

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

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**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass-Through Entity Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed through the Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution	10.550	N/A	\$	\$ 21,198	\$	\$ 24,196
School Breakfast Program	10.553	05-PU-00	12,796		12,796	
		05-PU-01	<u>23,052</u>		<u>23,052</u>	
Total School Breakfast Program			35,848	0	35,848	0
National School Lunch Program	10.555	LL-P1-00	67,556		67,556	
		LL-P4-00	12,830		12,830	
		LL-P1-01	120,281		120,281	
		LL-P4-01	<u>22,553</u>		<u>22,553</u>	
Total National School Lunch Program			<u>223,220</u>	0	<u>223,220</u>	0
Total Nutrition Cluster			<u>259,068</u>	<u>21,198</u>	<u>259,068</u>	<u>24,196</u>
Total U.S. Department of Agriculture			259,068	21,198	259,068	24,196
U.S. DEPARTMENT OF LABOR						
<i>Passed through the Washington County Joint Vocational School District:</i>						
Employment Services and Job Training - Pilot and Demonstration Program	17.249	WK-BE-00			<u>3,586</u>	
Total U.S. Department of Labor			0	0	3,586	0
U.S. DEPARTMENT OF EDUCATION						
<i>Passed through the Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	84.010	C1-S1-00	191,815		315,231	
		C1-S1-00C	51,084		51,084	
		C1-S1-01	<u>540,496</u>		<u>531,364</u>	
Total Title I Grants to Local Educational Agencies			783,395	0	897,679	0
Special Education Cluster:						
Special Education-Grants to States	84.027	6B-SF-99P	12,247		51,106	
		6B-SF-00P	<u>150,195</u>		<u>143,985</u>	
Total Special Education-Grants to States			162,442	0	195,091	0
Special Education-Preschool Grants	84.173	PG-S1-99			12,915	
		PG-S1-00P	<u>13,389</u>		<u>5,116</u>	
Total Special Education-Preschool Grants			<u>13,389</u>	0	<u>18,031</u>	0
Total Special Education Cluster			175,831	0	213,122	0
Safe and Drug-Free Schools and Communities - State Grants						
	84.186	DR-S1-99C	2,165		4,111	
		DR-S1-00	9,580		7,918	
		DR-S1-01	<u>10,816</u>		<u>1,753</u>	
Total Safe and Drug-Free Schools and Communities - State Grants			<u>22,561</u>	0	<u>13,782</u>	0

ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass-Through Entity Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
U.S. DEPARTMENT OF EDUCATION (Continued)						
<i>Passed through the Ohio Department of Education (Continued):</i>						
Eisenhower Professional Development State Grants	84.281	MS-S1-99 MS-S1-00 MS-S1-01	\$ \$ 15,116	\$ \$ 0	\$ 3,464 1,017 291	\$ \$ 0
Total Eisenhower Professional Development State Grants			15,116	0	4,772	0
Innovative Education Program Strategies	84.298	C2-S1-97 C2-S1-00 C2-S1-01	 3,402	 0	371 1,000 1,371	 0
Total Innovative Education Program Strategies			3,402	0	1,371	0
Reading Excellence Act Program	84.338	RN-S1-00	368,841		385,254	
Class Size Reduction	84.340	CR-S1-00 CR-S1-01	 80,739		7,704 76,517	
Total Class Size Reduction			80,739	0	84,221	0
Total U.S. Department of Education			1,449,885	0	1,600,201	0
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed through the Athens County Department of Job and Family Services:</i>						
Temporary Assistance to Needy Families	93.558	N/A	450,000		185,351	
Total U. S. Department of Health and Human Services			450,000	0	185,351	0
Total Federal Awards Receipts and Expenditures			\$ 2,158,953	\$ 21,198	\$ 2,048,206	\$ 24,196

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

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2001, the District had no significant food commodities in inventory.

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OFFICE OF THE AUDITOR**

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

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

To the Board of Education:

We have audited the general purpose financial statements of the Athens City School District, Athens County, Ohio (the District), as of and for the year ended June 30, 2001, and have issued our report thereon dated December 18, 2001, wherein we noted the District adopted Governmental Accounting Standards Board Statements 33 and 36. 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 the management of the District in a separate letter dated December 18, 2001.

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 December 18, 2001.

Athens City School District
Athens County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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.

Jim Petro
Auditor of State

December 18, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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

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

To the Board of Education:

Compliance

We have audited the compliance of the Athens City School District, Athens County, Ohio (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. 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, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 18, 2001.

Schedule of Federal Awards Receipts and Expenditures

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 2001, and have issued our report thereon dated December 18, 2001, wherein we noted the District adopted Governmental Accounting Standards Board Statements 33 and 36. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose 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.

Jim Petro
Auditor of State

December 18, 2001

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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 conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs (list):	Title I, CFDA #84.010; Reading Excellence Act Program, CFDA #84.338
(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**

There were no findings related to the financial statements.

3. FINDINGS FOR FEDERAL AWARDS

There were no findings related to federal awards.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2001

2001



ATHENS CITY SCHOOL DISTRICT

25 South Plains Road The Plains, Ohio 45780

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

For the fiscal year ended
June 30, 2001

Board of Education

Roger Watson.....President
Scott Nisley.....Vice-President
James Shirey, PhD.....Member
Jeffrey Dill, PhD.....Member
Catherine Cordingley.....Member

Superintendent of Schools

Carl D. Martin

Issued by the Treasurer s Office

Bryan M. Bunting, CGFM
Treasurer



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ATHENS CITY SCHOOL DISTRICT

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ATHENS CITY SCHOOL DISTRICT



INTRODUCTORY SECTION

ATHENS CITY SCHOOL DISTRICT

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The Plains, Ohio 45780

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December 21, 2001

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

As the Superintendent and Treasurer of the Athens City School District (the District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the year ended June 30, 2001 is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

This CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officers. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent auditors' report on the financial statements and schedules. The statistical section provides pertinent financial, economic and demographic information indicating historical trends.

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

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

THE DISTRICT AND ITS FACILITIES

The District was established in the mid 1800's and was consolidated in 1964 with the Plains Local School District and the Chauncey Local School District. It is located in Athens County, and includes the City of Athens, the Village of Chauncey and portions of the Townships of Athens, Canaan, Dover, and Waterloo. Athens is the county seat of Athens County with a population of approximately 32,700 residents. The District is the 173rd largest in the State of Ohio (among 612 school districts) in terms of enrollment.

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

The Athens City School District is one of five school districts in Athens County. With 3,106 pupils, it has the largest enrollment in the county. Geographically it is one of the smallest school districts in the county encompassing 58 square miles. The District operates 7 school facilities, which includes one high school for grades 9-12, one middle school for grades 7-8, five elementary schools for grades K-6, plus, a Maintenance facility, a Transportation/Bus Garage, and a central administration building which also houses the District's Technology department and Talented and Gifted program director.

The District provides preschool programs and offers both all-day and half-day kindergarten classes. The District serves lunches to 40% of the student population daily. Slightly more than 30% of the District's student body qualify for free or reduced-priced lunches. Chauncey, The Plains, and West Elementary's are identified as Title I buildings and provide free lunches to more than 60% of their combined student population. These 3 school facilities also offer breakfast programs. However, only 7% of the student population participates in the program.

ORGANIZATION OF THE DISTRICT

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

The current Board members, their terms, and years on the Board as of June 30, 2001 are:

<u>Board Member</u>	<u>Term</u>	<u>Years on Board</u>
Roger Watson	1/1/98 - 12/31/01	6 Years
Scott Nisley	1/1/00 - 12/31/03	2 Year
James Shirey, PhD	1/1/00 - 12/31/03	10 Years
Jeffrey Dill, PhD	1/1/98 - 12/31/01	8 Years
Catherine Cordingley	1/1/98 - 12/31/01	6 Years

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Carl D. Martin was initially employed as Superintendent effective February 1995. Mr. Martin retired effective December 31, 1998 but returned to the position in July, 2000. Mr. Martin's contract extends through July 31, 2002.

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

ECONOMIC CONDITION AND OUTLOOK

The City's largest employer is Ohio University, which employs over 2,500 area residents including 775 full-time faculty. The University has an enrollment of more than 16,000 students on their Athens campus. The University also provides land for taxable retail operations and has become the District's largest real estate taxpayer. This has provided a foundation of stability for the District. Ohio University's total expenditures for the 2000 fiscal year was in excess of \$402 million dollars. The University has completed a number of construction and renovation projects in recent history, including a multi-million dollar student recreation center and an aquatic center. Career Connections, based in Athens but serving all of Athens County, employs 450 people. T.S. Trim Company, an automotive parts manufacturer, is expanding their production line and employs more than 300 people, and McBee Systems employs more than 290. These are currently Athens County's largest private employers. The University Mall includes major retail stores such as J.C. Penny, Elder-Beerman, and K-Mart which provides additional real estate tax revenue and employment to area residents. Currently under construction is a Wal-Mart Super Store, a Ruby Tuesday's restaurant, and negotiations are on-going with other big box retail stores of varying types.

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

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

Over the summer of 2001, the Ohio Supreme Court rendered its third decision in the Ohio school funding lawsuit. In the Court's prior two rulings it declared as unconstitutional the State's school foundation program, which provides significant amounts of monetary support to the District. Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. In this ruling, the Ohio Supreme Court said that the State's response was sufficient if they made several adjustments. The State filed a request that the Court review one piece of the funding that was to significantly increase the State's funding of education. The two sides are now attempting to settle the matter by negotiation under rules set forth by the Court. We are hopeful that action taken through the Coalition for Equity and Adequacy will reduce the negative impact recent legislation has had on District finances.

EMPLOYEE RELATIONS

The District has 413 employees of which 238 are certificated, 157 are classified and 18 administrative. Certificated employees, including teachers and educational specialists, are represented for collective bargaining purposes by the Athens Education Association (AEA), an affiliate of the Ohio Education Association (OEA). Classified employees, including bus drivers, food service, custodial, maintenance, and clerical staff, are represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846. Educational Aides are also represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846, but under a separate negotiated agreement.

In January 1999, the Board successfully concluded negotiations with the AEA on a three year agreement for wages and fringe benefits. Wage agreements reached for the three year period January 16, 1999 through January 15, 2002 included a 2% wage increase retroactive to January 1, 1999, a 2 ½% effective January 2000, and a 3% increase effective January 2001.

During the summer of 2000, the Board successfully concluded negotiations with the ASFCME employees on a three year agreement for wages and fringe benefits. Wage agreements for that bargaining unit for the three year period September 1, 2000 through August 31, 2003 included hourly wage increases of \$.35 effective September 2000, September 2001, and September 2002 plus \$.05 added to step 10 of the wage scale.

During the winter of 1998, the Board successfully concluded negotiations with the ASFCME educational aide employees on a three year agreement for wages and fringe benefits. Wage agreements for that bargaining unit for the three year period September 1, 1998 through August 31, 2001, included hourly wage increases of \$.35 effective September 1998, September 1999, and September 2000 plus \$.05 added to step 10 of the wage scale.

SERVICES PROVIDED

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

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

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

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

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

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

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

The District's special education programs are broad and comprehensive. Approximately 11% of the student population have Individualized Education Plans (IEPs). A Talented and Gifted Program is available to qualified students. Programs and services are provided at the elementary, middle, and high school levels for gifted students. The District has developed a comprehensive gifted education plan. Special programs for the multi handicapped, developmentally handicapped, English as a second language, learning handicapped, speech, hearing impaired, are provided for students who meet the requirements.

COMMUNITY, STAFF, AND STUDENT INVOLVEMENT

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

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

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

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

MAJOR INITIATIVES AND EVENTS - FISCAL YEAR 2001

Major Renovation Project

Nearly 80% of the \$16.4 million renovation project was completed by June 2001. The project was on schedule to return the Middle School students to their completely renovated building. Returning High School students will enter a building with nearly \$5 million of additions and improvements. All of the smaller pieces of the project (stadium repairs and parking lot renovations) were completed during the summer and fall of 2000.

All-Day Kindergarten Program

The Board is in the last year of a three year study of the all-day, every-day kindergarten educational opportunity available at all five elementary schools. In fiscal year 2001, 70% of all kindergarten students took advantage of the all day program but it is anticipated that closer to 95% will participate next year. Understanding that an all-day program was not a model for all students, an option for continuing the traditional half-day program is offered at two of the five elementary schools.

Summer School

Over 123 Athens High School students enrolled in this year's summer program. Two summer school sessions were also held for elementary school students. A three week district-wide academic intervention summer school was offered to all academically at-risk students grades 3-6. A six week summer literacy based program was offered to students in grades K-3 as a part of the implementation of a \$831,358 Reading Excellence Act Grant obtained by the District.

District Continuous Improvement Plan (CIP)

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

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

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

Academic and Student Group Awards

Five Athens High School students qualified as National Merit Scholars. There were also five students who were recognized as commended students by the National Merit Scholar program. Since 1984, sixty-two Athens High School students have been named National Merit Scholars and eighty-six more have earned commended status.

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

A number of Athens High School class of 2001 graduates received recognition and scholarships from the J. Warren McClure Foundation.

Consolidated Local Plan

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

<u>Grant</u>	<u>Award Amount</u>	<u>Description of Grant</u>
Title I	\$653,240	This grant targets our 3 schools who demonstrate that they are serving an economically disadvantaged student population that exceeds 35% of the school's total student population.
Title II	\$21,324	Funds are designated for professional development of educational staff and the encouragement of technology and mathematics and science education.
Title IV	\$12,093	Focus for this grant is on cultivating a safe, drug-free climate within our schools, underscoring the educational mission to have students make good life decisions and feel safe in their environment.
Title VI	\$19,491	An <i>Innovative Assistance Program</i> , funds from this have helped support new and creative educational applications.
Title VI-R	\$121,366	Based on research findings that smaller class size is correlated to student success, the funds from this grant are ear-marked for class size reduction, especially in the primary grades.
Total	<u><u>\$827,514</u></u>	

Report Cards

The first official Report Card was released by the State of Ohio in 2000. Ohio law calls for each Ohio District to receive a performance accountability rating based on 27 performance standards. Athens City Schools have met 18 of the 27 performance standards for the 1999-2000 school year. Based on the State's current ranking system, this score places the District in the Continuous Improvement category. The District will continue to work with staff to increase student performance and thus increase the number of standards met.

Comprehensive Annual Financial Report

The District prepared their first Comprehensive Annual Financial Report (CAFR) for fiscal year 2000. The report received the Certificate of Achievement from the Government Finance Officers Association.

Technology

The District hired a computer technician to assist the technology department. The entire District's network backbone was upgraded to 100mb full duplex-switched with video capability. The maintenance program also improved with the addition of the technician and implementation of standardized regular building maintenance visits which resulted in far less downtime. The five-year computer replacement plan was begun in an effort to maintain quality computers at a 5:1 student to computer ratio throughout the District. Hundreds of new computers and various other technology components have been successfully installed and maintained.

MAJOR INITIATIVES FOR THE FUTURE

Curriculum Development and Meeting the Requirements of New State Standards

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

Teacher Professional Development

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

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

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

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

Technology Upgrades

The technology department s maintenance of existing resources and programs is a top priority. We must also address the requirements of the Children s Internet Protection Act this year. Acquiring, configuring, and maintaining district WWW and Email servers may be possible depending upon availability of staffing and other resources. We will continue to upgrade the Local Area Networks (LAN), and establish links between buildings in a Wide Area Network (WAN).

FINANCIAL INFORMATION

Internal Controls

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

Single Audit Act

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

Budgetary Controls

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

General Government Functions

The following schedule presents a summary of the General Fund revenues for the fiscal years ended June 30, 2001 and 2000 with percentage increases (decreases).

	<u>2000</u>	<u>2001</u>	<u>Percent of Total</u>	<u>Difference from 2000</u>	<u>Percent of Change</u>
<i>Revenues by Source:</i>					
Taxes	\$9,388,093	\$9,641,433	48.2%	\$253,340	2.7%
Intergovernmental	7,850,711	8,852,284	44.3%	1,001,573	12.8%
Earning on Investments	304,611	376,250	1.9%	71,639	23.5%
Tuition and Fees	867,114	1,032,291	5.2%	165,177	19.0%
Rent	7,585	3,588	0.0%	(3,997)	(52.7)%
Miscellaneous	112,161	89,371	0.4%	(22,790)	(20.3)%
Total Revenues	<u><u>\$18,530,275</u></u>	<u><u>\$19,995,217</u></u>	<u><u>100.0%</u></u>	<u><u>\$1,435,437</u></u>	<u><u>7.7%</u></u>

The primary source of revenue for the District is property tax revenue. The District receives nearly 50% of its total revenue from this source. In 2001, property tax revenue increased 2.7% from fiscal year 2000 due mainly to new construction of real property within the District.

Intergovernmental revenue represents the next highest portion of total District revenue. The largest component of this revenue source is the State's Foundation Program. This program allocates state dollars to all Ohio school districts based upon a basic aid formula calculation. This category also includes state funds received as a result of the District having more than 25% of our property valuation classified as tax exempt. This is due mainly to the large amount of property owned by Ohio University. The State calculates the effect of this large amount of tax exempt property and funds a portion of the loss experienced by the District. In 2001, the amount received was approximately \$1.4 million. Excluding the tax exempt payment, intergovernmental revenue has remained relatively stagnant over the past three years. This situation is not anticipated to change significantly in the future. As previously stated, the State's funding system has been found unconstitutional by the Ohio Supreme Court. The Legislature has presented its response to the Supreme Court's mandate that it must totally revamp the current funding system. The Ohio Supreme Court issued their third ruling in the summer of 2001. Currently, the State and the Coalition for Equity and Adequacy, who brought the original lawsuit, are in negotiations to settle this issue under rules set forth by the Court. The District is unable to determine what effect, if any, this decision will have on future funding from the State.

Investment Earnings increased by over 23%. This was due to both the District's cash-flow management practices and the rates that were earned on investments which were higher than in the prior period.

The Tuition and Fees revenue increase was due to a slightly higher number of open enrollment students entering the District and the increase in the State's per pupil funding level. Open enrollment funds are received for students who choose to be educated in the Athens City School District but live in another district. The State's per pupil funding follows the student but is reported as tuition and fees.

Rent and Miscellaneous Income fluctuates from year to year and is dependent on the activities and services provided.

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2001 and 2000 with percentage increases (decreases).

