



**Auditor of State
Betty Montgomery**

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

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**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS & EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2003**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Entity Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education</i>						
Nutrition Cluster						
Food Distribution	10.550	N/A		\$73,477		\$73,477
National School Breakfast Program	10.553	05-PU-2002 05-PU-2003	\$2,628 7,265		\$2,628 7,265	
Total National School Breakfast Program			9,893		9,893	
National School Lunch Program	10.555	LL-P4-2002 LL-P4-2003	40,049 116,960		40,050 116,960	
Total National School Lunch Program			157,009		157,010	
Total United States Department of Agriculture - Nutrition Cluster			166,902	73,477	166,903	73,477
UNITED STATES DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education</i>						
Title I Grants to Local Education Agencies						
Title I Grants to Local Education Agencies	84.010	C1-S1 2002 C1-S1 2003	36,139 146,523		50,877 125,978	
Total Title I Grants to Local Education Agencies			182,662		176,855	
Special Education Cluster:						
Special Education Grants to States	84.027	6B-SD 2002-P 6B-SD 2003-P 6B-SF 2003-P	60,118 15,000 627,959		100,750 602,909	
Total Special Education Grants to States			703,077		703,659	
Special Education Preschool Grant	84.173	PG-S1 2002-P PG-S1 2003-P	10,709 23,925		19,252 10,724	
Total Special Education Preschool Grant			34,634		29,976	
Total Special Education Cluster			737,711		733,635	
Vocational Education - Basic Grants to State	84.048	20-AO 2002 20-C1 2002 20-C1 2003	3,240 3,461 142,196		3,240 3,540 141,611	
Total Vocational Education - Basic Grants to State			148,897		148,391	
Safe and Drug Free Schools and Communities -- State Grants	84.186	DR-S1 2000 DR-S1 2001 DR-S1 2002 DR-S1 2003	(2,098) (1,377) (295) 23,536		 13,694 19,544	
Total Safe and Drug Free Schools and Communities -- State Grants			19,766		33,238	
Eisenhower Professional Development State Grants	84.281	MS-S1 2001	(382)		7,939	
Innovative Education Program Strategies	84.298	C2-S1 2001 C2-S1 2002 C2-S1 2003	(11) 10,910 27,640		5,137 30,118 13,636	
Total Innovative Education Program Strategies			38,539		48,891	
Technology Literacy Challenge Fund Grants	84.318	TJ-S1 2003	768			
Advanced Placement Program	84.330	AV-S1 2003	100		100	
Class Size Reduction Subsidy	84.340	CR-S1 2002	9,983		11,339	
School Renovation Grants	84.352	AT-S2 2002 AT-S3 2002	3,820 5,540		3,820 405	
Total School Renovation Grants			9,360		4,225	
English Language Acquisition Grants	84.365	T3-S1 2003	18,636		18,636	
Improving Teacher Quality State Grants	84.367	MS-S1 2002 TR-S1 2003	16,355 98,054		16,121 80,626	
Total Improving Teacher Quality State Grants			114,409		96,747	
Total United States Department of Education			1,280,449		1,279,996	
FEDERAL EMERGENCY MANAGEMENT AGENCY						
<i>Passed Through Ohio Emergency Management Agency</i>						
Public Assistance Grant Program	83.544	DR-1453-OH	12,670		12,670	
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed through Montgomery County Educational Service Center</i>						
CAFS Medicaid Assistance Program	93.778	N/A	46		46	
Total Federal Financial Assistance			\$1,460,067	\$73,477	\$1,459,615	\$73,477

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

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
JUNE 30, 2003**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Non-monetary 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 United States Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE C - MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



**Auditor of State
Betty Montgomery**

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

Centerville City School District
Montgomery County
111 Virginia Avenue
Centerville, Ohio 45458

To the Board of Education:

We have audited the financial statements of Centerville City School District, Montgomery County, (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated January 30, 2004, in which we noted the District has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated January 30, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 30, 2004.

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

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 30, 2004



Auditor of State Betty Montgomery

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

Centerville City School District
Montgomery County
111 Virginia Avenue
Centerville, Ohio 45458

To the Board of Education:

Compliance

We have audited the compliance of Centerville City School District, Montgomery County, (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 each of its major federal programs for the year ended June 30, 2003. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, Centerville City School District, Montgomery County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

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.

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**Internal Control Over Compliance
(Continued)**

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

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, 2003, and have issued our report thereon dated January 30, 2004, in which we noted the District has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments*. 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 expenditures is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of 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 30, 2004

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster CFDA # 84.027 and 84.173
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Centerville City School District

Centerville, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2003

Prepared By:

**Donald A. Paolo
Treasurer**

INTRODUCTORY SECTION

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

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**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

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**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

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Centerville City Schools

Office of
TREASURER

January 30, 2004

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Centerville City School District (the District). The information reported is for the fiscal year ended June 30, 2003. The report contains financial statements, supplemental statements and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2002-03 fiscal year.

Responsibility for the accuracy, completeness and fairness of this report rests with the District and more specifically, the Office of the Treasurer. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects. Our report is designed to present fairly the financial position, results of operation and budgetary comparisons of the District.

This report is prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative services, and is representative of the District's continuing commitment to provide meaningful financial information to the citizens of the District.

The CAFR report is divided into three sections:

The Introductory Section introduces the reader to the report and provides an overview of the district and area. It also includes a table of contents, this transmittal letter, and a list of principal officials, District's organizational chart and Ohio Map.

The Financial Section includes the unqualified opinion of our independent auditor, Betty Montgomery, Auditor of State. It also includes the management's discussion and analysis, the basic financial statements and notes providing an overview of the School District's financial position and operating results, the combining and individual fund statements and schedules.

The Statistical Section includes selective financial, economic and demographic information generally presented on a multi-year basis for comparative purposes.

Copies of this report will be widely distributed throughout the District. A copy will be sent to all school buildings, the Dayton Area Chamber of Commerce, major businesses located within the District, other governmental entities in Montgomery County, the Centerville Libraries, Moody's and Standard and Poor's financial rating services, major banks, realtors, and other interested parties.

THE REPORTING ENTITY AND SERVICES PROVIDED

The District provides a full range of traditional and non-traditional educational programs and services. These services include but are not limited to elementary and secondary curriculum offerings at the general, college preparatory, advance placement and career-technical levels in addition to numerous extracurricular and co-curricular activities. Rounding out these major services are adult and community educational offerings, special education programs and community recreation facilities.

The various funds of the District are used to account for the District's governmental assets, liabilities, fund balances, and results of operations (or revenues over/(under) expenditures) for those activities. In addition to the aforementioned services and general activities, the District acts as fiscal agent for State funds distributed to private schools located within the District's boundaries. This activity is included in the reporting entity as a special revenue fund due to the District's involvement in the distribution of funds. The parochial/private schools served are Church of the Incarnation, Miami Valley School, Spring Valley Academy, Kindercare (K-4), Montessori School of Centerville and First School (primary). Although these organizations share operational and service similarity with the District, each is a separate and distinct entity. Because of their independent nature, none of these organizations' financial statements are included in this report.

DISTRICT FOCUS

Local Economic Condition and Outlook

The Centerville City School District encompasses the City of Centerville and Washington Township located in Montgomery County, just south of Dayton, Ohio. The estimated population of this area is 52,991 residents. Centerville is a residential city with a well-balanced mixture of homes to fit a range of budgets. Housing available in the City of Centerville ranges from expensive executive homes and luxurious condominiums to affordable single-family homes and apartments. The socioeconomic profile of district residents, as measured by income levels and housing values, is substantially above average for the State of Ohio.

The City of Centerville is strategically located on U.S. Interstate 675, less than three and one-half miles from U.S. Interstate 75 and fifteen miles south of U.S. Interstate 70. The City is in close proximity to three major industrial centers – Dayton (eight miles), Cincinnati (46 miles), and Columbus (78 miles). There are two shopping centers within the City, each with a wide variety of shops and restaurants. An excellent park district and library facilities provide for an enhanced lifestyle truly unique for a community of its size.

In the business arena, Centerville's 700 businesses range in size from major corporations to small efficient machine shops and locally operated retailers. The City continues to experience growth in both the commercial and residential areas, and that growth is expected to continue in the foreseeable future.

Mission Statement

The mission of the Centerville City School District is to utilize all available resources in striving to meet the academic, vocational, co-curricular and social needs of all students for their continued growth and development; and to provide opportunities for all to become competent, productive contributors to society.

Blue Ribbon School District

Centerville City School District has five schools that have been recognized nationally as Blue Ribbon Schools by the U.S. Department of Education. This national recognition reflects the excellence that exists throughout the District. The District's Blue Ribbon schools are: Centerville High School (1984,1993); Normandy Elementary (1992); Centerville Kindergarten Village (1997); Tower Heights Middle School (1998); and Weller Elementary School (1999).

Board of Education

The operations of the Centerville City School District are managed by the Board of Education (the Board) that is made up of five citizens who are elected by voters to serve four-year terms. The Board is a body politic and corporate as defined by Ohio Revised Code Section 3313.02, and derives its authority from federal and state law. The Board's major function is to develop operating policies that will best service the needs of the students. In addition, the Board acts as the taxing authority, contracting body, the approver of the annual appropriation resolution and tax budget, as well as insuring that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars. The Board employs the Superintendent to execute policies and provide leadership to the staff. The Board also employs the Treasurer to act as Chief Financial Officer to maintain financial records and invest funds of the District as specified by Ohio law. The current Board is as follows:

<u>Board Members</u>	<u>Term Ends</u>
Dr. David Roer - President	December 2005
Mr. John Doll – Vice President	December 2005
Mr. Bradley Evers	December 2007
Mrs. Karen Myers	December 2005
Mrs. Cheryl Smith	December 2007

Student Opportunities

The Centerville City School District provides opportunities for its 7,821 students to excel in academic, co-curricular and community based activities. The academic curriculum is designed to prepare most students, regardless of ability levels, to attend four-year or two-year colleges upon graduation.

Kindergarten

Centerville Kindergarten Village is a District-wide early childhood and kindergarten center that has received state and national recognition. In addition to regular kindergarten programs, Young 5's, Extended Day Kindergarten and KinderPlus are all offerings to provide developmentally appropriate programs for children ages five and six.

Elementary

There are six elementary schools housing grades one thru five. Students are taught reading, language arts, science, social studies, math and health by the classroom teacher with art, music and physical education being taught by specialists in those areas. Teachers work in grade level teams and there are regular grade level team meetings for horizontal coordination and subject area meetings for vertical subject coordination.

Middle School

The three middle schools house students in grades six thru eight. Each middle school is divided into four family teams made up of a teacher in each of the academic areas as in the elementary program. The “school within a school” concept is designed to provide students the ability to change classes for each academic area while having closer personal contact with their “family” teachers as students spend all three years with the same family of students and teachers. Students also receive instruction in art, music, physical education and can take German, French or Spanish. 11 middle school students achieved Recognized Scholar status in the Middle School Scholastic Achievement test.

High School

Centerville High School is a comprehensive, four-year school that stresses academic excellence and physical and social development. Courses are offered in the fine and applied arts, business, career education, tech-prep and all academic areas. In the 2002-2003 National Merit Scholarship Program, 11 seniors were National Merit Finalists and 16 were commended scholars. In addition, 151 seniors were inducted into the National Honor Society.

DISTRICT ACHIEVEMENTS AND INITIATIVES

Achievements

Every year academic and co-curricular highlights are included in an annual report to the community and includes state and national recognition, student achievements and community contributions. Centerville staff and students excel in an extraordinary array of activities, including some of the following:

- The Centerville City School District again earned an “Excellent” rating – the highest rank in Ohio’s educational report cards on school districts. The District met all 22 standards that are based on student test achievement scores, along with attendance and graduation rates.
- Centerville High School’s Science Olympiad team placed first in Ohio and fifth in the nation! Magsig Science Olympiad team placed third in the state.
- A record seven Centerville DistiNation Imagination teams won first or second place in the state contest and qualified for the Global competition. The High School “A Change in Direction” team won first place for the second straight year at the Global Tournament in Knoxville.
- The High School Junior Engineering Technical Society (JETS) placed first in the State and second in the nation in this physics based academic contest.
- The Centerville High School Jazz Band, the Symphonic Band, the Winter Guard and Winter Percussion all earned high competition placements and awards.
- Sherley Kurtz, a fifth grade teacher at Driscoll, was Centerville’s nominee for Ohio Teacher of the Year.
- District teachers JoAnn Abreu, Julia Bilbrey, Debbie Mace, and Kim Plunkett earned National Board Certification.

Current District Initiatives

Curriculum and Instruction

Extensive work was completed on new courses of learning were in art, music and physical education. In addition, the foreign language curriculum for grades six thru twelve was redesigned. Continued professional development for instructional personnel which enhanced staff's ability to support a diversity of learners. Focused attention was given to the new science course of learning that is based on Ohio Department of Education standards.

Technology

Preparing students to meet the demands of a highly technological society is crucial. The mission of our technology program is to provide a learning environment in which students and teachers have the technical resources to improve basic skills and to enhance problem solving and higher order thinking skills. During the past several years, there has been a strong focus on technology within both the management of the District and the classroom.

An overview of technology related achievements during the 2002-2003 school year, included:

- The computing infrastructure of the District was upgraded, specifically the District's Wide Area Network. Funding for these upgrades was made available through the District's permanent improvement levy and the State grant OneNet. This upgrade represents the first of three phases in a comprehensive strategy to upgrade the telecommunications capabilities of the District.
- Classroom workstations in grades K-4 were replaced. The District also began shifting from small, individual printers to larger, more flexible workgroup printing stations where students and teachers are able to print in either color or black and white.

Treasurer's Office

To coincide with the District's conversion to the GASB 34 reporting model, the District phased in additional features of the on-line accounting system. A fixed asset/inventory identification system now links to the purchasing system thereby enabling automated valuations. A new system to assess, collect and monitor student fees was also implemented during the fiscal year. Staff members are now able to better manage student fees and teachers no longer have to collect and record checks and cash from each student. The new system allows all student fees to be consolidated into one lump sum. Parents are billed directly and can make one payment for multiple children even if children are in different buildings. Payments are made directly to Bank One via a lockbox system. Each morning, Bank One transmits the money received into the District's accounts receivable system. This new approach benefits both parents and teachers. The teachers are not burdened with collecting fees and the handling of cash is also be reduced for the Treasurer's staff. It is estimated that as much as three days of teaching time (per teacher) can be returned to teachers since the handling of money has been eliminated.

Future District Initiatives

Increasingly over the years, teachers are using the summertime to pursue advanced degrees or to learn new teaching techniques through District in-service programs. In addition, the summertime is the best time for the Centerville City School District to work on capital improvement projects and to enhance our technology resources for students and staff. Below is a sampling of this summer's efforts to improve our programs and schools for the 2003-2004 school year and beyond:

Curriculum and Instruction

- Complete final revisions of the Foreign Language, Art, Music and Physical Education courses of learning.
- Purchase new foreign language materials for grades six thru twelve.
- Update and add materials and equipment for art, music, physical education, band and orchestra.
- Finalize plans for moving the Centerville High School's Alternative Program to RETS Tech Center on Alex-Bell Road.
- Conduct staff training with funds from a grant for "Exceptional Children".
- Provide professional development for teachers through the 2003 Summer Institute, the K-3 Institute, the K-8 Special Education Institute, and training for Mentor Teachers and Peer Assistance and Reflection Coaches.

Capital Improvement Projects

- Replace the heating, ventilation and air conditioning (HVAC) at Tower Heights.
- Replace windows at Driscoll; and doors at Cline, Central Resource Center and Tower Heights.
- Replace roofs at the Kindergarten Village, Grant Nature Center, Soccer Stadium and Baseball Field.
- Replace carpet in classrooms at the High School's South Unit and other selected classrooms and offices.
- Pave and repair concrete at the High School, Magsig, Cline, Tower Heights, Transportation, Driscoll, John Hole, Kindergarten Village, Normandy and Weller.
- Upgrade electric service at Cline.
- Purchase new school buses, as well as new student furniture to be used throughout the District.

Technology

- Install new servers in each school building.
- Replace classroom workstations for middle school classrooms (regular and special) and guidance counselors.
- Redeploy older computers into science and special education classrooms.
- Implement a system to support wireless notebook technology at the High School.
- Continue to enhance the school and teacher web content options available.

FINANCIAL INFORMATION

Financial Reporting

This is the first year the District has prepared financial statements following GASB Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. GASB 34 creates new basic financial statements for reporting the District’s financial activities and including the following:

Government-wide Financial Statements

These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities in nature. The District did not have any business-type activities during fiscal year 2003.

Fund Financial Statements

These statements present information for individual major funds rather than by fund type. Funds, which are not classified as major funds are presented in one column, titled “Nonmajor Funds”. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. The fiduciary funds are presented using the accrual basis of accounting.

Statement of Budgetary Comparisons

These statements present comparison of actual information to, both the original and final amended, budget legally adopted by the District for the General Fund and any major special revenue funds. The District has no major special revenue funds. The budgetary basis as provided by Ohio Law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a discussion and analysis of the financial information presented in the District’s basic financial statements. This discussion follows this letter of transmittal, providing an assessment of the District’s finances for fiscal year 2003, as well as an outlook for the future.

Internal Accounting and Budgetary Control

Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation. The management of the District is responsible for establishing and maintaining an internal control environment that provides reasonable assurance the District’s financial statements are reliable, the District complied with applicable laws and regulations and the District is operating effectively and efficiently.

The District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

The District maintains its accounts and accounting records to facilitate budgetary control as outlined by Ohio Revised Code. Before October 1st of each fiscal year the Board adopts its annual appropriation measure. These appropriations may be amended as needed by Board action. Annual appropriations and any amendments may not exceed the County Budget Commissions official estimate of resources. The County Auditor must certify that the Board's appropriation measures do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level. All purchase order requests must be approved by the building principal, department supervisor, or appropriate central office director and must be certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests, which exceed the available appropriations, are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports which detail month and year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. Each administrator and school principal has access to view the status of the budget accounts for which they are responsible. As an additional safeguard, a blanket bond covers all employees; a separate, higher limit bond covers certain individuals in policy-making roles. Additional information on the District's budgetary accounts can also be found in notes to the basic financial statements.

Cash Management

The District's cash management program addresses the issues of safety, liquidity and yield while maximizing returns. The District utilizes the STAROhio program investment pool, operated by the Ohio Treasurer of State, for ready cash and yield. Certificate of deposits, treasury bonds and notes, money market mutual funds, and United States agency securities are utilized for long-term investments. Investment earnings for the District totaled \$670,707 on the Statement of Activities and \$497,789 on the Governmental Fund Statements during the fiscal year.

Risk Management

The District continues to protect its assets through a comprehensive insurance program. Insurance policies for fleet liability, general liability, excess liability, directors and officers, property loss and boiler and machinery coverage are purchased from the Indiana Insurance Company. Employee health and other insurance coverage are provided by Anthem PPO, Superior Dental PPO and Medical Life Insurance. In addition, the District offers a full range of supplementary retirement plans for eligible staff members.

