	60.085145	
1998	60.40	18.55	3.30	10.80	93.05	58.180004	61.551999	
1999	59.70	18.55	3.30	9.90	91.45	58.871122	62.404502	
2000	64.60	18.55	3.30	9.90	96.35	58.978506	64.117153	
2001	64.60	18.55	3.30	9.90	96.35	60.165682	65.327257	
2002	64.60	18.55	3.30	9.90	96.35	61.579783	66.794016	

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

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

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

Table 6

ATHENS CITY SCHOOL DISTRICT

Principal Property Taxpayers

2002 Collection Year

<u>PUBLIC UTILITY</u>			
<u>Property Owner</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Columbus Southern Power	Electricity	\$ 11,282,260	50.32%
GTE North, Inc.	Communications	2,664,720	11.88%
Verizon North, Inc.	Communications	2,306,360	10.29%
Texas Eastern Transmission	Natural Gas	1,248,900	5.57%
Tennessee Gas Pipeline Co.	Natural Gas	1,200,110	5.35%
Columbia Gas of Ohio, Inc.	Natural Gas	886,880	3.96%
Ohio Telephone & Telegraph	Communications	723,670	3.23%
Norfolk Southern	Transportation	649,660	2.90%
United Telephone	Communications	585,580	2.61%
Orange County Cellular	Communications	507,060	2.26%
Total Top Ten		22,055,200	
All Others		367,340	1.64%
Total Public Utility		\$22,422,540	100.00%
<u>REAL ESTATE</u>			
<u>Property Owner</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Ohio University	Retail Sales	\$ 7,525,560	2.55%
University Mall Associates	Retail Sales	4,444,910	1.50%
AAC Athens LLC	Apartments	3,779,450	1.28%
Inn-Ohio of Athens, Inc.	Motel	1,825,360	0.62%
City of Athens	Various Properties	1,348,510	0.46%
Diversified Properties	Various Properties	1,338,520	0.45%
Southeast Development Co. 2	Apartments	1,286,810	0.44%
Hickory Creek of Athens, Inc.	Nursing Home	1,261,790	0.43%
Cornwell, R. Leslie	Various Properties	1,206,850	0.41%
McCoady Properties LTD	Various Properties	1,143,810	0.39%
Total Top Ten		25,161,570	
All Others		270,397,230	91.49%
Total Real Estate		\$295,558,800	100.00%
<u>TAXABLE PERSONAL PROPERTY</u>			
<u>Property Owner</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
TS Trim Industries	Automotive Car Seat Mfg.	\$ 1,337,670	5.74%
Don Wood Automotive Body Shop	Auto Service Center	913,610	3.92%
Don Wood Automotive	Auto Dealership	698,060	2.99%
Taylor Motors, Inc.	Auto Dealership	660,640	2.83%
K Mart Corp.	Retail Sales	567,520	2.43%
Athens Mold & Machine, Inc.	Machine Shop	519,270	2.23%
Rite Aid of Ohio Inc.	Retail Sales	478,660	2.05%
Ames Merchandising, Inc.	Retail Sales	452,410	1.94%
Kroger Co.	Grocery Store	405,340	1.74%
Elder Beerman Stores Corp.	Retail Sales	379,470	1.63%
Total Top Ten		6,412,650	
All Others		16,906,499	72.50%
Total Tangible Personal Property		\$ 23,319,149	100.00%

Table 7

ATHENS CITY SCHOOL DISTRICT*Legal Debt Margin**June 30, 2002*

Total Assessed Valuation		\$ 341,300,489
Overall Debt Limitation - 9.0% of Assessed Valuation (1)		30,717,044
Gross Indebtedness Authorized by the School Board	18,424,513	
Less Debt Outside Limitation:	<u>(415,000)</u>	
Debt within 9.0% Limitation	18,009,513	
Less Amount Available in Debt Service Fund	2,152,841	
Net Debt within 9.0% Limitation		<u>15,856,672</u>
Legal Debt Margin within 9.0% Limitation		<u>\$ 14,860,372</u>
<hr/>		
Energy Conservation Debt Limit - .90% of Assessed Value (1)		\$ 3,071,704
Net Debt within .90% Limitation		<u>(415,000)</u>
Energy Conservation Debt Margin		<u>\$ 2,656,704</u>
<hr/>		
Unvoted Debt Limitation - .10% of Assessed Valuation		\$ 341,300
Net Debt within .10% Limitation		<u>-</u>
Legal Debt Margin within .10% Limitation		<u>\$ 341,300</u>