	<u>2000</u>	<u>2001</u>	<u>Percent of Total</u>	<u>Difference from 2000</u>	<u>Percent of Change</u>
<i>Expenditures by Function:</i>					
<i>Instruction:</i>					
Regular	\$7,799,876	\$8,688,075	45.3%	\$888,199	11.4%
Special	2,057,624	2,262,488	11.8%	204,864	10.0%
Vocational	313,166	358,621	1.9%	45,455	14.5%
Other Instruction	13,103	1,702	0.0%	(11,401)	(87.0)%
Total Instruction	<u>10,183,769</u>	<u>11,310,886</u>	59.0%	1,127,117	11.1%
<i>Support Services:</i>					
Pupils	770,765	906,736	4.7%	135,971	17.6%
Instructional Staff	459,858	562,925	2.9%	103,067	22.4%
Board of Education	51,116	97,760	0.5%	46,644	91.3%
Administration	1,222,476	1,401,083	7.3%	178,607	14.6%
Fiscal	529,596	573,290	3.0%	43,694	8.3%
Business	105,617	110,840	0.6%	5,223	4.9%
Maintenance	2,272,982	2,402,067	12.5%	129,085	5.7%
Transportation	1,281,289	1,207,507	6.3%	(73,782)	(5.8)%
Central	69,999	109,865	0.6%	39,866	57.0%
Extracurricular Activities	<u>253,906</u>	<u>258,538</u>	1.3%	4,632	1.8%
Total Support Services	7,017,604	7,630,611	40.2%	613,007	8.7%
Total Capital Outlay	2,323	17,966	0.1%	15,643	673.4%
Total Debt Service	<u>218,685</u>	<u>219,774</u>	1.1%	1,089	0.5%
Total Expenditures	<u>\$17,422,381</u>	<u>\$19,179,237</u>	100.0%	<u>\$1,756,856</u>	10.1%

Total expenditures in fiscal 2001 increased 10.1% from fiscal year 2000. In fiscal year 2001, teaching and educational assistant staff was increased, an administrative personnel salary schedule was instituted, and due to the decrease in total student ADM, two bus routes were eliminated. Nearly \$.83 of every dollar spent by the District is associated with salaries and fringe benefits.

Capital Outlay expenditures appear to be very low for a district that operates more than 10 facilities. However, this is due to the majority of capital expenditures being funded from the District's Permanent Improvement Levy Fund. The District uses the proceeds from a 2.9 mill permanent improvement levy for most capital expenditures including textbooks and technology.

Significant activity in the major funds of each of the other fund types is highlighted below:

Special Revenue Funds

Special Revenue Funds account for certain revenue sources restricted by law or other formal actions to be expended for a specific purpose. The sources are primarily grants and entitlements. The fund cash balance of the Special Revenue Funds decreased to \$584,519 in fiscal year 2001.

Capital Projects Funds

The Capital Projects Funds are used to account for the purchase of equipment and the financing of major improvement projects. During fiscal year 2001, expenditures totaled \$11,970,917. A majority of these expenditures were primarily related to the renovation/construction project started in fiscal year 2000. The project will extend beyond fiscal year 2001 and into the first half of fiscal year 2002. The fund cash balance of the Capital Projects Funds decreased to \$5,808,991 in fiscal year 2001 due to the steady expenditure of funds for the construction project which was 80% complete at June 30, 2001.

Fiduciary Funds

Trust and Agency Funds require a fiduciary relationship in their management by the District. The District maintains agency funds as well as expendable trust funds. The assets held in those funds as of June 30, 2001 were \$73,139.

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to a private business where the primary intent is that costs of providing services or supplies on a continuing basis be financed or recovered through user charges or sales. The District's Food Service operation and Uniform School Supplies Fund are reflected in this fund type. The Food Service operation has operated at a deficit for the past several years. The General Fund transfers money at fiscal year-end to maintain the operation. In fiscal year 2001, the amount of the General Fund subsidy was \$147,000.

Internal Service Fund

The Internal Service Fund is used to account for the accumulation of resources for, and the payment of employee medical and prescription drug insurance claims through the District's self-insurance program. The retained earnings in the Internal Service Fund decreased by \$112,622 from fiscal year 2000 to 2001. This decreased the retained earnings in that fund at June 30, 2001 (held for the payment of future claims) to \$1,289,372.

Debt Administration

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

In 1980, the District issued bonds in the amount of \$1,170,000 for the purpose of repairs and renovations at East Elementary and the Middle School facilities. The District retires \$55,000 of the outstanding principal each year. The final payment was made in December 2000 from the Bond Retirement Debt Service Fund.

In 1990, the District issued bonds in the amount of \$5,000,000 for the construction of The Plains Elementary school facility. In October 1993, \$3,304,972 of these bonds were re-financed to take advantage of favorable interest rates and related cost savings. This debt is retired with annual payments toward the outstanding principal from the Bond Retirement Debt Service Fund. In fiscal year 2001, the District retired \$330,000 of outstanding principal and had a remaining balance of \$2,534,973. This debt will be retired December 2010.

In 1994, the District issued Energy Conservation notes in the amount of \$1,696,942 for the purpose of providing a more responsive and efficient heating/cooling system and related energy cost savings. The cost savings over the next 15 years are to provide funds to repay the debt. The District retires outstanding principal each year from the General Fund. In fiscal year 2001, the District retired \$185,000 of the outstanding principal which left a balance of \$610,000. This debt will be retired in December 2003.

In 2000, the District issued bonds in the amount of \$16,400,000 to renovate the Middle School, High School and smaller projects at several other facilities. The District began annual principal payments in fiscal year 2001 and will continue through December 2024. In fiscal year 2001, the District retired \$250,000 of outstanding principal which left a balance of \$16,150,000.

At June 30, 2001, the District had outstanding debt issues of \$18,684,973. Under current State statutes, the District's general obligation bonded debt issuances are subject to a legal limitation based on 9% of the total value of real and personal property. At June 30, 2001, the District's general obligation debt was well below the legal limit.

Risk Management

The District continues to protect its assets through a comprehensive insurance program. A schedule of insurance in force at June 30, 2001 is included in the Notes to the Financial Statements Section of this report.

Cash Management

The District believes that appropriate cash management activities are integral to the District's overall financial well-being. Forecasting of receipts and expenditures, cash budgeting and on-going variance analysis allow prudent optimization of investment maturities and interest income. Total interest earned during the fiscal year 2001 was \$1,447,795.

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

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

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

During fiscal year 2001, the District purchased certificates of deposit, and Treasury and Agency/Instrumentality securities permitted by the Ohio Revised Code. It also used the State Treasurer's Star Ohio account for short-term investments. The District does not invest in derivative securities nor engage in leverage. It utilizes yield curve analysis and relative value approaches for investment selection. All investments are transacted competitively, using three bids/offers from eligible banks and dealer firms.

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

OTHER INFORMATION

Independent Audit

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

Acknowledgments

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

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

Bryan M. Bunting, Treasurer/CFO

Carl D. Martin, Superintendent

ATHENS CITY SCHOOL DISTRICT
List of Principal Officers
For the Fiscal Year Ended June 30, 2001

BOARD OF EDUCATION

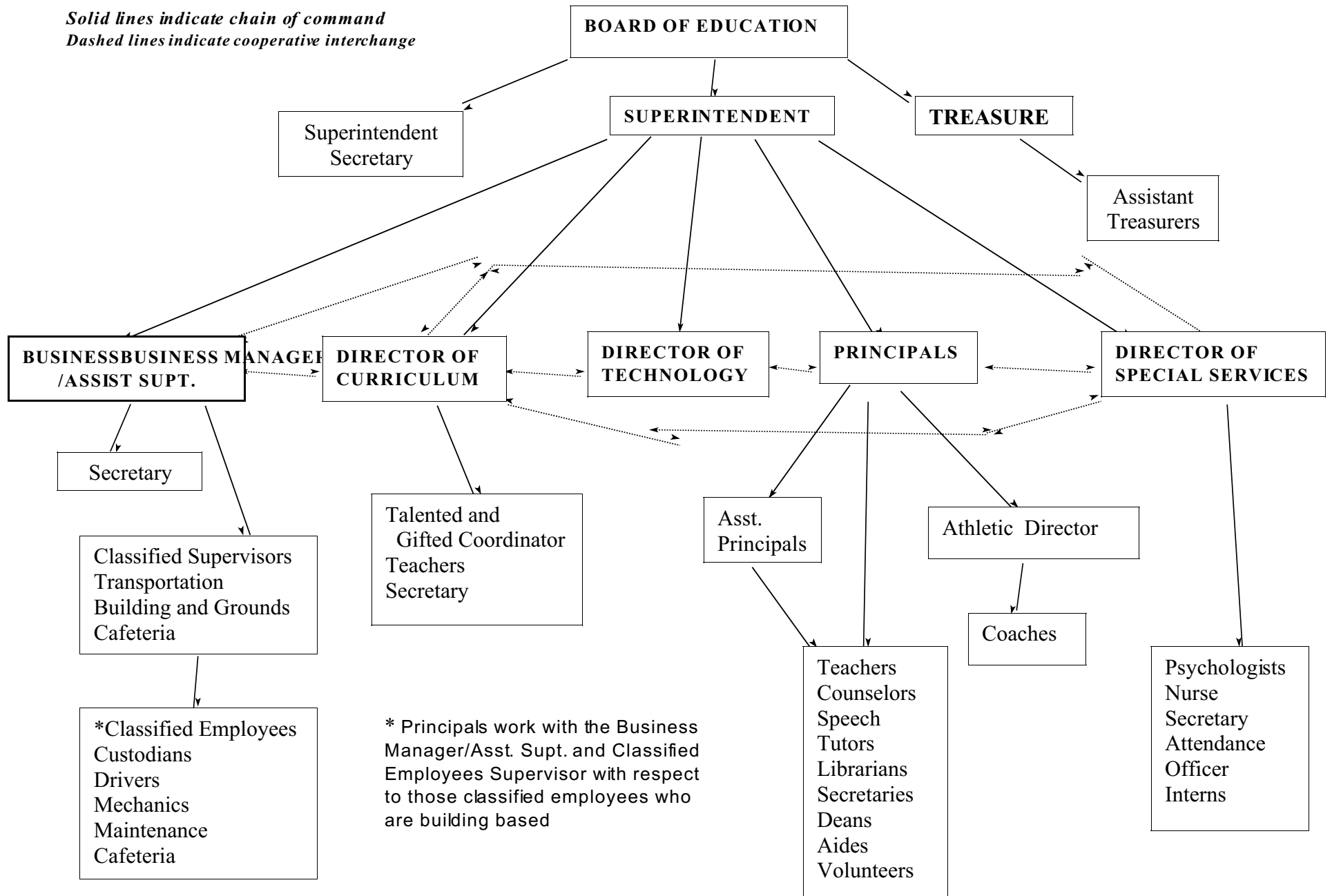
President	Roger Watson
Vice President	Scott Nisley
Board Member	James Shirey, PhD
Board Member	Jeffrey Dill, PhD
Board Member	Catherine Cordingley

CENTRAL OFFICE ADMINISTRATIVE STAFF

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

ATHENS CITY SCHOOLS ORGANIZATIONAL CHART

Solid lines indicate chain of command
Dashed lines indicate cooperative interchange



* Principals work with the Business Manager/Asst. Supt. and Classified Employees Supervisor with respect to those classified employees who are building based

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Athens City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

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Thomas D. Arant
President

Jeffrey L. Esau
Executive Director

ATHENS CITY SCHOOL DISTRICT



FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Athens City School District, Athens County, Ohio (the District), as of and for the year ended June 30, 2001. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose 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 opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Athens City School District, Athens County, as of December 18, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the general purpose financial statements, the District adopted Governmental Accounting Standards Board Statements 33 and 36.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2001 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.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules, listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical section of this report and therefore express no opinion thereon.

Jim Petro
Auditor of State

December 18, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

The following general purpose financial statements, along with notes to the general purpose financial statements, present an overview of the School District's financial position at June 30, 2001, and the results of operations and cash flows of the Enterprise and Internal Service Funds for the year then ended.

ATHENS CITY SCHOOL DISTRICT
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2001

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Debt Service
<u>Assets and Other Debits:</u>			
<u>Assets:</u>			
Cash and Cash Equivalents	\$4,012,418	\$953,494	\$1,567,837
Cash and Cash Equivalents with Fiscal Agents	0	0	1,310
<u>Receivables:</u>			
Taxes	9,459,005	0	1,845,460
Accounts	324	529	0
Intergovernmental	1,105,544	582,188	239,892
Accrued Interest	47,966	0	0
Interfund	95,000	0	0
Inventory Held for Resale	0	0	0
Prepaid Items	38,535	0	0
<u>Restricted Assets:</u>			
Cash and Cash Equivalents	223,528	0	0
Fixed Assets (Net of Accumulated Depreciation)	0	0	0
<u>Other Debits:</u>			
Amount Available in Debt Service Fund	0	0	0
Amount to be Provided from General Government Resources	0	0	0
Total Assets and Other Debits	\$14,982,320	\$1,536,211	\$3,654,499
<u>Liabilities, Fund Equity, and Other Credits:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$124,548	\$122,431	\$0
Contracts Payable	0	1,757	0
Accrued Salaries and Benefits Payable	1,525,473	164,449	0
Intergovernmental Payable	424,200	42,485	0
Interfund Payable	0	35,000	0
Deferred Revenue	10,134,063	582,188	1,998,704
Undistributed Monies	0	0	0
Due to Students	0	0	0
Matured Interest Payable	0	0	1,310
Compensated Absences Payable	50,239	3,382	0
Insurance Claims Payable	0	0	0
Retirement Incentive Payable	0	0	0
Energy Conservation Note Payable	0	0	0
General Obligation Bonds Payable	0	0	0
Total Liabilities	12,258,523	951,692	2,000,014
<u>Fund Equity and Other Credits:</u>			
Investment in General Fixed Assets	0	0	0
Contributed Capital	0	0	0
<u>Retained Earnings:</u>			
Unreserved	0	0	0
<u>Fund Balance:</u>			
Reserved for Encumbrances	218,347	70,212	0
Reserved for Property Taxes	430,486	0	86,648
Reserved for Statutory Set-Asides	223,528	0	0
<u>Unreserved:</u>			
Undesignated	1,851,436	514,307	1,567,837
Total Fund Equity and Other Credits	2,723,797	584,519	1,654,485
Total Liabilities, Fund Equity and Other Credits	\$14,982,320	\$1,536,211	\$3,654,499

See accompanying notes to the general purpose financial statements.

Capital Projects	<i>PROPRIETARY FUND TYPES</i>		<i>FIDUCIARY FUND TYPE</i>	<i>ACCOUNT GROUPS</i>		Totals (Memorandum Only)
	Enterprise	Internal Service	Trust & Agency	General Fixed Assets	General Long-Term Obligations	
\$5,805,321	\$100,863	\$1,598,927	\$73,139	\$0	\$0	\$14,111,999
0	0	0	0	0	0	1,310
915,289	0	0	0	0	0	12,219,754
0	0	0	0	0	0	853
86,485	75,906	0	0	0	0	2,090,015
64,435	0	41,267	0	0	0	153,668
0	0	0	0	0	0	95,000
0	16,421	0	0	0	0	16,421
0	0	120,962	0	0	0	159,497
0	0	0	0	0	0	223,528
0	145,516	0	0	42,686,450	0	42,831,966
0	0	0	0	0	1,654,485	1,654,485
0	0	0	0	0	19,534,792	19,534,792
<u>\$6,871,530</u>	<u>\$338,706</u>	<u>\$1,761,156</u>	<u>\$73,139</u>	<u>\$42,686,450</u>	<u>\$21,189,277</u>	<u>\$93,093,288</u>
\$27,809	\$1,742	\$257	\$0	\$0	\$0	\$276,787
65,000	81,778	0	0	0	0	148,535
0	27,588	0	0	0	0	1,717,510
0	30,314	0	0	0	194,785	691,784
0	60,000	0	0	0	0	95,000
969,730	989	0	0	0	0	13,685,674
0	0	0	14,102	0	0	14,102
0	0	0	58,237	0	0	58,237
0	0	0	0	0	0	1,310
0	12,421	0	0	0	1,669,519	1,735,561
0	0	471,527	0	0	0	471,527
0	0	0	0	0	30,000	30,000
0	0	0	0	0	610,000	610,000
0	0	0	0	0	18,684,973	18,684,973
<u>1,062,539</u>	<u>214,832</u>	<u>471,784</u>	<u>72,339</u>	<u>0</u>	<u>21,189,277</u>	<u>38,221,000</u>
0	0	0	0	42,686,450	0	42,686,450
0	343,044	0	0	0	0	343,044
0	(219,170)	1,289,372	0	0	0	1,070,202
3,699,428	0	0	0	0	0	3,987,987
32,044	0	0	0	0	0	549,178
0	0	0	0	0	0	223,528
<u>2,077,519</u>	<u>0</u>	<u>0</u>	<u>800</u>	<u>0</u>	<u>0</u>	<u>6,011,899</u>
<u>5,808,991</u>	<u>123,874</u>	<u>1,289,372</u>	<u>800</u>	<u>42,686,450</u>	<u>0</u>	<u>54,872,288</u>
<u>\$6,871,530</u>	<u>\$338,706</u>	<u>\$1,761,156</u>	<u>\$73,139</u>	<u>\$42,686,450</u>	<u>\$21,189,277</u>	<u>\$93,093,288</u>

ATHENS CITY SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2001

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
<u>Revenues:</u>				
Taxes	\$9,641,433	\$0	\$1,933,601	\$709,116
Intergovernmental	8,852,284	2,508,801	221,228	218,363
Interest	376,250	0	0	1,039,546
Tuition and Fees	1,032,291	5,312	0	0
Rent	3,588	0	0	0
Extracurricular Activities	0	121,089	0	0
Gifts and Donations	0	14,240	0	0
Miscellaneous	89,370	53,841	0	4,599
Total Revenues	19,995,216	2,703,283	2,154,829	1,971,624
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	8,688,076	1,118,084	0	0
Special	2,262,488	968,453	0	0
Vocational	358,621	0	0	0
Other	1,702	0	0	0
Support Services:				
Pupils	906,736	120,509	0	0
Instructional Staff	562,925	298,109	0	0
Board of Education	97,760	0	0	0
Administration	1,401,083	101,351	0	0
Fiscal	573,290	1,410	41,889	0
Business	110,840	0	0	0
Operation and Maintenance of Plant	2,402,066	746	0	0
Pupil Transportation	1,207,507	45,518	0	0
Central	109,865	21,000	0	0
Extracurricular Activities	258,538	68,397	0	0
Capital Outlay	17,966	0	0	11,905,893
Debt Service:				
Principal Retirement	185,000	0	635,000	0
Interest and Fiscal Charges	34,774	0	1,099,065	65,024
Total Expenditures	19,179,237	2,743,577	1,775,954	11,970,917
Excess of Revenues Over (Under) Expenditures	815,979	(40,294)	378,875	(9,999,293)
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Fixed Assets	9,749	0	0	0
Operating Transfers In	15,098	0	0	475,443
Operating Transfers Out	(147,000)	0	(432,010)	(58,531)
Total Other Financing Sources (Uses)	(122,153)	0	(432,010)	416,912
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	693,826	(40,294)	(53,135)	(9,582,381)
Fund Balances at Beginning of Year	2,029,971	624,813	1,707,620	15,391,372
Fund Balances at End of Year	<u>\$2,723,797</u>	<u>\$584,519</u>	<u>\$1,654,485</u>	<u>\$5,808,991</u>

See accompanying notes to the general purpose financial statements.