INDEPENDENT AUDIT

Included in this report is the Auditor of the State of Ohio's unqualified opinion rendered on the District's financial statements as of and for the year ended June 30, 2003. An annual independent audit of the District's financial statements is a requirement of Ohio statute, as well as an integral part of the annual preparation of a CAFR. This annual independent audit will continue to review, comment on and thereby strengthen the District's accounting and budgetary control.

AWARDS

The District received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for its fiscal year 2002 Comprehensive Annual Financial Report, as well as for the prior three fiscal years. This year's report will also be submitted for this award. We feel that the contents of the report are easily readable, efficiently organized and conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. The District believes our current report conforms to the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

ACKNOWLEDGEMENTS

The preparation of this report is made possible through the dedicated service and efforts of every person within the Treasurer's Office. Appreciation is also extended to the District's Board of Education, Centerville Schools Administration and the Centerville Schools community for its continuing support.

Respectfully submitted,



Donald A. Paolo
Treasurer



Frank DePalma
Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Centerville City School
District, Ohio

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

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



William Patrick Harte

President

Jeffrey R. Emer

Executive Director

CENTERVILLE CITY SCHOOL DISTRICT, OHIO

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2003

Board of Education

Karen Myers, President

Bradley Evers, Vice-President

John Doll, Member

Leslie Kiefaber, Member

David Roer, Member

Administration Team

Frank DePalma, Superintendent

Donald Paolo, Treasurer

Gary Smiga, Assistant Superintendent for Business Operations

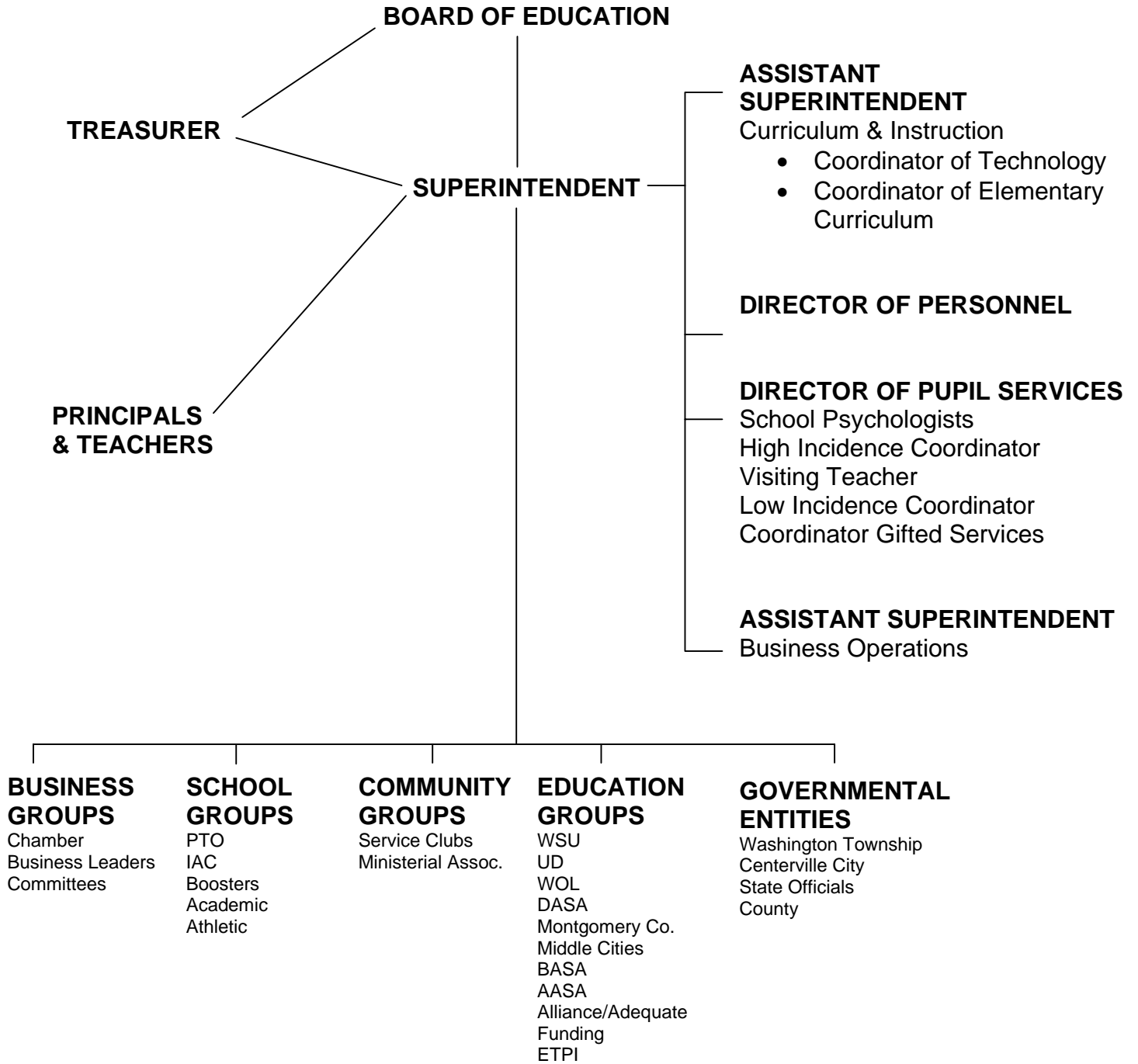
Terry Riley, Assistant Superintendent for Curriculum & Instruction

Gary Anderson, Director of Personnel

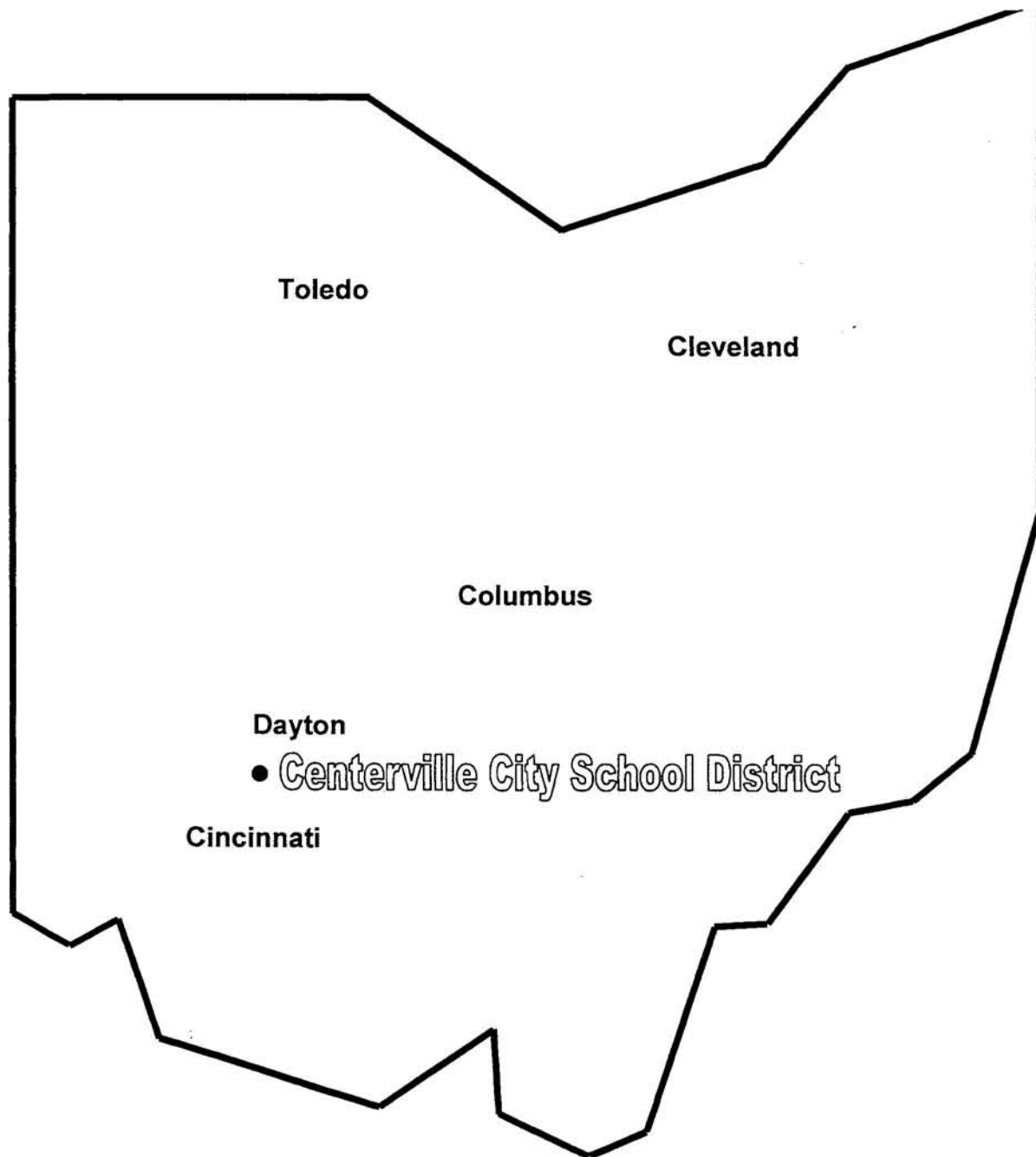
Steve Bartalo, Director of Pupil Services

Scott Fife, Coordinator of Curriculum/Technology

ORGANIZATIONAL CHART



MAP OF OHIO



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FINANCIAL SECTION



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANT'S REPORT

Centerville City School District
Montgomery County
111 Virginia Avenue
Centerville, Ohio 45458

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 Centerville City School District, Montgomery County, (the District), as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Centerville City School District, Montgomery County, as of June 30, 2003, and the respective changes in financial position, 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, during the year ended June 30, 2003, the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2004, 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.

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

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining 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 and the 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 30, 2004

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The discussion and analysis of the Centerville City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2003 are as follows:

Overall:

- Total net assets decreased by approximately \$1.3 million, which represents a 3.6 percent decrease from fiscal year 2002.
- Total assets of governmental activities increased \$1.1 million, attributed primarily to increases in property taxes receivables that are offset by the decrease in net capital assets.
- General revenues accounted for \$60.6 million or 89.0 percent of total revenue. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions account for \$7.5 million or 11.0 percent of total revenues of \$68.1 million.
- Of the School District's \$69.3 million in expenses, only \$7.5 million were offset by program specific charges for services, grants or contributions. General revenues (primarily grants and entitlements, and property taxes) were used to cover the net expense of \$61.9 million.
- The General Fund, the School District's most significant fund, had an ending fund balance of \$18.6 million or a 15.7 percent decrease from fiscal year 2002. The decrease in fund balance is due predominately to a \$2.3 million transfer to the Permanent Improvement fund to finance school building improvement projects. The other two major funds, the Debt Service and Permanent Improvement Funds, had fund balances of \$3.9 million and \$1.5 million, respectively. Resources are maintained in the Debt Service Fund for future debt service payments on general obligation debt.
- On the budgetary basis of accounting, the School District's General Fund ended fiscal year 2003 with a fund balance of \$23.8 million. Actual budgetary revenues were 3.5 percent higher than original budget estimates and budgetary expenditures were 0.8 percent higher than original budget amounts.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Centerville 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.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregated view of the School District's finances and a longer-term view of those statements. 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 School District's most significant funds with all other nonmajor funds presented in total in one column. While the General Fund is by far the most significant fund at Centerville City School District, individual fund statements are also presented for the Debt Service and Permanent Improvement Funds since local property and other taxes are paid into these funds.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District does not have any business-type activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 16. Fund financial reports provide detailed information about the General, Debt Service and Permanent Improvement Funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds, and therefore only the major funds are presented separate from the other governmental funds.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Governmental Funds

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

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2003 compared to 2002:

TABLE 1
NET ASSETS (000's)

	<u>2003</u>	<u>2002</u>
<i>Assets</i>		
Current and Other Assets	\$ 77,306	\$ 74,942
Capital Assets	<u>28,798</u>	<u>30,045</u>
Total Assets	<u>106,104</u>	<u>104,987</u>
<i>Liabilities</i>		
Long-Term Liabilities	22,271	23,649
Other Liabilities	<u>49,604</u>	<u>45,833</u>
Total Liabilities	<u>71,875</u>	<u>69,482</u>
<i>Net Assets</i>		
Invested in Capital Assets, Net of Debt	10,913	11,085
Restricted	6,074	4,549
Unrestricted	<u>17,242</u>	<u>19,871</u>
Total Net Assets	\$ <u>34,229</u>	\$ <u>35,505</u>

The amount by which the School District's assets exceeded its liabilities is called net assets. As of June 30, 2003, the School District's net assets were \$34.2 million. Of that amount, approximately \$10.9 million was invested in capital assets, net of debt related to those assets. Another \$6.1 million was subject to external restrictions upon its use. The remaining unrestricted net assets of \$17.2 million are available for future use as directed by the Board of Education and the School District's management.

Table 2 shows the changes in net assets for fiscal year 2003. Since this is the first year the School District has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to fiscal year 2002 are not available. In future years, when prior-year information is available, a comparative analysis of district-wide data will be presented.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

TABLE 2
CHANGE IN NET ASSETS

	<u>2003</u>
Revenues	
Program Revenues:	
Charges for Services	\$ 4,311,331
Operating Grants and Contributions	2,951,841
Capital Grants and Contributions	200,441
General Revenues:	
Property Taxes	42,208,394
Grants and Entitlements	17,307,126
Other	<u>1,068,580</u>
Total Revenues	<u>68,047,713</u>
Program Expenses	
Instruction	39,903,025
Support Services:	
Pupils and Instructional Staff	8,242,354
Board of Education, Administration, Fiscal and Business	5,678,696
Plant Operation and Maintenance	5,785,183
Pupil Transportation	4,188,147
Central	102,201
Operation of Non-Instructional Services	2,891,264
Extracurricular Activities	579,868
Unallocated Depreciation	966,213
Interest and Fiscal Charges	<u>986,240</u>
Total Expenses	<u>69,323,191</u>
Decrease in Net Assets	\$ <u>(1,275,478)</u>

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. Property taxes made up 62.0 percent of revenues for governmental activities for the Centerville City School District for fiscal year 2003. In addition to property taxes, the School District relies on the intergovernmental revenues provided by the State of Ohio and the federal government to fund its operations; approximately 30.1 percent of the School District's total revenue was received from intergovernmental sources during fiscal year 2003.

The decreases in net assets realized by the School District during fiscal year 2003 is attributed to increased operational costs, as well as limitations on the growth rate of the School District's primary revenue sources.

Instruction comprises 57.6 percent of the School District's expenses for fiscal year 2003. Support services expenses make up 34.6 percent of the expenses.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows 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 2002 have not been made because they are not available.

Table 3
Total and Cost of Program Services
Governmental Activities
For Fiscal Year 2003

	Total Cost of Service	Net Cost of Service
Instruction	\$ 39,903,025	\$ 37,020,635
Support Services:		
Pupils and Instructional Staff	8,242,354	7,305,436
Board of Education, Administration, Fiscal and Business	5,678,696	5,553,935
Plant Operation and Maintenance	5,785,183	5,758,715
Pupil Transportation	4,188,147	4,098,506
Central	102,201	92,267
Operation of Non-Instructional Services	2,891,264	45,865
Extracurricular Activities	579,868	31,766
Unallocated Depreciation	966,213	966,213
Interest and Fiscal Charges	<u>986,240</u>	<u>986,240</u>
Total Expenses	\$ <u>69,323,191</u>	\$ <u>61,859,578</u>

Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Pupils and instructional staff include the activities involved with assisting the staff with the contents and process of teaching to pupils.

Board of education, administration, fiscal and business includes expenses associated with administrative and financial supervision of the District.

Plant operation and maintenance activities involve keeping the school grounds, buildings, and equipment in an effective working condition, including normal repair and maintenance.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Central includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Operation of non-instructional services includes the preparation, delivery and servicing of lunches, snacks and other incidental meals to students and school staff in connection with school activities, as well as services provided to the community at-large.

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Unallocated depreciation represents current period depreciation charges associated with capital assets that are utilized by several different functions, typically school buildings throughout the District.

Interest and fiscal charges involves the transaction associated with the payment of interest and other related charges to debt of the School District.

The School District's Funds

Information about the School District's major funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$67.6 million and expenditures of \$69.7 million. The net decrease in fund balance of \$1.9 million resulted in an overall fund balance of \$25.6 million for all governmental funds. Governmental funds had an unreserved fund balance of \$21.5 million at June 30, 2003 in addition to various reservations of fund balance totaling \$4.1 million. Increased operational costs, as well as limitations on the growth rate of the School District's primary revenue sources, are the main factors attributing to the decrease in the fund balance of governmental funds. The General Fund had a \$3.5 million reduction of fund balance during the year, resulting in an unreserved fund balance of \$17.3 million.

General Fund Budgeting Highlights

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

For the General Fund, budget basis revenue was \$60.2 million as compared to the original budget estimates of \$58.1 million. The School District received slightly higher than expected levels of taxes as well as additional intergovernmental revenue associated with in-lieu of taxes subsidies during the fiscal year.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$58.5 million, slightly less than \$0.5 million less than what was originally budgeted. Lower than expected expenditures in the support services account for the vast majority of the variance. Expenditures for instructional functions were less than one-half of a percent under budgeted expenditures.

As the budget for the General Fund is amended throughout the fiscal year for unanticipated revenues and expenditures, the final amended budget amounts approximate the actual budgetary results realized by the School District.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Capital Assets

At the end of fiscal year 2003, the School District had \$28.8 million invested in land, buildings, furniture and equipment, and vehicles in governmental activities. Table 4 shows fiscal year 2003 balances compared to 2002, however for greater detail readers should review the notes to the basic financial statements.

Table 4
Capital Assets at June 30

	<u>2003</u>	<u>2002</u>
Land	\$ 1,160,355	\$ 1,160,355
Building and Improvements	47,373,638	47,142,984
Equipment	7,903,530	7,865,071
Vehicles	5,037,523	4,658,579
Less: Accumulated Depreciation	<u>(32,676,483)</u>	<u>(30,782,510)</u>
Totals	\$ <u>28,798,563</u>	\$ <u>30,044,479</u>

Overall, net capital assets decreased approximately \$1.2 million from fiscal year 2002. The decrease in capital assets results from the current capital asset purchased by the School District being a lesser amount than the amount of depreciation being charged against the assets.

Significant capital asset acquired during fiscal year 2003 consisted primarily of school buses, building improvements and miscellaneous equipment. The School District acquired six new school buses for pupil transportation at a cost of approximately \$368,444. The School District completed various improvements to school facilities during the year that totaled \$230,654. Miscellaneous equipment purchases total \$44,459 during fiscal year 2003.

Since fiscal year 2000, Ohio law requires school districts to set aside three percent of certain revenues for capital improvements and an additional three percent for textbooks and instructional supplies. For fiscal year 2003, this amounts to approximately \$1.1 million for each set aside requirement. Conversely, the School District spent approximately \$1.4 million on textbooks and instructional supplies and \$2.8 million on capital improvements during fiscal year 2003, significantly more than the amounts required.

