

ATHENS CITY SCHOOL DISTRICT

ATHENS COUNTY

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2004



BALESTRA, HARR & SCHERER
CERTIFIED PUBLIC ACCOUNTANTS
528 S. WEST STREET, P.O. Box 687
PIKETON, OHIO 45661

TELEPHONE (740) 289-4131

FAX (740) 289-3639

www.bhscpas.com



**Auditor of State
Betty Montgomery**

Board of Education
Athens City School District
25 South Plains Rd.
The Plains, OH 45780

We have reviewed the Independent Auditor's Report of the Athens City School District, Athens County, prepared by Balestra, Harr & Scherer CPAs, Inc., for the audit period July 1, 2003 through June 30, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

March 30, 2005

This Page is Intentionally Left Blank.

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

TABLE OF CONTENTS

Schedule of Federal Awards Receipts and Expenditures	1
Notes to Schedule of Federal Awards Receipts and Expenditures	2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	3
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB <i>Circular A-133</i>	5
Schedule of Findings and Questioned Costs - <i>OMB Circular A-133 Section .505</i>	7
Schedule of Prior Audit Findings- <i>OMB Circular A-133 §.315(b)</i>	9
Corrective Action Plan- <i>OMB Circular A-133 §.315(c)</i>	10

This Page is Intentionally Left Blank.

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2004**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$27,538	\$0	\$27,538
National School Breakfast Program	05-PU	10.553	55,200	0	55,200	0
National School Lunch Program	LL-P4	10.555	290,471	0	290,471	0
Total U.S. Department of Agriculture - Nutrition Cluster			<u>345,671</u>	<u>27,538</u>	<u>345,671</u>	<u>27,538</u>
<u>U.S. DEPARTMENT OF LABOR</u>						
<i>Passed Through the Washington County Joint Vocational School:</i>						
Employment Services and Job Training - Pilot and Demonstration Program	WK-BE	17.249	0	0	1,199	0
Total U.S. Department of Labor			<u>0</u>	<u>0</u>	<u>1,199</u>	<u>0</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Grants to Local Educational Agencies (ESEA Title I)	C1-S1	84.010	575,567	0	651,257	0
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	6B-SF	84.027	306,933	0	332,278	0
Special Education - Preschool Grant	PG-S1	84.173	12,783	0	12,804	0
Total Special Education Cluster			<u>319,716</u>	<u>0</u>	<u>345,082</u>	<u>0</u>
Drug-Free Schools Grant	DR-S1	84.186	22,746	0	9,730	0
Eisenhower Professional Development State Grant	MS-S1	84.281	0	0	3,515	0
Twenty-First Century Community Learning Centers	T1-S1	84.287	400,240	0	425,349	0
Innovative Educational Program Strategies	C2-S1	84.298	20,643	0	28,798	0
Education Technology State Grant	TJ-S1	84.318	12,293	0	13,921	0
School Renovation Grant	AT-S2	84.352A	0	0	6,656	0
English Language Acquisition Grant	T3-S1	84.365	8,286	0	12,856	0
Improving Teacher Quality State Grant	TR-S1	84.367	191,640	0	202,597	0
Total Department of Education			<u>1,551,131</u>	<u>0</u>	<u>1,699,761</u>	<u>0</u>
Totals			<u><u>\$1,896,802</u></u>	<u><u>\$27,538</u></u>	<u><u>\$2,046,631</u></u>	<u><u>\$27,538</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2004**

NOTE A- SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B- CHILD NUTRITION CLUSTER

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

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

BALESTRA, HARR & SCHERER CPAs, INC.

CERTIFIED PUBLIC ACCOUNTANTS

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639

www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Board
Athens City School District
25 South Plains Road
The Plains, Ohio 45780

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens City School District (the District), as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 27, 2005. 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.

Internal Control Over Financial Reporting

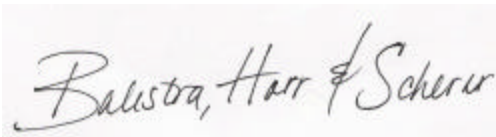
In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 2004-001.

A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable condition described above, we consider item 2004-001 to be a material weakness. We also noted other additional matters involving the internal control over financial reporting, which we have reported to the management of the District in a separate letter dated January 27, 2005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which we have reported to management in a separate letter dated January 27, 2005.

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

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in dark ink on a light-colored background.

Balestra, Harr & Scherer CPAs, Inc.
January 27, 2005

BALESTRA, HARR & SCHERER CPAs, INC.

CERTIFIED PUBLIC ACCOUNTANTS

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639

www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

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

Members of the Board
Athens City School District
25 South Plains Road
The Plains, Ohio 45780

Compliance

We have audited the compliance of Athens City School District (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, 2004. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. 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 of 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, 2004.

Members of the Board
Athens City School District

Report On Compliance With Requirements Applicable To Each Major Program And On Internal Control Over Compliance In
Accordance With OMB Circular A-133

Page 2

Internal Control Over Compliance

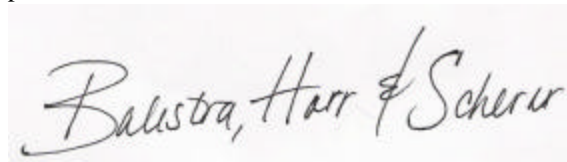
The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit we considered the District's internal control over 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 reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Federal Awards Receipts and Expenditures

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens City School District (the District), as of and for the year ended June 30, 2004, and have issued our report thereon dated January 27, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Balestra, Harr & Scherer CPAs, Inc.

March 16, 2005

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY
JUNE 30, 2004**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

1. SUMMARY OF AUDITOR-S RESULTS		
(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported 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 section .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster- CFDA #84.027 and #84.173 Twenty-First Century Community Learning Centers- CFDA #84.287 Nutrition Cluster- CFDA #10.550, #10.553 and 10.555
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY
JUNE 30, 2004**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

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

Finding Number 2004-001

Material Weakness

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

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

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS	
Finding Number	None
CFDA Title and Number	
Federal Award Number/Year	
Federal Agency	
Pass-Through Agency	

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 §315(b)
JUNE 30, 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2003-001	Lack of sufficient controls in place and operating effectively to reduce the risk that health and prescription drug insurance claims have not been completely and accurately processed in accordance with the health and prescription drug insurance claims policy.	No	Reissued as Finding Number 2004-001
2003-002	Lack of accurate records of Donated Food Distribution Program inventories and receipts.	Yes	Fully Corrected.