Expendable Trust	Totals (Memorandum Only)
\$0	\$12,284,150
0	11,800,676
0	1,415,796
0	1,037,603
0	3,588
0	121,089
1,000	15,240
0	147,810
1,000	26,825,952
0	9,806,160
0	3,230,941
0	358,621
0	1,702
0	1,027,245
0	861,034
0	97,760
0	1,502,434
0	616,589
0	110,840
0	2,402,812
0	1,253,025
0	130,865
0	326,935
0	11,923,859
0	
0	820,000
0	1,198,863
0	35,669,685
1,000	(8,843,733)
0	9,749
0	490,541
0	(637,541)
0	(137,251)
1,000	(8,980,984)
(200)	19,753,576
\$800	\$10,772,592

ATHENS CITY SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2001

	GENERAL FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$9,677,141	\$9,677,141	\$0
Intergovernmental	8,822,779	8,822,779	0
Interest	376,222	376,222	0
Tuition and Fees	1,032,291	1,032,291	0
Rent	3,588	3,588	0
Extracurricular Activities	0	0	0
Gifts and Donations	0	0	0
Miscellaneous	89,223	89,223	0
<i>Total Revenues</i>	<u>20,001,244</u>	<u>20,001,244</u>	<u>0</u>
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	8,531,873	8,531,873	0
Special	2,216,440	2,216,440	0
Vocational	364,831	364,831	0
Other	1,702	1,702	0
<i>Support Services:</i>			
Pupils	881,729	881,729	0
Instructional Staff	553,602	553,602	0
Board of Education	98,302	98,302	0
Administration	1,400,428	1,400,428	0
Fiscal	574,570	574,570	0
Business	116,113	116,113	0
Operation and Maintenance of Plant	2,536,568	2,536,568	0
Pupil Transportation	1,218,023	1,218,023	0
Central	94,485	94,485	0
Non-Instructional Services	0	0	0
Extracurricular Activities	257,300	257,300	0
Capital Outlay	20,066	20,066	0
<i>Debt Service:</i>			
Principal Retirement	185,000	185,000	0
Interest and Fiscal Charges	34,774	34,774	0
<i>Total Expenditures</i>	<u>19,085,806</u>	<u>19,085,806</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	915,438	915,438	0
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	9,749	9,749	0
Operating Transfers In	15,098	15,098	0
Advances In	334,000	334,000	0
Operating Transfers Out	(147,000)	(147,000)	0
Advances Out	(95,000)	(95,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>116,847</u>	<u>116,847</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,032,285	1,032,285	0
Fund Balances at Beginning of Year	2,690,221	2,690,221	0
Prior Year Encumbrances Appropriated	257,600	257,600	0
Fund Balances at End of Year	<u><u>\$3,980,106</u></u>	<u><u>\$3,980,106</u></u>	<u><u>\$0</u></u>

See accompanying notes to the general purpose financial statements.

GOVERNMENTAL FUND TYPES

<i>SPECIAL REVENUE FUNDS</i>			<i>DEBT SERVICE FUND</i>		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$1,915,897	\$1,915,897	\$0
3,219,657	2,658,802	(560,855)	221,228	221,228	0
0	0	0	0	0	0
5,312	5,312	0	0	0	0
0	0	0	0	0	0
121,089	121,089	0	0	0	0
14,240	14,240	0	0	0	0
53,312	53,312	0	0	0	0
<u>3,413,610</u>	<u>2,852,755</u>	<u>(560,855)</u>	<u>2,137,125</u>	<u>2,137,125</u>	<u>0</u>
1,485,851	1,137,771	348,080	0	0	0
1,068,665	936,779	131,886	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
99,921	120,348	(20,427)	0	0	0
412,823	299,969	112,854	0	0	0
0	0	0	0	0	0
126,826	119,296	7,530	0	0	0
3,631	2,631	1,000	41,889	41,889	0
0	0	0	0	0	0
5,535	5,535	0	0	0	0
45,518	45,518	0	0	0	0
27,788	1,153	26,635	0	0	0
383	0	383	0	0	0
101,435	90,315	11,120	0	0	0
0	0	0	0	0	0
0	0	0	635,000	635,000	0
0	0	0	1,099,065	1,099,065	0
<u>3,378,376</u>	<u>2,759,315</u>	<u>619,061</u>	<u>1,775,954</u>	<u>1,775,954</u>	<u>0</u>
35,234	93,440	58,206	361,171	361,171	0
0	0	0	0	0	0
0	0	0	0	0	0
0	35,000	35,000	0	0	0
0	0	0	(432,010)	(432,010)	0
<u>(506,000)</u>	<u>(256,000)</u>	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(506,000)</u>	<u>(221,000)</u>	<u>285,000</u>	<u>(432,010)</u>	<u>(432,010)</u>	<u>0</u>
(470,766)	(127,560)	343,206	(70,839)	(70,839)	0
595,106	595,106	0	1,638,676	1,638,676	0
<u>313,460</u>	<u>313,460</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$437,800</u>	<u>\$781,006</u>	<u>\$343,206</u>	<u>\$1,567,837</u>	<u>\$1,567,837</u>	<u>\$0</u>

(Continued)

ATHENS CITY SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2001

	CAPITAL PROJECTS FUNDS		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$712,502	\$712,502	\$0
Intergovernmental	200,863	218,363	17,500
Interest	1,192,427	1,192,427	0
Tuition and Fees	0	0	0
Rent	0	0	0
Extracurricular Activities	0	0	0
Gifts and Donations	0	0	0
Miscellaneous	4,599	4,599	0
Total Revenues	2,110,391	2,127,891	17,500
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	0	0	0
Special	0	0	0
Vocational	0	0	0
Other	0	0	0
<i>Support Services:</i>			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Business	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	16,184,944	16,184,944	0
<i>Debt Service:</i>			
Principal Retirement	16,400,000	16,400,000	0
Interest and Fiscal Charges	416,912	416,912	0
Total Expenditures	33,001,856	33,001,856	0
Excess of Revenues Over (Under) Expenditures	(30,891,465)	(30,873,965)	17,500
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	0	0	0
Operating Transfers In	475,443	475,443	0
Advances In	0	0	0
Operating Transfers Out	(58,531)	(58,531)	0
Advances Out	0	0	0
Total Other Financing Sources (Uses)	416,912	416,912	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(30,474,553)	(30,457,053)	17,500
Fund Balances at Beginning of Year	30,756,373	30,756,373	0
Prior Year Encumbrances Appropriated	1,717,192	1,717,192	0
Fund Balances at End of Year	\$1,999,012	\$2,016,512	\$17,500

See accompanying notes to the general purpose financial statements.

<i>EXPENDABLE TRUST FUND</i>			<i>TOTALS (MEMORANDUM ONLY)</i>		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$12,305,540	\$12,305,540	\$0
0	0	0	12,464,527	11,921,172	(543,355)
0	0	0	1,568,649	1,568,649	0
0	0	0	1,037,603	1,037,603	0
0	0	0	3,588	3,588	0
0	0	0	121,089	121,089	0
1,000	1,000	0	15,240	15,240	0
1,653	1,653	0	148,787	148,787	0
2,653	2,653	0	27,665,023	27,121,668	(543,355)
1,000	1,000	0	10,018,724	9,670,644	348,080
0	0	0	3,285,105	3,153,219	131,886
0	0	0	364,831	364,831	0
0	0	0	1,702	1,702	0
0	0	0	981,650	1,002,077	(20,427)
0	0	0	966,425	853,571	112,854
0	0	0	98,302	98,302	0
0	0	0	1,527,254	1,519,724	7,530
0	0	0	620,090	619,090	1,000
0	0	0	116,113	116,113	0
0	0	0	2,542,103	2,542,103	0
0	0	0	1,263,541	1,263,541	0
0	0	0	122,273	95,638	26,635
0	0	0	383	0	383
0	0	0	358,735	347,615	11,120
0	0	0	16,205,010	16,205,010	0
0	0	0	17,220,000	17,220,000	0
0	0	0	1,550,751	1,550,751	0
1,000	1,000	0	57,242,992	56,623,931	619,061
1,653	1,653	0	(29,577,969)	(29,502,263)	75,706
0	0	0	9,749	9,749	0
0	0	0	490,541	490,541	0
0	0	0	334,000	369,000	35,000
0	0	0	(637,541)	(637,541)	0
0	0	0	(601,000)	(351,000)	250,000
0	0	0	(404,251)	(119,251)	285,000
1,653	1,653	0	(29,982,220)	(29,621,514)	360,706
13,533	13,533	0	35,693,909	35,693,909	0
0	0	0	2,288,252	2,288,252	0
\$15,186	\$15,186	\$0	\$7,999,941	\$8,360,647	\$360,706

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ATHENS CITY SCHOOL DISTRICT
Combined Statement of Revenues,
Expenses and Changes in Fund Equity
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2001

	Enterprise	Internal Service	Totals (Memorandum Only)
<u>Operating Revenues:</u>			
Sales	\$300,765	\$0	\$300,765
Charges for Services	0	1,908,713	1,908,713
Other Revenues	40,556	0	40,556
<i>Total Operating Revenues</i>	<u>341,321</u>	<u>1,908,713</u>	<u>2,250,034</u>
<u>Operating Expenses:</u>			
Salaries	270,503	0	270,503
Fringe Benefits	132,945	0	132,945
Purchased Services	127,368	266,137	393,505
Material and Supplies	101,506	0	101,506
Cost of Sales	263,504	0	263,504
Claims	0	1,787,197	1,787,197
Depreciation	13,174	0	13,174
Other Expenses	372	0	372
<i>Total Operating Expenses</i>	<u>909,372</u>	<u>2,053,334</u>	<u>2,962,706</u>
Operating Income (Loss)	(568,051)	(144,621)	(712,672)
<u>Nonoperating Revenues (Expenses):</u>			
Federal Donated Commodities	24,196	0	24,196
Interest Income	0	31,999	31,999
Federal and State Subsidies	410,413	0	410,413
Other Nonoperating Revenues	26,194	0	26,194
<i>Total Nonoperating Revenues (Expenses)</i>	<u>460,803</u>	<u>31,999</u>	<u>492,802</u>
Income (Loss) Before Operating Transfers	(107,248)	(112,622)	(219,870)
Operating Transfers In	147,000	0	147,000
Net Income (Loss)	39,752	(112,622)	(72,870)
Retained Earnings at Beginning of Year, As Restated	(258,922)	1,401,994	1,143,072
Retained Earnings at End of Year	(219,170)	1,289,372	1,070,202
Contributed Capital at End of Year	343,044	0	343,044
Total Fund Equity at End of Year	<u>\$123,874</u>	<u>\$1,289,372</u>	<u>\$1,413,246</u>

See accompanying notes to the general purpose financial statements.

ATHENS CITY SCHOOL DISTRICT
Combined Statement of Revenues, Expenses and
Changes in Fund Equity - Budget and Actual (Budget Basis)
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2001

	ENTERPRISE FUNDS		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$359,062	\$359,062	\$0
Charges for Services	0	0	0
Other Revenues	40,556	40,556	0
Interest Income	0	0	0
Federal and State Subsidies	305,715	305,715	0
<i>Total Revenues</i>	<u>705,333</u>	<u>705,333</u>	<u>0</u>
<u>Expenses:</u>			
Salaries	263,525	263,525	0
Fringe Benefits	142,977	142,977	0
Purchased Services	371,001	371,001	0
Materials and Supplies	105,392	105,392	0
Capital Outlay	11,894	11,894	0
Claims	0	0	0
Other Expenses	372	372	0
<i>Total Expenses</i>	<u>895,161</u>	<u>895,161</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses	(189,828)	(189,828)	0
<u>Other Financing Sources (Uses):</u>			
Advances In	60,000	60,000	0
Operating Transfers In	147,000	147,000	0
Other Financing Sources	26,194	26,194	0
Advances Out	(78,000)	(78,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>155,194</u>	<u>155,194</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenses and Other Financing Uses	(34,634)	(34,634)	0
Fund Equity at Beginning of Year	34,060	34,060	0
Prior Year Encumbrances Appropriated	19,539	19,539	0
Fund Equity at End of Year	<u>\$18,965</u>	<u>\$18,965</u>	<u>\$0</u>

See accompanying notes to the general purpose financial statements.

<i>INTERNAL SERVICE FUNDS</i>			<i>TOTALS (MEMORANDUM ONLY)</i>		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$359,062	\$359,062	\$0
1,908,713	1,908,713	0	1,908,713	1,908,713	0
0	0	0	40,556	40,556	0
10,108	10,108	0	10,108	10,108	0
0	0	0	305,715	305,715	0
1,918,821	1,918,821	0	2,624,154	2,624,154	0
0	0	0	263,525	263,525	0
0	0	0	142,977	142,977	0
386,943	386,943	0	757,944	757,944	0
0	0	0	105,392	105,392	0
0	0	0	11,894	11,894	0
1,584,790	1,584,790	0	1,584,790	1,584,790	0
0	0	0	372	372	0
1,971,733	1,971,733	0	2,866,894	2,866,894	0
(52,912)	(52,912)	0	(242,740)	(242,740)	0
0	0	0	60,000	60,000	0
0	0	0	147,000	147,000	0
0	0	0	26,194	26,194	0
0	0	0	(78,000)	(78,000)	0
0	0	0	155,194	155,194	0
(52,912)	(52,912)	0	(87,546)	(87,546)	0
1,651,218	1,651,218	0	1,685,278	1,685,278	0
621	621	0	20,160	20,160	0
<u>\$1,598,927</u>	<u>\$1,598,927</u>	<u>\$0</u>	<u>\$1,617,892</u>	<u>\$1,617,892</u>	<u>\$0</u>

ATHENS CITY SCHOOL DISTRICT
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2001

	Enterprise	Internal Service	Totals (Memorandum Only)
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Sales	\$300,765	\$0	\$300,765
Cash Received from Quasi-External Transactions with Other Funds	0	1,908,713	1,908,713
Cash Payments for Employees Services and Benefits	(406,502)	0	(406,502)
Cash Payments to Suppliers for Goods and Services	(423,999)	(386,943)	(810,942)
Cash Payments for Claims	0	(1,584,790)	(1,584,790)
Other Operating Revenues	40,556	0	40,556
Other Operating Expenses	(372)	0	(372)
Other Nonoperating Revenues	26,194	0	26,194
<i>Net Cash from Operating Activities</i>	(463,358)	(63,020)	(526,378)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Transfers In	147,000	0	147,000
Advances In from Other Funds	60,000	0	60,000
Advances Out to Other Funds	(78,000)	0	(78,000)
Operating Grants Received	364,012	0	364,012
<i>Net Cash from Noncapital Financing Activities</i>	493,012	0	493,012
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Cash Payments for Capital Acquisitions	(11,894)	0	(11,894)
<i>Net Cash from Capital and Related Financing Activities</i>	(11,894)	0	(11,894)
<u>Cash Flows from Investing Activities:</u>			
Interest on Investments	0	10,108	10,108
<i>Net Cash from Investing Activities</i>	0	10,108	10,108
Net Increase (Decrease) in Cash and Cash Equivalents	17,760	(52,912)	(35,152)
Cash and Cash Equivalents at Beginning of Year	83,103	1,651,839	1,734,942
Cash and Cash Equivalents at End of Year	\$100,863	\$1,598,927	\$1,699,790
<u>Reconciliation of Operating Income (Loss)</u>			
<u>to Net Cash from Operating Activities:</u>			
Operating Income (Loss)	(\$568,051)	(\$144,621)	(\$712,672)
<u>Adjustments to Reconcile Operating Income (Loss)</u>			
<u>to Net Cash from Operating Activities:</u>			
Depreciation	13,174	0	13,174
Donated Commodities Used During Year	24,196	0	24,196
Nonoperating Cash Receipts	26,194	0	26,194
<u>Changes in Assets and Liabilities:</u>			
(Increase) Decrease in Materials and Supplies Inventory	2,064	0	2,064
(Increase) Decrease in Inventory Held for Resale	(1,958)	0	(1,958)
(Increase) Decrease in Prepaid Items	0	(120,962)	(120,962)
Increase (Decrease) in Accounts Payable	(5,198)	156	(5,042)
Increase (Decrease) in Contracts Payable	52,273	0	52,273
Increase (Decrease) in Claims Payable	0	202,407	202,407
Increase (Decrease) in Accrued Salaries and Benefits Payable	1,561	0	1,561
Increase (Decrease) in Intergovernmental Payable	(2,550)	0	(2,550)
Increase (Decrease) in Compensated Absences Payable	(2,065)	0	(2,065)
Increase (Decrease) in Deferred Revenue	(2,998)	0	(2,998)
Total Adjustments	104,693	81,601	186,294
Net Cash from Operating Activities	(\$463,358)	(\$63,020)	(\$526,378)

See accompanying notes to the general purpose financial statements.

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Description of the School District

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

The District was established in the mid 1800's and in 1960 the District was consolidated with the portion of the Athens Local School District located in the City of Athens. The District was consolidated in 1964 with the Plains Local School District and the Chauncey Local School District. The District serves an area of approximately 58 square miles. It is located in Athens County, and includes the City of Athens and portions of the Village of Chauncey and the Townships of Athens, Canaan, Dover, and Waterloo. The District is the 173rd largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by 157 non-certificated employees, 238 certificated full-time teaching personnel and 18 administrative employees who provide services to 2,757 students and other community members. The District currently operates 7 instructional buildings, 1 administrative building and 2 garages.

Reporting Entity

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

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

The following activity is included in the reporting entity:

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

The District is associated with four organizations, three of which are defined as jointly governed organizations and one as an insurance purchasing pool. These organizations are the Southeast Ohio Voluntary Education Cooperative, the Tri-County Joint Vocational School, the Coalition of Rural and Appalachian Schools and the Ohio School Boards Association Worker's Compensation Group Rating Plan. These organizations are presented in Notes 19 and 20 to the general purpose financial statements.

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation - Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

Governmental Fund Types

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds and trust funds) are accounted for through governmental funds. The following are the District's governmental fund types:

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

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

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

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

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

Proprietary Fund Types

Proprietary funds are used to account for the District's ongoing activities which are similar to those found in the private sector. The following are the District's proprietary fund types:

Enterprise Funds - These funds are used to account for the District activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) on providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Fund - This fund accounts for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The only fiduciary funds of the District are expendable trust and agency funds. Expendable trust funds are used to account for resources, including both principal and earnings, which must be expended according to the provisions of a trust agreement. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the District, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of the District except those accounted for in the proprietary funds.

Measurement Focus and Basis of Accounting

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

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

The modified accrual basis of accounting is followed for governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the District is sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: taxes, interest, tuition, grants, and student fees.

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2001, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by proprietary funds. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

Budgetary Data

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

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

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

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

Estimated Resources: Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and received the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amount in the final amended certificate issued during fiscal year 2001.

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

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

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

Cash and Cash Equivalents

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

The District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the combined balance sheet as "Cash and Cash Equivalents with Fiscal Agent" and represents deposits.

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

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.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2001. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2001.

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2001 amounted to \$376,250, which includes \$188,534 assigned from other District funds. In addition, the Permanent Improvement Capital Projects Fund, Building Capital Projects Fund, and Self-Insurance Internal Service Fund received \$975,111, \$64,435, and \$31,999 respectively, in interest revenue.

For purposes of the combined statement of cash flows and for presentation on the combined 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 District are considered to be cash equivalents.

Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserved in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, lunchroom supplies, and school supplies held for resale and are expensed when used. Donated food at year end represents unused commodities and is reported as deferred revenue since title does not pass to the District until the commodities are used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2001 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents restricted for amounts set-aside to establish a reserve for budget stabilization in accordance with the State statute. A reserve for budget stabilization is no longer required by State statute and any balance remaining in the previously required budget reserve can be used with certain restrictions, at the discretion of the Board of Education. A corresponding fund balance reserve has also been established for the set-aside amount.