Cost associated with repair and maintenance of the School District's facilities and other assets that do not extend the useful life of the capitalized item, is including within the plant operation and maintenance function.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Debt Administration

At June 30, 2003, the School District had four general obligation bonds outstanding with outstanding principal of \$17.9 million, of which \$1.4 million is due within one year. During the fiscal year, the School District issued \$7.3 million of general obligation bonds to provide resources to defease a portion of the Library Construction and 1994 School Construction general obligation bonds. This advance refunding was undertaken to reduce total debt service payments over the next eleven years by \$283,724 and resulted in an economic gain of \$93,559.

In addition to the general obligation bonds, the School District previously issued two tax anticipation notes to finance certain school improvement projects. These taxes are being repaid from permanent improvement tax revenue recorded in the Permanent Improvement Fund.

At June 30, 2003, the School District's overall legal debt margin was \$118.8 million with an energy conservation debt margin of \$13.3 million and an unvoted debt margin was \$1.5 million.

For more detailed disclosures regarding the School District's debt obligations the reader should refer to the notes to the basic financial statements.

For the Future

Centerville City School District, like the majority of most school districts in the State of Ohio experiences financial difficulties in a cyclical manner. The manner in which Ohio funds public school system places a heavy reliance on local property tax revenue. This requires school districts to continually ask voters within the school districts' boundaries to approve additional tax increase to provide additional operating revenue or simply approve continuance of an existing levy, which provides minimal inflation growth.

State funding continues to be difficult to project. The State of Ohio has been involved in litigation with individual school districts for over a decade over the manner in which public schools are funded. In its latest opinion, the Ohio Supreme Court reaffirmed earlier decisions that Ohio's current school funding method is unconstitutional. The Supreme Court directed the Ohio General Assembly to "... enact a school funding scheme that is thorough and efficient ...". The School District cannot reasonable determine what effect, if any, this decision will have on its future State funding and its operations.

In addition to general State funding, recent legislative decisions by the State of Ohio continue to reduce operating funds through budget reductions and the planned phase out of the inventory tax base. On March 5, 2003 the Governor of the State announced reductions in K-12 funding to reduce an anticipated State budget deficit. Anticipated reductions in State funding to the Centerville City School District could exceed \$250,000 during fiscal year 2004. The State Superintendent of Public Instruction has notified school districts throughout the State that additional cuts in State funding, currently indeterminable in degree, are possible during fiscal year 2004. The gradual reduction in business inventory tax enacted by the State Legislator could reduce local tax revenue the School District receives between \$300,000 and \$450,000 over the next five years.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

These revenue issues, along with increasing operating costs (primarily cost increases due to negotiated wage increases with employees as well as providing employees with insurance and other benefits) and additional mandates placed on the School District, will continue to reduce the cash reserve the School District currently maintains. Recent projections for the School District indicate that additional operating revenue will be required beginning in fiscal year 2006, most by asking local voters to approve an additional property levy.

The School District's capital improvement levy approved by the community will continue to provide funding to maintain the facilities of the School Districts. Funding from this levy supplements the repair and maintenance costs, which if the levy were not available, would be paid exclusively from general fund revenue.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Treasurer's Office at Centerville City School District, 111 Virginia Avenue, Centerville, OH 45458 or call (937) 433-8841.

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**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2003

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 34,182,167
Receivables:	
Property and other taxes	41,864,589
Accounts	65,822
Intergovernmental	653,393
Accrued Interest	236,207
Inventory held for resale	39,178
Deferred Charges	122,793
Restricted Assets:	
Equity in pooled cash and cash equivalents	141,886
Depreciable capital assets, net	27,638,208
Non-depreciable capital assets	1,160,355
Total Assets	106,104,598
Liabilities:	
Accounts payable	1,187,106
Accrued wages and benefits payable	5,218,865
Intergovernmental payable	1,217,317
Accrued interest payable	76,762
Tax anticipation notes payable	2,105,000
Matured compensated absences	593,340
Deferred revenue	39,205,897
Long Term Liabilities:	
Due within one year	2,397,545
Due in more than one year	19,873,647
Total Liabilities	71,875,479
Net Assets:	
Invested in capital assets, net of related debt	10,913,479
Restricted for:	
Special revenue	473,867
Capital projects	1,582,701
Debt service	3,875,807
Other purpose	141,886
Unrestricted	17,241,379
Total Net Assets	\$ 34,229,119

See accompanying notes to the basic financial statements.

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**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2003

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for services & sales	Operating grants and contributions	Capital grants and contributions	Total Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$ 31,881,238	\$ 1,363,229	\$ 256,818	\$ 110,625	\$ (30,150,566)
Special	5,599,315	781,374	313,252	-	(4,504,689)
Vocational	1,939,684	-	57,092	-	(1,882,592)
Other	482,788	-	-	-	(482,788)
Support Services:					
Pupils	2,961,925	-	178,932	-	(2,782,993)
Instructional staff	5,280,429	-	757,986	-	(4,522,443)
Board of education	19,884	-	-	-	(19,884)
Administration	3,759,173	-	124,761	-	(3,634,412)
Fiscal	1,380,517	-	-	-	(1,380,517)
Business	519,122	-	-	-	(519,122)
Operation and maintenance of plant	5,785,183	26,293	-	175	(5,758,715)
Pupil transportation	4,188,147	-	-	89,641	(4,098,506)
Central	102,201	-	9,934	-	(92,267)
Operation of non-instructional services	2,891,264	1,592,333	1,253,066	-	(45,865)
Extracurricular activities	579,868	548,102	-	-	(31,766)
Interest and fiscal charges	986,240	-	-	-	(986,240)
Unallocated depreciation *	966,213	-	-	-	(966,213)
Total Governmental Activities	\$ 69,323,191	\$ 4,311,331	\$ 2,951,841	\$ 200,441	(61,859,578)
General Revenues:					
Property taxes levied for:					
General purposes					38,679,451
Debt service					1,661,726
Capital projects					1,867,217
Grants and entitlements not restricted to specific programs					17,307,126
Investment earnings					670,707
Miscellaneous					397,873
Total General Revenues					60,584,100
Changes in net assets					(1,275,478)
Net assets at beginning of year (see note 3)					35,504,597
Net assets at end of year					\$ 34,229,119

* - This amount excludes the depreciation that is included in the direct expense of the various functions.

See accompanying notes to the basic financial statements.

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003**

	General Fund	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 24,200,933	\$ 3,902,493	\$ 4,166,673	\$ 1,912,068	\$ 34,182,167
Receivables:					
Taxes	38,418,657	1,599,230	1,846,702	-	41,864,589
Accounts	52,417	-	-	13,405	65,822
Intergovernmental	294,011	-	-	359,382	653,393
Interest	236,013	-	27	167	236,207
Interfund	44,018	-	-	-	44,018
Inventory Held for Resale	-	-	-	39,178	39,178
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	141,886	-	-	-	141,886
Total Assets	\$ 63,387,935	\$ 5,501,723	\$ 6,013,402	\$ 2,324,200	\$ 77,227,260
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 379,799	\$ -	\$ 583,097	\$ 224,210	\$ 1,187,106
Accrued Wages and Benefits	4,947,492	-	-	271,373	5,218,865
Accrued Interest Payable	-	-	9,209	-	9,209
Intergovernmental Payable	1,163,492	-	-	53,825	1,217,317
Interfund Payable	-	-	-	44,018	44,018
Deferred Revenue	37,704,609	1,558,363	1,803,080	163,436	41,229,488
Compensated Absences Payable	578,705	-	-	14,635	593,340
Tax Anticipation Notes Payable	-	-	2,105,000	-	2,105,000
Total Liabilities	44,774,097	1,558,363	4,500,386	771,497	51,604,343
<u>Fund Balances:</u>					
<u>Reserved for:</u>					
Encumbrances	315,995	-	2,255,691	427,509	2,999,195
Property Taxes	886,966	40,867	43,622	-	971,455
Budget Stabilization	141,886	-	-	-	141,886
<u>Unreserved, Undesignated:</u>					
General Fund	17,268,991	-	-	-	17,268,991
Special Revenue Funds	-	-	-	1,098,274	1,098,274
Debt Service Fund	-	3,902,493	-	-	3,902,493
Capital Projects Funds	-	-	(786,297)	26,920	(759,377)
Total Fund Balances	18,613,838	3,943,360	1,513,016	1,552,703	25,622,917
Total Liabilities and Fund Balances	\$ 63,387,935	\$ 5,501,723	\$ 6,013,402	\$ 2,324,200	\$ 77,227,260

See accompanying notes to the basic financial statements.

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2003

Total Governmental Fund Balances:		\$ 25,622,917
<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.		28,798,563
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		2,023,591
Bond issuance costs associated with bonds payable, are recorded as a deferred charged on the accrual basis but are not reported in the funds.		122,793
Long-term liabilities which are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(10,530,000)	
Refunding bonds	(7,355,084)	
Accrued interest payable	(67,553)	
Premium on G.O. bonds	(841,007)	
Deferred amount on refunding	718,214	
Compensated absences	(3,750,770)	
Intergovernmental payable	<u>(512,545)</u>	
Total		<u>(22,338,745)</u>
Net Assets of Governmental Activities		<u>\$ 34,229,119</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	General Fund	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 38,573,077	\$ 1,643,864	\$ 1,866,439	\$ -	\$ 42,083,380
Intergovernmental	16,917,503	232,679	246,585	2,804,940	20,201,707
Interest	490,026	-	537	7,226	497,789
Tuition and Fees	522,221	-	-	180,309	702,530
Rentals	26,293	-	-	-	26,293
Charges for Services	781,374	-	-	1,941,061	2,722,435
Gifts and Donations	-	-	175	94,090	94,265
Extracurricular Activities	-	-	-	860,073	860,073
Miscellaneous	319,369	15,616	22,582	40,306	397,873
Total Revenues	57,629,863	1,892,159	2,136,318	5,928,005	67,586,345
Expenditures:					
Current:					
Instruction:					
Regular	30,082,907	-	411,290	1,066,826	31,561,023
Special	5,320,619	-	-	273,127	5,593,746
Vocational	1,873,712	-	-	59,171	1,932,883
Other Instruction	482,788	-	-	-	482,788
Support Services:					
Pupils	2,787,798	-	-	150,810	2,938,608
Instructional Staff	4,550,768	-	-	730,077	5,280,845
Board of Education	19,884	-	-	-	19,884
Administration	3,877,160	-	14,783	120,901	4,012,844
Fiscal	1,311,571	153,290	29,835	-	1,494,696
Business	545,042	-	-	-	545,042
Plant Operation and Maintenance	4,395,829	-	912,167	37,389	5,345,385
Pupil Transportation	3,456,024	-	434,033	1,730	3,891,787
Central	88,800	-	-	13,401	102,201
Non-Instructional Services	-	-	-	2,875,277	2,875,277
Extracurricular Activities	-	-	-	579,868	579,868
Capital Outlay	-	-	980,104	2,204	982,308
Debt Service:					
Principal Retirement	-	1,075,000	-	-	1,075,000
Interest and Fiscal Charges	-	787,400	134,150	-	921,550
Total Expenditures	58,792,902	2,015,690	2,916,362	5,910,781	69,635,735
Excess of Revenues Over(Under)					
Expenditures	(1,163,039)	(123,531)	(780,044)	17,224	(2,049,390)
Other Financing Sources (Uses):					
Proceeds from Sale of Refunding Bonds	-	7,355,000	-	-	7,355,000
Premium on Issuance of Bond	-	861,191	-	-	861,191
Payment to Refunded Bonds Escrow Agent	-	(8,090,451)	-	-	(8,090,451)
Transfers-In	-	-	2,300,000	-	2,300,000
Transfers-Out	(2,300,000)	-	-	-	(2,300,000)
Total Other Financing Sources (Uses)	(2,300,000)	125,740	2,300,000	-	125,740
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(3,463,039)	2,209	1,519,956	17,224	(1,923,650)
Fund Balance at Beginning of Year	22,076,877	3,941,151	(6,940)	1,535,479	27,546,567
Fund Balance at End of Year	\$ 18,613,838	\$ 3,943,360	\$ 1,513,016	\$ 1,552,703	\$ 25,622,917

See accompanying notes to the basic financial statements.

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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

Net Change in Fund Balances - Total Governmental Funds		\$ (1,923,650)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital asset additions	648,057	
Current year depreciation	<u>(1,893,973)</u>	
Total		(1,245,916)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes	125,014	
Intergovernmental	163,436	
Interest	<u>172,918</u>	
Total		461,368
In governmental funds, proceeds from sale of debt is considered a source of financing, but in the statement of net assets, the debt obligations are reported as a liability.		
		(7,355,000)
In the statement of activities, certain costs and proceeds associated with long-term debt obligations issued during the year are accrued and amortized over the life of the debt obligation. In governmental funds these costs and proceeds are recognized as financing sources and uses.		
Bond issuance costs	125,740	
Premium on bonds issued	(861,191)	
Deferred charge on refunding	<u>735,451</u>	
Total		-
Repayment of long-term debt obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Principal payment on G.O. Bonds	1,075,000	
G.O. Bonds defeased through payment to escrow agent	<u>7,355,000</u>	
Total		8,430,000
Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Intergovernmental payable	(163,389)	
Compensated absences payable	588,746	
Accrued interest payable	(67,637)	
Amortization of bond issuance costs	(2,947)	
Amortization of bond premium	(17,237)	
Amortization of deferred charge on refunding	<u>20,184</u>	
Total		<u>357,720</u>
Change in Net Assets of Governmental Activities		<u>\$ (1,275,478)</u>

See accompanying notes to the basic financial statements.

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Taxes	\$ 40,331,865	\$ 41,046,897	\$ 41,146,975	\$ 100,078
Intergovernmental	15,839,053	16,157,000	16,953,118	796,118
Interest	500,000	500,000	570,373	70,373
Tuition and Fees	465,000	465,000	509,452	44,452
Charges for Services	790,000	790,000	781,374	(8,626)
Rentals	55,000	55,000	60,389	5,389
Miscellaneous	135,000	135,000	138,055	3,055
Total Revenues	58,115,918	59,148,897	60,159,736	1,010,839
Expenditures:				
Current:				
Instruction:				
Regular	29,641,615	29,823,797	29,783,925	39,872
Special	5,423,624	5,280,624	5,253,756	26,868
Vocational	1,888,737	1,888,737	1,839,464	49,273
Other Instruction	442,208	479,110	479,070	40
Support Services:				
Pupils	2,936,310	2,857,010	2,810,193	46,817
Instructional Staff	4,604,785	4,615,983	4,476,306	139,677
Board of Education	29,600	29,600	19,709	9,891
Administration	3,900,077	3,840,077	3,730,974	109,103
Fiscal	1,124,092	1,124,092	1,305,428	(181,336)
Business	638,939	638,939	616,786	22,153
Operation and Maintenance of Plant	4,646,511	4,646,511	4,515,237	131,274
Pupil Transportation	3,582,948	3,622,948	3,586,110	36,838
Central	130,920	130,920	113,008	17,912
Total Expenditures	58,990,366	58,978,348	58,529,966	448,382
Excess of Revenues Over(Under) Expenditures	(874,448)	170,549	1,629,770	1,459,221
Other Financing Sources (Uses):				
Advances-In	150,000	150,000	151,780	1,780
Advances-Out	(150,000)	(162,018)	(162,018)	-
Transfers-Out	-	(2,300,000)	(2,300,000)	-
Total Other Financing Sources (Uses)	-	(2,312,018)	(2,310,238)	1,780
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(874,448)	(2,141,469)	(680,468)	1,461,001
Fund Balance at Beginning of Year	23,774,023	23,774,023	23,774,023	-
Prior Year Encumbrances Appropriated	670,425	670,425	670,425	-
Fund Balance at End of Year	\$ 23,570,000	\$ 22,302,979	\$ 23,763,980	\$ 1,461,001

See accompanying notes to the basic financial statements.

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2003

	<u>Private Purpose Trust</u>	<u>Agency Funds</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 28,970	\$ 115,424
Accrued interest receivable	24	
Cash and Cash Equivalents:		
With Fiscal Agent	<u>10,335</u>	<u>-</u>
Total Assets	<u><u>39,329</u></u>	<u><u>115,424</u></u>
Liabilities:		
Accounts payable	-	1,154
Due to students	<u>-</u>	<u>114,270</u>
Total Liabilities	<u>-</u>	<u><u>\$ 115,424</u></u>
Net Assets:		
Held in trust for scholarships	<u><u>\$ 39,329</u></u>	

See accompanying notes to the basic financial statements.

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST
JUNE 30, 2003

	<u>Private Purpose Trust</u>
Additions:	
Gifts and Donations	\$ 3,078
Investment Earnings	<u>931</u>
Total Additions	<u>4,009</u>
Deductions:	
Payments in accordance with trust agreements	<u>4,911</u>
Total Deductions	<u>4,911</u>
Change in Net Assets	(902)
Net Assets Beginning of Year	<u>40,231</u>
Net Assets End of Year	<u><u>\$ 39,329</u></u>

See accompanying notes to the basic financial statements.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Centerville City School District (the "School District") is a body politic and corporate located in Montgomery County and encompasses the City of Centerville and Washington Township. The School District serves an area of approximately 32 square miles. The School District ranks as the 32nd largest by enrollment among school districts in the State of Ohio, and it is the 3rd largest school district located within Montgomery County.

The School District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by state and/or federal agencies. This Board controls the District's instructional/support programs located at ten instructional facilities and staffed by 405 non-certificated employees and 572 certified employees, who provide services to 7,821 students and other community members.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the School District are not misleading.

The primary government consists of all funds and departments, not legally separate from the School District, which provide various services including instruction, student guidance, extracurricular activities, educational media and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing body and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations for which the School District approves the budget, the issuance of debt or the levying of taxes.

The School District does not have any component units.

The District is associated with four organizations, which are defined as jointly governed and another organization that is classified as a related organization. These organizations are presented in Notes 16 and 17 to the basic financial statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis Of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets presents the financial condition of the governmental activities of the School District at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities.

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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 General, Debt Service and Permanent Improvement Funds are the School District's major funds:

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the repayment of, the School District’s general obligation debt, including the school improvement bonds previously approved by voters within the School District’s boundaries.

Permanent Improvement Fund – The Permanent Improvement Fund is used to account for financial resources, specifically property and other local taxes generated by the District’s permanent improvement levy, to be used to maintain the School District’s facilities, as well as provide for major equipment and instructional material purchases.

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

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 School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District’s own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has various funds established to provide scholarships to its students that are classified as private-purpose trust funds. Funds used to account for the activity of the numerous student managed activities within the School District are classified as agency funds.

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Assets.

Fund Financial Statements

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

Fiduciary funds are reported using the economic resources measurement focus.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Private purpose trust funds use the accrual basis of accounting. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

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 collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

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

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed to be both measurable and available: property taxes available as an advance, grants, investment earnings, tuition, and student fees.

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

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by the employee. Allocation of costs, such as depreciation and amortization, are not recognized in governmental funds.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accrual basis of accounting utilized on the government-wide financial statements and by private purpose trust funds recognizes revenues when they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities received during the year is reported as an expense with a like amount reported as intergovernmental revenue.

E. Budget Data

With the exception of the agency funds, all funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount 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 Board has established the legal level of control at the fund level.

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

The appropriation resolution is subject to amendment by the Board throughout the school 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.

F. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled in a central bank account. Monies for all funds are pooled in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented on the balance sheet as "Equity in Pooled Cash and Cash Equivalents".