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A-133 §315(c)
JUNE 30, 2004**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person:
2004-001	The District has contacted their service organization who stated that they were in the process of obtaining a SAS-70 audit report. If the service organization does not follow through with this action, then the District will consider other alternatives	June 2005	Bryan M. Bunting, Treasurer

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ending June 30, 2004



2004

ATHENS CITY SCHOOL DISTRICT

25 South Plains Road – The Plains, Ohio 45780

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

For the fiscal year ended
June 30, 2004

Board of Education

Scott Nisley.....President
Bruce NottkeVice-President
Roger BrownMember
Catherine Cordingley.....Member
Jeffrey Dill, PhDMember

Superintendent of Schools

Carl D. Martin

Issued by the Treasurer's Office

Bryan M. Bunting, CGFM
Treasurer/CFO



This Page is Intentionally Left Blank.

ATHENS CITY SCHOOL DISTRICT

Table of Contents

For the Fiscal Year Ended June 30, 2004

I. INTRODUCTORY SECTION:

Transmittal Letter i

List of Principal Officials xiii

Organizational Chart xv

GFOA Certificate of Achievement xvi

II. FINANCIAL SECTION:

Independent Accountant’s Report 1

Management’s Discussion and Analysis 3

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Assets 15

Statement of Activities 17

Fund Financial Statements:

Balance Sheet - Governmental Funds 18

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities 19

Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds 20

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities 21

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund 22

Statement of Net Assets - Proprietary Fund 23

Statement of Revenues, Expenses and Change in
Net Assets - Proprietary Fund 24

Statement of Cash Flows - Proprietary Fund 25

Statement of Fiduciary Net Assets - Fiduciary Funds 26

Statement of Change in Fiduciary Net Assets - Fiduciary Funds 27

ATHENS CITY SCHOOL DISTRICT

Table of Contents

For the Fiscal Year Ended June 30, 2004

Notes to the Basic Financial Statements	29
---	----

Combining and Individual Fund Statements and Schedules:

Combining Statements - Nonmajor Funds:

Description of Funds	57
Combining Balance Sheet - Nonmajor Governmental Funds	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	61
Combining Balance Sheet - Nonmajor Special Revenue Funds	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	64
Combining Balance Sheet - Nonmajor Capital Projects Funds	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	67
Statement of Changes in Assets and Liabilities - Agency Fund	68
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis):	
General	69
Bond Retirement Fund	73
Permanent Improvement Fund	74
Food Service Fund	75
Uniform School Supplies Fund	76
Other Local Support Fund	77
District Managed Student Activities Fund	78
Disadvantaged Pupil Impact Aid Fund	79
Ohio Reads Fund	80
Other State Support Fund	81
Title VI-B Fund	82
Title I Fund	83
Other Federal Support Fund	84
Building Fund	85
School Net Fund	86
Employee Benefits Self-Insurance Fund	87
Unclaimed Monies Fund	88

ATHENS CITY SCHOOL DISTRICT

Table of Contents

For the Fiscal Year Ended June 30, 2004

III. STATISTICAL SECTION

Summary of Revenue by Source - General Fund
Last Ten Fiscal Years S-1

Summary of Expenditures by Function - General Fund
Last Ten Fiscal Years S-2

Property Tax Levies and Collections - Last Ten Years S-3

Assessed and Estimated Actual Value of Taxable
Property - Last Ten Years S-4

Property Tax Rates - Direct and Overlapping
Governments - Last Ten Years
Athens Township S-5

Property Tax Rates - Direct and Overlapping
Governments - Last Ten Years
Athens Township - City of Athens S-6

Property Tax Rates - Direct and Overlapping
Governments - Last Ten Years
Athens Township - The Plains Fire District S-7

Property Tax Rates - Direct and Overlapping
Governments - Last Ten Years
Canaan Township S-8

Property Tax Rates - Direct and Overlapping
Governments - Last Ten Years
Canaan Township - City of Athens S-9

Property Tax Rates - Direct and Overlapping
Governments - Last Ten Years
Dover Township S-10

Property Tax Rates - Direct and Overlapping
Governments - Last Ten Years
Dover Township - Village of Chauncey S-11

Property Tax Rates - Direct and Overlapping
Governments - Last Ten Years
Waterloo Township S-12

Property Tax Rates - Direct and Overlapping Governments
Last Ten Years S-13

Principal Property Taxpayers S-14

Legal Debt Margin S-15

ATHENS CITY SCHOOL DISTRICT

Table of Contents

For the Fiscal Year Ended June 30, 2004

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Debt Per Capita - Last Ten Fiscal Years	S-16
Ratio of Annual General Obligation Bonded Debt Service Expenditures to Total General Fund Expenditures - Last Ten Fiscal Years	S-17
Computation of Direct and Overlapping Debt	S-18
New Construction, Tax Exempt Value and Assessed Property Value - Last Ten Years	S-19
Cost to Educate a 2004 Graduate	S-20
Average Daily Membership (ADM) Data - Last Ten Fiscal Years	S-21
Staffing Statistics - Full Time Equivalents (FTE) - Last Ten Fiscal Years	S-22
Educational Standardized Testing Statistics - Last Nine School Years	S-23
Educational Testing Comparison - 2003 - 2004 School Year	S-24
Valuation Data by Governmental Subdivision - Calendar Year 2003	S-25
Building Enrollment and Capacity Information - 2003 - 2004 School Year	S-26

ATHENS CITY SCHOOL DISTRICT



INTRODUCTORY SECTION

ATHENS CITY SCHOOL DISTRICT

www.athenscity.k12.oh.us

Carl D. Martin
Superintendent



25 South Plains Road
The Plains, Ohio 45780

Bryan M. Bunting CGFM
Treasurer

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

January 27, 2005

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

The Athens City School District (the District) is pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2004. This CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

The Comprehensive Annual Financial Report is presented in three sections:

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

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

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

THE DISTRICT AND ITS FACILITIES

The District was established in the mid 1800's and was consolidated in 1964 with the Plains Local School District and the Chauncey Local School District. It is located in Athens County, and includes the City of Athens, the Village of Chauncey and portions of the Townships of Athens, Canaan, Dover, and Waterloo. Athens is the county seat of Athens County with a population of approximately 32,700 residents. The District is the 190th largest in the State of Ohio (among 613 school districts) in terms of enrollment.