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and related assets are reported in the General Fixed Assets Account Group. Fixed assets utilized in the proprietary funds are capitalized in the respective funds. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair value as of the date received. The District maintains a capitalization threshold of five hundred dollars.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend an asset's life are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets.

Assets in the General Fixed Assets Account Group are not depreciated. Depreciation of furniture and equipment in the Enterprise Funds is computed using the straight-line method over an estimated useful life of twenty years.

Intergovernmental Revenues

Intergovernmental revenues are generally received from reimbursable, nonreimbursable and entitlement type grant programs. These grant programs involve transactions that are categorized as either government-mandated or voluntary nonexchange transactions. For governmental funds, intergovernmental revenues from government-mandated and voluntary nonexchange transactions are recorded as a receivable when all eligibility requirements are met, and as revenue when the resources are available. Revenues that are not available in the current period are deferred. For proprietary funds, intergovernmental revenues from government-mandated and voluntary nonexchange transactions are recorded as a receivable and revenue when all eligibility requirements are met. Revenues received before the eligibility requirements are met are deferred.

The District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

- State Foundation Program
- State Property Tax Relief
- School Bus Purchase Reimbursement

Nonreimbursable Grants

Special Revenue Funds

- Venture Capital
- Auxiliary Services
- Professional Development
- Education Management Information Systems
- Public School Preschool
- Entry Year Program
- Disadvantaged Pupil Impact Aid
- OneNet Program
- School Net Professional Development
- Ohio Reads

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

Summer School Subsidy
Extended Learning Opportunities
Safe School Help Line
School Improvement Incentive
Partnership 2000
Dwight D. Eisenhower Math & Science
Title I
Title II
Title VI
Title VI-B
Title VI-R
Drug Free Schools Program
Handicapped Preschool
Telecommunications (E-Rate)
School to Work
Local Reading Improvement

Capital Projects Funds

School Net Plus
School Net Community Link

Reimbursable Grants

Enterprise Funds

National School Lunch Program
National School Breakfast Program
Government Donated Commodities

Grant and entitlements amounted to approximately forty-four percent of the District's operating revenue during the 2001 fiscal year.

Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the combined balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables".

Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the General Long-Term Obligations Account Group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the General Long-Term Obligations Account Group to the extent that they will not be paid with current expendable available financial resources. Payments made more than two months after fiscal year-end are considered not to have used current available financial resources. General obligation bonds, the energy conservation notes, and retirement incentive payable are reported as a liability of the General Long-Term Obligations Account Group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Fund Balance Reserves

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that a portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes and statutory set-asides. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for statutory set-asides represents the amounts that have been set aside for budget stabilization.

Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to proprietary funds that is not subject to repayment. These assets are recorded at their fair value on the date donated. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end. There were no changes in contributed capital during fiscal year 2001. At June 30, 2001, the District had \$343,044 of contributed capital.

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

Because the District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1995, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings.

Estimates

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

Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Totals - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consideration. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS

The District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues."

GASB Statement No. 33 establishes accounting and financial reporting guidelines about when to report the results of nonexchange transactions. GASB Statement No. 36 is a modification to the provisions of GASB Statement No. 33 for certain specific nonexchange revenues. The implementation of these statements did not affect fund balance or retained earnings and therefore, did not require a prior period adjustment to fund balance or retained earnings. The implementation of these statements did affect the prior period intergovernmental receivable and deferred revenue amounts by increasing each \$1,941,044 in the Special Revenue Funds.

The District decreased the prior period balances for fixed assets and retained earnings in the Food Service Enterprise Fund by \$34,372 due to the correction of the accumulated depreciation on various fixed assets.

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

Accountability

The following funds had deficit fund balances/retained earnings as of June 30, 2001:

<i>Special Revenue Funds:</i>	
Title VI-B	\$18,793
Title I	79,766
<i>Enterprise Fund:</i>	
Food Service	176,211

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

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

Compliance

The Title VI-B Special Revenue Fund had a \$25,411 excess of expenditures plus encumbrances over appropriations at the fund level, which is the legal level of budgetary control for the District.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as a note disclosure for proprietary fund types.
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than the balance sheet transaction (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budget basis statements by fund type.

	Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses All Governmental Fund Types and Expendable Trust Fund				
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$693,826	(\$40,294)	(\$53,135)	(\$9,582,381)	\$1,000
<i>Adjustments:</i>					
Revenue Accruals	6,028	149,472	(17,704)	156,267	1,653
Expenditure Accruals	93,431	(15,738)	0	(21,030,939)	(1,000)
Other Sources (Uses)	239,000	(221,000)	0	0	0
Budget Basis	<u>\$1,032,285</u>	<u>(\$127,560)</u>	<u>(\$70,839)</u>	<u>(\$30,457,053)</u>	<u>\$1,653</u>

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Net Income/Excess of Revenues and Other Financing Sources Over (Under) Expenses and Other Financing Uses All Proprietary Fund Types	Enterprise	Internal Service
GAAP Basis	\$39,752	(\$112,622)
<i>Adjustments:</i>		
Operating Revenue Accruals	364,012	10,108
Operating Expense Accruals	14,211	81,601
Nonoperating Revenue	(434,609)	(31,999)
Transfers and Advances	(18,000)	0
Budget Basis	(\$34,634)	(\$52,912)

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

- (1) United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

Deposits: At fiscal year-end, the carrying amount of the District's deposits was \$3,315,465, and the bank balance was \$5,650,638. Of the bank balance, \$401,310 was covered by federal depository insurance and \$5,249,328 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institutions' trust department in the District's name and all State statutory requirements for the investments of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation.

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

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

	Category 3	Carrying Value	Fair Value
Treasury Note	\$200,000	\$200,000	\$200,000
STAR Ohio	-	10,821,372	10,821,372
Totals	\$200,000	\$11,021,372	\$11,021,372

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$14,336,837	\$0
<i>Investments:</i>		
Treasury Note	(200,000)	200,000
STAR Ohio	(10,821,372)	10,821,372
GASB Statement 3	\$3,315,465	\$11,021,372

NOTE 7 - PROPERTY TAXES

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

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 7 - PROPERTY TAXES - (Continued)

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

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

The District receives property taxes from Athens County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2001 are available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents the June 2001 personal property tax settlement, delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which become measurable as of June 30, 2001. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The total amount available as an advance at June 30, 2001 was \$549,178 and is recognized as revenue. Of this total amount, \$430,486 was available to the General Fund, \$86,648 was available to the Bond Retirement Debt Service Fund, and \$32,044 was available to the Permanent Improvement Capital Projects Fund.

The assessed values upon which the fiscal year 2001 taxes were collected are:

	2000 Second- Half Collections		2001 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$285,737,630	85.44%	\$291,086,680	85.27%
Public Utility Personal	26,617,680	7.96%	26,776,310	7.84%
Tangible Personal Property	22,056,469	6.60%	23,500,232	6.89%
Total Assessed Value	<u>\$334,411,779</u>	<u>100.00%</u>	<u>\$341,363,222</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$64.60		\$64.60	

NOTE 8 - RECEIVABLES

Receivables at June 30, 2001 consisted of taxes, accounts (rent, billings for user charges services, and student fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 8 - RECEIVABLES - (Continued)

A summary of the principal items of intergovernmental receivables follows:

<i>General Fund:</i>	
State Reimbursements	\$1,105,544
<i>Special Revenue Funds:</i>	
Title VI-B	19,182
Title I	123,595
Other Federal Support	439,411
Total Special Revenue Funds	582,188
<i>Debt Service Fund:</i>	
State Reimbursements	239,892
<i>Capital Project Funds:</i>	
State Reimbursements	86,485
<i>Enterprise Fund:</i>	
Food Service	75,906
Total Intergovernmental Receivables	\$2,090,015

NOTE 9 - FIXED ASSETS

A summary of the Enterprise Funds' fixed assets at June 30, 2001 follows:

Furniture and Equipment	\$429,099
Less: Accumulated Depreciation	(283,583)
Net Fixed Assets	\$145,516

A summary of the changes in general fixed assets during fiscal year 2001 follows:

Asset Category	Balance at July 1, 2000	Transfers/ Additions	Transfers/ Deletions	Balance at June 30, 2001
Land	\$3,141,668	\$0	\$0	\$3,141,668
Land Improvements	32,142	17,098	0	49,240
Buildings and Improvements	19,420,731	250,579	0	19,671,310
Furniture, Fixtures and Equipment	4,888,730	450,920	101,453	5,238,197
Vehicles	1,848,625	168,790	0	2,017,415
Construction in Progress	506,383	12,062,237	0	12,568,620
Totals	\$29,838,279	\$12,949,624	\$101,453	\$42,686,450

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2001, the District contracted with Nationwide Insurance for liability insurance, Reed and Baur Insurance for property insurance, fleet and inland marine insurance and Mathews Insurance for boiler and machinery insurance. Coverages provided are as follows:

Building and Contents - replacement cost (90% co-insurance)	\$55,486,519
Boiler and Machinery (\$250 deductible)	10,000,000
Automobile Liability (\$500 deductible for collision and comprehensive)	1,000,000
Uninsured Motorists (\$500 deductible for collision and comprehensive)	1,000,000
General Liability: Per Occurrence	2,000,000
Aggregate Limit	5,000,000

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

For fiscal year 2001, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (the "Plan"), an insurance purchasing pool (Note 20). The intent of the Plan is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Plan. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria. The firm Gates McDonald & Co. provides administrative, cost control and actuarial services to the Plan.

The District provides a limited health insurance program for its employees. Premiums are paid directly to a third party administrator, Anthem Blue Cross/Blue Shield, out of the District's Self-Insurance Internal Service Fund. Anthem Blue Cross/Blue Shield services all claims submitted by employees. The Internal Service Fund presented in the financial statements reflects the premiums paid into the Self-Insurance Internal Service Fund by the same funds that pay the employees' salaries. The District pays monthly premiums of up to \$431.00 for certified and \$413.00 for classified for family coverage, and up to \$172.00 for certified and \$150.00 for classified single coverage. The premiums paid into the Internal Service Fund are used for claims, claim reserves and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$100,000 per employee per year.

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 10 - RISK MANAGEMENT - (Continued)

The District also provides prescription drug insurance to its employees through a self-insured program. This plan utilizes a \$9.00 co-pay for the certified employees P.P.O. Plan, a \$2.00 co-pay for the certified employees traditional plan and a \$2.00 co-pay for classified employees. The third party administrator, Anthem reviews and pays claims for certified employees. For classified employees, Kroger is the third party administrator that reviews and pays claims. The District pays monthly premiums for this coverage of \$170.00 for certified and \$185.00 for classified family coverage, and \$65.00 for certified and \$70.00 for classified single coverage.

The claims liability of \$471,527 reported in the Internal Service Fund at June 30, 2001 is based on an estimate provided by the third party administrators and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years are as follows:

Fiscal Year	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2000	\$211,902	\$1,348,375	\$1,291,157	\$269,120
2001	269,120	1,787,197	1,584,790	471,527

NOTE 11 - DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute, Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215 or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2001, 4.20 percent of the annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$166,003, \$175,073, and \$276,494, respectively; 56.59 percent has been contributed for fiscal year 2001 and 100 percent for the fiscal years 2000 and 1999. \$72,054 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the General Long-Term Obligations Account Group.

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

State Teachers Retirement System

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$975,244, \$627,110, and \$586,897, respectively; 83.20 percent has been contributed for fiscal year 2001 and 100 percent for the fiscal years 2000 and 1999. \$163,818 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2001, no members of the Board of Education have elected Social Security.

NOTE 12 - POSTEMPLOYMENT BENEFITS

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By Ohio Law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 2001, the Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$461,958 during fiscal year 2001.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3.419 billion at June 30, 2000. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

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

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For fiscal year 2001, employer contributions to fund health care benefits were 9.80 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at \$12,400. The surcharge added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2000 were \$140,696,340 and the target level was \$211.6 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. The number of participants currently receiving health care benefits is approximately 50,000. For the District, the amount to fund health care benefits, including the surcharge, equaled \$445,646 during the 2001 fiscal year.

NOTE 13 - EMPLOYEE BENEFITS

Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 290 days for classified employees and 375 for certified employees. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 50 days for classified employees and 65 days for certified employees.

Dental, Vision, and Life Insurance

Dental insurance coverage is provided through Core Source, Inc. Premiums for this coverage are \$31.18 monthly for classified family and single coverage and \$54.11 for certified family and single coverage.

Vision insurance is provided by the District through Vision Services Plus (VSP), Inc. The District pays monthly premiums of up to \$11.18 for certified and \$11.00 for classified family coverage and up to \$4.80 for certified and \$5.86 for classified single coverage.

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

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 13 - EMPLOYEE BENEFITS - (Continued)

Retirement Incentive

On January 16, 1999, the District Board of Education approved a Retirement Incentive Program. Participation is open to members of the Athens Education Association the year in which the member first attains thirty years of service credit with the STRS. Such members must retire at the end of the first year of eligibility (June 30) in order to receive the retirement incentive. The Board has elected to make the retirement incentive a lump sum payment of \$15,000. Members who do not retire in the first year of eligibility will not receive the retirement incentive. The retirement incentive program is a part of the negotiated union contract and is in effect until January 15, 2002. As of June 30, 2001, there was \$30,000 of retirement incentive obligations recorded as a liability in the General Long-Term Obligations Account Group.

NOTE 14 - SHORT-TERM OBLIGATIONS

A summary of the short-term obligations for the year ended June 30, 2001 follows:

	Maturity Date	Interest Rate	Principal Outstanding at July 1, 2000	Additions/ Retired	Principal Outstanding at June 30, 2001
Bond Anticipation Note	7/27/00	4.46%	\$9,900,000	(\$9,900,000)	\$0
Bond Anticipation Note	7/27/00	4.78%	6,500,000	(6,500,000)	0
Total Notes Payable			<u>\$16,400,000</u>	<u>(\$16,400,000)</u>	<u>\$0</u>

During fiscal year 2001, the District used the proceeds of the general obligation renovation bonds to repay these notes from the Building Capital Projects Fund.

NOTE 15 - LONG-TERM OBLIGATIONS

The changes in the District's long-term note and bonds during fiscal year 2001 were as follows:

	Issue Date	Interest Rate	Principal Outstanding at July 1, 2000	Additions	Deletions	Principal Outstanding at June 30, 2001
Energy Conservation Note	1994	4.95%	\$795,000	\$0	\$185,000	\$610,000
<i>General Obligation Bonds:</i>						
Renovation Bonds	1980	7.625%	55,000	0	55,000	0
Renovation Bonds	2000	6.01%	16,400,000	0	250,000	16,150,000
Current Improvement Bonds	1990	7.20%	220,000	0	220,000	0
Refunding Bonds	1993	2.4 -5.2%	2,644,973	0	110,000	2,534,973
<i>Total General Obligation Bonds</i>			<u>19,319,973</u>	<u>0</u>	<u>635,000</u>	<u>18,684,973</u>
Total General Long-Term Obligations			<u>\$20,114,973</u>	<u>\$0</u>	<u>\$820,000</u>	<u>\$19,294,973</u>

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

The changes in the District's other long-term obligations during fiscal year 2001 were as follows:

	Principal Outstanding at July 1, 2000	Additions	Deductions	Principal Outstanding at June 30, 2001
Intergovernmental (Pension) Obligation	\$175,991	\$194,785	\$175,991	\$194,785
Retirement Incentive Payable	15,000	30,000	15,000	30,000
Compensated Absences	1,480,668	188,851	0	1,669,519
Total General Long-Term Obligations	<u>\$1,671,659</u>	<u>\$413,636</u>	<u>\$190,991</u>	<u>\$1,894,304</u>

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

Renovations General Obligation Bonds - In 1980, Athens City School District issued voted general obligation bonds for the purpose of renovating the West Elementary building. The bonds were issued for a twenty year period with final maturity at December 1, 2001. During fiscal year 2001, these bonds were fully retired through the Bond Retirement Debt Service Fund using tax revenues.

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

Current Improvement General Obligation Bonds - In 1990, Athens City School District obtained a general obligation bond for the purpose of improvements to the elementary schools. The bonds were issued for a ten year period with final maturity during fiscal year 2001. During fiscal year 2001, these bonds were fully retired through the Bond Retirement Debt Service Fund through tax revenues.

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

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 15 - LONG-TERM OBLIGATIONS- (Continued)

Compensated absences, the retirement incentive, and the intergovernmental (pension) obligation, which presents the contractually required pension contribution paid outside the available period, will be paid from the fund from which the respective employees' salaries are paid.

The District's overall legal debt margin was \$13,692,202 with an unvoted debt margin of \$341,363 at June 30, 2001.

Principal and interest requirements to retire general obligation debt, including the energy conservation note outstanding at June 30, 2001, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2002	\$455,480	\$1,395,506	\$1,850,986
2003	447,947	1,382,244	1,830,191
2004	624,118	1,368,702	1,992,820
2005	422,428	1,342,249	1,764,677
2006	760,000	992,613	1,752,613
2007-2011	4,465,000	4,309,970	8,774,970
2012-2016	3,220,000	3,236,764	6,456,764
2017-2021	4,380,000	2,045,790	6,425,790
2022-2025	4,520,000	561,900	5,081,900
Total	<u>\$19,294,973</u>	<u>\$16,635,738</u>	<u>\$35,930,711</u>

NOTE 16 - INTERFUND ACTIVITY

As of June 30, 2001, receivables and payables that resulted from various interfund transactions were as follows:

Fund	Interfund Receivables	Interfund Payables
<i>General Fund</i>	\$95,000	\$0
<i>Special Revenue Fund:</i>		
Other Federal Support	0	35,000
<i>Enterprise Fund:</i>		
Food Service	0	60,000
Total	<u>\$95,000</u>	<u>\$95,000</u>

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 17 - LANGUAGE/DISCLOSURE

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2001:

	Textbooks	Capital Improvements	Budget Stabilization	Totals
Set-Aside Balance as of July 1, 2000	\$0	\$0	\$108,403	\$108,403
Current Year Set-Aside Requirement	425,459	425,459	132,535	983,453
Qualifying Disbursements	(425,459)	(425,459)	(17,410)	(868,328)
Total	0	0	223,528	223,528
Set-Aside Balance as of June 30, 2001	<u>\$0</u>	<u>\$0</u>	<u>\$223,528</u>	
Total Restricted Assets				<u>\$223,528</u>

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

NOTE 18 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains two Enterprise Funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the Enterprise Funds of the District as of and for the fiscal year ended June 30, 2001.