During fiscal year 2003, investments consisted of repurchase agreements, STAR Ohio, treasury notes and bonds, federal agency securities and money market accounts meeting the criteria of the State statutes.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The School District has invested funds in the State Treasury Assets Reserves of Ohio (STAR Ohio) during fiscal year 2003. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2003.

For presentation purposes on the balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

Following State statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Investment earnings are to be credited to the specified funds based on the month end fund balance. The School District had \$670,707 of interest revenue under the accrual basis of accounting used to report the Statement of Activities. For the fund statements, interest revenue of \$490,026 was credited to the General Fund during fiscal year 2003, including \$84,507, of allocations for funds not specified in the Board's resolution. The Permanent Improvement Fund earned \$537 of interest during the year, and interest was also recorded in non-major governmental funds and private purpose trust funds in the amounts of \$7,226 and \$931, respectively.

G. Restricted Cash and Cash Equivalents

The Restricted cash and cash equivalents account represents the amount of pooled cash and cash equivalents of the School District, which have external restrictions as to how the funds may be expended. The budget stabilization reserve, which totaled \$141,886, is required by State statute and is offset by a corresponding reservation of fund balance in the General Fund.

H. Inventory

On government-wide financial statements, inventories are presented at the lower 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. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed rather than when purchased.

I. Estimates

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

J. Capital Assets and Depreciation

General capital assets generally result from expenditures in the governmental funds. These assets are reported within the governmental activities on the government-wide statement of net assets but are not reported in the fund statements.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

All reported capital assets except for 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>
Buildings and Improvements	20 – 80 years
Equipment	5 – 50 years
Vehicles	8 – 30 years

K. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures or expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources and uses in governmental funds. Repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them are not presented on the financial statement. Interfund Activity is eliminated for reporting the District-wide Statements of Net Assets and Activities to avoid “doubling-up” transactions.

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned when both of these conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave is accrued using the vesting method which states that the District will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments. The amount is based on accumulated sick and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated sick leave for all employees after fifteen years of current service with the School District.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that represents severance payments to individuals who retired prior to the end of the fiscal year, but did not receive payment until after year-end. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reflected in the fund statements.

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations 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, compensated absences, special termination 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 during the current year.

N. Net Assets

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

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

O. Reservations of Fund Balance

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure or the portion of fund balance that is legally segregated for a specific future use. Fund balances have been reserved for encumbrances, property taxes, and the budget stabilization account.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT OF FUND BALANCE

A. Changes in Accounting Principles

For fiscal year 2003, the School 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”.

GASB 34 creates new basic financial statements for reporting on the School 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 combine the governmental activities into one column. The beginning net asset amount for governmental programs reflect the change in fund balance for governmental funds at June 30, 2002, caused by the conversion to the new reporting model.

B. Restatement of Fund Balances/Retained Earnings

The School District reclassified certain funds due to the implementation of GASB 34. The funds reported in prior years as enterprise funds were reclassified as a special revenue funds. GASB Interpretation No. 6 redefined how liabilities should be recognized in governmental funds that resulted in certain liabilities to be reported as long-term instead as an actual fund liability.

These restatements had the following effect on fund balance of major and nonmajor funds of the School District as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Nonmajor</u>	<u>Total</u>
Fund Balance June 30, 2002	\$ 21,963,574	3,941,151	(6,940)	1,174,879	27,072,664
GASB 6 Interpretation Reclassification of funds	113,303	-	-	-	113,303
Adjusted fund balance – June 30, 2002	<u> -</u>	<u> -</u>	<u> -</u>	<u>360,600</u>	<u>360,600</u>
	<u>22,076,877</u>	<u>3,941,151</u>	<u>(6,940)</u>	<u>1,535,479</u>	<u>27,546,567</u>
GASB 34 Adjustments:					
Capital assets, net					30,044,479
Long-term liabilities					(349,156)
Long-term compensated absences					(4,339,516)
General obligation bonds payable					(18,960,000)
Long-term (deferred) assets					<u>1,562,223</u>
Governmental Activities Net Assets – June 30, 2002					\$ <u>35,504,597</u>

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 4 - ACCOUNTABILITY

The following funds have fund equity deficits as of June 30, 2003:

	<u>Deficit Equity</u>
Special Revenue Funds:	
Vocational Education Enhancement	\$ 5,908
Vocational Education	26,508
Title I	7,029

The deficits in these funds resulted from adjustments for accrued liabilities. Management expects the deficits in these funds to be correct in early fiscal year 2004. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

<u>Net Change in Fund Balance</u>	
<u>General Fund</u>	
GAAP Basis	\$ (3,463,039)
Revenue Accruals	2,529,873
Expenditure Accruals	841,771
Advances	(10,238)
Encumbrances	<u>(578,835)</u>
Budget Basis	<u>\$ (680,468)</u>

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 6 - DEPOSITS AND INVESTMENTS

State statutes require the classification of monies held by the School District into three categories.

Category 1 consists of "active" monies, those monies required to be kept in a "cash" or "near-cash" status for immediate use by the District. Such monies must be maintained either as cash in the School Treasury, in depository accounts payable, withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Category 2 consists of "inactive" monies, those monies not required for use within the current two-year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

Category 3 consists of "interim" monies, those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by the certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

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

Interim monies may be invested in the following obligations:

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;

Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal governmental agencies or instrumentalities;

Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

Bonds and other obligations of the State of Ohio;

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;

The State Treasurer's investment pool (STAR Ohio);

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

Certain bankers' 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 the interim monies available for investment at any one time;

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

Deposits

At fiscal year end, the carrying amount of the School District deposit was \$9,840,232 and the bank balance was \$10,549,831. Of the bank balance \$304,527 was covered by federal deposit insurance and the remaining amounts are collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name.

Investments

The School District's investments are categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the District's name.

The School 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 3	Carrying Amount	Fair Value
Federal Farm Credit Bank	\$ 527,408	\$ 527,408	\$ 527,408
Federal Home Loan Bank	5,649,359	5,649,359	5,649,359
Federal Home Loan Mortgage	3,598,438	3,598,438	3,598,438
Federal National Mortgage Assoc.	5,037,996	5,037,996	5,037,996
U.S. Treasury Notes	9,615,422	9,615,422	9,615,422
U.S. Treasury Bonds	10,334	10,334	10,334
STAR Ohio	-	199,593	199,593
Total	\$ 24,438,957	\$ 24,638,550	\$ 24,638,550

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

The classification of cash and cash equivalents, and investments on the financial statements is based on criteria set forth in GASB Statement No. 9, "Reported Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." Cash equivalents are defined to include investments with original maturities of three months or less.

A reconciliation between classifications of cash and cash equivalents and investments on the financial statements and the classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents <u>Deposits</u>	<u>Investments</u>
GASB Statement 9	\$ 34,478,782	\$ -
Investments of the Cash Management Pool:		
Federal Farm Credit Bank	(527,408)	527,408
Federal Home Loan Bank	(5,649,359)	5,649,359
Federal Home Loan Mortgage	(3,598,438)	3,598,438
Federal National Mortgage Assoc.	(5,037,996)	5,037,996
U.S. Treasury Notes	(9,615,422)	9,615,422
U.S. Treasury Bonds	(10,334)	10,334
STAR Ohio	<u>(199,593)</u>	<u>199,593</u>
GASB Statement 3	<u>\$ 9,840,232</u>	<u>\$ 24,638,550</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 property located in the School 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 taxes are established by State Law at 35 percent of appraised market value. All property is required to be reevaluated 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 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by July 20.

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.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 7 - PROPERTY TAXES (Continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Centerville City School District. The County Auditor periodically remits to the District its portion of the taxes collected. The full tax rate for all District operations for the year ended June 30, 2003 was \$61.08 per \$1,000 of assessed value.

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

	<u>2003 First Half Collections</u>	<u>2002 Second Half Collections</u>
Agricultural/residential And other real estate	\$ 1,379,869,910	\$ 1,210,417,410
Public utility personal	34,597,520	33,204,690
Tangible personal property	<u>61,203,686</u>	<u>63,261,033</u>
Total	<u>\$ 1,475,671,116</u>	<u>\$ 1,306,883,133</u>

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of June 30, 2003. Although total property tax collections for the next year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. For the governmental fund financial statements, the receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2003 was recognized as revenue.

The amount available as an advance at June 30 was \$886,966 in the General Fund, \$40,867 in the Bond Retirement Debt Service Fund and \$43,622 in the Permanent Improvement Capital Projects Fund. These amounts have been set aside as a reserve of fund balance.

NOTE 8 - RECEIVABLES

Receivables at June 30, 2003, consisted of current and delinquent property taxes, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
<u>Governmental Activities:</u>	
General Fund miscellaneous receivables	\$ 294,011
Title VI-B Grant	187,891
Vocational Education Grant	24,506
Dropout Prevention and Intervention Grant	9,476
Title I Grant	7,815
Title VI Grant	47,097
Reducing Class Size Grant	46,075
National School Lunch Program	24,149
Other non-major funds	<u>12,373</u>
Total Intergovernmental Receivables	<u>\$ 653,393</u>

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 9 – CAPITAL ASSETS

The June 30, 2002 beginning balance of the School District’s capital assets have been adjusted to reflect the correction in values of certain assets previously reported as well as the inclusion of the capital assets of funds previously reported as enterprise funds. A summary of these adjustments is as follows:

General Fixed Assets	Balance at June 30, 2002	Adjustment for Corrections	Adjusted Balance at June 30, 2002
Land	\$ 824,328	\$ 336,027	\$ 1,160,355
Buildings and Improvements	44,026,571	3,116,413	47,142,984
Equipment	12,404,071	(4,539,000)	7,865,071
Vehicles	-	4,658,579	4,658,579
Totals	<u>\$ 57,254,970</u>	<u>\$ 3,572,019</u>	<u>\$ 60,826,989</u>

	Balance 6/30/02	Additions	Deductions	Balance 6/30/03
<u>Capital Assets, not being depreciated</u>				
Land	\$ 1,160,355	-	-	\$ 1,160,355
<u>Capital Assets, being depreciated</u>				
Buildings and Improvements	47,142,984	230,654	-	47,373,638
Equipment	7,865,071	38,459	-	7,903,530
Vehicles	4,658,579	378,944	-	5,037,523
	<u>59,666,634</u>	<u>648,057</u>	<u>-</u>	<u>60,314,691</u>
<u>Less: Accumulated Depreciation</u>				
Buildings and Improvements	(23,470,099)	(1,008,214)	-	(24,478,313)
Equipment	(5,214,035)	(548,205)	-	(5,762,240)
Vehicles	(2,098,376)	(337,554)	-	(2,435,930)
	<u>(30,782,510)</u>	<u>(1,893,973) *</u>	<u>-</u>	<u>(32,676,483)</u>
Governmental Activities Capital Assets, Net	<u>\$ 30,044,479</u>	<u>\$ (1,245,916)</u>	<u>\$ -</u>	<u>\$ 28,798,563</u>

* - Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 440,570
Special	3,181
Vocational	1,493
Support Services:	
Administration	49,320
Fiscal	3,448
Operation and Maintenance of Plant	103,519
Pupil Transportation	312,524
Operation of Non-Instructional Services	<u>13,705</u>
	927,760
Unallocated Depreciation	<u>966,213</u>
Total Depreciation Expense	<u>\$ 1,893,973</u>

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 9 – CAPITAL ASSETS (Continued)

Unallocated depreciation is depreciation of the individual school buildings throughout the District that essentially serve all functions/programs, and therefore is not included as a direct expense of any function or program but disclosed as a separate expense.

NOTE 10 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, thefts-of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters for which the School District carries commercial insurance. During fiscal year 2003, the School District contracted with Indiana Insurance Company for these various risks. Coverage terms provided by Indiana Insurance Company are as follows:

Buildings and Contents – replacement cost (\$5,000 deductible)	\$ 132,303,650
Employee Dishonesty – Money in Security	100,000
Automotive Liability (\$1,000 deductible)	2,000,000
General Liability (Per Occurrence)	1,000,000
Umbrella Policy	10,000,000

Settled claims have not exceeded this commercial coverage in any of the past five years. There has not been any significant reduction in insurance coverage from the previous year.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002 and 2001 were \$601,524, \$465,899 and \$979,977 respectively; 78.5 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System

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

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

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

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations for the fiscal years ended June 30, 2003, 2002, and 2001 were \$4,765,920, \$3,041,837, and \$4,134,675 respectively; 84.3 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001.

C. 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 SERS/STRS. As of June 30, 2003, certain members of the Board of Education have elected social security. The School District's liability is 6.2 percent of wages paid.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 12 – POSTEMPLOYMENT BENEFITS

State Teachers Retirement System of Ohio (STRS Ohio) provides comprehensive healthcare benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code (R.C.), the State Teachers Retirement Board (the Board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. The R.C. grants authority to STRS Ohio to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Reserve Fund from which health care benefits are paid. For fiscal year ended June 30, 2003, the Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$3.011 billion on June 30, 2002. For the School District, this amount equaled \$366,609 during the 2003 fiscal year.

For the year ended June 30, 2002, net health care costs paid by STRS Ohio were \$354,697,000. There were 105,300 eligible benefit recipients.

For SERS, the Ohio Revised Code gives the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2003, the allocation rate is 5.83 percent. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit.

For fiscal year 2003, the minimum pay has been established at \$14,500. For the School, the amount to fund health care benefits, including the surcharge, was \$443,739 for fiscal year 2003.

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, the Retirement System's net assets available for payment of health care benefits of \$335.2 million. The number of benefit recipients currently receiving health care benefits is approximately 50,000.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 13 - LONG-TERM OBLIGATIONS

General Obligation Bonds

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In previous years, general obligations bonds have been issued to provide financing for two school facilities and a library construction projects. The original amount of the general obligation bonds issued in prior years was \$25.07 million.

During fiscal year 2003, the School District issued \$7,355,000 in general obligation bonds to refund a portion of the previously outstanding general obligation bonds. These bonds mature in fiscal year 2014 and include current interest bonds and capital appreciation bonds. The capital appreciation bonds will mature in fiscal years 2013 and 2014. The maturity amount of the bonds is \$1,795,000. For fiscal year 2003, \$84 was accreted for a total bond value of \$385,084.

General obligation bonds are direct obligations and pledge the full faith and credit of the government.

General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
1993 – Library Construction	5.90%	\$ 150,000
1994 – School Construction	4.55%	905,000
1996 – School Construction	4.45%	9,475,000
2003 – Refunding:		
Current Interest Bonds	2.0 – 4.0%	6,970,000
Capital Appreciation Bond	15.77 – 16.12%	<u>385,084</u>
		\$ <u>17,885,084</u>

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 1,410,000	\$ 747,923	\$ 2,157,923
2005	1,385,000	656,571	2,041,571
2006	1,415,000	605,948	2,020,948
2007	1,465,000	558,643	2,023,643
2008	1,510,000	505,495	2,015,495
2009 – 13	7,780,045	2,313,773	10,093,818
2014 – 16	<u>2,920,039</u>	<u>850,050</u>	<u>3,770,089</u>
Total	\$ <u>17,885,084</u>	\$ <u>6,238,403</u>	\$ <u>24,123,487</u>

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

Advance Refunding

The School District issued \$7,355,000 of general obligation bonds to provide resources to purchase U.S. Government securities that were placed, along with the premiums received associated with the sale of the bonds, in an irrevocable trust for the purpose of generating resources for future debt service payments of \$1,775,000 of the 1993 Library Construction and \$5,580,000 of the 1994 School Construction general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability associated with these bonds has been removed from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$735,451. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next eleven years by \$283,724 and resulted in an economic gain of \$93,559.

Changes in Long-Term Liabilities

Long- term liability activity for the year ended June 30, 2003, was as follows:

	Balance June 30, 2002	Additions	Reductions	Balance June 30, 2003	Due within One Year
<u>General Obligation Bonds:</u>					
1993 Library Construction	\$ 2,070,000	\$ -	\$ 1,920,000	\$ 150,000	\$ 150,000
1994 School Construction	6,905,000	-	6,000,000	905,000	440,000
1996 School Construction	9,985,000	-	510,000	9,475,000	530,000
2003 Refunding Bonds					
Current Interest 2.00-4.00%	-	6,970,000	-	6,970,000	290,000
Capital Appreciation 5-5.3%	-	385,084	-	385,084	-
Deferred Amounts:					
Add: Bond Premium	-	861,191	20,184	841,007	-
Less: Deferred Amount on Refunding	-	(735,451)	(17,237)	(718,214)	-
Total General Obligation Bonds	18,960,000	7,480,824	8,432,947	18,007,877	1,410,000
 Intergovernmental Payable	 296,240	 512,545	 296,240	 512,545	 512,545
 Compensated Absences	 4,170,162	 559,038	 978,430	 3,750,770	 475,000
 Total Long-Term Liabilities	 \$ 23,426,402	 \$8,552,407	 \$ 9,707,617	 \$22,271,192	 \$ 2,397,545

Included in the reduction of general obligation bonds are the defeasance of \$7,355,000 of a portion of the Library Construction and 1994 School Construction bonds noted above. Actual principal payments on general obligation bonds by the School District totaled \$1,075,000 during fiscal year 2003.

The intergovernmental payable represents the long-term portion of the pension obligation payable to the School Employees Retirement System. Compensated absences represent the long-term portion of the accrued liability associated with sick and vacation leave. These items will be repaid from the funds from which the employees work to whom the liability is associated with or the General Fund if no such funds are available.

The School District's overall legal debt margin was \$118,827,809 with an energy conservation debt margin of \$13,281,040 and an unvoted debt margin of \$1,475,671 at June 30, 2003.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 14 – SHORT-TERM OBLIGATION

The following is a summary of the note activity for the District at June 30, 2003:

	Balance 6/30/02	Increase	Decrease	Balance 6/30/03
1999 Tax Anticipation Note – 5.05%	\$ 2,205,000	\$ -	\$ 700,000	1,505,000
2001 Tax Anticipation Note – 4.09%	<u>785,000</u>	<u>-</u>	<u>185,000</u>	<u>600,000</u>
Total	\$ <u>2,990,000</u>	\$ <u>-</u>	\$ <u>885,000</u>	\$ <u>2,105,000</u>

In FY 2000 the District issued a \$3.5 million, five-year tax anticipation note for various permanent improvements of the School District’s school buildings. In FY 2001, the School District issued a \$975,000, five-year tax anticipation note to provide financing for other permanent improvement projects. These debt instruments will be repaid from proceeds of a tax levy collected by the County Auditor and are recorded in the Permanent Improvement capital projects fund, the fund receiving the note proceeds

NOTE 15 - INTERFUND ACTIVITY

During the year ended June 30, 2003, the School District transferred \$2.3 million from the General Fund to the Permanent Improvement Fund to provide financing for various school improvement projects.

In addition, the School District provided temporary cash advances to various funds for cash flow purposes from General Fund resources. It is anticipated these funds will be repaid to the General Fund once sufficient resources are accumulated in the appropriate funds. A summary of these advances is presented below.