Located 75 miles southeast of Columbus, Athens is home to Ohio University, the first university in the Northwest Territory founded in 1804. The University's main campus College Green is on the National Register of Historic Places and includes Cutler Hall, a National Historic Landmark, built in 1816. Each quarter, the University adds over 19,500 students to the City's population. The newly appointed President of Ohio University has indicated an effort to increase enrollment by 5,000 students.

The Athens City School District is one of five K-12 public school districts in Athens County. With 2,935 pupils (including preschool), it has the largest enrollment in the county but is geographically one of the smallest school districts in the county encompassing only 58 square miles. The District operates 7 educational facilities, a Maintenance facility, a Transportation/Bus Garage, and a central administration building that also houses the District's Technology department and Talented and Gifted program director.

School	Grade	Enrollment
Chauncey Elementary	PreK-12	280
East Elementary	K-12	301
Morrison Elementary	K-12	375
The Plains Elementary	PreK-12	429
West Elementary	PreK-12	269
Athens Middle School	7-8	437
Athens High School	9-12	844

The District provides preschool programs and all-day kindergarten classes. The District serves lunches to 39% of the student population daily. Slightly more than 35% of the District's student body qualify for free or reduced priced lunches. Chauncey, The Plains, and West Elementary schools are identified as Title I buildings and provide free and reduced lunches to 43% of their combined student population. These three school facilities also offer breakfast programs. However, only about 32% of the student population participates in that program.

ORGANIZATION OF THE DISTRICT

The Board of Education of the Athens City School District (the Board) is a five-member body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars, and approves the annual appropriation resolution and tax budget. A list of the current Board members as of June 30, 2004 is included on page xiii.

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

The Treasurer is the chief financial officer of the District and is responsible directly to the Board for all financial operations, investments, custody of all District funds and assets and serves as secretary to the Board. Mr. Bryan M. Bunting was appointed Treasurer effective August 1, 1998. Mr. Bunting's contract extends through the date of the organizational meeting in January 2009.

ECONOMIC CONDITION AND OUTLOOK

The District's largest employer is Ohio University, which employs over 4,500 total employees with more than 1,000 full-time and 704 part-time coming from within the District. The University has an enrollment of more than 19,500 students on their Athens campus. The University also provides land for taxable retail operations and has become the District's largest real estate taxpayer. This has provided a foundation of stability for the District. Ohio University's total net assets were more than \$430 million with total expenditures for the 2003 fiscal year in excess of \$440 million dollars. The University has an on-going facility plan which means each year they complete a number of construction and renovation projects. According to their June 30, 2003 CAFR, they completed more than \$38 million in such projects during the fiscal year and have estimated future capital commitments after June 30, 2003 in excess of \$56 million. In fact, the four of the five largest employers in the county are government operations, Ohio University, Athens County, Hocking College, and the Athens City School District itself.

Athens County's largest private employers include O'Bleness Memorial Hospital, Kroger Co., Wal Mart, and McBee Systems. The University Mall includes major retail stores such as Elder-Beerman, Goody's, Fashion Bug, Radio Shack and jewelry stores that provides additional real estate and personal property tax revenue and employment to area residents. New commercial operations that opened in 2004 include a Wal-Mart Super Store, a Staples office supply store, Lowe's Hardware Superstore, and Ruby Tuesday's, Burger King and Arby's restaurants. Other negotiations are on-going with other stores for sites along the East State Street area. The City of Athens has completed a major infrastructure upgrade in this area that includes additional traffic lanes, water, sewer, and electric.

The District, along with many other public school systems in the state, relies heavily on local property tax as a primary source of funds. Ohio law limits the growth in real estate tax revenues by reducing millage as assessed values increase following re-appraisals. Consequently, revenues generated from each levy remain relatively constant. As a result, the District must periodically seek additional funding from its taxpaying constituents. While statewide, voters have proved reluctant to increase their property taxes, the Athens City School District has received positive support from its taxpayers on 88% of all tax levies and/or 100% of all bond issues since 1964. The District's management is very appreciative of this support but is constantly searching for ways to provide a more efficient means of doing business while at the same time continuing to provide excellent educational services. Evidence of this is supported by the fact the District operates more than 25 grants generating nearly \$2.2 million in funding. These grants have provided funds to implement entry-year teacher programs, school-to-work programs, Family Literacy efforts, Service Learning, prevention programs for drugs, alcohol and violence, as well as Professional Development Grants that have increased the competency of staff and provided research based models for instructional change.

EMPLOYEE RELATIONS

The District has 425 employees (full and part time) of which 239 are certificated (including school psychologists and counselors), 168 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 December 2004, the Board successfully concluded negotiations with the AEA on a three year agreement for wages and fringe benefits. Wage agreements reached for the three year period January 15, 2005 through January 15, 2008 included a 3.0% wage increase retroactive to January 1, 2005, a 3% increase effective January 2006, and a 3% increase effective January 2007.

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

During the summer of 2004, 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, 2004 through August 31, 2007, included hourly wage increases of \$.45 effective September 2004, September 2005, and September 2006.

SERVICES PROVIDED

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

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

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

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

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

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

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

The District's special education programs are broad and comprehensive. Approximately 15% of the student population has an Individualized Education Plan (IEP). A Talented and Gifted Program is available to qualified students. Programs and services are provided at the elementary, middle, and high school levels for gifted students. The District has developed a comprehensive gifted education plan. Special programs for the multi handicapped, developmentally handicapped, English as a second language, learning handicapped, speech, hearing impaired, are provided for students who meet the requirements.

TECHNOLOGY

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

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

TEACHER PROFESSIONAL DEVELOPMENT

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

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

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

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

COMMUNITY, STAFF, AND STUDENT INVOLVEMENT

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

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

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

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

MAJOR INITIATIVES AND EVENTS - FISCAL YEAR 2004

Facility Management

The District has completed and adopted a *Facility Master Plan* with the assistance of the Ohio School Facility Commission (OSFC) and other professionals. The plan was completed in fiscal year 2004 and filed with the OSFC. The Plan will serve not only as a management tool but will also lock in certain already completed project costs as part of the District's share of any future construction projects funded through the OSFC. Additionally, current fiscal year permanent improvements included electrical upgrades, roof repairs, renovations to doors and windows, and the addition of security cameras at the High School.