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$334,827	\$6,494	\$341,321
Operating Expenses Less Depreciation	809,467	86,731	896,198
Depreciation Expense	13,174	0	13,174
Operating Income (Loss)	(487,814)	(80,237)	(568,051)
Donated Commodities	24,196	0	24,196
Operating Grants	352,116	58,297	410,413
Operating Transfers In	147,000	0	147,000
Net Income (Loss)	61,692	(21,940)	39,752
Net Working Capital	(27,135)	17,914	(9,221)
Total Assets	319,111	19,595	338,706
Total Liabilities	213,151	1,681	214,832
Total Equity	105,960	17,914	123,874
Reserve for Encumbrances	81,269	630	81,899

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 19 - JOINTLY GOVERNED ORGANIZATION

Southeast Ohio Voluntary Education Cooperative (SEOVEC)

Southeast Ohio Voluntary Education Cooperative, is a jointly governed organization created as a regional council of governments pursuant to State statutes. SEOVEC has 35 participants consisting of 26 school districts and 9 county boards of education. SEOVEC provides financial accounting services, educational management information, and cooperative purchasing services to member districts. Each member district pays a fee annually for services provided by SEOVEC. SEOVEC is governed by a governing board which is selected by the member districts. Each district has one vote in all matters, and each member district's control over budgeting and financing of SEOVEC is limited to its voting authority and any representation it may have on the governing board. SEOVEC operates with its own Treasurer. The continued existence of SEOVEC is not dependent on the District's continued participation and no equity interest exists. SEOVEC has no outstanding debt. Financial statements for SEOVEC can be obtained from the Southeast Ohio Voluntary Education Cooperative, 221 North Columbus Road, Athens, Ohio 45701. The District made payments of \$24,313 to SEOVEC in fiscal year 2001.

Tri-County Joint Vocational School

The Tri-County Joint Vocational School is a jointly governed organization providing vocational services to its eight member Districts. The Joint Vocational School is governed by a board of education comprised of eleven members appointed by the participating schools. The board controls the financial activity of the Joint Vocational School and reports to the Ohio Department of Education and the Auditor of State of Ohio. The continued existence of the Joint Vocational School is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2001, the District made no contributions to the Joint Vocational School. Financial information can be obtained from the Tri-County Joint Vocational School, 15676 State Route 691, Nelsonville, Ohio 45764.

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization including over 100 school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of fourteen members. The board members are composed of one superintendent from each county elected by the school districts within that county. The Council provides various inservice for school district administrative personnel; gathers of data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Council is not dependent on the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for the Council. The District made no significant payments for membership in fiscal year 2001.

NOTE 20 - INSURANCE PURCHASING POOL

Ohio School Boards Association Worker's Compensation Group Rating Plan

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

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 21 - CONTINGENCIES

Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2001.

NOTE 22 - SCHOOL FUNDING COURT DECISION

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of December 18, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

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

NOTE 23 - CONTRACTUAL COMMITMENTS

As of June 30, 2001, the District had contractual purchase commitments for construction services for the renovation of the Middle School as follows:

Project	Contract Amount	Amount Expended	Balance at 6/30/01
Middle School Renovation	\$16,400,000	\$12,568,620	\$3,831,380

ATHENS CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 24 - SUBSEQUENT EVENTS

On July 1, 2001 the District discontinued its vision and dental insurance coverage through the common carriers they were using and switched to a self-funded insurance coverage. The third party administrator for dental insurance coverage is CoreSource and for vision insurance coverage is Vision Services Plus (VSP).

On November 2, 2001, Anthem Insurance Companies, Inc., the parent company of Anthem Blue Cross/Blue Shield, converted from a mutual insurance company to a stock insurance company. As a result of this conversion, Anthem Insurance Companies became a stock subsidiary of a new entity called Anthem, Inc., a publicly traded stock company. Since the District holds a group health insurance policy issued by Anthem Insurance Companies, it has both a contractual and membership interest with Anthem Insurance Companies. This conversion entitles the District to receive cash (which is limited as to the amount available) or Anthem stock as compensation for the extinguishment of its membership interest in Anthem Insurance Companies. The proxy materials of Anthem Insurance Companies indicate that the District is entitled to receive approximately 81,623 shares of Anthem stock if it elects to receive stock, or if it elects to receive cash, but received stock instead because not enough cash is available. As of the date of issuance of these financial statements, the District is uncertain as to which option it will exercise or the value of the shares or cash it would be entitled to receive.

**COMBINING, INDIVIDUAL FUND
AND ACCOUNT GROUP STATEMENTS
AND SCHEDULES**

ATHENS CITY SCHOOL DISTRICT

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$9,677,141	\$9,677,141	\$0
Intergovernmental	8,822,779	8,822,779	0
Interest	376,222	376,222	0
Tuition and Fees	1,032,291	1,032,291	0
Rent	3,588	3,588	0
Miscellaneous	89,223	89,223	0
Total Revenues	20,001,244	20,001,244	0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular			
Salaries	6,335,733	6,335,733	0
Fringe Benefits	1,827,944	1,827,944	0
Purchased Services	135,489	135,489	0
Materials and Supplies	145,086	145,086	0
Other	565	565	0
Capital Outlay	87,056	87,056	0
Total Regular Instruction	8,531,873	8,531,873	0
Special			
Salaries	1,638,766	1,638,766	0
Fringe Benefits	507,515	507,515	0
Purchased Services	13,915	13,915	0
Materials and Supplies	40,245	40,245	0
Capital Outlay	15,999	15,999	0
Total Special Instruction	2,216,440	2,216,440	0
Vocational			
Salaries	234,623	234,623	0
Fringe Benefits	63,415	63,415	0
Purchased Services	741	741	0
Materials and Supplies	13,330	13,330	0
Other	901	901	0
Capital Outlay	51,821	51,821	0
Total Vocational Instruction	364,831	364,831	0
Other			
Purchased Services	1,702	1,702	0
Support Services:			
Pupils			
Salaries	602,086	602,086	0
Fringe Benefits	177,330	177,330	0
Purchased Services	30,270	30,270	0
Materials and Supplies	8,148	8,148	0
Other	55,433	55,433	0
Capital Outlay	8,462	8,462	0
Total Pupils	881,729	881,729	0

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Instructional Staff			
Salaries	339,164	339,164	0
Fringe Benefits	185,067	185,067	0
Purchased Services	16,650	16,650	0
Materials and Supplies	12,362	12,362	0
Capital Outlay	359	359	0
Total Instructional Staff	553,602	553,602	0
Board of Education			
Salaries	7,680	7,680	0
Fringe Benefits	111	111	0
Purchased Services	60,387	60,387	0
Materials and Supplies	885	885	0
Other	29,239	29,239	0
Total Board of Education	98,302	98,302	0
Administration			
Salaries	964,350	964,350	0
Fringe Benefits	323,882	323,882	0
Purchased Services	77,367	77,367	0
Materials and Supplies	23,014	23,014	0
Other	10,088	10,088	0
Capital Outlay	1,727	1,727	0
Total Administration	1,400,428	1,400,428	0
Fiscal			
Salaries	188,247	188,247	0
Fringe Benefits	67,733	67,733	0
Purchased Services	28,594	28,594	0
Materials and Supplies	28,425	28,425	0
Other	243,513	243,513	0
Capital Outlay	18,058	18,058	0
Total Fiscal	574,570	574,570	0
Business			
Salaries	83,239	83,239	0
Fringe Benefits	24,091	24,091	0
Purchased Services	1,850	1,850	0
Materials and Supplies	2,424	2,424	0
Other	90	90	0
Capital Outlay	4,419	4,419	0
Total Business	116,113	116,113	0
Operation and Maintenance of Plant			
Salaries	1,008,931	1,008,931	0
Fringe Benefits	337,441	337,441	0
Purchased Services	706,502	706,502	0
Materials and Supplies	450,833	450,833	0
Capital Outlay	32,861	32,861	0
Total Operation and Maintenance of Plant	2,536,568	2,536,568	0

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Pupil Transportation			
Salaries	613,769	613,769	0
Fringe Benefits	318,411	318,411	0
Purchased Services	4,382	4,382	0
Materials and Supplies	197,223	197,223	0
Other	16,848	16,848	0
Capital Outlay	67,390	67,390	0
Total Pupil Transportation	1,218,023	1,218,023	0
Central			
Salaries	48,468	48,468	0
Fringe Benefits	18,591	18,591	0
Purchased Services	25,461	25,461	0
Materials and Supplies	493	493	0
Capital Outlay	1,472	1,472	0
Total Central	94,485	94,485	0
<i>Extracurricular Activities:</i>			
Academic Oriented Activities			
Salaries	51,775	51,775	0
Fringe Benefits	6,025	6,025	0
Total Academic Oriented Extracurricular Activities	57,800	57,800	0
Sport Oriented Activities			
Salaries	163,309	163,309	0
Fringe Benefits	28,135	28,135	0
Purchased Services	8,056	8,056	0
Total Sport Oriented Extracurricular Activities	199,500	199,500	0
Total Extracurricular Activities	257,300	257,300	0
<i>Capital Outlay:</i>			
Other Facilities Acquisition and Construction			
Purchased Services	4,680	4,680	0
Other	15,386	15,386	0
	20,066	20,066	0
<i>Debt Service:</i>			
Principal Retirement	185,000	185,000	0
Interest and Fiscal Charges	34,774	34,774	0
Total Debt Service	219,774	219,774	0
<i>Total Expenditures</i>	19,085,806	19,085,806	0
Excess of Revenues Over (Under) Expenditures	915,438	915,438	0

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Other Financing Sources Uses:</u>			
Proceeds from Sale of Fixed Assets	9,749	9,749	0
Operating Transfers In	15,098	15,098	0
Advances In	334,000	334,000	0
Operating Transfers Out	(147,000)	(147,000)	0
Advances Out	(95,000)	(95,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>116,847</u>	<u>116,847</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,032,285	1,032,285	0
Fund Balance at Beginning of Year	2,690,221	2,690,221	0
Prior Year Encumbrances Appropriated	<u>257,600</u>	<u>257,600</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,980,106</u></u>	<u><u>\$3,980,106</u></u>	<u><u>\$0</u></u>

ATHENS CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than amounts related to expendable trusts or major capital projects) that are legally restricted by law and administrative action to expenditures for specified purposes.

Venture Capital

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

District Managed Student Activities

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

Other Local Support

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

Disadvantaged Pupil Impact Aid

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

Ohio Reads

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

Other State Support

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

Title VI-B

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

ATHENS CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

Title I

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

Other Federal Support

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

ATHENS CITY SCHOOL DISTRICT
Combining Balance Sheet
All Special Revenue Funds
June 30, 2001

	Venture Capital	District Managed Student Activities	Other Local Support	Disadvantaged Pupil Impact Aid
<u>Assets:</u>				
Cash and Cash Equivalents	\$25,630	\$67,580	\$349,627	\$211,849
<i>Receivables:</i>				
Accounts	0	0	529	0
Intergovernmental	0	0	0	0
<i>Total Assets</i>	<u>\$25,630</u>	<u>\$67,580</u>	<u>\$350,156</u>	<u>\$211,849</u>
<u>Liabilities:</u>				
Accounts Payable	\$191	\$1,901	\$16,485	\$0
Contracts Payable	0	0	0	0
Accrued Salaries and Benefits Payable	0	0	0	53,670
Intergovernmental Payable	27	0	14	13,857
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Compensated Absences Payable	0	0	0	3,382
<i>Total Liabilities</i>	<u>218</u>	<u>1,901</u>	<u>16,499</u>	<u>70,909</u>
<u>Fund Equity:</u>				
<i>Fund Balance:</i>				
Reserved for Encumbrances	2,892	13,261	27,145	0
<i>Unreserved:</i>				
Undesignated	22,520	52,418	306,512	140,940
<i>Total Fund Equity</i>	<u>25,412</u>	<u>65,679</u>	<u>333,657</u>	<u>140,940</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$25,630</u>	<u>\$67,580</u>	<u>\$350,156</u>	<u>\$211,849</u>

Ohio Reads	Other State Support	Title VI-B	Title I	Other Federal Support	Totals
\$13,893	\$126,473	\$6,209	\$9,131	\$143,102	\$953,494
0	0	0	0	0	529
0	0	19,182	123,595	439,411	582,188
<u>\$13,893</u>	<u>\$126,473</u>	<u>\$25,391</u>	<u>\$132,726</u>	<u>\$582,513</u>	<u>\$1,536,211</u>
\$4,301	\$23,933	\$0	\$951	\$74,669	\$122,431
0	0	0	0	1,757	1,757
0	6,371	19,811	69,749	14,848	164,449
0	1,648	5,191	18,197	3,551	42,485
0	0	0	0	35,000	35,000
0	0	19,182	123,595	439,411	582,188
0	0	0	0	0	3,382
<u>4,301</u>	<u>31,952</u>	<u>44,184</u>	<u>212,492</u>	<u>569,236</u>	<u>951,692</u>
2,431	5,903	0	2,494	16,086	70,212
<u>7,161</u>	<u>88,618</u>	<u>(18,793)</u>	<u>(82,260)</u>	<u>(2,809)</u>	<u>514,307</u>
<u>9,592</u>	<u>94,521</u>	<u>(18,793)</u>	<u>(79,766)</u>	<u>13,277</u>	<u>584,519</u>
<u>\$13,893</u>	<u>\$126,473</u>	<u>\$25,391</u>	<u>\$132,726</u>	<u>\$582,513</u>	<u>\$1,536,211</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2001

	Venture Capital	District Managed Student Activities	Other Local Support	Disadvantaged Pupil Impact Aid
<u>Revenues:</u>				
Intergovernmental	\$25,000	\$0	\$360,000	\$555,063
Tuition and Fees	0	0	5,312	0
Extracurricular Activities	0	102,140	18,949	0
Gifts and Donations	0	3,403	10,837	0
Miscellaneous	0	0	53,841	0
<i>Total Revenues</i>	<u>25,000</u>	<u>105,543</u>	<u>448,939</u>	<u>555,063</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	25,087	0	107,309	302,478
Special	0	14,002	2,618	0
<i>Support Services:</i>				
Pupils	0	0	10,013	39,653
Instructional Staff	5,227	0	8,000	156,363
Administration	0	0	7,625	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	746	0
Pupil Transportation	0	0	45,318	0
Central	0	0	0	0
Extracurricular Activities	0	68,397	0	0
<i>Total Expenditures</i>	<u>30,314</u>	<u>82,399</u>	<u>181,629</u>	<u>498,494</u>
Excess of Revenues Over (Under) Expenditures	(5,314)	23,144	267,310	56,569
Fund Balances at Beginning of Year	<u>30,726</u>	<u>42,535</u>	<u>66,347</u>	<u>84,371</u>
Fund Balances at End of Year	<u><u>\$25,412</u></u>	<u><u>\$65,679</u></u>	<u><u>\$333,657</u></u>	<u><u>\$140,940</u></u>

<u>Ohio Reads</u>	<u>Other State Support</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>Other Federal Support</u>	<u>Totals</u>
\$6,000	\$202,854	\$162,442	\$693,395	\$504,047	\$2,508,801
0	0	0	0	0	5,312
0	0	0	0	0	121,089
0	0	0	0	0	14,240
0	0	0	0	0	53,841
<u>6,000</u>	<u>202,854</u>	<u>162,442</u>	<u>693,395</u>	<u>504,047</u>	<u>2,703,283</u>
68,384	129,057	0	0	485,769	1,118,084
0	0	126,208	825,424	201	968,453
0	626	69,916	0	301	120,509
0	19,594	6,874	643	101,408	298,109
0	8,615	0	84,291	820	101,351
0	1,410	0	0	0	1,410
0	0	0	0	0	746
0	200	0	0	0	45,518
0	21,000	0	0	0	21,000
0	0	0	0	0	68,397
<u>68,384</u>	<u>180,502</u>	<u>202,998</u>	<u>910,358</u>	<u>588,499</u>	<u>2,743,577</u>
(62,384)	22,352	(40,556)	(216,963)	(84,452)	(40,294)
<u>71,976</u>	<u>72,169</u>	<u>21,763</u>	<u>137,197</u>	<u>97,729</u>	<u>624,813</u>
<u>\$9,592</u>	<u>\$94,521</u>	<u>(\$18,793)</u>	<u>(\$79,766)</u>	<u>\$13,277</u>	<u>\$584,519</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Venture Capital Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$25,000	\$25,000	\$0
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular			
Salaries	1,790	1,790	0
Fringe Benefits	269	269	0
Purchased Services	4,674	4,674	0
Materials and Supplies	16,834	16,834	0
Capital Outlay	5,473	5,473	0
Total Regular Instruction	29,040	29,040	0
<i>Support Services:</i>			
Instructional Staff			
Purchased Services	4,261	4,261	0
Materials and Supplies	1,147	1,147	0
Capital Outlay	277	277	0
Total Instructional Staff	5,685	5,685	0
<i>Total Expenditures</i>	34,725	34,725	0
Excess of Revenues Over (Under) Expenditures	(9,725)	(9,725)	0
Fund Balances at Beginning of Year	19,978	19,978	0
Prior Year Encumbrances Appropriated	12,380	12,380	0
Fund Balance at End of Year	\$22,633	\$22,633	\$0

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
District Managed Student Activities Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Extracurricular Activities	\$102,140	\$102,140	\$0
Gifts and Donations	3,403	3,403	0
<i>Total Revenues</i>	<u>105,543</u>	<u>105,543</u>	<u>0</u>
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Special			
Purchased Services	14,052	14,052	0
<i>Extracurricular Activities:</i>			
Academic Oriented Activities			
Purchased Services	3,689	3,689	0
Materials and Supplies	11,659	9,263	2,396
Other	322	322	0
Capital Outlay	250	250	0
Total Academic Oriented Extracurricular Activities	<u>15,920</u>	<u>13,524</u>	<u>2,396</u>
Sport Oriented Activities			
Purchased Services	37,257	29,443	7,814
Materials and Supplies	25,582	25,563	19
Other	627	602	25
Capital Outlay	21,866	21,000	866
Total Sport Oriented Extracurricular Activities	<u>85,332</u>	<u>76,608</u>	<u>8,724</u>
School & Public Service Co-Curricular Activities			
Materials and Supplies	183	183	0
Total Extracurricular Activities	<u>101,435</u>	<u>90,315</u>	<u>11,120</u>
<i>Total Expenditures</i>	<u>115,487</u>	<u>104,367</u>	<u>11,120</u>
Excess of Revenues Over (Under) Expenditures	(9,944)	1,176	11,120
Fund Balances at Beginning of Year	33,760	33,760	0
Prior Year Encumbrances Appropriated	<u>17,481</u>	<u>17,481</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$41,297</u></u>	<u><u>\$52,417</u></u>	<u><u>\$11,120</u></u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other Local Support Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$360,000	\$360,000	\$0
Tuition and Fees	5,312	5,312	0
Extracurricular Activities	18,949	18,949	0
Gifts and Donations	10,837	10,837	0
Miscellaneous	53,312	53,312	0
<i>Total Revenues</i>	448,410	448,410	0
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular			
Salaries	210	210	0
Fringe Benefits	32	32	0
Purchased Services	14,159	14,159	0
Materials and Supplies	95,875	95,875	0
Other	11,470	11,470	0
Capital Outlay	6,083	6,083	0
Total Regular Instruction	127,829	127,829	0
Special			
Materials and Supplies	3,999	3,999	0
<i>Support Services:</i>			
Pupils			
Purchased Services	4,833	4,833	0
Materials and Supplies	4,683	4,683	0
Other	1,200	1,200	0
Capital Outlay	828	828	0
Total Pupils	11,544	11,544	0
Instructional Staff			
Materials and Supplies	8,000	8,000	0
Administration			
Salaries	2,871	2,871	0
Capital Outlay	5,058	5,058	0
Total Administration	7,929	7,929	0
Operation and Maintenance of Plant			
Salaries	5,535	5,535	0
Pupil Transportation			
Purchased Services	45,318	45,318	0
<i>Total Expenditures</i>	210,154	210,154	0