<u>Payable to Fund</u>	<u>From Fund</u>	<u>Amount</u>
General Fund:	Vocational Education	\$ 27,093
	Title VI-B Grant	11,000
	Vocational Education Enhancement	<u>5,925</u>
		<u>\$ 44,018</u>

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Career Technology Center

The Miami Valley Career Technology Center (MVCTC) is a separate body politic and corporate, established by the Ohio Revised Code (ORC). The Board is comprised of one representative from each of the seven participating school districts’ elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Miami Valley Career Technical Center at 6800 Hoke Road, Clayton, Ohio 45315.

Southwestern Ohio Educational Purchasing Cooperative

The School District is a member of the Southwestern Ohio Educational Purchasing Cooperative (SOEPC). The purpose of the cooperative is to obtain lower prices for supplies and materials commonly used by the member districts. The members are obligated to pay all fees, charges, and assessments as established by SOEPC. Each member district has one voting representative. Title to any and all equipment and supplies purchased by SOEPC is held in trust for the member districts by the fiscal agent. Any district withdrawing from SOEPC shall forfeit its claim to any and all SOEPC assets. One year’s prior notice is necessary for

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

withdrawal from the group. During this time, the withdrawing member is liable for all member organizations. Payments to SOEPC are made from the District's General Fund. During fiscal year 2003, the School District paid \$3,324 to SOEPC. Financial information may be obtained from SOEPC by contacting Robert Brown, Director, at 1831 Harshman Road, Dayton, Ohio 45424.

Metropolitan Dayton Educational Cooperative Association

The School District is a participant in the Metropolitan Dayton Educational Cooperative Association (MDECA), which is a computer consortium. MDECA is an association of 25 public school districts within the boundaries of Darke, Greene, Miami and Montgomery Counties. The organization was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions among member school districts. The governing board of MDECA consists of one representative from each member school district plus one representative from the fiscal agent. The School District pays MDECA an enrollment based fee for internet and EMIS services provided during the year; this fee totaled \$36,711 for fiscal year 2003. Financial information can be obtained from Barbara Corriell, Executive Director of MDECA at 201 Riverside Drive, Dayton, Ohio 45405.

Southwestern Ohio Instructional Technology Association

The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation formed under Section 1702.01 of the Ohio Revised Code. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs. The Board of Trustees is comprised of twenty-one representatives of the SOITA member schools or institutions. Nineteen representatives are elected from within the counties by the qualified members of those counties, i.e., Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene, and Butler Counties elect two representatives per area. All others elect one representative per area.

All superintendents except for those from educational service centers vote on the representatives after the nomination committee selects individuals to run. One at-large non-public representative is elected by the non-public school SOITA members in the State assigned SOITA service area. One at-large higher education representative is elected by higher education SOITA members from within the State assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for public purpose. Payments to SOITA are made from the School District's General Fund. During fiscal year 2003, the School District paid \$15,066 to SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Steve Stouse, who serves as Director, at 150 East Sixth Street, Franklin, Ohio 45005.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 17 – RELATED ORGANIZATIONS

Washington-Centerville Public Library

The Washington-Centerville Public Library (the Library) is a related organization to the School District. The School District’s Board of Education is responsible for appointing Trustees and approving the budget of the Library as a ministerial function to the Library. The operations of the Library are managed by its Trustees, including the determination of the budget amounts necessary for operations. The Library does not receive any funding from the School District.

NOTE 18 - CONTINGENCIES

Grants

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

Litigation

The School District’s attorney estimates that any potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

NOTE 19 - STATE SCHOOL FUNDING DECISION

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

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

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

NOTE 20 – STATUTORY RESERVES

The School District is required by State statute to annually set aside monies for the purchase of textbooks and other instructional materials, and for capital improvements. Amounts not spent by year-end or reduced by offsetting credits must be held in cash at year-end and carried forward to be used for the same purpose in future years.

CENTERVILLE CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 20 – STATUTORY RESERVES (Continued)

During the fiscal year ended June 30, 2003, the reserve activity (cash-basis) was as follows:

	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve	Total
Beginning Balance, July 1, 2002	\$ -	\$ -	\$ 141,886	\$ 141,886
Qualifying Carryover	(669,533)	(5,499,558)	-	(6,169,091)
Set Aside Requirements	1,109,723	1,109,723	-	2,219,446
Current Year Offsets	-	(4,304,161)	-	(4,304,161)
Qualifying Expenditures	<u>(1,442,969)</u>	<u>(2,761,628)</u>	<u>-</u>	<u>(4,204,597)</u>
Total	(1,002,779)	(11,455,624)	141,886	(12,316,517)
Current Year Set Aside Requirement	<u>-</u>	<u>-</u>	<u>141,886</u>	<u>141,886</u>
Qualifying Carry-over Amounts	<u>\$ (1,002,779)</u>	<u>\$ (6,384,558)</u>	<u>\$ -</u>	<u>\$ (7,387,337)</u>

The Textbook and the Capital Maintenance set-aside expenditures and offsets were in excess of the set-aside requirements may be carried forward to offset future years set-aside requirements. The District had qualifying expenditures and offsets for carry-over to the fiscal year ending June 30, 2004, of \$6,384,558 for the Capital Maintenance Reserve and \$1,002,779 for the Textbook Reserve.

**Combining Statements and
Individual Fund Schedules**

Combining Statements – Nonmajor Governmental Funds

NONMAJOR SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditure for specified purposes.

Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sale of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

Other Grants

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.

District Managed Student Activities

To account for local funds generated to assist student activities, which are managed by District personnel. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services

A fund used to account for monies which provide services and materials to pupils attending non-public schools within the School District.

Career Education

A fund provided to account for monies received and expended in conjunction with Vocational Education Career Development projects funded with monies from the Ohio Department of Education.

Teacher Development

A fund used to account for monies, which provide assistance in developing in-service programs.

Excellence in Education

To account for pupil competency assessments and instructional development in English Composition, Mathematics and Reading as required by the minimum standards for Ohio schools. This fund is also provided to account for expenditures related to the Ohio Science Olympics and the International Science and Engineering Fair.

Management Information Systems

To account for state funds that are provided to assist the District in implementing a staff, student and financial information system as mandated by the Omnibus Education Reform Act of 1989.

Education R & D

To account for state funds which are provided for the research and demonstration of project transactions.

Network Connect

A fund used to account for monies for the purpose of accessing the Ohio Education Computer Network.

SchoolNet Professional Development

To account for state funds provided for technology professional development within the District.

Combining Statements – Nonmajor Governmental Funds

(Continued)

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Ohio Reads Grant

To account for state funds provided for developing and instituting programs to increase student reading comprehension skills.

Summer School Subsidy

To account for state funds provided for the Summer School Subsidy programs.

Vocational Education Enhancement

To account for Vocational Education Enhancements that: 1) expand the number of students enrolled in tech prep programs, 2) enable students to develop career plans, and 3) replace or update equipment essential for the instruction of students in vocational education programs.

Miscellaneous State Grants

To account for revenues received from state agencies which are not classified elsewhere.

Title II (NDEA)

To account for monies received under a federal grant to assist schools in the enhancement of math and science programs.

Title VI-B

To account for monies received under a federal grant to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full education opportunities to handicapped children at the elementary and secondary levels.

Vocational Education

A fund used to account for revenues provided to boards of education, teacher training instructions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects.

Dropout Prevention and Intervention

A fund used to account for federal monies provided for elementary and secondary school programs designed to assist students to meet grade promotion and graduation standards.

Title I

To account for monies received under a federal grant to assist schools in meeting the special needs of educationally deprived children.

Title VI

To consolidate various programs into a single authorization of grants to states for the same purposes set forth in the provisions of law as specified in the authorization section, to be used in accordance with the educational needs and priorities of the state and local agencies.

Emergency Immigrant Education

To account for monies received under a federal program for instructional programs of children of migratory agricultural workers; efforts to help youngsters who are deficient in oral English language facility and related language art skills; efforts to build foundation for expanded opportunities for useful adult employment.

Combining Statements – Nonmajor Governmental Funds

(Continued)

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Drug Free Schools

To account for monies received under a federal program to support the implementation of programs for drug abuse education and prevention.

EHA Pre-School

A fund used to account for federal grant dollars to improve and expand the services for handicapped children ages three to five years.

FCC E-Rate

To account for federal grant funds which are paid directly to the telecommunications provider of the district.

Reducing Class Size

A fund used to account for monies to hire additional classroom teachers in grades one through three, so that the number of students per teachers will be reduced.

Miscellaneous Federal Grants

To account for monies received under federal grants which are not classified elsewhere.

Adult Education

To account for monies related to the provision of credit and non-credit classes to the general public.

Food Service

To account for the financial transactions related to the food service operations of the School District.

Uniform School Supplies

To account for the purchase and sale of school supplies as adopted by the Board of Education for use in the School District.

NONMAJOR CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects, other than those financed by proprietary funds.

Building Fund

To account for all transactions related to all special bond funds in the School District. Proceeds from the sale of bonds are paid into this fund.

SchoolNet

A fund used to account for monies used to obtain computers and related educational technology equipment and/or the necessary infrastructure for educational technology.

Interactive Video Distance Learning

To account for monies received through a State grant to provide schools with the necessary equipment to facilitate video and teleconferencing capabilities to allow remote learning opportunities.

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,827,156	\$ 84,912	\$ 1,912,068
Receivables:			
Accounts	13,405	-	13,405
Intergovernmental	359,382	-	359,382
Accrued Interest	167	-	167
Inventory held for Resale	39,178	-	39,178
Total Assets	\$ 2,239,288	\$ 84,912	\$ 2,324,200
<u>Liabilities and Fund Equity:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ 208,983	\$ 15,227	\$ 224,210
Accrued Wages and Benefits	271,373	-	271,373
Intergovernmental Payable	53,825	-	53,825
Interfund Payable	44,018	-	44,018
Deferred Revenue	163,436	-	163,436
Compensated Absences Payable	14,635	-	14,635
Total Liabilities	756,270	15,227	771,497
<u>Fund Balance:</u>			
Reserved for Encumbrances	384,744	42,765	427,509
Unreserved, Undesignated:			
Special Revenue Funds	1,098,274	-	1,098,274
Capital Project Funds	-	26,920	26,920
Total Fund Balance	1,483,018	69,685	1,552,703
Total Liabilities and Fund Balance	\$ 2,239,288	\$ 84,912	\$ 2,324,200

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2003

	Public School Support	Other Grant	District Managed Student Activities	Auxiliary Services	Career Education
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 401,371	\$ 90,834	\$ 194,068	\$ 435,810	\$ -
Receivables:					
Accounts	-	-	6,102	-	-
Intergovernmental	2,591	-	-	-	-
Accrued Interest	167	-	-	-	-
Inventory held for Resale	-	-	-	-	-
Total Assets	<u>\$ 404,129</u>	<u>\$ 90,834</u>	<u>\$ 200,170</u>	<u>\$ 435,810</u>	<u>\$ -</u>
<u>Liabilities and Fund Equity:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 17,366	\$ 58	\$ 41,558	\$ 122,022	\$ -
Accrued Wages and Benefits	-	-	-	53,832	-
Intergovernmental Payable	-	-	-	11,842	-
Interfund Payable	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Compensated Absences Payable	-	-	-	-	-
Total Liabilities	<u>17,366</u>	<u>58</u>	<u>41,558</u>	<u>187,696</u>	<u>-</u>
<u>Fund Balance:</u>					
Reserved for Encumbrances	44,413	5,682	25,679	238,370	-
Unreserved	342,350	85,094	132,933	9,744	-
Total Fund Balance	<u>386,763</u>	<u>90,776</u>	<u>158,612</u>	<u>248,114</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 404,129</u>	<u>\$ 90,834</u>	<u>\$ 200,170</u>	<u>\$ 435,810</u>	<u>\$ -</u>

Teacher Development	Excellence in Education	Management Information Systems	Education R & D	Network Connect	SchoolNet Professional Development	Ohio Reads	Summer School Subsidy
\$ 10,149	\$ 3,622	\$ 28,791	\$ 14,999	\$ 28,504	\$ 5,918	\$ 7,000	\$ 5,558
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 10,149</u>	<u>\$ 3,622</u>	<u>\$ 28,791</u>	<u>\$ 14,999</u>	<u>\$ 28,504</u>	<u>\$ 5,918</u>	<u>\$ 7,000</u>	<u>\$ 5,558</u>
\$ -	\$ -	\$ -	\$ 382	\$ -	\$ 500	\$ -	\$ 3,256
-	-	-	3,381	-	-	-	-
4,225	-	18,610	580	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>4,225</u>	<u>-</u>	<u>18,610</u>	<u>4,343</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>3,256</u>
980	-	25	-	-	-	-	2,220
<u>4,944</u>	<u>3,622</u>	<u>10,156</u>	<u>10,656</u>	<u>28,504</u>	<u>5,418</u>	<u>7,000</u>	<u>82</u>
<u>5,924</u>	<u>3,622</u>	<u>10,181</u>	<u>10,656</u>	<u>28,504</u>	<u>5,418</u>	<u>7,000</u>	<u>2,302</u>
<u>\$ 10,149</u>	<u>\$ 3,622</u>	<u>\$ 28,791</u>	<u>\$ 14,999</u>	<u>\$ 28,504</u>	<u>\$ 5,918</u>	<u>\$ 7,000</u>	<u>\$ 5,558</u>

(Continued)

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2003
(Continued)

	Vocational Education Enhancement	Miscellaneous State Grants	Title II (NDEA)	Title VI-B	Vocational Education
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 17	\$ 45,649	\$ 6,859	\$ 40,508	\$ 585
<u>Receivables:</u>					
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	187,891	24,506
Accrued Interest	-	-	-	-	-
Inventory held for Resale	-	-	-	-	-
Total Assets	<u>\$ 17</u>	<u>\$ 45,649</u>	<u>\$ 6,859</u>	<u>\$ 228,399</u>	<u>\$ 25,091</u>
<u>Liabilities and Fund Equity:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ -	\$ 5,493	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-	103,515	-
Intergovernmental Payable	-	-	-	2,016	-
Interfund Payable	5,925	-	-	11,000	27,093
Deferred Revenue	-	-	-	82,086	24,506
Compensated Absences Payable	-	-	-	-	-
Total Liabilities	<u>5,925</u>	<u>5,493</u>	<u>-</u>	<u>198,617</u>	<u>51,599</u>
<u>Fund Balance:</u>					
Reserved for Encumbrances	-	4,238	1,327	5,000	-
Unreserved	(5,908)	35,918	5,532	24,782	(26,508)
Total Fund Balance	<u>(5,908)</u>	<u>40,156</u>	<u>6,859</u>	<u>29,782</u>	<u>(26,508)</u>
Total Liabilities and Fund Balance	<u>\$ 17</u>	<u>\$ 45,649</u>	<u>\$ 6,859</u>	<u>\$ 228,399</u>	<u>\$ 25,091</u>

Dropout Prevention and Intervention	Title I	Title VI	Emergency Immigrant Education	Drug Free Schools	EHA Pre-School	FCC E-Rate	Reducing Class Size
\$ -	\$ 20,570	\$ 5,801	\$ 236	\$ 4,043	\$ 4,838	\$ 24,315	\$ 17,428
-	-	-	-	-	-	-	-
9,476	7,815	47,097	-	3,426	2,902	-	46,075
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 9,476</u>	<u>\$ 28,385</u>	<u>\$ 52,898</u>	<u>\$ 236</u>	<u>\$ 7,469</u>	<u>\$ 7,740</u>	<u>\$ 24,315</u>	<u>\$ 63,503</u>
\$ -	\$ 327	\$ -	\$ -	\$ -	\$ 994	\$ -	\$ -
-	21,034	-	-	4,279	2,745	-	16,246
-	410	1,320	-	83	54	-	1,781
-	-	-	-	-	-	-	-
-	-	41,176	-	552	-	-	11,662
-	13,643	-	-	-	-	-	-
-	35,414	42,496	-	4,914	3,793	-	29,689
-	238	-	-	525	97	-	5,321
9,476	(7,267)	10,402	236	2,030	3,850	24,315	28,493
9,476	(7,029)	10,402	236	2,555	3,947	24,315	33,814
<u>\$ 9,476</u>	<u>\$ 28,385</u>	<u>\$ 52,898</u>	<u>\$ 236</u>	<u>\$ 7,469</u>	<u>\$ 7,740</u>	<u>\$ 24,315</u>	<u>\$ 63,503</u>

(Continued)

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2003
(Continued)

	Miscellaneous Federal Grants	Adult Education	Food Service	Uniform School Supplies	Total Nonmajor Special Revenue Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 18,573	\$ 783	\$ 261,044	\$ 149,283	\$ 1,827,156
Receivables:					
Accounts	-	-	6,563	740	13,405
Intergovernmental	3,454	-	24,149	-	359,382
Accrued Interest	-	-	-	-	167
Inventory held for Resale	-	-	39,178	-	39,178
Total Assets	<u>\$ 22,027</u>	<u>\$ 783</u>	<u>\$ 330,934</u>	<u>\$ 150,023</u>	<u>\$ 2,239,288</u>
<u>Liabilities and Fund Equity:</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 10,240	\$ 6,787	\$ 208,983
Accrued Wages and Benefits	-	-	66,341	-	271,373
Intergovernmental Payable	-	-	12,904	-	53,825
Interfund Payable	-	-	-	-	44,018
Deferred Revenue	3,454	-	-	-	163,436
Compensated Absences Payable	-	-	992	-	14,635
Total Liabilities	<u>3,454</u>	<u>-</u>	<u>90,477</u>	<u>6,787</u>	<u>756,270</u>
Fund Balance:					
Reserved for Encumbrances	3,614	-	24,434	22,581	384,744
Unreserved	14,959	783	216,023	120,655	1,098,274
Total Fund Balance	<u>18,573</u>	<u>783</u>	<u>240,457</u>	<u>143,236</u>	<u>1,483,018</u>
Total Liabilities and Fund Balance	<u>\$ 22,027</u>	<u>\$ 783</u>	<u>\$ 330,934</u>	<u>\$ 150,023</u>	<u>\$ 2,239,288</u>

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2003

	Building	SchoolNet	Interactive Video Distance Learning	Total Nonmajor Capital Projects Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 35	\$ 76,177	\$ 8,700	\$ 84,912
Total Assets	\$ 35	\$ 76,177	\$ 8,700	\$ 84,912
<u>Liabilities and Fund Equity:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ -	\$ 15,227	\$ -	\$ 15,227
Total Liabilities	-	15,227	-	15,227
<u>Fund Balance:</u>				
Reserved for Encumbrances	-	42,765	-	42,765
Unreserved	35	18,185	8,700	26,920
Total Fund Balance	35	60,950	8,700	69,685
Total Liabilities and Fund Balance	\$ 35	\$ 76,177	\$ 8,700	\$ 84,912