Summer School

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

Technology

More than 110 new computers were installed throughout the District's educational facilities. A District-wide internet filtering system was implemented to comply with the federal mandate of the Children's Internet Protection Act. The District's goal of having one computer for every five students in the classroom was achieved during fiscal year 2003. A Teacher/Trainer was added to provide professional development for technology to District staff. A new software product called First Class was implemented district-wide. It provides one consistent communication system that includes email, chat, and file sharing.

Report Cards

Ohio law calls for each Ohio District to receive a performance accountability rating based on 18 performance standards. Athens City Schools have met 10 of the 18 performance standards for the 2003-2004 school year. Based on the State's current ranking system, this score places the District in the Continuous Improvement category and Met the Adequate Yearly Progress (AYP) requirement. 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 fifth Comprehensive Annual Financial Report (CAFR) for fiscal year 2004. This report included a second year implementation of the GASB 34 requirements. All reports prior to this year have received the Certificate of Achievement from the Government Finance Officers Association. We believe that our current report also conforms to the Certificate of Achievement program requirements.

Academic and Student Group Awards

Athens High School's class of 2004 had 19 students qualify as National Merit Scholars. There were also 22 class of 2005 students who were recognized as National Merit Finalists. Since 1984, eighty-nine Athens High School graduates have been named National Merit Scholars and 119 more have earned commended status. A number of Athens High School class of 2004 graduates received recognition and scholarships from the J. Warren McClure Foundation.

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

Consolidated Local Plan

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

<u>Grant</u>	<u>Award Amount</u>	<u>Description of Grant</u>
Title I	\$665,955	This grant targets our 3 schools who demonstrate that they are serving an economically disadvantaged student population that exceeds 35% of the school's total student population.
Title II-A	\$225,944	Based on research findings that smaller class size is correlated to student success, the funds from this grant are ear-marked for class size reduction, especially in the primary grades.
Title II-D	\$25,299	Funds are designated for professional development of educational staff and the encouragement of technology and mathematics and science education.
Title III	\$28,350	This grant targets funds toward expanding and enhancement of English language and academic instruction programs to promote English as a second language (ESL).
Title IV	\$21,649	Focus for this grant is on cultivating a safe, drug-free climate within our schools, underscoring the educational mission to have students make good life decisions and feel safe in their environment.
Title V	\$36,661	An <i>Innovative Assistance Program</i> , funds from this have helped support new and creative educational applications.
Title VI-B	\$341,693	Funds are allocated to align systems of intervention and special education with scientifically based research curriculum, instruction and assessment and with the state's academic content standards. Provides tutoring and other focused supplemental supports for children.
ECSE	\$13,874	Funding is designed to provide tutoring and other focused supplemental supports for children most at risk in reading and mathematics.
Total	\$1,359,425	

MAJOR INITIATIVES FOR THE FUTURE

Permanent Improvements

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

Curriculum Development and Meeting the Requirements of New State Standards

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

Technology Upgrades

The Information Technology (IT) Department's top priorities for fiscal year 2005 and beyond will be to update the Technology Plan for re-approval in 2005. The IT Department will be installing all new servers at each building, bringing the Transportation and Maintenance facilities onto the network, and implementing more wireless network access throughout the District.

FINANCIAL INFORMATION

Internal Controls

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

Federal and State Assistance

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

Budgetary Controls

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

Financial Condition

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

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

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

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

As a part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the District. This discussion is located in the financial section of this report following the independent auditor's report, and provides an assessment of the District finances for fiscal year 2004 and comparisons with fiscal year 2003.

Debt Administration

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

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, 2004, the District's general obligation debt was 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, 2004 is included in the Notes to the Basic 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 2004 was \$195,455.

The program's efficiency is enhanced using direct deposits and wire transfers to accelerate the availability of investment 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, Sections 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 2004, the District purchased certificates of deposit, and U.S. Treasury and Agency/Instrumentality securities permitted by the Ohio Revised Code. It also used the State Treasurer's Star Ohio account for short-term investments. The District does not invest in derivative securities nor engage in leverage. It utilizes yield curve analysis and relative value approaches for investment selection. All investments are transacted competitively, using three bids/offers from eligible banks and dealer firms.

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

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent accountants. The Auditor of State conducted the District's audit from fiscal year 1999 to fiscal year 2003. In fiscal year 2004, the Auditor of State contracted the District's audit to a private independent public accounting firm. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The independent auditor's report on the basic financial statements and combining statements and individual fund schedules is included in the financial section of this report.

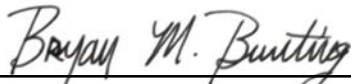
GFOA Certificate Of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Athens City School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2003. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

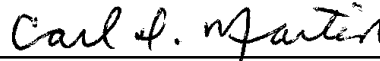
Acknowledgments

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

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



Bryan M. Bunting, Treasurer/CFO



Carl D. Martin, Superintendent

List of Principal Officials

BOARD OF EDUCATION

President	Scott Nisley	January 1, 2004 to December 31, 2007
Vice President	Bruce Nottke	January 1, 2002 to December 31, 2005
Board Member	Roger Brown	January 1, 2004 to December 31, 2007
Board Member	Catherine Cordingley	January 1, 2002 to December 31, 2005
Board Member	Jeffrey Dill, PhD	January 1, 2002 to December 31, 2005

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

TREASURER'S OFFICE STAFF

Assistant Treasurer – Accounts Payable	Shirley Porter
Assistant Treasurer – Purchase Orders/Food Service	Ginny Steward
Assistant Treasurer – Budget/Grants/Receipts	Anita Alloway
Assistant Treasurer – Insurance/Payroll	Lis Michael
Assistant Treasurer – Payroll	Beckie Blake

CENTRAL OFFICE SUPPORT STAFF

Superintendent Secretary	Judy Stanley
Business Manager Secretary	Denise Boal
Director of Curriculum Secretary	Debbie Lewis
Director of Special Services Secretary	Linda McAllister