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

Table 8

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

Fiscal Year	Estimated Population	Assessed Value		General Bonded Debt (2)	Less Debt Service (2)	Net Bonded Debt	Ratio Bonded Debt To		Net Bonded Debt Per Capita
		Real & Personal Property (1)					Assessed Value		
1993 (a)	32,310	\$226,361,580		\$1,560,000	\$711,405	\$848,595	0.37%		\$ 26
1994 (a)	32,170	247,403,786		5,824,973	644,494	5,180,479	2.09%		161
1995 (b)	32,170	253,583,890		5,339,973	286,786	5,053,187	1.99%		157
1996 (b)	32,330	255,591,667		4,849,973	51,401	4,798,572	1.88%		148
1997 (b)	32,450	292,476,676		4,344,973	161,609	4,183,364	1.43%		129
1998 (b)	32,600	295,211,248		3,824,973	487,536	3,337,437	1.13%		102
1999 (b)	32,721	302,265,315		3,289,973	721,757	2,568,216	0.85%		78
2000 (b)	32,721	334,411,779		19,319,973	1,707,620	17,612,353	5.27%		538
2001 (b)	32,596	341,363,222		18,684,973	1,654,485	17,030,488	4.99%		522
2002 (b)	32,596	341,300,489		18,424,513	2,152,841	16,271,672	4.77%		499

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

(2) General Obligation Bonded Debt Excludes Energy Conservation Notes

(a) - Cash Basis Data

(b) - GAAP Basis Data

Table 9

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

Fiscal Year	Principal (1)		Interest (1)		Total Debt Service (1)		Total General Fund Expenditures		Percent of Debt Service to General Fund Expenditures
1993	(a)	\$ 395,000	\$	442,582	\$	837,582	\$	13,464,559	6.22%
1994	(a)	550,535		201,327		751,862		15,474,514	4.86%
1995	(b)	485,000		282,038		767,038		14,396,514	5.33%
1996	(b)	490,000		271,330		761,330		15,538,883	4.90%
1997	(b)	505,000		241,358		746,358		16,274,825	4.59%
1998	(b)	520,000		247,588		767,588		16,868,276	4.55%
1999	(b)	535,000		173,801		708,801		18,198,269	3.89%
2000	(b)	370,000		153,582		523,582		17,422,381	3.01%
2001	(b)	635,000		1,099,065		1,734,065		19,179,237	9.04%
2002	(b)	260,460		1,370,137		1,630,598		20,314,792	8.03%

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

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

ATHENS CITY SCHOOL DISTRICT
Computation of Direct and Overlapping Debt
June 30, 2002

	General Obligation Debt (1)	Percent Overlapping	Applicable To Athens City School District
	<hr/>	<hr/>	<hr/>
<u>Direct Debt:</u>			
Athens City School District	\$ 18,424,513	100.00%	\$ 18,424,513
<u>Overlapping Debt:</u>			
Athens County	3,893,000	55.26%	2,151,272
City of Athens	6,350,000	98.04%	<hr/> 6,225,540
Total Overlapping Debt			<hr/> 8,376,812
Total Direct and Overlapping Debt			<hr/> <hr/> \$ 26,801,325