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**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 2,694,315	\$ 110,625	\$ 2,804,940
Interest	7,226	-	7,226
Tuition and Fees	180,309	-	180,309
Charges for Services	1,941,061	-	1,941,061
Gifts and Donations	94,090	-	94,090
Extracurricular Activities	860,073	-	860,073
Miscellaneous	40,306	-	40,306
	<u>5,817,380</u>	<u>110,625</u>	<u>5,928,005</u>
Total Revenues			
Expenditures:			
Current:			
Instruction:			
Regular	983,648	83,178	1,066,826
Special	273,127	-	273,127
Vocational	59,171	-	59,171
Support Services:			
Pupils	150,810	-	150,810
Instructional Staff	730,077	-	730,077
Administration	120,901	-	120,901
Plant Operation and Maintenance	37,389	-	37,389
Pupil Transportation	1,730	-	1,730
Central	13,401	-	13,401
Non-Instructional Services	2,875,277	-	2,875,277
Extracurricular Activities	579,868	-	579,868
Capital Outlay	-	2,204	2,204
	<u>5,825,399</u>	<u>85,382</u>	<u>5,910,781</u>
Total Expenditures			
Excess of Revenues Over(Under)			
Expenditures	(8,019)	25,243	17,224
Fund Balance at Beginning of Year - Restated	<u>1,491,037</u>	<u>44,442</u>	<u>1,535,479</u>
Fund Balance at End of Year	<u>\$ 1,483,018</u>	<u>\$ 69,685</u>	<u>\$ 1,552,703</u>

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Public School Support	Other Grant	District Managed Student Activities	Auxiliary Services	Career Education
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ 939,963	\$ -
Interest	6,417	-	422	-	-
Tuition and Fees	61,790	118,519	-	-	-
Charges for Services	-	-	-	-	-
Gifts and Donations	89,590	4,500	-	-	-
Extracurricular Activities	311,971	-	548,102	-	-
Miscellaneous	14,759	-	-	-	-
Total Revenues	484,527	123,019	548,524	939,963	-
Expenditures:					
Current:					
Instruction:					
Regular	432,552	90,615	-	-	-
Special	5,990	-	-	-	-
Vocational	-	-	-	-	(174)
Support Services:					
Pupils	-	-	-	-	-
Instructional Staff	6,067	4,391	-	-	-
Administration	-	1,632	-	-	-
Plant Operation and Maintenance	28,852	-	-	-	-
Pupil Transportation	1,730	-	-	-	-
Central	-	-	-	-	-
Non-Instructional Services	-	-	-	971,590	-
Extracurricular Activities	6,629	-	573,239	-	-
Total Expenditures	481,820	96,638	573,239	971,590	(174)
Excess of Revenues Over(Under) Expenditures	2,707	26,381	(24,715)	(31,627)	174
Fund Balance at Beginning of Year	384,056	64,395	183,327	279,741	(174)
Fund Balance at End of Year	\$ 386,763	\$ 90,776	\$ 158,612	\$ 248,114	\$ -

Teacher Development	Excellence in Education	Management Information Systems	Education R & D	Network Connect	SchoolNet Professional Development	Ohio Reads	Summer School Subsidy
\$ -	\$ -	\$ 28,518	\$ 25,000	\$ 38,500	\$ 4,600	\$ 14,000	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	28,518	25,000	38,500	4,600	14,000	-
-	-	-	-	-	7,632	13,000	3,256
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,622	-	-	27,206	38,850	-	-	-
-	-	14,237	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,225	-	18,610	-	-	-	-	-
-	-	-	-	-	-	-	-
10,847	-	32,847	27,206	38,850	7,632	13,000	3,256
(10,847)	-	(4,329)	(2,206)	(350)	(3,032)	1,000	(3,256)
16,771	3,622	14,510	12,862	28,854	8,450	6,000	5,558
\$ 5,924	\$ 3,622	\$ 10,181	\$ 10,656	\$ 28,504	\$ 5,418	\$ 7,000	\$ 2,302

(Continued)

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

	Vocational Education Enhancement	Miscellaneous State Grants	Title II (NDEA)	Title VI-B	Vocational Education
Revenues:					
Intergovernmental	\$ 33,570	\$ 112,400	\$ 20	\$ 748,764	\$ 145,658
Interest	-	-	-	-	-
Tuition and Fees	-	-	-	-	-
Charges for Services	-	-	-	-	-
Gifts and Donations	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>33,570</u>	<u>112,400</u>	<u>20</u>	<u>748,764</u>	<u>145,658</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	-	-	-	-
Special	-	1,750	7,557	85,391	-
Vocational	39,478	-	-	-	19,867
Support Services:					
Pupils	-	-	-	-	93,113
Instructional Staff	-	-	14,736	566,034	30,743
Administration	-	96,668	-	-	8,364
Plant Operation and Maintenance	-	-	-	-	-
Pupil Transportation	-	-	-	-	-
Central	-	-	-	-	13,401
Non-Instructional Services	-	-	1,703	86,586	-
Extracurricular Activities	-	-	-	-	-
Total Expenditures	<u>39,478</u>	<u>98,418</u>	<u>23,996</u>	<u>738,011</u>	<u>165,488</u>
Excess of Revenues Over(Under) Expenditures	(5,908)	13,982	(23,976)	10,753	(19,830)
Fund Balance at Beginning of Year	-	26,174	30,835	19,029	(6,678)
Fund Balance at End of Year	<u>\$ (5,908)</u>	<u>\$ 40,156</u>	<u>\$ 6,859</u>	<u>\$ 29,782</u>	<u>\$ (26,508)</u>

Dropout Prevention and Intervention	Title I	Title VI	Emergency Immigrant Education	Drug Free Schools	EHA Pre-School	FCC E-Rate	Reducing Class Size
\$ 28,112	\$ 156,756	\$ 25,282	\$ -	\$ 26,115	\$ 26,827	\$ 9,934	\$ 132,466
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>28,112</u>	<u>156,756</u>	<u>25,282</u>	<u>-</u>	<u>26,115</u>	<u>26,827</u>	<u>9,934</u>	<u>132,466</u>
-	-	-	-	-	-	-	109,743
18,636	144,839	-	-	-	7,268	-	-
-	-	-	-	-	-	-	-
-	-	31,330	-	26,367	-	-	-
-	13,643	-	-	-	21,785	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	11,883	-	7,922	588	-	249
-	-	-	-	-	-	-	-
<u>18,636</u>	<u>158,482</u>	<u>43,213</u>	<u>-</u>	<u>34,289</u>	<u>29,641</u>	<u>-</u>	<u>109,992</u>
9,476	(1,726)	(17,931)	-	(8,174)	(2,814)	9,934	22,474
-	(5,303)	28,333	236	10,729	6,761	14,381	11,340
<u>\$ 9,476</u>	<u>\$ (7,029)</u>	<u>\$ 10,402</u>	<u>\$ 236</u>	<u>\$ 2,555</u>	<u>\$ 3,947</u>	<u>\$ 24,315</u>	<u>\$ 33,814</u>

(Continued)

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

	Miscellaneous Federal Grants	Adult Education	Food Service	Uniform School Supplies	Total Nonmajor Special Revenue Funds
Revenues:					
Intergovernmental	\$ 22,798	\$ -	\$ 175,032	\$ -	\$ 2,694,315
Interest	-	-	387	-	7,226
Tuition and Fees	-	-	-	-	180,309
Charges for Services	-	-	1,592,333	348,728	1,941,061
Gifts and Donations	-	-	-	-	94,090
Extracurricular Activities	-	-	-	-	860,073
Miscellaneous	-	-	25,547	-	40,306
Total Revenues	22,798	-	1,793,299	348,728	5,817,380
Expenditures:					
Current:					
Instruction:					
Regular	-	-	-	326,850	983,648
Special	1,696	-	-	-	273,127
Vocational	-	-	-	-	59,171
Support Services:					
Pupils	-	-	-	-	150,810
Instructional Staff	-	-	-	-	730,077
Administration	-	-	-	-	120,901
Plant Operation and Maintenance	-	-	8,537	-	37,389
Pupil Transportation	-	-	-	-	1,730
Central	-	-	-	-	13,401
Non-Instructional Services	(10,843)	-	1,782,764	-	2,875,277
Extracurricular Activities	-	-	-	-	579,868
Total Expenditures	(9,147)	-	1,791,301	326,850	5,825,399
Excess of Revenues Over(Under) Expenditures	31,945	-	1,998	21,878	(8,019)
Fund Balance at Beginning of Year	(13,372)	783	238,459	121,358	1,491,037
Fund Balance at End of Year	\$ 18,573	\$ 783	\$ 240,457	\$ 143,236	\$ 1,483,018

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Building</u>	<u>SchoolNet</u>	<u>Interactive Video Distance Learning</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:				
Intergovernmental	\$ -	\$ 110,625	\$ -	\$ 110,625
Total Revenues	<u>-</u>	<u>110,625</u>	<u>-</u>	<u>110,625</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	83,178	-	83,178
Capital Outlay	<u>2,204</u>	<u>-</u>	<u>-</u>	<u>2,204</u>
Total Expenditures	<u>2,204</u>	<u>83,178</u>	<u>-</u>	<u>85,382</u>
Excess of Revenues Over(Under) Expenditures	(2,204)	27,447	-	25,243
Fund Balance at Beginning of Year	<u>2,239</u>	<u>33,503</u>	<u>8,700</u>	<u>44,442</u>
Fund Balance at End of Year	<u>\$ 35</u>	<u>\$ 60,950</u>	<u>\$ 8,700</u>	<u>\$ 69,685</u>

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Combining Statements – Fiduciary Funds

Private-Purpose Trust Funds

Private-purpose trust funds are used to account for assets held by the School District, which have been restricted so that the principal and income of the fund benefit individuals, private organizations, or other governments and are not available to support the operations of the School District.

Scholarship Trust Fund

To account for restricted donations, where the donations themselves may be used, to provide scholarships to selected students graduating from the School District.

Memorial Scholarship Trust Fund

To account for the restricted donations, where the corpus of the donations may not be used, which were provided in memory of individuals to provide scholarship to selected District students.

Agency Funds

Agency funds account for monies held by the School District in a purely custodial nature for other organizations. Accordingly, all assets reported in an agency fund are offset by a liability to the party on whose behalf they are held.

Student Managed Activities Fund

To account for the resources belonging to the various student groups in the District. The fund account for sales and other revenue generating activities by student activity programs that have students involved in the management of the program. Since this is the only agency fund at the School District, no individual fund information is presented.

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2003

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 25,934	\$ 3,036	\$ 28,970
Accrued interest receivable	24	-	24
Cash and Cash Equivalents:			
With Fiscal Agent	-	10,335	10,335
	<u>25,958</u>	<u>13,371</u>	<u>39,329</u>
Total Assets	<u>25,958</u>	<u>13,371</u>	<u>39,329</u>
Net Assets:			
Held in trust for scholarships	<u>25,958</u>	<u>13,371</u>	<u>39,329</u>
Total Net Assets	<u>\$ 25,958</u>	<u>\$ 13,371</u>	<u>\$ 39,329</u>

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total
Additions:			
Gifts and Donations	\$ 3,078	\$ -	\$ 3,078
Investment Earnings	393	538	931
Total Additions	3,471	538	4,009
Deductions:			
Payments in accordance with trust agreements	3,911	1,000	4,911
Total Deductions	3,911	1,000	4,911
Change in Net Assets	(440)	(462)	(902)
Net Assets Beginning of Year	26,398	13,833	40,231
Net Assets End of Year	\$ 25,958	\$ 13,371	\$ 39,329

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**Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balance/Fund Equity –
Budget (Non-GAAP) and Actual**

**CENTERVILLE CITY SCHOOL DISTRICT, OHIO
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
BOND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Taxes	\$ 1,738,930	\$ 1,732,766	\$ 1,729,672	\$ (3,094)
Intergovernmental	227,234	227,234	232,679	5,445
Miscellaneous	-	-	15,614	15,614
Total Revenues	1,966,164	1,960,000	1,977,965	17,965
Expenditures:				
Current:				
Support Services:				
Fiscal	50,000	50,000	153,290	(103,290)
Debt Service:				
Principal Retirement	4,865,000	4,865,000	1,080,000	3,785,000
Interest and Fiscal Charges	785,000	785,000	782,400	2,600
Total Expenditures	5,700,000	5,700,000	2,015,690	3,684,310
Excess of Revenues Over(Under) Expenditures	(3,733,836)	(3,740,000)	(37,725)	3,702,275
Other Financing Sources (Uses):				
Proceeds from Sale of Refunding Bonds	-	-	8,216,191	8,216,191
Payment to Refunding Agent	-	-	(8,090,451)	(8,090,451)
Total Other Financing Sources (Uses)	-	-	125,740	125,740
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(3,733,836)	(3,740,000)	88,015	3,828,015
Fund Balance at Beginning of Year	3,814,349	3,814,349	3,814,349	-
Fund Balance at End of Year	\$ 80,513	\$ 74,349	\$ 3,902,364	\$ 3,828,015

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PERMANENT IMPROVEMENT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Taxes	\$ 1,971,250	\$ 1,971,250	\$ 2,004,161	\$ 32,911
Intergovernmental	231,211	254,780	246,585	(8,195)
Interest	800	800	612	(188)
Miscellaneous	24,000	24,000	22,757	(1,243)
Total Revenues	2,227,261	2,250,830	2,274,115	23,285
Expenditures:				
Current:				
Instruction:				
Regular	510,917	1,010,917	770,934	239,983
Support Services:				
Administration	31,860	66,103	49,785	16,318
Fiscal	30,000	30,000	29,835	165
Plant Operation and Maintenance	757,493	1,514,335	1,424,970	89,365
Pupil Transportation	408,110	522,198	500,652	21,546
Capital Outlay	2,553,522	2,911,748	2,561,760	349,988
Debt Service:				
Principal Retirement	885,000	885,000	885,000	-
Interest and Fiscal Charges	165,000	701,600	124,941	576,659
Total Expenditures	5,341,902	7,641,901	6,347,877	1,294,024
Excess of Revenues Over(Under) Expenditures	(3,114,641)	(5,391,071)	(4,073,762)	1,317,309
Other Financing Sources (Uses):				
Transfers-In	1,500,000	2,300,000	2,300,000	-
Total Other Financing Sources (Uses)	1,500,000	2,300,000	2,300,000	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(1,614,641)	(3,091,071)	(1,773,762)	1,317,309
Fund Balance at Beginning of Year	2,259,763	2,259,763	2,259,763	-
Prior Year Encumbrances Appropriated	841,901	841,901	841,901	-
Fund Balance at End of Year	\$ 1,487,023	\$ 10,593	\$ 1,327,902	\$ 1,317,309

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PUBLIC SCHOOL SUPPORT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Interest	\$ 8,412	\$ 6,996	\$ 7,379	\$ 383
Tuition and Fees	71,661	59,600	63,440	3,840
Extracurricular Activities	365,041	303,604	312,869	9,265
Gifts and Donations	104,245	86,700	89,590	2,890
Miscellaneous	13,345	11,100	13,959	2,859
Total Revenues	562,704	468,000	487,237	19,237
Expenditures:				
Current:				
Instruction:				
Regular	759,456	741,357	471,858	269,499
Special	11,238	10,838	5,986	4,852
Support Services:				
Instructional Staff	11,839	12,839	6,738	6,101
Fiscal	85,000	20,096	-	20,096
Plant Operation and Maintenance	85,149	74,149	70,437	3,712
Pupil Transportation	2,000	3,000	1,958	1,042
Extracurricular Activities	21,000	18,700	7,328	11,372
Total Expenditures	975,682	880,979	564,305	316,674
Excess of Revenues Over(Under) Expenditures	(412,978)	(412,979)	(77,068)	335,911
Fund Balance at Beginning of Year	371,999	371,999	371,999	-
Prior Year Encumbrances Appropriated	45,683	45,683	45,683	-
Fund Balance at End of Year	\$ 4,704	\$ 4,703	\$ 340,614	\$ 335,911

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OTHER GRANTS - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Tuition and Fees	\$ 96,206	\$ 110,259	\$ 118,519	\$ 8,260
Gifts and Donations	2,618	3,000	4,500	1,500
Total Revenues	98,824	113,259	123,019	9,760
Expenditures:				
Current:				
Instruction:				
Regular	150,421	166,856	104,177	62,679
Support Services:				
Pupils	160	160	-	160
Instructional Staff	7,563	7,563	4,391	3,172
Administration	9,682	9,682	1,632	8,050
Captial Outlay	709	709	684	25
Total Expenditures	168,535	184,970	110,884	74,086
Excess of Revenues Over(Under) Expenditures	(69,711)	(71,711)	12,135	83,846
Fund Balance at Beginning of Year	64,423	64,423	64,423	-
Prior Year Encumbrances Appropriated	8,535	8,535	8,535	-
Fund Balance at End of Year	\$ 3,247	\$ 1,247	\$ 85,093	\$ 83,846

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DISTRICT MANAGED STUDENT ACTIVITIES - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Interest	\$ 4,000	\$ 4,000	\$ 583	\$ (3,417)
Extracurricular Activities	553,528	553,528	547,461	(6,067)
Total Revenues	557,528	557,528	548,044	(9,484)
Expenditures:				
Current:				
Extracurricular Activities	737,685	737,685	607,178	130,507
Total Expenditures	737,685	737,685	607,178	130,507
Excess of Revenues Over(Under) Expenditures	(180,157)	(180,157)	(59,134)	121,023
Fund Balance at Beginning of Year	136,612	136,612	136,612	-
Prior Year Encumbrances Appropriated	49,685	49,685	49,685	-
Fund Balance at End of Year	<u>\$ 6,140</u>	<u>\$ 6,140</u>	<u>\$ 127,163</u>	<u>\$ 121,023</u>

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
AUXILIARY SERVICES - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 1,044,509	\$ 939,963	\$ 939,963	\$ -
Total Revenues	1,044,509	939,963	939,963	-
Expenditures:				
Current:				
Instruction:				
Non-Instructional Services	1,296,270	1,324,232	1,248,814	75,418
Total Expenditures	1,296,270	1,324,232	1,248,814	75,418
Excess of Revenues Over(Under) Expenditures	(251,761)	(384,269)	(308,851)	75,418
Fund Balance at Beginning of Year	267,397	267,397	267,397	-
Prior Year Encumbrances Appropriated	116,872	116,872	116,872	-
Fund Balance at End of Year	\$ 132,508	\$ -	\$ 75,418	\$ 75,418

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAREER EDUCATION - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 46,620	\$ -	\$ -	\$ -
Total Revenues	46,620	-	-	-
Expenditures:				
Current:				
Instruction:				
Vocational	39,495	-	-	-
Total Expenditures	39,495	-	-	-
Excess of Revenues Over(Under) Expenditures	7,125	-	-	-
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	(7)	(7)	(7)	-
Total Other Financing Sources (Uses)	(7)	(7)	(7)	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	7,118	(7)	(7)	-
Fund Balance at Beginning of Year	7	7	7	-
Fund Balance at End of Year	\$ 7,125	\$ -	\$ -	\$ -

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TEACHER DEVELOPMENT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Instructional Staff	6,765	6,765	6,672	93
Non-Instructional Services	10,058	10,058	5,205	4,853
Total Expenditures	16,823	16,823	11,877	4,946
Excess of Revenues Over(Under) Expenditures	(16,823)	(16,823)	(11,877)	4,946
Fund Balance at Beginning of Year	16,773	16,773	16,773	-
Prior Year Encumbrances Appropriated	50	50	50	-
Fund Balance at End of Year	\$ -	\$ -	\$ 4,946	\$ 4,946