BUILDING ADMINISTRATORS and SECRETARY

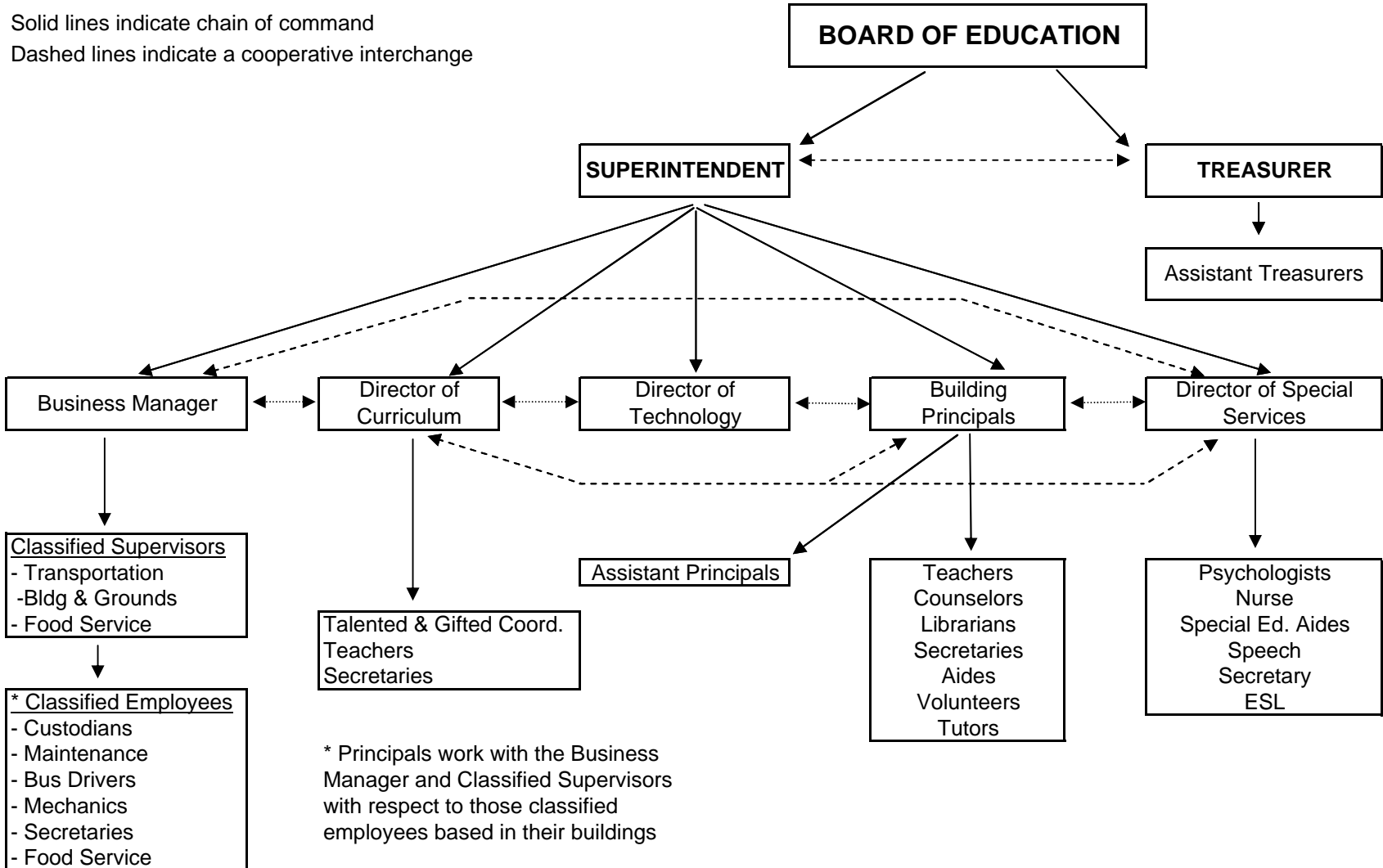
High School	Mike Meek Secretary - Linda Skinner
Middle School.....	Paul Grippa Secretary – Janet Lowes
Chauncey Elementary	Linda Rolli Secretary – Brenda Hamilton
East Elementary	Denny Boger Secretary – Linda Pierce
Morrison Elementary	John Gordon Secretary – Linda Bennett
The Plains Elementary	Shelley Conrath Secretary – Madelon Armstrong
West Elementary	Joan Linscott Secretary – Judy Deardorf

OTHER ADMINISTRATORS

Maintenance Supervisor.....	Larry Douglas
Transportation Supervisor.....	Robert Meek
Food Service Supervisor	Tammy Dicken

ATHENS CITY SCHOOLS ORGANIZATIONAL CHART

Solid lines indicate chain of command
 Dashed lines indicate a cooperative interchange



XX

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, 2003

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



Nancy L. Ziehl

President

Jeffrey R. Enos

Executive Director

ATHENS CITY SCHOOL DISTRICT



FINANCIAL SECTION

BALESTRA, HARR & SCHERER CPAs, INC.

CERTIFIED PUBLIC ACCOUNTANTS

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639

www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR-S REPORT

Members of the Board
Athens City School District
25 South Plains Road
The Plains, Ohio 45780

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens City School District (the District), The Plains, as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2005, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of the Board
Athens City School District
Independent Auditor's Report
Page 2

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Balestra, Harr & Scherer CPAs, Inc.

Balestra, Harr & Scherer CPAs, Inc.
January 27, 2005

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

The discussion and analysis of the Athens City School District's financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2004. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review our letter of transmittal, notes to the basic financial statements and the financial statements themselves to enhance their understanding of the School District's financial performance.

Financial Highlights

- < The assets of Athens City School District exceeded its liabilities at June 30, 2004 by \$19.08 million. Of this amount, \$4.57 million may be used to meet the District's ongoing financial obligations. The remaining amount represents the difference between capital assets and related debt and net asset amounts restricted for specific purposes.
- < In total, net assets of governmental activities decreased by \$.50 million, which represents a decrease of 2.58% from 2003.
- < General revenues accounted for \$22.43 million or 74.6% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7.63 million or 25.4% of total revenues of \$30.06 million.
- < The District had \$30.57 million in expenses related to governmental activities; only \$7.63 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes and grants and entitlements) of \$22.43 million fell below the amount needed to provide for these programs. However, the District's carry-over balance was sufficient to meet any additional requirements.
- < The District recognizes three major governmental funds: the General Fund, the Bond Retirement Fund, and the Permanent Improvement Fund. In terms of dollars received and spent, the General Fund is significantly larger than all the other funds of the District combined. The General Fund had \$22.14 million in revenues and \$21.45 million in expenses in fiscal year 2004.
- < The District also recognizes the self-insurance fund activity as a governmental activity and a proprietary fund. The activity for fiscal year 2004 was \$2.56 million in revenue and \$4.13 million in expenses. Net assets at June 30, 2004 for the self insurance fund decreased to \$3.39 million.