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other Local Support Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues Over (Under) Expenditures	238,256	238,256	0
Fund Balances at Beginning of Year	52,307	52,307	0
Prior Year Encumbrances Appropriated	15,445	15,445	0
Fund Balance at End of Year	\$306,008	\$306,008	\$0

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Disadvantaged Pupil Impact Aid Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$555,063	\$555,063	\$0
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular			
Salaries	219,582	219,461	121
Fringe Benefits	71,154	63,533	7,621
Total Regular Instruction	290,736	282,994	7,742
<i>Support Services:</i>			
Pupils			
Salaries	29,173	28,971	202
Fringe Benefits	12,122	10,534	1,588
Total Pupils	41,295	39,505	1,790
Instructional Staff			
Salaries	108,654	108,629	25
Fringe Benefits	40,753	39,493	1,260
Total Instructional Staff	149,407	148,122	1,285
<i>Total Expenditures</i>	481,438	470,621	10,817
Excess of Revenues Over (Under) Expenditures	73,625	84,442	10,817
Fund Balances at Beginning of Year	127,407	127,407	0
Fund Balance at End of Year	\$201,032	\$211,849	\$10,817

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Ohio Reads Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$60,000	\$66,000	\$6,000
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular			
Salaries	4,822	4,000	822
Fringe Benefits	869	929	(60)
Purchased Services	53,613	53,224	389
Materials and Supplies	4,000	3,990	10
Capital Outlay	8,724	8,724	0
Total Regular Instruction	72,028	70,867	1,161
<i>Total Expenditures</i>	72,028	70,867	1,161
Excess of Revenues Over (Under) Expenditures	(12,028)	(4,867)	7,161
Fund Balances at Beginning of Year	12,028	12,028	0
Fund Balance at End of Year	\$0	\$7,161	\$7,161

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other State Support Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$179,536	\$202,855	\$23,319
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular			
Salaries	70,319	62,337	7,982
Fringe Benefits	19,179	21,142	(1,963)
Purchased Services	10,930	10,733	197
Materials and Supplies	9,572	14,273	(4,701)
Other	3,000	0	3,000
Capital Outlay	25,692	26,432	(740)
Total Regular Instruction	138,692	134,917	3,775
<i>Support Services:</i>			
Pupils			
Purchased Services	715	626	89
Materials and Supplies	766	0	766
Total Pupils	1,481	626	855
Instructional Staff			
Salaries	9,088	3,929	5,159
Fringe Benefits	8,478	5,112	3,366
Purchased Services	18,065	8,197	9,868
Materials and Supplies	4,327	2,474	1,853
Total Instructional Staff	39,958	19,712	20,246
Administration			
Salaries	8,993	6,647	2,346
Fringe Benefits	2,265	1,884	381
Purchased Services	567	567	0
Materials and Supplies	703	701	2
Capital Outlay	660	610	50
Total Administration	13,188	10,409	2,779
Fiscal			
Materials and Supplies	2,631	2,631	0
Pupil Transportation			
Purchased Services	200	200	0
Central			
Purchased Services	23,745	0	23,745
Total Expenditures	219,895	168,495	51,400

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other State Support Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues Over (Under) Expenditures	(40,359)	34,360	74,719
Fund Balances at Beginning of Year	74,507	74,507	0
Prior Year Encumbrances Appropriated	8,770	8,770	0
Fund Balance at End of Year	\$42,918	\$117,637	\$74,719

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Title VI-B Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$183,671	\$162,442	(\$21,229)
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Special			
Salaries	92,000	91,272	728
Fringe Benefits	20,000	25,871	(5,871)
Materials and Supplies	4,652	1,248	3,404
Capital Outlay	29	0	29
Total Special Instruction	116,681	118,391	(1,710)
<i>Support Services:</i>			
Pupils			
Salaries	38,000	55,006	(17,006)
Fringe Benefits	7,300	13,366	(6,066)
Total Pupils	45,300	68,372	(23,072)
Instructional Staff			
Salaries	5,000	5,974	(974)
Fringe Benefits	2,700	2,355	345
Total Instructional Staff	7,700	8,329	(629)
<i>Total Expenditures</i>	169,681	195,092	(25,411)
Excess of Revenues Over (Under) Expenditures	13,990	(32,650)	(46,640)
Fund Balances at Beginning of Year	38,554	38,554	0
Prior Year Encumbrances Appropriated	304	304	0
Fund Balance at End of Year	\$52,848	\$6,208	(\$46,640)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Title I Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$906,990	\$783,395	(\$123,595)
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Special			
Salaries	459,467	352,800	106,667
Fringe Benefits	68,062	82,352	(14,290)
Purchased Services	18,502	11,335	7,167
Materials and Supplies	47,430	40,078	7,352
Capital Outlay	321,571	313,772	7,799
Total Special Instruction	915,032	800,337	114,695
<i>Support Services:</i>			
Instructional Staff			
Salaries	14,444	291	14,153
Fringe Benefits	5,920	0	5,920
Purchased Services	2,000	189	1,811
Materials and Supplies	0	170	(170)
Total Instructional Staff	22,364	650	21,714
Administration			
Salaries	56,508	59,488	(2,980)
Fringe Benefits	1,036	15,439	(14,403)
Purchased Services	5,221	4,432	789
Materials and Supplies	9,351	8,593	758
Capital Outlay	12,186	12,186	0
Total Administration	84,302	100,138	(15,836)
<i>Total Expenditures</i>	1,021,698	901,125	120,573
Excess of Revenues Over (Under) Expenditures	(114,708)	(117,730)	(3,022)
Fund Balances at Beginning of Year	122,268	122,268	0
Prior Year Encumbrances Appropriated	1,149	1,149	0
Fund Balance at End of Year	\$8,709	\$5,687	(\$3,022)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other Federal Support Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$949,397	\$504,047	(\$445,350)
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular			
Salaries	210,026	102,594	107,432
Fringe Benefits	55,150	42,864	12,286
Purchased Services	336,787	143,193	193,594
Materials and Supplies	208,763	189,795	18,968
Capital Outlay	16,800	13,678	3,122
Total Regular Instruction	827,526	492,124	335,402
Special			
Purchased Services	5,000	0	5,000
Materials and Supplies	3,901	0	3,901
Capital Outlay	10,000	0	10,000
Total Special Instruction	18,901	0	18,901
<i>Support Services:</i>			
Pupils			
Materials and Supplies	301	301	0
Instructional Staff			
Salaries	38,286	23,287	14,999
Fringe Benefits	20,574	8,683	11,891
Purchased Services	86,167	65,025	21,142
Materials and Supplies	28,546	12,476	16,070
Capital Outlay	6,136	0	6,136
Total Instructional Staff	179,709	109,471	70,238
Administration			
Purchased Services	15,407	371	15,036
Materials and Supplies	6,000	449	5,551
Total Administration	21,407	820	20,587
Fiscal			
Materials and Supplies	1,000	0	1,000
Central			
Salaries	2,910	158	2,752
Purchased Services	51	0	51
Materials and Supplies	162	64	98
Capital Outlay	920	931	(11)
Total Central	4,043	1,153	2,890

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other Federal Support Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Non-Instructional Services:</i>			
Community Services			
Purchased Services	383	0	383
<i>Total Expenditures</i>	<u>1,053,270</u>	<u>603,869</u>	<u>449,401</u>
Excess of Revenues Over (Under) Expenditures	(103,873)	(99,822)	4,051
<u>Other Financing Sources (Uses):</u>			
Advances In	0	35,000	(35,000)
Advances Out	(506,000)	(256,000)	250,000
<i>Total Other Financing Sources (Uses)</i>	<u>(506,000)</u>	<u>(221,000)</u>	<u>215,000</u>
Excess of Revenue and Other Financing Sources over Expenditures and Other Financing Uses	(609,873)	(320,822)	219,051
Fund Balances at Beginning of Year	114,296	114,296	0
Prior Year Encumbrances Appropriated	<u>257,932</u>	<u>257,932</u>	<u>0</u>
Fund Balance at End of Year	<u>(\$237,645)</u>	<u>\$51,406</u>	<u>\$219,051</u>

ATHENS CITY SCHOOL DISTRICT

DEBT SERVICE FUND

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

Bond Retirement

To account for property taxes collected for the payment of general obligation bonded debt. Since this is the only debt service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no individual fund information is presented.

ATHENS CITY SCHOOL DISTRICT

CAPITAL PROJECTS FUNDS

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

Permanent Improvement

To account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary and trust funds.

Building

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

SchoolNet

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

ATHENS CITY SCHOOL DISTRICT
Combining Balance Sheet
All Capital Projects Funds
June 30, 2001

	Permanent Improvement	Building	SchoolNet	Totals
<u>Assets:</u>				
Cash and Cash Equivalents	\$1,956,441	\$3,831,380	\$17,500	\$5,805,321
<i>Receivables:</i>				
Taxes	915,289	0	0	915,289
Intergovernmental	86,485	0	0	86,485
Accrued Interest	0	64,435	0	64,435
<i>Total Assets and Other Debits</i>	<u>\$2,958,215</u>	<u>\$3,895,815</u>	<u>\$17,500</u>	<u>\$6,871,530</u>
<u>Liabilities:</u>				
Accounts Payable	\$27,809	\$0	\$0	\$27,809
Contracts Payable	0	65,000	0	65,000
Deferred Revenue	969,730	0	0	969,730
<i>Total Liabilities</i>	<u>997,539</u>	<u>65,000</u>	<u>0</u>	<u>1,062,539</u>
<u>Fund Equity:</u>				
<i>Fund Balance:</i>				
Reserved for Encumbrances	17,975	3,681,453	0	3,699,428
Reserved for Property Taxes	32,044	0	0	32,044
<i>Unreserved:</i>				
Undesignated	1,910,657	149,362	17,500	2,077,519
<i>Total Fund Equity</i>	<u>1,960,676</u>	<u>3,830,815</u>	<u>17,500</u>	<u>5,808,991</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$2,958,215</u>	<u>\$3,895,815</u>	<u>\$17,500</u>	<u>\$6,871,530</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2001

	Permanent Improvement	Building	SchoolNet	Totals
<u>Revenues:</u>				
Taxes	\$709,116	\$0	\$0	\$709,116
Intergovernmental	77,842	0	140,521	218,363
Interest	975,111	64,435	0	1,039,546
Miscellaneous	4,599	0	0	4,599
<i>Total Revenues</i>	<u>1,766,668</u>	<u>64,435</u>	<u>140,521</u>	<u>1,971,624</u>
<u>Expenditures:</u>				
Capital Outlay	850,232	10,930,001	125,660	11,905,893
<i>Debt Service:</i>				
Interest and Fiscal Charges	0	65,024	0	65,024
<i>Total Expenditures</i>	<u>850,232</u>	<u>10,995,025</u>	<u>125,660</u>	<u>11,970,917</u>
Excess of Revenues Over (Under) Expenditures	916,436	(10,930,590)	14,861	(9,999,293)
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	58,531	416,912	0	475,443
Operating Transfers Out	0	(58,531)	0	(58,531)
<i>Total Other Financing Sources (Uses)</i>	<u>58,531</u>	<u>358,381</u>	<u>0</u>	<u>416,912</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	974,967	(10,572,209)	14,861	(9,582,381)
Fund Balances at Beginning of Year	<u>985,709</u>	<u>14,403,024</u>	<u>2,639</u>	<u>15,391,372</u>
Fund Balances at End of Year	<u><u>\$1,960,676</u></u>	<u><u>\$3,830,815</u></u>	<u><u>\$17,500</u></u>	<u><u>\$5,808,991</u></u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$712,502	\$712,502	\$0
Intergovernmental	77,842	77,842	0
Interest	1,192,427	1,192,427	0
Miscellaneous	4,599	4,599	0
<i>Total Revenues</i>	<u>1,987,370</u>	<u>1,987,370</u>	<u>0</u>
<u>Expenditures:</u>			
Capital Outlay	<u>887,220</u>	<u>887,220</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	1,100,150	1,100,150	0
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	<u>58,531</u>	<u>58,531</u>	<u>0</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,158,681	1,158,681	0
Fund Balance at Beginning of Year	477,415	477,415	0
Prior Year Encumbrances Appropriated	<u>277,990</u>	<u>277,990</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,914,086</u></u>	<u><u>\$1,914,086</u></u>	<u><u>\$0</u></u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Building Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay	15,170,549	15,170,549	0
<i>Debt Service:</i>			
Principal Retirement	16,400,000	16,400,000	0
Interest and Fiscal Charges	416,912	416,912	0
Total Expenditures	<u>31,987,461</u>	<u>31,987,461</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(31,987,461)	(31,987,461)	0
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	416,912	416,912	0
Operating Transfers Out	(58,531)	(58,531)	0
Total Other Financing Sources (Uses)	<u>358,381</u>	<u>358,381</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(31,629,080)	(31,629,080)	0
Fund Balance at Beginning of Year	30,278,754	30,278,754	0
Prior Year Encumbrances Appropriated	<u>1,435,252</u>	<u>1,435,252</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$84,926</u></u>	<u><u>\$84,926</u></u>	<u><u>\$0</u></u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
SchoolNet Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$123,021	\$140,521	\$17,500
<u>Expenditures:</u>			
Capital Outlay	127,175	127,175	0
Excess of Revenues Over (Under) Expenditures	(4,154)	13,346	17,500
Fund Balance at Beginning of Year	205	205	0
Prior Year Encumbrances Appropriated	3,949	3,949	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$17,500</u>	<u>\$17,500</u>

ATHENS CITY SCHOOL DISTRICT

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges and/or sales.

Food Service

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

Uniform School Supplies

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

ATHENS CITY SCHOOL DISTRICT
Combining Balance Sheet
All Enterprise Funds
June 30, 2001

	Food Service	Uniform School Supplies	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$81,268	\$19,595	\$100,863
<i>Receivables:</i>			
Intergovernmental	75,906	0	75,906
Inventory Held for Resale	16,421	0	16,421
Fixed Assets (Net of Accumulated Depreciation)	145,516	0	145,516
<i>Total Assets</i>	<u>\$319,111</u>	<u>\$19,595</u>	<u>\$338,706</u>
<u>Liabilities:</u>			
Accounts Payable	\$61	\$1,681	\$1,742
Contracts Payable	81,778	0	81,778
Accrued Salaries and Benefits Payable	27,588	0	27,588
Intergovernmental Payable	30,314	0	30,314
Interfund Payable	60,000	0	60,000
Deferred Revenue	989	0	989
Compensated Absences Payable	12,421	0	12,421
<i>Total Liabilities</i>	<u>213,151</u>	<u>1,681</u>	<u>214,832</u>
<u>Fund Equity:</u>			
Contributed Capital	343,044	0	343,044
<i>Retained Earnings:</i>			
Unreserved	(237,084)	17,914	(219,170)
<i>Total Fund Equity</i>	<u>105,960</u>	<u>17,914</u>	<u>123,874</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$319,111</u>	<u>\$19,595</u>	<u>\$338,706</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues,
Expenses and Changes in Fund Equity
All Enterprise Funds
For the Fiscal Year Ended June 30, 2001

	Food Service	Uniform School Supplies	Totals
<u>Operating Revenues:</u>			
Sales	\$294,271	\$6,494	\$300,765
Other Revenues	40,556	0	40,556
<i>Total Operating Revenues</i>	<u>334,827</u>	<u>6,494</u>	<u>341,321</u>
<u>Operating Expenses:</u>			
Salaries	270,503	0	270,503
Fringe Benefits	132,945	0	132,945
Purchased Services	127,368	0	127,368
Material and Supplies	14,775	86,731	101,506
Cost of Sales	263,504	0	263,504
Depreciation	13,174	0	13,174
Other Expenses	372	0	372
<i>Total Operating Expenses</i>	<u>822,641</u>	<u>86,731</u>	<u>909,372</u>
Operating Income (Loss)	(487,814)	(80,237)	(568,051)
<u>Nonoperating Revenues (Expenses):</u>			
Federal Donated Commodities	24,196	0	24,196
Federal and State Subsidies	352,116	58,297	410,413
Other Nonoperating Revenues	26,194	0	26,194
<i>Total Nonoperating Revenues (Expenses)</i>	<u>402,506</u>	<u>58,297</u>	<u>460,803</u>
Income (Loss) Before Operating Transfers	(85,308)	(21,940)	(107,248)
Operating Transfers In	147,000	0	147,000
Net Income (Loss)	61,692	(21,940)	39,752
Retained Earnings at Beginning of Year	(298,776)	39,854	(258,922)
Retained Earnings at End of Year	<u>(237,084)</u>	<u>17,914</u>	<u>(219,170)</u>
Contributed Capital at End of Year	<u>343,044</u>	<u>0</u>	<u>343,044</u>
Total Fund Equity at End of Year	<u><u>\$105,960</u></u>	<u><u>\$17,914</u></u>	<u><u>\$123,874</u></u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Equity - Budget and Actual (Budget Basis)
Food Service Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$294,271	\$294,271	\$0
Other Revenues	40,556	40,556	0
Federal and State Subsidies	305,715	305,715	0
<i>Total Revenues</i>	<u>640,542</u>	<u>640,542</u>	<u>0</u>
<u>Expenses:</u>			
Salaries	263,525	263,525	0
Fringe Benefits	142,977	142,977	0
Purchased Services	371,001	371,001	0
Materials and Supplies	13,146	13,146	0
Other Expenses	372	372	0
Capital Outlay	11,894	11,894	0
<i>Total Expenses</i>	<u>802,915</u>	<u>802,915</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses	(162,373)	(162,373)	0
<u>Other Financing Sources (Uses):</u>			
Advances In	60,000	60,000	0
Operating Transfers In	147,000	147,000	0
Other Financing Sources	26,194	26,194	0
Advances Out	(78,000)	(78,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>155,194</u>	<u>155,194</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenses and Other Financing Uses	(7,179)	(7,179)	0
Fund Equity at Beginning of Year	4,870	4,870	0
Prior Year Encumbrances Appropriated	<u>2,309</u>	<u>2,309</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Equity - Budget and Actual (Budget Basis)
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$64,791	\$64,791	\$0
<u>Expenses:</u>			
Materials and Supplies	92,246	92,246	0
Excess of Revenues Over (Under) Expenses	(27,455)	(27,455)	0
Fund Equity at Beginning of Year	29,190	29,190	0
Prior Year Encumbrances Appropriated	17,230	17,230	0
Fund Equity at End of Year	<u>\$18,965</u>	<u>\$18,965</u>	<u>\$0</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 2001

	Food Service	Uniform School Supplies	Totals
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Sales	\$294,271	\$6,494	\$300,765
Cash Payments for Employees Services and Benefits	(406,502)	0	(406,502)
Cash Payments to Suppliers for Goods and Services	(332,382)	(91,617)	(423,999)
Other Operating Revenues	40,556	0	40,556
Other Operating Expenses	(372)	0	(372)
Other Nonoperating Revenues	26,194	0	26,194
<i>Net Cash from Operating Activities</i>	(378,235)	(85,123)	(463,358)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Transfers In	147,000	0	147,000
Advances In from Other Funds	60,000	0	60,000
Advances Out to Other Funds	(78,000)	0	(78,000)
Operating Grants Received	305,715	58,297	364,012
<i>Net Cash from Noncapital Financing Activities</i>	434,715	58,297	493,012
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Cash Payments for Capital Acquisitions	(11,894)	0	(11,894)
<i>Net Cash from Capital and Related Financing Activities</i>	(11,894)	0	(11,894)
Net Increase (Decrease) in Cash and Cash Equivalents	44,586	(26,826)	17,760
Cash and Cash Equivalents at Beginning of Year	36,682	46,421	83,103
Cash and Cash Equivalents at End of Year	\$81,268	\$19,595	\$100,863
<u>Reconciliation of Operating Income (Loss)</u>			
<u>to Net Cash from Operating Activities:</u>			
Operating Income (Loss)	(\$487,814)	(\$80,237)	(\$568,051)
<u>Adjustments to Reconcile Operating Income (Loss)</u>			
<u>to Net Cash from Operating Activities:</u>			
Depreciation	13,174	0	13,174
Donated Commodities Used During Year	24,196	0	24,196
Nonoperating Cash Receipts	26,194	0	26,194
<u>Changes in Assets and Liabilities:</u>			
(Increase) Decrease in Materials and Supplies Inventory	2,064	0	2,064
(Increase) Decrease in Inventory Held for Resale	(1,958)	0	(1,958)
Increase (Decrease) in Accounts Payable	(312)	(4,886)	(5,198)
Increase (Decrease) in Contracts Payable	52,273	0	52,273
Increase (Decrease) in Accrued Salaries and Benefits Payable	1,561	0	1,561
Increase (Decrease) in Intergovernmental Payable	(2,550)	0	(2,550)
Increase (Decrease) in Compensated Absences Payable	(2,065)	0	(2,065)
Increase (Decrease) in Deferred Revenue	(2,998)	0	(2,998)
Total Adjustments	109,579	(4,886)	104,693
Net Cash from Operating Activities	(\$378,235)	(\$85,123)	(\$463,358)

ATHENS CITY SCHOOL DISTRICT

INTERNAL SERVICE FUND

The Internal Service Fund is used to account for the financing of services provided by one department to other departments of the District on a cost-reimbursement basis.