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
EXCELLENCE IN EDUCATION - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	3,622	3,622	-	3,622
Total Expenditures	3,622	3,622	-	3,622
Excess of Revenues Over(Under) Expenditures	(3,622)	(3,622)	-	3,622
Fund Balance at Beginning of Year	3,622	3,622	3,622	-
Fund Balance at End of Year	\$ -	\$ -	\$ 3,622	\$ 3,622

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MANAGEMENT INFORMATION SYSTEMS - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 27,963	\$ 28,518	\$ 28,518	\$ -
Total Revenues	<u>27,963</u>	<u>28,518</u>	<u>28,518</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Administration	<u>58,560</u>	<u>59,115</u>	<u>48,956</u>	<u>10,159</u>
Total Expenditures	<u>58,560</u>	<u>59,115</u>	<u>48,956</u>	<u>10,159</u>
Excess of Revenues Over(Under) Expenditures	(30,597)	(30,597)	(20,438)	10,159
Fund Balance at Beginning of Year	2,913	2,913	2,913	-
Prior Year Encumbrances Appropriated	<u>27,684</u>	<u>27,684</u>	<u>27,684</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,159</u>	<u>\$ 10,159</u>

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
EDUCATION R&D - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 25,500	\$ 25,000	\$ 25,000	\$ -
Total Revenues	25,500	25,000	25,000	-
Expenditures:				
Current:				
Support Services:				
Instructional Staff	31,795	31,795	26,942	4,853
Total Expenditures	31,795	31,795	26,942	4,853
Excess of Revenues Over(Under) Expenditures	(6,295)	(6,795)	(1,942)	4,853
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	(9,764)	(9,764)	-	9,764
Total Other Financing Sources (Uses)	(9,764)	(9,764)	-	9,764
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(16,059)	(16,559)	(1,942)	14,617
Fund Balance at Beginning of Year	16,559	16,559	16,559	-
Fund Balance at End of Year	\$ 500	\$ -	\$ 14,617	\$ 14,617

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NETWORK CONNECT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 39,270	\$ 38,500	\$ 38,500	\$ -
Total Revenues	39,270	38,500	38,500	-
Expenditures:				
Current:				
Instruction:				
Regular	68,124	67,354	38,850	28,504
Total Expenditures	68,124	67,354	38,850	28,504
Excess of Revenues Over(Under) Expenditures	(28,854)	(28,854)	(350)	28,504
Fund Balance at Beginning of Year	28,854	28,854	28,854	-
Fund Balance at End of Year	\$ -	\$ -	\$ 28,504	\$ 28,504

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SCHOOLNET PROFESSIONAL DEVELOPMENT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 8,619	\$ 4,600	\$ 4,600	\$ -
Total Revenues	8,619	4,600	4,600	-
Expenditures:				
Current:				
Instruction:				
Regular	17,069	13,050	7,632	5,418
Total Expenditures	17,069	13,050	7,632	5,418
Excess of Revenues Over(Under) Expenditures	(8,450)	(8,450)	(3,032)	5,418
Fund Balance at Beginning of Year	8,450	8,450	8,450	-
Fund Balance at End of Year	\$ -	\$ -	\$ 5,418	\$ 5,418

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OHIO READS GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 14,280	\$ 14,000	\$ 14,000	\$ -
Total Revenues	14,280	14,000	14,000	-
Expenditures:				
Current:				
Instruction:				
Regular	8,000	22,000	15,000	7,000
Total Expenditures	8,000	22,000	15,000	7,000
Excess of Revenues Over(Under) Expenditures	6,280	(8,000)	(1,000)	7,000
Fund Balance at Beginning of Year	6,000	6,000	6,000	-
Prior Year Encumbrances Appropriated	2,000	2,000	2,000	-
Fund Balance at End of Year	<u>\$ 14,280</u>	<u>\$ -</u>	<u>\$ 7,000</u>	<u>\$ 7,000</u>

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SUMMER SCHOOL SUBSIDY - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final Revised</u>		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	5,558	5,558	5,476	82
Total Expenditures	5,558	5,558	5,476	82
Excess of Revenues Over(Under) Expenditures	(5,558)	(5,558)	(5,476)	82
Fund Balance at Beginning of Year	5,558	5,558	5,558	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82</u>	<u>\$ 82</u>

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
VOCATIONAL EDUCATION ENHANCEMENT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 33,570	\$ 33,570	\$ 33,570	\$ -
Total Revenues	33,570	33,570	33,570	-
Expenditures:				
Current:				
Instruction:				
Vocational	39,495	39,495	39,478	17
Total Expenditures	39,495	39,495	39,478	17
Excess of Revenues Over(Under) Expenditures	(5,925)	(5,925)	(5,908)	17
Other Financing Sources (Uses):				
Advances-In	5,925	5,925	5,925	-
Total Other Financing Sources (Uses)	5,925	5,925	5,925	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	-	-	17	17
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ 17	\$ 17

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MISCELLANEOUS STATE GRANTS - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 118,699	\$ 112,400	\$ 112,400	\$ -
Total Revenues	118,699	112,400	112,400	-
Expenditures:				
Current:				
Instruction:				
Regular	-	193	-	193
Special	1,750	1,750	1,750	-
Support Services:				
Instructional Staff	5,526	25,083	-	25,083
Administration	143,352	143,352	132,710	10,642
Total Expenditures	150,628	170,378	134,460	35,918
Excess of Revenues Over(Under) Expenditures	(31,929)	(57,978)	(22,060)	35,918
Fund Balance at Beginning of Year	19,596	19,596	19,596	-
Prior Year Encumbrances Appropriated	38,382	38,382	38,382	-
Fund Balance at End of Year	\$ 26,049	\$ -	\$ 35,918	\$ 35,918

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE II (NDEA) - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 11,408	\$ 16,355	\$ 16,355	\$ -
Total Revenues	11,408	16,355	16,355	-
Expenditures:				
Current:				
Instruction:				
Special	7,557	7,557	7,557	-
Support Services:				
Instructional Staff	21,597	21,597	16,063	5,534
Non-Instructional Services	1,771	1,771	1,771	-
Total Expenditures	30,925	30,925	25,391	5,534
Excess of Revenues Over(Under) Expenditures	(19,517)	(14,570)	(9,036)	5,534
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	(382)	(382)	(382)	-
Total Other Financing Sources (Uses)	(382)	(382)	(382)	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(19,899)	(14,952)	(9,418)	5,534
Fund Balance at Beginning of Year	13,667	13,667	13,667	-
Prior Year Encumbrances Appropriated	1,285	1,285	1,285	-
Fund Balance at End of Year	\$ (4,947)	\$ -	\$ 5,534	\$ 5,534

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE VI-B GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 613,082	\$ 703,077	\$ 703,077	\$ -
Total Revenues	613,082	703,077	703,077	-
Expenditures:				
Current:				
Instruction:				
Special	103,961	89,000	75,165	13,835
Support Services:				
Instructional Staff	674,064	577,057	561,999	15,058
Non-Instructional Services	103,694	88,771	82,496	6,275
Total Expenditures	881,719	754,828	719,660	35,168
Excess of Revenues Over(Under) Expenditures	(268,637)	(51,751)	(16,583)	35,168
Other Financing Sources (Uses):				
Advances-In	-	11,000	11,000	-
Total Other Financing Sources (Uses)	-	11,000	11,000	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(268,637)	(40,751)	(5,583)	35,168
Fund Balance at Beginning of Year	36,274	36,274	36,274	-
Prior Year Encumbrances Appropriated	4,477	4,477	4,477	-
Fund Balance at End of Year	\$ (227,886)	\$ -	\$ 35,168	\$ 35,168

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
VOCATIONAL EDUCATION GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 348,273	\$ 148,897	\$ 148,898	\$ 1
Total Revenues	<u>348,273</u>	<u>148,897</u>	<u>148,898</u>	<u>1</u>
Expenditures:				
Current:				
Instruction:				
Vocational	19,926	19,926	19,867	59
Support Services:				
Pupils	94,836	94,836	94,328	508
Instructional Staff	30,750	30,750	30,743	7
Administration	8,364	8,364	8,364	-
Central	13,414	13,414	13,401	13
Total Expenditures	<u>167,290</u>	<u>167,290</u>	<u>166,703</u>	<u>587</u>
Excess of Revenues Over(Under) Expenditures	<u>180,983</u>	<u>(18,393)</u>	<u>(17,805)</u>	<u>588</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	(7,120)	(6,780)	(6,780)	-
Advances-In	-	25,094	25,093	(1)
Total Other Financing Sources (Uses)	<u>(7,120)</u>	<u>18,314</u>	<u>18,313</u>	<u>(1)</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	173,863	(79)	508	587
Fund Balance at Beginning of Year	<u>79</u>	<u>79</u>	<u>79</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 173,942</u>	<u>\$ -</u>	<u>\$ 587</u>	<u>\$ 587</u>

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DROPOUT PREVENTION AND INTERVENTION - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 20,880	\$ 18,636	\$ 18,636	\$ -
Total Revenues	20,880	18,636	18,636	-
Expenditures:				
Current:				
Instruction:				
Special	20,880	18,636	18,636	-
Total Expenditures	20,880	18,636	18,636	-
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE I GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 182,582	\$ 182,662	\$ 182,662	\$ -
Total Revenues	182,582	182,662	182,662	-
Expenditures:				
Current:				
Instruction:				
Special	179,291	172,424	152,420	20,004
Total Expenditures	179,291	172,424	152,420	20,004
Excess of Revenues Over(Under) Expenditures	3,291	10,238	30,242	20,004
Other Financing Sources (Uses):				
Advances-Out	(25,000)	(25,000)	(25,000)	-
Total Other Financing Sources (Uses)	(25,000)	(25,000)	(25,000)	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(21,709)	(14,762)	5,242	20,004
Fund Balance at Beginning of Year	14,367	14,367	14,367	-
Prior Year Encumbrances Appropriated	395	395	395	-
Fund Balance at End of Year	\$ (6,947)	\$ -	\$ 20,004	\$ 20,004

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE VI GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 28,169	\$ 38,550	\$ 38,550	\$ -
Total Revenues	<u>28,169</u>	<u>38,550</u>	<u>38,550</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils	56,438	35,777	32,738	3,039
Non-Instructional Services	<u>29,843</u>	<u>18,914</u>	<u>16,492</u>	<u>2,422</u>
Total Expenditures	<u>86,281</u>	<u>54,691</u>	<u>49,230</u>	<u>5,461</u>
Excess of Revenues Over(Under) Expenditures	<u>(58,112)</u>	<u>(16,141)</u>	<u>(10,680)</u>	<u>5,461</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	<u>(11)</u>	<u>(11)</u>	<u>(11)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(11)</u>	<u>(11)</u>	<u>(11)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(58,123)	(16,152)	(10,691)	5,461
Fund Balance at Beginning of Year	5,762	5,762	5,762	-
Prior Year Encumbrances Appropriated	<u>10,390</u>	<u>10,390</u>	<u>10,390</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (41,971)</u>	<u>\$ -</u>	<u>\$ 5,461</u>	<u>\$ 5,461</u>

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
EMERGENCY IMMIGRANT EDUCATION ASSISTANCE - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 5,406	\$ -	\$ -	\$ -
Total Revenues	5,406	-	-	-
Expenditures:				
Total Expenditures	-	-	-	-
Excess of Revenues Over(Under) Expenditures	5,406	-	-	-
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	(236)	(236)	-	236
Total Other Financing Sources (Uses)	(236)	(236)	-	236
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	5,170	(236)	-	236
Fund Balance at Beginning of Year	236	236	236	-
Fund Balance at End of Year	\$ 5,406	\$ -	\$ 236	\$ 236

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DRUG FREE SCHOOL - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 36,229	\$ 23,241	\$ 23,241	\$ -
Total Revenues	<u>36,229</u>	<u>23,241</u>	<u>23,241</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	52	52	-	52
Support Services:				
Pupils	31,927	29,622	28,790	832
Non-Instructional Services	8,199	7,607	4,972	2,635
Total Expenditures	<u>40,178</u>	<u>37,281</u>	<u>33,762</u>	<u>3,519</u>
Excess of Revenues Over(Under) Expenditures	<u>(3,949)</u>	<u>(14,040)</u>	<u>(10,521)</u>	<u>3,519</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	<u>(3,748)</u>	<u>(3,475)</u>	<u>(3,475)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(3,748)</u>	<u>(3,475)</u>	<u>(3,475)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(7,697)</u>	<u>(17,515)</u>	<u>(13,996)</u>	<u>3,519</u>
Fund Balance at Beginning of Year	16,042	16,042	16,042	-
Prior Year Encumbrances Appropriated	<u>1,473</u>	<u>1,473</u>	<u>1,473</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 9,818</u>	<u>\$ -</u>	<u>\$ 3,519</u>	<u>\$ 3,519</u>

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
EHA PRESCHOOL GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 16,388	\$ 34,633	\$ 34,634	\$ 1
Total Revenues	<u>16,388</u>	<u>34,633</u>	<u>34,634</u>	<u>1</u>
Expenditures:				
Current:				
Instruction:				
Special	9,852	9,540	7,366	2,174
Support Services:				
Instructional Staff	<u>23,799</u>	<u>23,046</u>	<u>21,640</u>	<u>1,406</u>
Total Expenditures	<u>33,651</u>	<u>32,586</u>	<u>29,006</u>	<u>3,580</u>
Excess of Revenues Over(Under) Expenditures	<u>(17,263)</u>	<u>2,047</u>	<u>5,628</u>	<u>3,581</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	<u>(2,130)</u>	<u>(2,062)</u>	<u>(2,062)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,130)</u>	<u>(2,062)</u>	<u>(2,062)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(19,393)	(15)	3,566	3,581
Fund Balance at Beginning of Year	<u>15</u>	<u>15</u>	<u>15</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (19,378)</u>	<u>\$ -</u>	<u>\$ 3,581</u>	<u>\$ 3,581</u>

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FCC E-RATE - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 5,465	\$ 9,933	\$ 9,934	\$ 1
Total Revenues	5,465	9,933	9,934	1
Expenditures:				
Current:				
Support Services:				
Plant Operation and Maintenance	14,382	24,315	-	24,315
Total Expenditures	14,382	24,315	-	24,315
Excess of Revenues Over(Under) Expenditures	(8,917)	(14,382)	9,934	24,316
Fund Balance at Beginning of Year	14,382	14,382	14,382	-
Fund Balance at End of Year	\$ 5,465	\$ -	\$ 24,316	\$ 24,316

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
REDUCING CLASS SIZE - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 86,216	\$ 108,035	\$ 108,036	\$ 1
Total Revenues	<u>86,216</u>	<u>108,035</u>	<u>108,036</u>	<u>1</u>
Expenditures:				
Current:				
Instruction:				
Regular	153,266	107,758	97,037	10,721
Support Services:				
Non-Instructional Services	<u>2,324</u>	<u>1,634</u>	<u>249</u>	<u>1,385</u>
Total Expenditures	<u>155,590</u>	<u>109,392</u>	<u>97,286</u>	<u>12,106</u>
Excess of Revenues Over(Under) Expenditures	(69,374)	(1,357)	10,750	12,107
Fund Balance at Beginning of Year	<u>1,357</u>	<u>1,357</u>	<u>1,357</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (68,017)</u>	<u>\$ -</u>	<u>\$ 12,107</u>	<u>\$ 12,107</u>

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MISCELLANEOUS FEDERAL GRANTS - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ -	\$ 22,798	\$ 22,798	\$ -
Total Revenues	-	22,798	22,798	-
Expenditures:				
Current:				
Instruction:				
Regular	144	768	-	768
Special	1,751	9,360	7,839	1,521
Support Services:				
Plant Operation and Maintenance	2,371	12,670	-	12,670
Total Expenditures	4,266	22,798	7,839	14,959
Excess of Revenues Over(Under) Expenditures	(4,266)	-	14,959	14,959
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ (4,266)	\$ -	\$ 14,959	\$ 14,959

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ADULT EDUCATION - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Administration	785	785	-	785
Total Expenditures	785	785	-	785
Excess of Revenues Over(Under) Expenditures	(785)	(785)	-	785
Fund Balance at Beginning of Year	785	785	785	-
Fund Balance at End of Year	\$ -	\$ -	\$ 785	\$ 785

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOOD SERVICE PROGRAM - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 170,500	\$ 170,500	\$ 173,310	\$ 2,810
Interest	500	500	387	(113)
Charges for Services	1,574,189	1,577,000	1,587,739	10,739
Miscellaneous	27,000	27,000	27,286	286
Total Revenues	1,772,189	1,775,000	1,788,722	13,722
Expenditures:				
Current:				
Plant Operation and Maintenance	28,596	23,596	11,637	11,959
Non-Instructional Services	2,054,154	2,034,154	1,838,312	195,842
Total Expenditures	2,082,750	2,057,750	1,849,949	207,801
Excess of Revenues Over(Under) Expenditures	(310,561)	(282,750)	(61,227)	221,523
Fund Balance at Beginning of Year	255,699	255,699	255,699	-
Prior Year Encumbrances Appropriated	32,750	32,750	32,750	-
Fund Balance at End of Year	\$ (22,112)	\$ 5,699	\$ 227,222	\$ 221,523

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
UNIFORM SCHOOL SUPPLIES - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Charges for Services	\$ 218,743	\$ 328,743	\$ 348,438	\$ 19,695
Total Revenues	218,743	328,743	348,438	19,695
Expenditures:				
Current:				
Instruction:				
Regular	459,461	459,461	359,325	100,136
Total Expenditures	459,461	459,461	359,325	100,136
Excess of Revenues Over(Under) Expenditures	(240,718)	(130,718)	(10,887)	119,831
Other Financing Sources (Uses):				
Advances-In	120,000	120,000	120,000	-
Advance-Out	(120,000)	(120,000)	(120,000)	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(240,718)	(130,718)	(10,887)	119,831
Fund Balance at Beginning of Year	111,341	111,341	111,341	-
Prior Year Encumbrances Appropriated	19,461	19,461	19,461	-
Fund Balance at End of Year	\$ (109,916)	\$ 84	\$ 119,915	\$ 119,831

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUILDING FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Captial Outlay	2,821	2,821	2,786	35
Total Expenditures	2,821	2,821	2,786	35
Excess of Revenues Over(Under) Expenditures	(2,821)	(2,821)	(2,786)	35
Fund Balance at Beginning of Year	1,813	1,813	1,813	-
Prior Year Encumbrances Appropriated	1,008	1,008	1,008	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35</u>	<u>\$ 35</u>

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SCHOOLNET PLUS FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ -	\$ 110,625	\$ 110,625	\$ -
Total Revenues	-	110,625	110,625	-
Expenditures:				
Current:				
Instruction:				
Regular	33,502	144,127	125,943	18,184
Total Expenditures	33,502	144,127	125,943	18,184
Excess of Revenues Over(Under) Expenditures	(33,502)	(33,502)	(15,318)	18,184
Fund Balance at Beginning of Year	29,352	29,352	29,352	-
Prior Year Encumbrances Appropriated	4,150	4,150	4,150	-
Fund Balance at End of Year	\$ -	\$ -	\$ 18,184	\$ 18,184