Using this Annual Report

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

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

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

Reporting the District as a Whole

Government-Wide Financial Statements

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

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

The Statement of Activities presents information showing how the government's net assets changed during the recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Fund

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

Government-Wide Financial Analysis

Recall that the *Statement of Net Assets* provides the perspective of the District as a whole, showing assets, liabilities, and the difference between them (net assets). Table 1 provides a summary of the District's net assets for 2004 compared to fiscal year 2003:

Table 1
Net Assets

	<u>Governmental Activities</u>	
	2004	2003
Assets		
Current and Other Assets	\$30,900,549	\$31,509,646
Capital Assets, Net	24,387,697	25,501,071
Total Assets	<u>55,288,246</u>	<u>57,010,717</u>
Liabilities		
Long-Term Liabilities	19,763,736	20,312,038
Other Liabilities	16,440,673	17,110,313
Total Liabilities	<u>36,204,409</u>	<u>37,422,351</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	6,553,026	7,324,505
Restricted	7,961,177	6,538,705
Unrestricted	4,569,634	5,725,156
Total Net Assets	<u><u>\$19,083,837</u></u>	<u><u>\$19,588,366</u></u>

Current assets decreased only slightly by \$.60 million from fiscal year 2003 due primarily to a decrease in cash from the internal service activity. Capital assets decreased by \$1.11 million as a result of the depreciation for the current year.

Current (other) liabilities decreased \$.67 million primarily due to a decrease in both accrued wages and deferred revenue.

Long-term liabilities decreased \$.55 million due to scheduled principal payments made on the District's debt outstanding.

The District's largest portion of net assets relate to invested in capital assets, net of related debt. This accounts for 34.4% of net assets. The District used these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

The District's smallest portion of net assets is unrestricted. This accounts for 23.9% of net assets. These net assets represent resources that may be used to meet the District's ongoing obligations to its students and creditors. The remaining balance of \$7,961,177 or 41.7% is restricted assets. The restricted net assets are subject to external restrictions on how they may be used.

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

Table 2 shows the changes in net assets for fiscal year 2004 compared to changes for fiscal year 2003. Certain reclassifications were made to fiscal year 2003 revenues to conform with 2004 classifications.

Table 2
Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
<u>Revenues:</u>		
<i>Program Revenue:</i>		
Charges for Services and Sales	\$2,439,269	\$2,205,055
Operating Grants and Contributions	5,190,614	4,256,342
Capital Grants and Contributions	0	86,792
<i>General Revenue:</i>		
Property Taxes	13,816,282	12,940,367
Unrestricted Grants and Entitlements	8,292,211	7,179,564
Gain on Sale of Capital Assets	0	30,800
Investment Earnings	195,455	712,396
Other	130,576	142,826
<i>Total Revenues</i>	<u>30,064,407</u>	<u>27,554,142</u>
<u>Expenses:</u>		
<i>Program Expenses:</i>		
<i>Instruction:</i>		
Regular	13,565,316	13,358,975

(Continued)

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

Table 2
Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
Special	3,344,419	3,293,884
Vocational	401,449	404,661
<i>Support Services:</i>		
Pupil	1,160,088	1,119,257
Instructional Staff	1,437,682	1,349,741
Board of Education	120,421	101,298
Administration	1,817,458	1,596,823
Fiscal	717,844	697,172
Business	161,459	147,822
Operation and Maintenance of Plant	3,319,257	3,488,661
Pupil Transportation	1,719,827	1,719,696
Central	137,756	155,459
<i>Operation of Non-Instructional Services:</i>		
Food Service	786,109	775,953
Other	2,284	86,389
Extracurricular Activities	459,851	440,005
Interest and Fiscal Charges	<u>1,417,716</u>	<u>1,376,510</u>
<i>Total Expenses</i>	<u>30,568,936</u>	<u>30,112,306</u>
<i>Change in Net Assets</i>	(504,529)	(2,558,164)
Net Assets – Beginning of Year	<u>19,588,366</u>	<u>22,146,530</u>
Net Assets – End of Year	<u><u>\$19,083,837</u></u>	<u><u>\$19,588,366</u></u>

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

The District had program revenue increases of \$1,081,694, as well as increases in general revenues of \$1,428,571. The increase in program revenue is due to the increase in operating grants and contributions. The general revenue increase is mostly due to increases in both property taxes, and unrestricted grants and entitlements.

The total expenses for governmental activities increased \$456,630. Much of the increase can be attributed to increases in salaries and fringe benefits, and insurance claims for fiscal year 2004.

Governmental Activities

Over the past several fiscal years, the District has remained in stable financial condition. This has been accomplished through strong voter support and good fiscal management. The District is heavily dependent on property taxes and, like most Ohio schools, is hampered by a lack of revenue growth. Property taxes made up 52.7% of the total revenue for our three most significant funds in fiscal year 2004.

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

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

This District's only non-continuing operating tax levy is for 5.8 mills. It was first passed as a 4-year levy in 1994 and has also been replaced twice. The voters approved changing this to a 5-year levy in 2003 by a positive vote of more than 62%. This levy generates approximately \$1.9 million dollars in operating revenue.

Instruction accounts for 57.9% of governmental program expenses. Support services expenses make up 34.6% of governmental expenses. The Statement of Activities shows the cost of program services and charges for services and grants offsetting those services.

Table 3 shows, for governmental activities, the total cost of services and the net cost of services for fiscal year 2004 compared with fiscal year 2003. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

Table 3
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2004	2003	2004	2003
<i>Program Expenses:</i>				
Instruction	\$17,311,184	\$17,057,520	\$11,627,018	\$12,258,940
Support Services	10,591,792	10,375,929	9,435,205	9,354,347
Operation of Non-Instructional Services	788,393	862,342	87,057	233,681
Extracurricular Activities	459,851	440,005	372,057	340,639
Interest and Fiscal Charges	1,417,716	1,376,510	1,417,716	1,376,510
Total Expenses	\$30,568,936	\$30,112,306	\$22,939,053	\$23,564,117

The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. (See Note 2 for discussion of significant accounting policies and procedures). All governmental funds had total revenues of \$29.62 million and expenditures of \$30.71 million.