Employee Benefits Self-Insurance

A fund used to account for health and prescription drug self-insurance revenues and expenses. Since this is the only internal service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no individual fund information is presented.

ATHENS CITY SCHOOL DISTRICT

FIDUCIARY FUNDS

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

EXPENDABLE TRUST FUND

Local Trusts

To account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental and/or other funds. This fund includes: Betty Fuller Foundation Trust, Pi Beta Phi Trust, Morrison Computer Lab Trust, Gretchen Gallucci Trust, and Unclaimed Monies.

AGENCY FUND

Student Managed Activities

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

ATHENS CITY SCHOOL DISTRICT
Combining Balance Sheet
All Fiduciary Funds
June 30, 2001

	Expendable Trust	Agency Student Managed Activities	Totals
	Local Trusts		
<u>Assets:</u>			
Cash and Cash Equivalents	\$14,902	\$58,237	\$73,139
<i>Total Assets</i>	<u>\$14,902</u>	<u>\$58,237</u>	<u>\$73,139</u>
<u>Liabilities and Fund Equity:</u>			
<u>Liabilities:</u>			
Undistributed Monies	\$14,102	\$0	\$14,102
Due to Students	0	58,237	58,237
<i>Total Liabilities</i>	<u>14,102</u>	<u>58,237</u>	<u>72,339</u>
<u>Fund Equity:</u>			
Unreserved:			
Undesignated	800	0	800
<i>Total Fund Equity</i>	<u>800</u>	<u>0</u>	<u>800</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$14,902</u>	<u>\$58,237</u>	<u>\$73,139</u>

ATHENS CITY SCHOOL DISTRICT
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2001

	<u>Balance at July 1, 2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2001</u>
<u>Student Managed Activities</u>				
<u>Assets:</u>				
Cash and Cash Equivalents	<u>\$74,362</u>	<u>\$110,851</u>	<u>\$126,976</u>	<u>\$58,237</u>
<u>Liabilities:</u>				
Due to Students	<u>\$74,362</u>	<u>\$110,851</u>	<u>\$126,976</u>	<u>\$58,237</u>

ATHENS CITY SCHOOL DISTRICT

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the proprietary funds.

ATHENS CITY SCHOOL DISTRICT
Schedule of General Fixed Assets - By Function and Activity
June 30, 2001

	Land	Land Improvements	Buildings and Improvements	Furniture, Fixtures, and Equipment	Vehicles	Construction in Progress	Total
Instruction:							
Regular	\$0	\$0	\$18,767,448	\$3,592,399	\$0	\$12,568,620	\$34,928,467
Special	0	0	0	234,059	0	0	234,059
Vocational	0	0	0	37,941	0	0	37,941
Total Instruction	0	0	18,767,448	3,864,399	0	12,568,620	35,200,467
Support Services:							
Pupils	0	0	0	35,480	0	0	35,480
Instructional Staff	0	0	0	323,277	0	0	323,277
Administrative	2,912,110	49,240	618,344	508,159	0	0	4,087,853
Fiscal Services	0	0	0	77,972	0	0	77,972
Business	0	0	0	4,913	0	0	4,913
Operation and Maintenance of Plant	0	0	39,445	292,444	0	0	331,889
Pupil Transportation Central	0	0	50,781	115,692	2,017,415	0	2,183,888
	0	0	0	3,395	0	0	3,395
Total Support Services	2,912,110	49,240	708,570	1,361,332	2,017,415	0	7,048,667
Non-Instructional Services	0	0	0	5,495	0	0	5,495
Extracurricular Activities	229,558	0	195,292	6,971	0	0	431,821
Total General Fixed Assets	<u>\$3,141,668</u>	<u>\$49,240</u>	<u>\$19,671,310</u>	<u>\$5,238,197</u>	<u>\$2,017,415</u>	<u>\$12,568,620</u>	<u>\$42,686,450</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Changes in General Fixed Assets - By Function and Activity
For the Fiscal Year Ended June 30, 2001

	Balance at July 1, 2000	Transfers/ Additions	Transfers/ Deletions	Balance at June 30, 2001
Instruction:				
Regular	\$22,295,837	\$12,734,083	\$101,453	\$34,928,467
Special	234,059	0	0	234,059
Vocational	34,414	3,527	0	37,941
Total Instruction	22,564,310	12,737,610	101,453	35,200,467
Support Services:				
Pupils	24,541	10,939	0	35,480
Instructional Staff	323,277	0	0	323,277
Administrative	4,087,853	0	0	4,087,853
Fiscal Services	63,097	14,875	0	77,972
Business	4,913	0	0	4,913
Operation and Maintenance of Plant	314,479	17,410	0	331,889
Pupil Transportation	2,015,098	168,790	0	2,183,888
Central	3,395	0	0	3,395
Total Support Services	6,836,653	212,014	0	7,048,667
Non-Instructional Services	5,495	0	0	5,495
Extracurricular Activities	431,821	0	0	431,821
Total General Fixed Assets	<u>\$29,838,279</u>	<u>\$12,949,624</u>	<u>\$101,453</u>	<u>\$42,686,450</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of General Fixed Assets - By Source
June 30, 2001

General Fixed Assets:

Land	\$3,141,668
Land Improvements	49,240
Buildings and Improvements	19,671,310
Furniture, Fixtures, and Equipment	5,238,197
Vehicles	2,017,415
Construction in Progress	<u>12,568,620</u>
Total General Fixed Assets	<u><u>\$42,686,450</u></u>

Investment in General Fixed Assets:

<i>General Fund</i>	\$28,493,313
<i>Special Revenue Funds:</i>	
Venture Capital	15,545
District Managed Student Activities	11,586
Other Local Support	2,441
Disadvantaged Pupil Impact Aid	6,034
Ohio Reads	21,317
Other State Support	20,077
Title IV-B	3,524
Title I	63,554
Other Federal Support	54,298
<i>Capital Projects Funds:</i>	
Permanent Improvements	834,047
Building	13,075,002
SchoolNet	81,752
<i>Fiduciary Fund:</i>	
Student Managed Activities	<u>3,960</u>
Total Investment in General Fixed Assets	<u><u>\$42,686,450</u></u>

ATHENS CITY SCHOOL DISTRICT



STATISTICAL SECTION

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

	2001 (b)	2000 (b)	1999 (b)	1998 (b)	1997 (b)	1996 (b)	1995 (b)	1994 (a)	1993 (a)	1992 (a)
Taxes	\$ 9,641,433	\$ 9,388,093	\$ 8,776,586	\$ 8,821,942	\$ 8,529,419	\$ 8,096,007	\$ 7,673,833	\$ 6,931,567	\$ 8,097,434	\$ 6,384,955
Intergovernmental	8,852,284	7,850,711	8,993,459	8,538,953	8,230,653	8,055,048	6,954,822	7,039,052	6,542,797	6,098,818
Interest	376,250	304,611	185,642	176,694	97,832	86,711	139,568	103,006	54,817	99,374
Tuition and Fees	1,032,291	867,114	268,416	16,053	92,309	72,986	12,877	-	-	-
Rent	3,588	7,585	17,285	13,077	11,190	12,404	-	30,440	25,508	36,078
Extracurricular Activities	-	-	-	-	-	-	-	7,735	14,175	15,375
Gifts and Donations	-	-	-	-	13,374	-	-	-	-	-
Miscellaneous	89,370	112,161	80,934	157,037	86,208	72,306	19,100	28,785	16,008	7,928
Total Revenue	\$ 19,995,216	\$ 18,530,275	\$ 18,322,322	\$ 17,723,756	\$ 17,060,985	\$ 16,395,462	\$ 14,800,200	\$ 14,140,585	\$ 14,750,739	\$ 12,642,528

Source: Athens City School District Financial Records

(a) - Cash Basis Data

(b) - GAAP Basis Data

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

	2001 (b)	2000 (b)	1999 (b)	1998 (b)	1997 (b)	1996 (b)	1995 (b)	1994 (a)	1993 (a)	1992 (a)
Instruction										
Regular	\$ 8,688,076	\$ 7,799,876	\$ 8,655,140	\$ 8,175,580	\$ 7,706,126	\$ 7,387,102	\$ 6,846,039	\$ 6,950,321	\$ 6,776,716	\$ 6,313,103
Special	2,262,488	2,057,624	1,916,816	1,688,144	1,713,080	1,569,875	1,471,172	1,446,743	1,362,578	1,231,469
Vocational	358,621	313,166	325,737	314,354	343,767	383,590	359,201	377,696	363,414	355,142
Other Instruction	1,702	13,103	20,171	49,489	32,524	40,417	77,248	34,581	20,489	18,213
Total Instruction	11,310,887	10,183,769	10,917,864	10,227,567	9,795,497	9,380,984	8,753,660	8,809,341	8,523,197	7,917,927
Support Services										
Pupils	906,736	770,765	904,312	781,655	720,269	647,993	572,980	651,931	584,461	555,555
Instructional Staff	562,925	459,858	447,097	381,835	371,624	289,812	275,949	206,197	190,036	135,112
Board of Education	97,760	51,116	67,149	93,328	42,488	50,676	44,736	148,307	53,303	53,445
Administration	1,401,083	1,222,476	1,402,705	1,259,443	1,145,481	1,097,475	1,035,675	1,113,268	1,025,438	952,544
Fiscal	573,290	529,596	535,755	485,491	464,497	454,062	451,789	423,811	394,604	365,382
Business	110,840	105,617	876	-	-	-	-	-	-	-
Operation & Maintenance of Plant	2,402,066	2,272,982	2,117,342	2,077,186	2,067,734	1,974,654	1,847,520	1,661,508	1,533,521	1,616,718
Pupil Transportation	1,207,507	1,281,289	1,292,922	1,117,317	1,104,413	1,105,605	990,995	993,578	963,976	867,377
Central	109,865	69,999	6,386	11,500	-	-	-	-	-	-
Total Support Services	7,372,072	6,763,698	6,774,544	6,207,755	5,916,506	5,620,277	5,219,644	5,198,600	4,745,339	4,546,133
Extracurricular Activities	258,538	253,906	283,279	234,241	210,398	210,387	179,721	122,020	184,022	146,887
Capital Outlay	17,966	2,323	5,483	6,662	4,819	9,570	3,210	16,036	12,001	12,658
Debt Services	219,774	218,685	217,099	192,051	347,605	317,665	240,279	1,328,517	-	-
Total Expenditures and Other Uses	\$ 19,179,237	\$ 17,422,381	\$ 18,198,269	\$ 16,868,276	\$ 16,274,825	\$ 15,538,883	\$ 14,396,514	\$ 15,474,514	\$ 13,464,559	\$ 12,623,605

Source: Athens City School District Financial Records

(a) - Cash Basis Data

(b) - GAAP Basis Data

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

Collection Years (1)	Current Tax Levied (2)	Current Taxes Collected (2)	Percent of Current Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections to Taxes Levied	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Current Levied
1991	\$ 11,676,949	\$ 6,615,883	56.66%	\$ 165,556	\$ 6,781,439	58.08%	\$ 405,599	3.47%
1992	12,089,936	11,731,229	97.03%	405,187	12,136,416	100.38%	659,590	5.46%
1993	12,558,561	12,209,584	97.22%	323,139	12,532,723	99.79%	603,292	4.80%
1994	12,460,518	12,201,801	97.92%	448,172	12,649,973	101.52%	674,346	5.41%
1995	14,607,545	14,208,000	97.26%	317,508	14,525,508	99.44%	477,757	3.27%
1996	14,955,669	14,384,076	96.18%	336,762	14,720,838	98.43%	483,174	3.23%
1997	14,246,134	13,646,032	95.79%	466,809	14,112,841	99.06%	749,591	5.26%
1998	16,065,762	15,450,903	96.17%	827,621	16,278,524	101.32%	1,009,244	6.28%
1999	16,602,944	16,019,273	96.48%	634,425	16,653,698	100.31%	850,934	5.13%
2000	18,607,968	18,057,391	97.04%	616,823	18,674,214	100.36%	838,232	4.50%

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

- (1) Represents calendar year data. 2001 information cannot be presented because all collections have not been made by June 30.
- (2) Included Homestead/Rollback on real estate and reimbursement on personal property taxes assessed locally, but distributed through the State of Ohio and reported as Intergovernmental Revenue.

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

Collection Year	Real Property			Personal Property			Public Utility Personal			Total	
	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1992	35%	\$175,446,110	\$501,274,600	27%	\$17,995,700	\$66,650,741	88%	\$28,488,560	\$32,373,364	\$221,930,370	\$600,298,704
1993	35%	178,278,440	509,366,971	26%	18,076,160	69,523,692	88%	30,006,980	34,098,841	226,361,580	612,989,505
1994	35%	198,639,960	567,542,743	25%	17,432,346	69,729,384	88%	31,331,480	35,603,955	247,403,786	672,876,081
1995	35%	202,769,240	579,340,686	25%	17,974,750	71,899,000	88%	32,839,900	37,318,068	253,583,890	688,557,754
1996	35%	206,713,970	590,611,343	25%	19,251,537	77,006,148	88%	29,626,160	33,666,091	255,591,667	701,283,582
1997	35%	243,463,640	695,610,400	25%	19,558,176	78,232,704	88%	29,454,860	33,471,432	292,476,676	807,314,536
1998	35%	246,407,920	704,022,629	25%	20,849,558	83,398,232	88%	27,953,770	31,765,648	295,211,248	819,186,508
1999	35%	251,378,830	718,225,229	25%	21,348,845	85,395,380	88%	29,537,640	33,565,500	302,265,315	837,186,109
2000	35%	285,737,630	816,393,229	25%	22,056,469	88,225,876	88%	26,617,680	30,247,364	334,411,779	934,866,468
2001	35%	291,086,680	831,676,229	25%	23,500,232	94,000,928	88%	26,776,310	30,427,625	341,363,222	956,104,782

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

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

Athens Township (A01)

Calendar <u>Year</u>	Athens City School <u>District</u>	Athens County	Tri-County Joint <u>Vocational School</u>	Athens Township <u>Township</u>	Total Full <u>Rate</u>	Total Residential/ Agriculture <u>Effective Rate</u>	Total Commercial/ Industrial <u>Effective Rate</u>
1992	55.60	18.25	3.30	8.20	85.35	57.224665	58.930511
1993	55.60	18.45	3.30	8.20	85.55	57.601357	59.436205
1994	52.60	18.45	3.30	8.20	82.55	50.849806	54.308157
1995	58.40	18.95	3.30	8.20	88.85	58.780493	62.083940
1996	59.40	19.05	3.30	8.20	89.95	60.011470	64.033992
1997	60.40	19.05	3.30	8.20	90.95	54.604301	58.432589
1998	60.40	18.55	3.30	8.02	90.27	55.207356	59.032734
1999	59.70	18.55	3.30	8.20	89.75	55.544992	59.433921
2000	64.60	18.55	3.30	8.20	94.65	55.755979	61.208002
2001	64.60	18.55	3.30	8.20	94.65	56.710329	62.119860

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

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

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

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

Athens Township - City of Athens (A02)

Calendar <u>Year</u>	Athens City School <u>District</u>	Athens County	Tri-County Joint <u>Vocational School</u>	City of <u>Athens</u>	Athens <u>Township</u>	Total Full <u>Rate</u>	Total Residential/ Agriculture <u>Effective Rate</u>	Total Commercial/ Industrial <u>Effective Rate</u>
1992	55.60	18.25	3.30	2.60	0.30	80.05	53.605908	55.529726
1993	55.60	18.45	3.30	2.60	0.30	80.25	53.999464	56.064509
1994	52.60	18.45	3.30	2.60	0.30	77.25	47.598434	51.018123
1995	58.40	18.95	3.30	2.60	0.30	83.55	55.536946	58.813199
1996	59.40	19.05	3.30	2.60	0.30	84.65	56.774003	60.765034
1997	60.40	19.05	3.30	2.60	0.30	85.65	51.796455	55.605945
1998	60.40	18.55	3.30	2.60	0.30	85.15	52.400055	56.200331
1999	59.70	18.55	3.30	2.60	0.30	84.45	52.741033	56.602678
2000	64.60	18.55	3.30	2.60	0.30	89.35	53.255867	58.542443
2001	64.60	18.55	3.30	2.60	0.30	89.35	54.213092	59.454460

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

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

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

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

Athens Township - The Plains Fire District (A04)

Calendar <u>Year</u>	Athens City School <u>District</u>	Athens County	Tri-County Joint <u>Vocational School</u>	The Plains Fire District	Athens Township	Total Full <u>Rate</u>	Total Residential/ Agriculture <u>Effective Rate</u>	Total Commercial/ Industrial <u>Effective Rate</u>
1992	55.60	18.25	3.30	3.00	8.20	88.35	58.655927	61.195276
1993	55.60	18.45	3.30	3.00	8.20	88.55	59.034209	61.719928
1994	52.60	18.45	3.30	3.00	8.20	85.55	52.133340	56.610133
1995	58.40	18.95	3.30	4.50	8.20	93.35	62.251372	66.164679
1996	59.40	19.05	3.30	4.50	8.20	94.45	63.472670	68.113637
1997	60.40	19.05	3.30	4.50	8.20	95.45	57.979399	62.495305
1998	60.40	18.55	3.30	4.50	8.02	94.77	59.981313	64.260193
1999	59.70	18.55	3.30	4.50	8.20	94.25	60.309732	64.653918
2000	64.60	18.55	3.30	4.00	8.20	98.65	59.956295	65.887433
2001	64.60	18.55	3.30	4.00	8.20	98.65	60.888887	66.798762