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
INTERACTIVE VIDEO DISTANCE LEARNING - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Intergovernmental	\$ 8,874	\$ -	\$ -	\$ -
Total Revenues	8,874	-	-	-
Expenditures:				
Current:				
Instruction:				
Regular	8,700	8,700	-	8,700
Total Expenditures	8,700	8,700	-	8,700
Excess of Revenues Over(Under) Expenditures	174	(8,700)	-	8,700
Fund Balance at Beginning of Year	8,700	8,700	8,700	-
Fund Balance at End of Year	\$ 8,874	\$ -	\$ 8,700	\$ 8,700

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
SCHOLARSHIP TRUST FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Gifts and Donations	\$ 3,556	\$ 2,400	\$ 3,078	\$ 678
Interest	1,000	600	412	(188)
Total Revenues	<u>4,556</u>	<u>3,000</u>	<u>3,490</u>	<u>490</u>
Expenses:				
Student Scholarships	29,430	29,430	5,713	23,717
Total Expenses	<u>29,430</u>	<u>29,430</u>	<u>5,713</u>	<u>23,717</u>
Excess of Revenues Over(Under) Expenses	(24,874)	(26,430)	(2,223)	24,207
Fund Equity at Beginning of Year	26,355	26,355	26,355	-
Prior Year Encumbrances Appropriated	<u>430</u>	<u>430</u>	<u>430</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 1,911</u>	<u>\$ 355</u>	<u>\$ 24,562</u>	<u>\$ 24,207</u>

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
MEMORIAL SCHOLARSHIP TRUST FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
Revenues:				
Interest	\$ 1,097	\$ 1,075	\$ 1,075	\$ -
Total Revenues	1,097	1,075	1,075	-
Expenses:				
Student Scholarships	4,000	4,000	1,000	3,000
Total Expenses	4,000	4,000	1,000	3,000
Excess of Revenues Over(Under) Expenses	(2,903)	(2,925)	75	3,000
Fund Balance at Equity of Year	2,961	2,961	2,961	-
Fund Equity at End of Year	<u>\$ 58</u>	<u>\$ 36</u>	<u>\$ 3,036</u>	<u>\$ 3,000</u>

STATISTICAL SECTION

Table 1

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

General Fund Revenues by Source
Last Ten Fiscal Years (1)

Fiscal Year	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Taxes	\$ 38,573,077	\$ 39,877,397	\$ 40,372,538	\$ 33,731,138	\$ 32,455,862	\$ 32,496,563	\$ 31,298,019	\$ 30,938,070	\$ 27,392,744	\$ 24,118,352
Intergovernmental	16,917,503	14,928,420	13,202,553	12,556,530	12,741,149	11,888,635	11,585,816	11,450,079	10,789,782	10,267,569
Interest	490,026	1,127,786	1,911,229	1,500,923	1,594,380	1,340,651	1,224,476	864,372	833,789	484,763
Tuition and Fees	522,221	333,972	285,229	336,601	318,019	167,513	142,687	143,857	34,345	139,593
Transportation Fees	-	-	-	-	-	130,470	101,290	52,038	93,802	118,846
Other Revenues	1,127,036	834,985	882,351	620,555	1,131,433	819,257	654,676	684,183	682,852	461,409
Total Revenues	<u>\$ 57,629,863</u>	<u>\$ 57,102,560</u>	<u>\$ 56,653,900</u>	<u>\$ 48,745,747</u>	<u>\$ 48,240,843</u>	<u>\$ 46,843,089</u>	<u>\$ 45,006,964</u>	<u>\$ 44,132,599</u>	<u>\$ 39,827,314</u>	<u>\$ 35,590,532</u>

Source: Centerville City School District records.

(1) Beginning in fiscal year 1999, the district prepared GAAP basis financial statements. Cash basis financial statements were prepared prior to fiscal year 1999.

Table 2

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

General Fund Expenditures by Function
Last Ten Fiscal Years (1)

Fiscal Year	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Regular Instruction	\$ 30,082,907	\$ 27,517,674	\$ 26,377,751	\$ 25,223,744	\$ 24,339,084	\$ 22,295,894	\$ 21,149,567	\$ 20,131,541	\$ 19,602,006	\$ 20,148,781
Special Instruction	5,320,619	4,805,388	4,184,906	4,100,992	3,925,120	3,610,577	3,327,845	3,059,890	2,898,508	2,792,618
Vocational Instruction	1,873,712	1,716,405	1,729,760	1,741,243	1,744,445	1,709,736	1,581,804	1,465,787	1,568,863	1,538,768
Other Instruction	482,788	339,840	243,814	158,730	154,601	127,572	94,090	90,122	76,829	59,166
Pupil	2,787,798	2,473,030	2,134,115	2,031,465	2,015,532	1,801,579	1,740,363	1,667,023	1,594,880	1,660,403
Instructional Staff	4,550,768	4,238,770	3,622,198	3,287,592	3,100,776	2,611,910	2,142,480	1,955,880	1,967,879	2,022,198
Board of Education	19,884	21,920	27,102	22,177	16,663	12,379	11,089	12,030	12,566	12,318
Administration	3,877,160	3,735,693	3,515,209	3,399,560	2,852,191	2,837,321	2,794,000	2,703,580	2,822,901	2,813,512
Fiscal	1,311,571	1,297,923	1,097,960	1,202,264	868,432	929,329	777,009	728,957	1,003,514	1,070,679
Business	545,042	459,865	449,905	425,516	402,522	412,636	351,799	320,019	356,435	310,665
Operations and Maintenance	4,395,829	4,158,489	3,959,056	3,715,165	3,726,127	3,524,647	3,480,962	3,331,518	3,152,537	3,390,010
Pupil Transportation	3,456,024	3,377,873	2,885,349	2,678,400	2,503,834	2,274,380	2,158,157	2,064,122	2,046,149	2,192,709
Central	88,800	81,974	102,752	39,098	63,251	48,668	30,369	37,805	18,455	44,453
Capital Outlay	-	-	-	-	55,404	40,432	-	59,000	-	-
Total Expenditures	<u>\$ 58,792,902</u>	<u>\$ 54,224,844</u>	<u>\$ 50,329,877</u>	<u>\$ 48,025,946</u>	<u>\$ 45,767,982</u>	<u>\$ 42,237,060</u>	<u>\$ 39,639,534</u>	<u>\$ 37,627,274</u>	<u>\$ 37,121,522</u>	<u>\$ 38,056,280</u>

Source: Centerville City School District records.

(1) Beginning in fiscal year 1999, the district prepared GAAP basis financial statements. Cash basis financial statements were prepared prior to fiscal year 1999.

Table 3

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

Property Tax Levies and Collections
Last Ten Collection (Calendar) Years

Collection Year	Tax Levied	Current Tax Collections	Percent Collected	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Tax Levied
2002	\$ 50,416,845	\$ 49,169,307	97.53%	\$ 1,687,236	3.35%
2001	48,887,012	47,923,679	98.03%	1,562,223	3.20%
2000	42,680,479	42,315,844	99.15%	1,383,209	3.24%
1999	40,935,720	37,788,893	92.31%	1,354,653	3.31%
1998	37,054,592	37,032,359	99.94%	1,005,637	2.71%
1997	35,860,995	35,305,150	98.45%	611,128	1.70%
1996	35,027,072	34,368,563	98.12%	429,635	1.23%
1995	35,468,146	35,156,026	99.12%	312,236	0.88%
1994	29,333,771	28,846,830	98.34%	486,816	1.66%
1993	26,642,813	26,171,235	98.23%	470,752	1.77%
1992	25,354,007	24,928,060	98.32%	425,244	1.68%

Source: Montgomery County Auditor

Table 4

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

Assessed and Estimated Actual Values of Taxable Property
Last Ten Collection (Calendar) Years

Collection Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2003	\$1,379,869,910	\$3,942,485,457	\$61,203,686	\$244,814,744	\$34,597,520	\$88,852,722	\$1,475,671,116	\$4,276,152,923
2002	1,210,417,410	3,458,335,457	63,261,033	253,044,132	33,204,690	85,275,681	1,306,883,133	3,796,655,270
2001	1,178,917,510	3,368,335,743	64,129,189	256,516,756	44,654,110	50,743,307	1,287,700,809	3,675,595,806
2000	1,155,768,080	3,302,194,514	61,395,951	245,583,804	47,650,820	54,148,659	1,264,814,851	3,601,926,977
1999	1,081,155,740	3,089,016,400	53,341,537	241,511,496	52,214,890	59,335,102	1,186,712,167	3,389,862,998
1998	1,053,794,680	3,010,841,943	55,857,470	223,429,880	49,469,210	56,215,011	1,159,121,360	3,290,486,834
1997	1,029,439,940	2,941,256,971	52,120,225	208,480,900	49,617,670	56,383,716	1,131,177,835	3,206,121,587
1996	937,739,470	2,679,255,629	49,404,784	197,619,136	49,858,310	56,657,170	1,037,002,564	2,933,531,935
1995	902,426,331	2,578,360,943	46,320,653	185,282,616	58,942,890	66,980,557	1,007,689,874	2,830,624,116
1994	895,072,910	2,557,351,171	46,758,164	187,032,656	53,210,280	60,466,227	995,041,354	2,804,850,054
1993	865,134,110	2,471,811,743	39,405,599	157,622,396	52,786,860	59,985,068	957,326,569	2,689,419,207

Source: Montgomery County Auditor

Table 5

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

Property Tax Rates (Per \$1,000 of Assessed Valuation)
Last Ten Collection (Calendar) Years

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Centerville City School District	61.80%	60.81%	60.75%	56.05%	56.38%	56.81%	56.81%	56.81%	56.81%	50.91%
Montgomery County (1)	17.24%	17.24%	17.24%	16.64%	16.64%	16.64%	16.64%	16.64%	16.64%	16.14%
City of Centerville	2.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Library	3.03%	1.63%	1.63%	1.63%	1.30%	1.30%	1.30%	1.30%	1.30%	1.20%
Washington Township (2)	15.95%	7.90%	7.90%	7.90%	16.00%	15.50%	15.75%	15.75%	15.75%	15.75%

Source: Montgomery County Auditor

(1) Includes Montgomery County Community College District and Montgomery County Park District

(2) Includes Centerville-Washington Township Park District

Table 6

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

Ratio of Net General Bonded Debt to Assessed Value
And Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Total Assessed Value	Gross Bonded Debt	Less Debt Service Fund (3)	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (%)	Net Bonded Debt Per Capita
2003	52,991	\$ 1,475,671,116	\$ 17,885,084	\$ 3,902,493	\$ 13,982,591	0.95%	\$264
2002	52,992	1,306,883,133	18,960,000	3,941,151	15,018,849	1.15%	283
2001	48,812	1,287,700,809	19,980,000	4,186,715	15,793,285	1.23%	324
2000	53,700	1,264,814,851	20,955,000	4,146,348	16,808,652	1.33%	313
1999	49,696	1,186,712,167	22,470,000	4,902,031	17,567,969	1.48%	354
1998	49,463	1,159,121,360	24,070,000	4,634,141	19,435,859	1.68%	393
1997	49,231	1,131,177,835	25,635,000	3,529,737	22,105,263	1.95%	449
1996	48,815	1,037,002,564	27,185,000	2,875,438	24,309,562	2.34%	498
1995	48,225	1,007,689,874	23,588,750	2,606,166	20,982,584	2.08%	435
1994	48,065	995,041,354	19,204,500	2,545,640	16,658,860	1.67%	347

(1) City of Centerville and Washington Township. Estimates only.

(2) Montgomery County Auditor

(3) Centerville City School District records.
Fiscal year 1999 is the first year reported on GAAP basis. All preceding years are reported on a cash basis.

Table 7

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

Computation of Legal Debt Margin
June 30, 2003

Assessed Valuation of District		<u><u>\$1,475,671,116</u></u>
<hr/>		
Overall Direct Debt Limitation		
Direct Debt Limitation		
9% of assessed valuation		132,810,400
Amount Available in Debt Service Fund		3,902,493
Gross Indebtedness	(17,885,084)	
Less: Debt Exempt from Limitation	<u> -</u>	
Debt Subject to 9% Limitation		<u>(17,885,084)</u>
Legal Debt Margin Within 9% Limitation		<u><u>118,827,809</u></u>
<hr/>		
Unvoted Direct Debt Limitation		
Unvoted Debt Limitation		
0.1% of Assessed Valuation		1,475,671
Amount Available in Debt Service Fund Related to Unvoted Debt		-
Gross Indebtedness Authorized by the Board	-	
Less: Debt Exempt from Limitation	<u> -</u>	
Debt Subject to 0.1% Limitation		<u> -</u>
Legal Debt Margin Within 0.1% Limitation		<u><u>1,475,671</u></u>
<hr/>		
Energy Conservation Bond Limitation		
Debt Limitation		
0.9% of Assessed Valuation		13,281,040
Energy Conservation Notes Authorized by the Board		<u> -</u>
Legal Debt Margin Within 0.9% Limitation		<u><u>\$13,281,040</u></u>

Source: Centerville City School District records.

Table 8**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**Computation of Direct and Overlapping Debt
June 30, 2003

<u>Governmental Unit:</u>	<u>Gross General Obligation</u>	<u>Percent Applicable to District (1)</u>	<u>Amount Applicable to District</u>
Direct:			
Centerville City School District	<u>\$17,885,084</u>	100.00%	<u>\$17,885,084</u>
Overlapping:			
Montgomery County	38,095,053	14.27%	5,436,164
Centerville City	11,340,000	100.00%	11,340,000
Kettering City	5,976,250	0.16%	9,562
Miami Valley Reg. Transit Auth.	<u>12,880,000</u>	14.27%	<u>1,837,976</u>
Total Overlapping:	<u>68,291,303</u>		<u>18,623,702</u>
Total Direct and Overlapping Debt:	<u>\$86,176,387</u>		<u>\$36,508,786</u>

Source: Ohio Municipal Advisory Council

(1) Calculated by the Ohio Municipal Advisory Council

Table 9**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

Ratio of Annual Debt Service Expenditures
For General Bonded Debt to Total General Fund Expenditures
Last Ten Fiscal Years (1)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (%)
2003	\$ 1,075,000	\$ 787,400	\$ 1,862,400	\$ 58,792,902	3.16%
2002	1,020,000	1,050,830	2,070,830	54,244,844	3.81%
2001	975,000	1,097,039	2,072,039	50,329,877	4.12%
2000	1,515,000	1,159,965	2,674,965	48,381,588	5.53%
1999	1,600,000	1,243,271	2,843,271	45,767,982	6.21%
1998	1,565,000	1,327,436	2,892,436	42,237,060	6.85%
1997	1,550,000	1,567,546	3,117,546	39,639,534	7.86%
1996	8,210,964	1,635,127	9,846,091	37,627,274	26.17%
1995	1,525,000	1,879,023	3,404,023	37,121,522	9.17%
1994	10,595,284	1,222,135	11,817,419	38,056,280	31.05%

Source: Centerville City School District records.

- (1) Beginning in fiscal year 1999, the district prepared GAAP basis financial statements. Cash basis financial statements were prepared prior to fiscal year 1999.

Table 10**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**Demographic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Montgomery County (3)</u>
2003	52,991	7,821	5.80%
2002	52,992	7,512	5.80%
2001	48,812	7,419	4.50%
2000	53,700	7,446	3.90%
1999	49,696	7,371	3.90%
1998	49,463	7,295	4.10%
1997	49,231	7,221	4.00%
1996	48,815	7,295	4.40%
1995	48,225	7,233	4.00%
1994	48,065	7,188	4.80%

Sources: (1) City of Centerville and Washington Township. Estimated only.

(2) Centerville City School District records

(3) State of Ohio Bureau of Employment Services
Annual averages. Data was not available for
the District only.

Table 11**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO****Construction, Bank Deposits and Real Property Values
Last Ten Calendar Years**

<u>Calendar Year</u>	<u>Construction (1)</u>	<u>Bank Deposits (2) (in Thousands)</u>	<u>Real Property Values(3)</u>
2003	\$ 45,299,041	\$ 241,447	\$ 1,379,869,910
2002	42,526,970	224,099	1,210,417,410
2001	33,166,657	208,298	1,178,917,510
2000	21,771,515	3,020,026	1,155,768,080
1999	18,554,780	3,113,400	1,081,155,740
1998	18,981,644	1,843,802	1,053,794,680
1997	26,555,175	3,530,314	1,029,439,940
1996	22,037,696	3,899,114	937,739,470
1995	14,401,125	3,995,114	902,426,331
1994	25,526,755	4,034,766	895,072,910

- Sources:
- (1) City of Centerville Building/Inspection Department. Reported on a calendar year.
 - (2) Federal Reserve Bank of Cleveland -- Amounts are for Montgomery County (Note: County bank deposits measures total deposits for those banks deemed "domiciled" within a given county.)
 - (3) Montgomery County Auditor, calendar year basis -- real property assessed values.

Note: The Construction information outlined above for City of Centerville, was not available for Washington Township.

Table 12

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

Real and Tangible Personal Property
Top Ten Principal Taxpayers
June 30, 2003

	<u>Name of Taxpayer</u>	<u>Total Assessed Valuation</u>	<u>% of Total Assessed Valuation:</u>
1	Dayton Power & Light Company	\$16,845,560	1.14%
2	Ohio Bell Telephone Company	11,894,140	0.81%
3	Hills Family Investments	7,084,730	0.48%
4	Cross Pointe Center	6,052,880	0.41%
5	Washington Place	5,926,560	0.40%
6	CVS Partnership	5,407,890	0.37%
7	Drexel Washington LTD	4,808,160	0.33%
8	Steeplacechase Advisors	4,754,130	0.32%
9	United Dominion Realty	3,299,160	0.22%
10	Revere Governours Equity	2,801,700	0.19%
		<u>68,874,910</u>	<u>4.67%</u>
	All Others:	<u>1,406,796,206</u>	<u>95.33%</u>
	Total:	<u>\$1,475,671,116</u>	<u>100.00%</u>

Source: Montgomery County Auditor

Table 13

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

Miscellaneous Statistical Data
June 30, 2003

Enrollment by Grade (1):	Pre-K	K	1	2	3	4	5	6	7	8	9	10	11	12	UNG	Total
2002-03	0	654	538	550	573	549	522	600	614	626	674	645	645	617	14	7,821
2003-04	0	598	532	578	569	611	564	543	594	582	681	670	653	634	10	7,819
2004-05	0	571	513	540	621	609	620	582	531	623	631	690	682	645	10	7,868
2005-06	0	541	490	521	580	665	618	640	569	557	676	640	703	673	10	7,883
2006-07	0	537	464	498	559	621	675	638	625	596	604	685	652	694	10	7,858
2007-08	0	534	461	471	535	599	630	697	623	655	646	612	698	644	10	7,815
2008-09	0	530	458	468	506	573	608	651	681	653	710	655	623	689	10	7,815
2009-10	0	526	455	465	502	542	581	628	636	714	708	720	667	615	10	7,769
2010-11	0	522	451	462	499	538	550	600	614	667	774	718	733	659	10	7,797
2011-12	0	519	448	458	496	534	546	568	586	644	724	785	731	724	10	7,773

The following are projections (2):

- Sources:
- (1) Centerville City School District records.
 - (2) Ohio Department of Education.

Note: The District does not project enrollment for Pre-K students.

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Betty Montgomery**

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CENTERVILLE CITY SCHOOL DISTRICT

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 4, 2004**