Total governmental funds fund balances increased by \$1.34 million. This increase was due primarily to an increase in the fund balances of both the General Fund and Bond Retirement Fund. Both of the increases in these funds were the result of increases in property tax and intergovernmental revenues in fiscal year 2004. General Fund fund balance at year end was \$2.89 million, while the Bond Retirement Fund fund balance was \$3.67 million.

The District has established a target level of a fund balance in the Bond Retirement Fund of two times its annual bonded debt service requirements or approximately \$3.6 million.

The Permanent Improvement Fund fund balance is used to accomplish the long-range objectives of the District for textbook replacement, technology upgrades and building maintenance. The fund balance in this fund at year end was \$3.55 million.

The District should remain stable in fiscal years 2005 through 2007. However, projections beyond fiscal year 2007 show the District may be unable to meet inflationary cost increases in the long-term without additional tax levies or a meaningful change in state funding of public schools as directed by the Ohio Supreme Court.

Budget Highlights - General Fund

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

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

During the course of fiscal year 2004, the District amended its General Fund budget several times. The District uses a modified site-based budget technique that is designed to control site budgets while providing building administrators and supervisors flexibility for site management.

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

For the General Fund, the final budget basis revenue was \$22,101,517 representing a \$20,039,619 increase from the original budget estimates of \$2,061,898. The final budget reflected a 971.90% increase from the original budgeted amount. Most of this difference was due to the District not budgeting for taxes and intergovernmental revenues on the original budget. For the General Fund, the final budget basis expenditures were \$22,131,252 representing an increase of \$1,572,171 from the original budget. The difference is the result of conservative estimates of expenditures on the original budget.

Debt Administration and Capital Assets

Debt Administration

At June 30, 2004, the District had \$17.7 million in bonds outstanding with \$987,448 due within one year. Table 5 summarizes bonds and notes outstanding for fiscal year 2004 compared to fiscal year 2003. Additional information concerning the District's debt can be found in the notes to the basic financial statements.

Table 5
Outstanding Debt, Governmental Activities at Year End

Purpose	2004	2003
Facility Construction Bonds (Refunding)	\$32,448	\$2,426,566
Facility Construction Bonds (Refunding)	2,335,000	0
Facility Renovation Bonds	15,380,000	15,750,000
Energy Conservation (H.B. 264) Note	0	215,000
Total	\$17,747,448	\$18,391,566

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

Capital Assets

At the end of fiscal year 2004, the District had \$46.1 million invested in capital assets of which all was in governmental activities. That total carries an accumulated depreciation of \$21.7 million. Table 4 shows fiscal year 2004 balances compared to fiscal year 2003. Additional information concerning the District's capital assets can be found in the notes to the basic financial statements.

Table 4
Capital Assets & Accumulated Depreciation at June 30, 2004

	<u>Governmental Activities</u>	
	2004	2003
<i>Nondepreciable Capital Assets:</i>		
Land	\$1,481,240	\$1,481,240
<i>Depreciable Capital Assets:</i>		
Land Improvements	2,973,530	2,973,530
Buildings and Improvements	35,328,477	35,328,477
Furniture, Fixtures and Equipment	3,177,478	3,528,514
Vehicles	1,763,680	1,763,680
Library and Textbooks	1,399,405	1,399,405
<i>Total Capital Assets</i>	46,123,810	46,204,846
<i>Less Accumulated Depreciation:</i>		
Land Improvements	1,755,427	1,666,623
Buildings and Improvements	14,562,777	13,616,861
Furniture, Fixtures and Equipment	2,811,445	2,940,187
Vehicles	1,253,499	1,145,715
Library and Textbooks	1,352,965	1,334,389
<i>Total Accumulated Depreciation</i>	21,736,113	20,703,775
Capital Assets, Net	\$24,387,697	\$25,501,071

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

Current Issues

Although considered a mid-wealth district, Athens City School District is financially stable, and has been over the past several years. As indicated in the preceding financial information, the District is heavily dependent on property taxes. Property tax revenue does not increase solely as a result of inflation. Therefore, in the long-term, the current program and staffing levels will be dependent on increased funding to meet inflation. Careful financial planning and the passage of a building levy, which included a 1.5 mill continuing operating levy, have permitted the District to provide a quality education for our students along with renovated facilities for the future.

The Ohio Supreme Court issued its fourth split decision regarding the State's school funding plan. The majority opinion identified aspects of the current plan that require modification if the plan is to be considered constitutional. However, the Court has in effect decided that they have, barring another lawsuit, completed their responsibility in the case. Ending the high court's involvement has left Ohio with a school funding system that has been determined to be unconstitutional but failed to provide the framework to fix it. At this time there can be no reasonable estimate of the impact on school funding.

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

In 2004 the Ohio Legislature modified the provisions of the 1999 HB283. This bill was designed to reduce the assessed valuation of the inventory component of personal property tax from 25% to 0% by 2031. The modification speeds up the reduction of assessed valuation to be completed in half the original time.

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

Effective May 1, 2001 a kilowatt hour (KWH) tax began being collected. 37.8% of these new dollars would be deposited in a new Property Tax Replacement Fund (PTRF). 70% of the PTRF will be paid to school districts that lost revenue as determined by the Ohio Department of Taxation. First distribution will be made to cover costs of fixed sum levies such as debt issues and emergency levies. Next, fixed rate levies would be replaced from 2003 through 2006; after this a phase out formula would begin.

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

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

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

Commercial growth saw a 15.5% increase in assessed valuation in calendar 2004. This was mainly due to development along the east edge of the City. The City has completed major improvements to the street and utilities to facilitate development. New commercial enterprises such as a Wal-Mart Superstore, Ruby Tuesday's restaurant, a Staples office retailer, and Lowe's Hardware Superstore have opened in 2004. Additional commercial construction is on-going in late 2004 and 2005. Most of the new construction falls within an area that is under a Tax Increment Financing (TIF) agreement between the City of Athens and the District. Beginning in fiscal year 2005, the District will receive an "In Lieu" payment from the City that should closely approximate the tax payment which would have been made by the commercial property owners. However, since the TIF area will be considered tax-exempt property, the property valuation will not be used by the State Department of Education when determining deduction from the District's funding amounts in fiscal year 2005 and through the end of the 30 year TIF agreement.