Source: Ohio Municipal Advisory Council

(1) General Obligation Bonded Debt Excludes Energy Conservation Notes

Table 11

ATHENS CITY SCHOOL DISTRICT

*New Construction, Tax Exempt Value, and Assessed Property Value
Last Ten Years*

Collection Year	Total Value New Construction	Tax Exempt Value	Real Property	Assessed Property Values (1)			Total
				Tangible Personal	Public Utility Personal		
1993	\$3,956,660	\$132,209,990	\$178,278,440	\$18,076,160	\$30,006,980	\$226,361,580	
1994	4,232,440	140,764,640	198,639,960	17,432,346	31,331,480	247,403,786	
1995	4,508,220	149,216,130	202,769,240	17,974,750	32,839,900	253,583,890	
1996	6,711,340	152,311,580	206,713,970	19,251,537	29,626,160	255,591,667	
1997	4,653,200	175,212,750	243,463,640	19,558,176	29,454,860	292,476,676	
1998	2,327,440	175,032,770	246,407,920	20,849,558	27,953,770	295,211,248	
1999	4,863,550	179,911,980	251,378,830	21,348,845	29,537,640	302,265,315	
2000	3,338,130	195,411,980	285,737,630	22,056,469	26,617,680	334,411,779	
2001	6,031,520	198,545,120	291,086,680	23,500,232	26,776,310	341,363,222	
2002	5,471,520	204,652,910	295,558,800	23,319,149	22,422,540	341,300,489	

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

Note: Mineral Value and Public Utility Real Estate Value are included in Real Property Value

Bank deposit data is not included. No major banks report their headquarters as the City of Athens, Athens County, Ohio.

Table 12***ATHENS CITY SCHOOL DISTRICT****Cost to Educate a 2001 Graduate*

School Year Ended	Grade	Annual Expenditure Per Pupil	
		District Average	State Average
1989	Kindergarten	\$ 3,553	\$ 3,837
1990	1st Grade	3,717	4,159
1991	2nd Grade	3,920	4,373
1992	3rd Grade	4,434	4,619
1993	4th Grade	4,538	4,815
1994	5th Grade	4,386	5,010
1995	6th Grade	5,181	5,151
1996	7th Grade	5,230	5,328
1997	8th Grade	5,889	5,557
1998	9th Grade	6,116	5,673
1999 #	10th Grade	6,681	6,642
2000 #	11th Grade	6,972	7,057
2001 #	12th Grade	7,832	7,591
		<u>\$ 68,449</u>	<u>\$ 69,812</u>

Source: Ohio Department of Education - Financial Data Per Pupil Report - All Funds

- Ohio Department of Education "District School Report Card"

Table 13

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

Fiscal Year	Number Of Graduates (1)	Average Daily Membership (ADM) (2)	Percentage ADM Increase (Decrease)
1993	210	2891	-4.27%
1994	212	2926	1.21%
1995	208	2837	-3.04%
1996	204	2850	0.46%
1997	225	2793	-2.00%
1998	242	2705	-3.15%
1999	234	2966	9.65%
2000	235	2823	-4.82%
2001	235	2757	-2.34%
2002	233	2544	-7.73%

(1) Athens High School Guidance Department

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

Table 14

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

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000 (1)</u>	<u>2001</u>	<u>2002</u>
Professional Staff:										
Teaching Staff:										
Elementary (K-6)	137.2	137.5	146.9	147.9	153.3	147.0	150.4	115.6	112.1	108.8
Secondary (7-12)	50.1	50.1	54.2	56.2	55.7	57.0	57.4	81.2	81.2	81.5
Administrators:										
Districtwide	15.0	15.0	16.0	14.0	16.0	16.0	17.0	18.0	18.0	18.0
Auxiliary Positions:										
Guidance/Counselors	5.0	5.0	5.0	5.0	4.8	4.0	4.0	5.0	5.0	5.0
Librarians/Audio Visual	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Special Education	11.0	13.7	15.7	15.7	13.6	14.6	14.0	34.0	35.5	39.0
Psychologists	2.6	2.6	3.4	2.6	2.6	2.8	3.0	3.0	3.0	2.0
Nurses	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Support Staff:										
Secretarial	22.0	20.5	19.5	20.0	18.0	17.0	15.5	21.5	22.5	22.5
Aides	43.0	43.0	43.0	43.0	44.0	44.0	52.0	49.5	55.5	60.5
Maintenance/Mechanic	6.0	6.0	6.0	6.0	6.0	6.0	6.0	8.0	8.0	8.0
Transportation	33.0	31.0	35.0	37.0	38.0	31.0	31.0	29.0	30.0	28.0
Custodial	22.0	22.0	24.0	22.0	25.0	23.0	24.0	24.5	24.5	24.5
Lunchroom	21.0	18.0	17.0	25.0	38.0	37.0	38.0	21.5	21.5	21.5
TOTAL	369.9	366.4	387.7	396.4	417.0	401.4	414.3	412.8	418.8	421.3