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

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

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

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

Canaan Township (E02)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	Canaan Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
1992	55.60	18.25	3.30	4.60	81.75	54.673358	56.704095
1993	55.60	18.45	3.30	4.60	81.95	55.064971	57.234527
1994	52.60	18.45	3.30	4.60	78.95	48.583431	52.153890
1995	58.40	18.95	3.30	4.60	85.25	56.521078	59.948860
1996	59.40	19.05	3.30	4.60	86.35	57.756387	61.900845
1997	60.40	19.05	3.30	6.60	89.35	54.407651	58.574268
1998	60.40	18.55	3.30	6.60	88.85	55.476303	59.530792
1999	59.70	18.55	3.30	6.60	88.15	55.815175	59.933068
2000	64.60	18.55	3.30	6.60	93.05	56.115695	61.676778
2001	64.60	18.55	3.30	6.60	93.05	57.067981	62.693727

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

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

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

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

Canaan Township - City of Athens (E03)

Calendar <u>Year</u>	Athens City School <u>District</u>	Athens <u>County</u>	Tri-County Joint <u>Vocational School</u>	City of <u>Athens</u>	Canaan <u>Township</u>	Total Full <u>Rate</u>	Total Residential/ Agriculture <u>Effective Rate</u>	Total Commercial/ Industrial <u>Effective Rate</u>
1992	55.60	18.25	3.30	2.40	2.70	82.25	55.173358	57.204095
1993	55.60	18.45	3.30	2.40	2.70	82.45	55.564971	57.734527
1994	52.60	18.45	3.30	2.40	2.70	79.45	49.083431	52.653890
1995	58.40	18.95	3.30	2.40	2.70	85.75	57.021078	60.448886
1996	59.40	19.05	3.30	2.40	2.70	86.85	58.256387	62.400845
1997	60.40	19.05	3.30	2.40	4.70	89.85	54.907651	59.074268
1998	60.40	18.55	3.30	2.40	4.70	89.35	55.976303	60.030792
1999	59.70	18.55	3.30	2.40	4.70	88.65	56.315175	60.433068
2000	64.60	18.55	3.30	2.40	4.70	93.55	56.615695	62.176778
2001	64.60	18.55	3.30	2.40	4.70	93.55	57.567981	63.193727

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

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

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

Dover Township (G01)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	Dover Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
1992	55.60	18.25	3.30	8.70	85.85	56.347096	57.731079
1993	55.60	18.45	3.30	10.70	88.05	58.735613	60.265862
1994	52.60	18.45	3.30	10.70	85.05	52.160383	55.224890
1995	58.40	18.95	3.30	10.70	91.35	60.091746	62.873640
1996	59.40	19.05	3.30	10.70	92.45	62.475198	66.338002
1997	60.40	19.05	3.30	8.70	91.45	54.979144	58.990779
1998	60.40	18.55	3.30	8.70	90.95	56.321954	60.334607
1999	59.70	18.55	3.30	8.70	90.25	57.762736	61.652130
2000	64.60	18.55	3.30	8.70	95.15	57.722326	63.406713
2001	64.60	18.55	3.30	8.70	95.15	59.728240	65.070822

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

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

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

Dover Township - Village of Chauncey (G02)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	Village of Chauncey	Dover Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
1992	55.60	18.25	3.30	7.90	4.30	89.35	59.160612	61.006478
1993	55.60	18.45	3.30	7.90	5.30	90.55	61.212580	63.261159
1994	52.60	18.45	3.30	7.90	5.30	87.55	54.689214	58.422130
1995	58.40	18.95	3.30	3.90	5.30	89.85	60.320354	63.492614
1996	59.40	19.05	3.30	7.90	5.30	94.95	65.557233	69.536735
1997	60.40	19.05	3.30	7.90	3.30	93.95	57.602755	61.706041
1998	60.40	18.55	3.30	7.90	3.30	93.45	58.212419	62.303016
1999	59.70	18.55	3.30	7.90	3.30	92.75	59.657580	63.815493
2000	64.60	18.55	3.30	7.90	3.30	97.65	59.919503	65.574419
2001	64.60	18.55	3.30	7.90	3.30	97.65	62.354574	67.656663

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

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

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

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

Waterloo Township (N02)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	Waterloo Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
1992	55.60	18.25	3.30	9.80	86.95	57.959193	59.755006
1993	55.60	18.45	3.30	9.80	87.15	58.348534	60.289789
1994	52.60	18.45	3.30	9.80	84.15	51.715924	55.236696
1995	58.40	18.95	3.30	10.80	91.45	60.643039	63.935523
1996	59.40	19.05	3.30	10.80	92.55	62.873018	66.763189
1997	60.40	19.05	3.30	10.80	93.55	56.878921	60.085145
1998	60.40	18.55	3.30	10.80	93.05	58.180004	61.551999
1999	59.70	18.55	3.30	9.90	91.45	58.871122	62.404502
2000	64.60	18.55	3.30	9.90	96.35	58.978506	64.117153
2001	64.60	18.55	3.30	9.90	96.35	60.165682	65.327257

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

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

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

ATHENS CITY SCHOOL DISTRICT

Principal Property Taxpayers
2001 Collection Year

PUBLIC UTILITY

<u>Property Owner</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Columbus Southern Power	Electricity	\$ 13,200,110	3.87%
GTE North, Inc.	Communications	4,936,290	1.45%
Columbia Gas of Ohio, Inc.	Natural Gas	3,157,150	0.92%
Texas Eastern Transmission	Natural Gas	1,127,890	0.33%
Tennessee Gas Pipeline Co.	Natural Gas	1,093,620	0.32%
Ohio Telephone & Telegraph	Communications	878,630	0.26%
General Telephone Company	Telephone	733,020	0.21%
Norfolk Southern	Transportation	470,540	0.14%
Columbia Gas Transmission Corp	Natural Gas	422,610	0.12%
Ohio Power Co.	Electricity	136,390	0.04%

REAL ESTATE

<u>Property Owner</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Ohio University	Retail Shopping	\$ 5,925,640	1.74%
University Mall Associates	Retail Shopping	4,444,910	1.30%
AAC Athens LLC	Apartments	3,779,450	1.11%
Ohio Inn of Athens, Inc.	Hotel	1,825,360	0.53%
Bromley Athens LLC Ltd.	Apartments	1,418,570	0.42%
City of Athens	Parking Garage, etc...	1,336,520	0.39%
Southeast Development Co. 2	Apartments	1,286,810	0.38%
Hickory Creek of Athens, Inc.	Nursing Home	1,261,790	0.37%
Diversified Properties	Grocery Store	1,198,680	0.35%
McCoady Properties LTD	Various Properties	1,145,770	0.34%

TAXABLE PERSONAL PROPERTY

<u>Property Owner</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
TS Trim Industries	Automotive Car Seat Mfg.	\$ 1,981,410	0.58%
Don Wood Ford Lincoln-Mercury, Inc.	Auto Dealership	709,090	0.21%
Don Wood Buick Sales & Services	Auto Dealership	671,030	0.20%
Athens Mold & Machine, Inc.	Machine Shop	580,030	0.17%
K Mart Corp.	Retail Shopping	562,380	0.16%
Taylor Motors, Inc.	Auto Dealership	462,820	0.14%
Ames Merchandising, Inc.	Retail Shopping	436,830	0.13%
Kroger Co.	Grocery Store	411,790	0.12%
J C Penny Company, Inc.	Retail Shopping	383,330	0.11%
Elder Beerman Stores Corp.	Retail Shopping	374,330	0.11%
Total Top Ten		56,352,790	16.51%
All Others		285,010,432	83.49%
Total		\$ 341,363,222	100.00%

ATHENS CITY SCHOOL DISTRICT

Legal Debt Margin

June 30, 2001

Total Assessed Valuation		\$ 341,363,222
Overall Debt Limitation - 9.0% of Assessed Valuation (1)		30,722,690
Gross Indebtedness Authorized by the School Board	19,294,973	
Less Debt Outside Limitation:	<u>(610,000)</u>	
Debt within 9.0% Limitation	18,684,973	
Less Amount Available in Debt Service Fund	1,654,485	
Net Debt within 9.0% Limitation		<u>17,030,488</u>
Legal Debt Margin within 9.0% Limitation		<u>\$ 13,692,202</u>
<hr/>		
Energy Conservation Debt Limit - .90% of Assessed Value (1)		\$ 3,072,269
Net Debt within .90% Limitation		<u>(610,000)</u>
Energy Conservation Debt Margin		<u>\$ 2,462,269</u>
<hr/>		
Unvoted Debt Limitation - .10% of Assessed Valuation		\$ 341,363
Net Debt within .10% Limitation		<u>-</u>
Legal Debt Margin within .10% Limitation		<u>\$ 341,363</u>

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

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

Fiscal Year	Estimated Population	Assessed Value Real & Personal Property (1)	General Bonded Debt (2)	Less Debt Service (2)	Net Bonded Debt	Ratio Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1992	(a) 32,310	\$ 221,930,370	\$ 6,685,000	\$ 560,635	\$ 6,124,365	2.76%	\$ 190
1993	(a) 32,310	226,361,580	1,560,000	711,405	848,595	0.37%	26.26
1994	(a) 32,170	247,403,786	5,824,973	644,494	5,180,479	2.09%	161.03
1995	(b) 32,170	253,583,890	5,339,973	286,786	5,053,187	1.99%	157.08
1996	(b) 32,330	255,591,667	4,849,973	51,401	4,798,572	1.88%	148.42
1997	(b) 32,450	292,476,676	4,344,973	161,609	4,183,364	1.43%	128.92
1998	(b) 32,600	295,211,248	3,824,973	487,536	3,337,437	1.13%	102.38
1999	(b) 32,721	302,265,315	3,289,973	721,757	2,568,216	0.85%	78.49
2000	(b) 32,721	334,411,779	19,319,973	1,707,620	17,612,353	5.27%	538.26
2001	(b) 32,596	341,363,222	18,684,973	1,654,485	17,030,488	4.99%	522.47

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

(2) General Obligation Bonded Debt Excludes Bond Anticipation and Energy Conservation Notes

(a) - Cash Basis Data

(b) - GAAP Basis Data

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

Fiscal Year		Principal (1)	Interest (1)	Total Debt Service (1)	Total General Fund Expenditures	Percent of Debt Service to General Fund Expenditures
1992	(a)	\$ 385,000	\$ 445,649	\$ 830,649	\$ 12,623,605	6.58%
1993	(a)	395,000	442,582	837,582	13,464,559	6.22%
1994	(a)	550,535	201,327	751,862	15,474,514	4.86%
1995	(b)	485,000	282,038	767,038	14,396,514	5.33%
1996	(b)	490,000	271,330	761,330	15,538,883	4.90%
1997	(b)	505,000	241,358	746,358	16,274,825	4.59%
1998	(b)	520,000	247,588	767,588	16,868,276	4.55%
1999	(b)	535,000	173,801	708,801	18,198,269	3.89%
2000	(b)	370,000	153,582	523,582	17,422,381	3.01%
2001	(b)	635,000	1,099,065	1,734,065	19,179,237	9.04%

Source: Athens City School District Financial Records

(1) General Obligation Bonded Debt Excludes Bond Anticipation and Energy Conservation Notes

(a) - Cash Basis Data

(b) - GAAP Basis Data

ATHENS CITY SCHOOL DISTRICT
Computation of Direct and Overlapping Debt
June 30, 2001

	General Obligation Debt (1)	Percent Overlapping	Applicable To Athens City School District
	<u> </u>	<u> </u>	<u> </u>
<u>Direct Debt:</u>			
Athens City School District	\$ 18,684,973	100.00%	\$ 18,684,973
<u>Overlapping Debt:</u>			
Athens County	4,325,850	55.28%	2,391,330
City of Athens	6,452,500	97.69%	<u>6,303,447</u>
Total Overlapping Debt			<u>8,694,777</u>
Total Direct and Overlapping Debt			<u><u>\$ 27,379,750</u></u>

Source: Ohio Municipal Advisory Council

(1) General Obligation Bonded Debt Excludes Bond Anticipation and Energy Conservation Notes

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

Collection Year	Total Value New Construction	Tax Exempt Value	Assessed Property Values (1)			
			Real Property	Tangible Personal	Public Utility Personal	Total
1992	\$2,690,400	\$130,696,310	\$175,446,110	\$17,995,700	\$28,488,560	\$221,930,370
1993	3,956,660	132,209,990	178,278,440	18,076,160	30,006,980	226,361,580
1994	4,232,440	140,764,640	198,639,960	17,432,346	31,331,480	247,403,786
1995	4,508,220	149,216,130	202,769,240	17,974,750	32,839,900	253,583,890
1996	6,711,340	152,311,580	206,713,970	19,251,537	29,626,160	255,591,667
1997	4,653,200	175,212,750	243,463,640	19,558,176	29,454,860	292,476,676
1998	2,327,440	175,032,770	246,407,920	20,849,558	27,953,770	295,211,248
1999	4,863,550	179,911,980	251,378,830	21,348,845	29,537,640	302,265,315
2000	3,338,130	195,411,980	285,737,630	22,056,469	26,617,680	334,411,779
2001	6,031,520	198,545,120	291,086,680	23,500,232	26,776,310	341,363,222

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

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

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

ATHENS CITY SCHOOL DISTRICT*Cost to Educate a 2000 Graduate*

School Year Ended	Grade	Annual Expenditure Per Pupil	
		District Average	State Average
1988	Kindergarten	\$ 3,296	\$ 3,525
1989	1st Grade	3,553	3,837
1990	2nd Grade	3,717	4,159
1991	3rd Grade	3,920	4,373
1992	4th Grade	4,434	4,619
1993	5th Grade	4,538	4,815
1994	6th Grade	4,386	5,010
1995	7th Grade	5,181	5,151
1996	8th Grade	5,230	5,328
1997	9th Grade	5,889	5,557
1998	10th Grade	6,116	5,673
1999 #	11th Grade	6,681	6,642
2000 #	12th Grade	6,972	7,057
		<u>\$ 63,913</u>	<u>\$ 65,746</u>

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

- Ohio Department of Education "District School Report Card"

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

<u>Fiscal Year</u>	<u>Number Of Graduates (1)</u>	<u>Average Daily Membership (ADM) (2)</u>	<u>Percentage ADM Increase (Decrease)</u>
1992	189	3020	7.44%
1993	210	2891	-4.27%
1994	212	2926	1.21%
1995	208	2837	-3.04%
1996	204	2850	0.46%
1997	225	2793	-2.00%
1998	242	2705	-3.15%
1999	234	2966	9.65%
2000	235	2823	-4.82%
2001	235	2757	-2.34%

(1) Athens High School Guidance Department

(2) Ohio Department of Education

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

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000 (1)</u>	<u>2001</u>
Professional Staff:										
Teaching Staff:										
Elementary (K-6)	129.5	137.2	137.5	146.9	147.9	153.3	147.0	150.4	115.6	112.1
Secondary (7-12)	52.6	50.1	50.1	54.2	56.2	55.7	57.0	57.4	81.2	81.2
Administrators:										
Districtwide	15.0	15.0	15.0	16.0	14.0	16.0	16.0	17.0	18.0	18.0
Auxilliary Positions:										
Guidance/Counselors	5.0	5.0	5.0	5.0	5.0	4.8	4.0	4.0	5.0	5.0
Librarians/Audio Visual	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Special Education	9.4	11.0	13.7	15.7	15.7	13.6	14.6	14.0	34.0	35.5
Psychologists	2.8	2.6	2.6	3.4	2.6	2.6	2.8	3.0	3.0	3.0
Nurses	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Support Staff:										
Secretarial	17.1	22.0	20.5	19.5	20.0	18.0	17.0	15.5	21.5	22.5
Aides	43.0	43.0	43.0	43.0	43.0	44.0	44.0	52.0	49.5	49.5
Maintenance/Mechanic	8.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	8.0	8.0
Transportation	31.0	33.0	31.0	35.0	37.0	38.0	31.0	31.0	29.0	30.0
Custodial	23.0	22.0	22.0	24.0	22.0	25.0	23.0	24.0	24.5	24.5
Lunchroom	22.0	21.0	18.0	17.0	25.0	38.0	37.0	38.0	21.5	21.5
TOTAL	360.4	369.9	366.4	387.7	396.4	417.0	401.4	414.3	412.8	412.8

Source: Actual Data from Ohio Department of Education - Staff Profile Data

(1) Athens City School District Records and represents a change in the method used to classify Special Education and Secondary Teachers.

ATHENS CITY SCHOOL DISTRICT*Educational Statistics**Last Five School Years*

	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01 #</u>
4th Grade Proficiency Tests:					
Citizenship	53.6	61.7	79.2	68.3	73.0
Mathematics	39.6	41.5	56.2	50.9	66.0
Reading	52.1	56.6	66.0	67.1	65.0
Writing	70.3	71.8	77.0	80.1	81.0
Science	48.3	50.3	62.1	50.3	61.0
All Parts	38.0	43.0	39.9	34.8	49.0
6th Grade Proficiency Tests:					
Citizenship	61.6	74.6	75.3	68.8	79.0
Mathematics	50.0	53.1	59.1	51.1	67.0
Reading	53.2	64.3	58.2	51.7	62.0
Writing	76.9	98.1	85.1	84.7	85.0
Science	48.3	64.3	57.2	51.1	70.0
All Parts	38.0	46.0	39.2	32.4	49.0
9th Grade Proficiency Tests:					
Citizenship	85.5	91.6	87.7	81.9	92.0
Mathematics	78.3	81.4	83.3	75.0	84.0
Reading	90.0	95.4	94.0	88.4	97.0
Writing	86.7	92.0	96.2	90.3	95.0
Science		85.6	85.5	78.9	88.0
All Parts	N/A	73.9	73.2	65.3	N/A
12th Grade Proficiency Tests:					
Citizenship	76.8	76.9	70.5	84.8	86.0
Mathematics	67.1	71.4	71.0	83.4	80.0
Reading	78.3	75.1	81.1	84.3	86.0
Writing	79.3	83.0	88.2	91.7	92.0
Science	40.0	67.9	71.0	85.7	87.0
All Parts	59.0	54.4	55.1	69.1	71.0
ACT Scores (Composite Averages)					
Athens City Schools	23.2	24.3	22.7	23.1	23.1
State	21.3	21.4	21.4	21.4	21.4
National	21.0	21.0	21.0	21.0	21.0
SAT Scores (Average)					
Athens City Schools					
Verbal	564	575	580	562	548
Mathematics	566	574	575	569	564
State					
Verbal	535	536	534	533	534.0
Mathematics	536	540	538	539	539.0
National					
Verbal	505	505	505	505	506.0
Mathematics	511	512	511	514	514.0



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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ATHENS CITY SCHOOL DISTRICT

ATHENS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 24, 2002**