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

Table 15

ATHENS CITY SCHOOL DISTRICT
Educational Standardized Testing Statistics
Last Five School Years

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02 #</u>
4th Grade Proficiency Tests:					
Citizenship	61.7	79.2	68.3	73.3	79.5
Mathematics	41.5	56.2	50.9	66.1	75.1
Reading	56.6	66.0	67.1	65.7	75.8
Writing	71.8	77.0	80.1	82.0	85.7
Science	50.3	62.1	50.3	62.2	75.3
All Parts	43.0	39.9	34.8	49.0	49.1
6th Grade Proficiency Tests:					
Citizenship	74.6	75.3	68.8	77.9	75.1
Mathematics	53.1	59.1	51.1	66.1	58.0
Reading	64.3	58.2	51.7	61.8	58.0
Writing	98.1	85.1	84.7	85.3	87.1
Science	64.3	57.2	51.1	69.0	60.5
All Parts	46.0	39.2	32.4	49.0	50.0
9th Grade Proficiency Tests:					
Citizenship	91.6	87.7	81.9	88.8	88.3
Mathematics	81.4	83.3	75.0	81.3	83.1
Reading	95.4	94.0	88.4	95.1	94.4
Writing	92.0	96.2	90.3	93.3	93.3
Science	85.6	85.5	78.9	85.1	83.7
All Parts	73.9	73.2	65.3	70.0	77.1
ACT Scores (Composite Averages)					
Athens City Schools	24.3	22.7	23.1	23.1	23.7
State	21.4	21.4	21.4	21.4	21.4
National	21.0	21.0	21.0	21.0	20.8
SAT Scores (Average)					
Athens City Schools					
Verbal	575	580	562	548	592
Mathematics	574	575	569	564	583
State					
Verbal	536	534	533	534.0	533.0
Mathematics	540	538	539	539.0	540.0
National					
Verbal	505	505	505	506.0	504.0
Mathematics	512	511	514	514.0	516.0

Source: Ohio Department of Education - School District Report Card Data
= Preliminary Test Scores not yet Certified by the Ohio Department of Education

Table 16

ATHENS CITY SCHOOL DISTRICT
Educational Testing Comparison
2001-2002 School Year #

	<u>District</u>	<u>State Average</u>	<u>Similar Districts *</u>
4th Grade Proficiency Tests:			
Citizenship	79.5	67.4	70.4
Mathematics	75.1	62.8	64.5
Reading	75.8	67.5	70.1
Writing	85.7	80.5	82.0
Science	75.3	64.2	65.8
6th Grade Proficiency Tests:			
Citizenship	75.1	71.5	74.9
Mathematics	58.0	61.8	63.4
Reading	58.0	58.3	60.2
Writing	87.1	87.3	89.2
Science	60.5	60.6	63.0
9th Grade Proficiency Tests:			
Citizenship	88.3	83.8	85.7
Mathematics	83.1	73.4	74.8
Reading	94.4	91.5	93.6
Writing	93.3	89.8	91.1
Science	83.7	77.5	79.6
	<u>District</u>	<u>State Average</u>	<u>National Average</u>
ACT Scores (Composite Averages)	23.7	21.4	20.8
SAT Scores (Average)			
Verbal	592	533	504
Mathematics	583	540	516

Source: Ohio Department of Education - School District Report Card Data

= Preliminary Test Scores not yet Certified by the Ohio Department of Education

* = Districts selected by the Ohio Department of Education as "Similar"

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Betty Montgomery**

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ATHENS CITY SCHOOL DISTRICT

ATHENS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 25, 2003**