Contacting the School District's Financial Management

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

ATHENS CITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2004

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$15,915,869
Property Taxes Receivable	14,482,753
Accounts Receivable	120
Intergovernmental Receivable	403,797
Accrued Interest Receivable	10,768
Prepaid Items	76,399
Inventory Held for Resale	10,843
Nondepreciable Capital Assets	1,481,240
Depreciable Capital Assets, Net	<u>22,906,457</u>
<i>Total Assets</i>	<u>55,288,246</u>
<u>Liabilities:</u>	
Accounts Payable	114,770
Accrued Wages	1,569,670
Contracts Payable	1,509
Intergovernmental Payable	720,123
Accrued Interest Payable	83,304
Claims Payable	497,659
Deferred Revenue	13,453,638
<i>Long-Term Liabilities:</i>	
Due within One Year	1,335,677
Due in More Than One Year	<u>18,428,059</u>
<i>Total Liabilities</i>	<u>36,204,409</u>
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	6,553,026
<i>Restricted for:</i>	
Capital Outlay	3,640,336
Debt Service	3,749,539
Other Purposes	571,302
Unrestricted	<u>4,569,634</u>
<i>Total Net Assets</i>	<u><u>\$19,083,837</u></u>

See accompanying notes to the basic financial statements

This page intentionally left blank.

ATHENS CITY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2004

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<u>Governmental Activities:</u>				
<i>Instruction:</i>				
Regular	\$13,565,316	\$66,599	\$2,308,489	(\$11,190,228)
Special	3,344,419	1,965,444	1,343,634	(35,341)
Vocational	401,449	0	0	(401,449)
<i>Support Services:</i>				
Pupil	1,160,088	0	119,363	(1,040,725)
Instructional Staff	1,437,682	0	8,722	(1,428,960)
Board of Education	120,421	0	0	(120,421)
Administration	1,817,458	0	190,181	(1,627,277)
Fiscal	717,844	0	0	(717,844)
Business	161,459	0	0	(161,459)
Operation and Maintenance of Plant	3,319,257	0	167,108	(3,152,149)
Pupil Transportation	1,719,827	0	629,950	(1,089,877)
Central	137,756	0	41,263	(96,493)
<i>Operation of Non-Instructional Services:</i>				
Food Services	786,109	319,825	381,511	(84,773)
Other	2,284	0	0	(2,284)
Extracurricular Activities	459,851	87,401	393	(372,057)
Interest and Fiscal Charges	1,417,716	0	0	(1,417,716)
Total Governmental Activities	\$30,568,936	\$2,439,269	\$5,190,614	(22,939,053)
 <u>General Revenues:</u>				
<i>Property Taxes Levied for:</i>				
General Purposes				10,490,268
Debt Service				2,373,389
Capital Outlay				952,625
Grants and Entitlements not Restricted to Specific Programs				8,292,211
Payments in Lieu of Taxes				19,629
Unrestricted Contributions				4,491
Investment Earnings				195,455
Miscellaneous				106,456
Total General Revenues				22,434,524
Change in Net Assets				(504,529)
<i>Net Assets at Beginning of Year</i>				19,588,366
<i>Net Assets at End of Year</i>				\$19,083,837

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT

*Balance Sheet
Governmental Funds
June 30, 2004*

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$4,282,972	\$3,561,264	\$3,540,550	\$563,440	\$11,948,226
Property Taxes Receivable	11,073,382	2,417,535	991,836	0	14,482,753
Accounts Receivable	15	0	0	105	120
Intergovernmental Receivable	0	0	0	403,797	403,797
Interfund Receivable	43,630	0	0	0	43,630
Prepaid Items	76,399	0	0	0	76,399
Inventory Held for Resale	0	0	0	10,843	10,843
<u>Restricted Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	88,334	0	0	0	88,334
Total Assets	\$15,564,732	\$5,978,799	\$4,532,386	\$978,185	\$27,054,102
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$62,114	\$0	\$35,010	\$10,915	\$108,039
Accrued Wages and Benefits	1,382,655	0	0	187,015	1,569,670
Contracts Payable	1,509	0	0	0	1,509
Intergovernmental Payable	549,804	0	0	75,715	625,519
Interfund Payable	0	0	0	43,630	43,630
Deferred Revenue	10,641,499	2,309,778	942,473	360,167	14,253,917
Compensated Absences Payable	40,353	0	0	14,515	54,868
Total Liabilities	12,677,934	2,309,778	977,483	691,957	16,657,152
<u>Fund Balances:</u>					
Reserved for Encumbrances	220,797	0	380,993	101,368	703,158
Reserved for Property Taxes	431,883	107,757	49,363	0	589,003
Reserved for Budget Stabilization	10,928	0	0	0	10,928
Reserved for Bus Purchases	77,406	0	0	0	77,406
<u>Unreserved, Undesignated, Reported in:</u>					
General Fund	2,145,784	0	0	0	2,145,784
Special Revenue Funds	0	0	0	137,146	137,146
Debt Service Fund	0	3,561,264	0	0	3,561,264
Capital Projects Funds	0	0	3,124,547	47,714	3,172,261
Total Fund Balances	2,886,798	3,669,021	3,554,903	286,228	10,396,950
Total Liabilities and Fund Balances	\$15,564,732	\$5,978,799	\$4,532,386	\$978,185	\$27,054,102

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2004*

Total Governmental Funds Balances	\$10,396,950
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	24,387,697
Some of the District's receivables will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. These receivables consist of:	
Property taxes	440,112
Intergovernmental	<u>360,167</u>
Total receivables that are deferred in the funds	800,279
Intergovernmental payables include contractually required pension contributions not expected to be paid with expendable available financial resources and therefore are not reported in the funds.	(94,604)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
General obligation bonds	(17,747,448)
Premium on bonds issued	(86,623)
Accrued interest on notes and bonds	(83,304)
Compensated absences	<u>(1,874,797)</u>
Total liabilities that are not reported in the funds	(19,792,172)
An internal service fund is used by management to charge the costs of insurance activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	<u>3,385,687</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$19,083,837</u></u>

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2004

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Taxes	\$10,448,690	\$2,353,214	\$941,387	\$0	\$13,743,291
Intergovernmental	9,521,300	406,727	157,237	3,019,101	13,104,365
Interest	125,960	5,119	53,608	0	184,687
Tuition and Fees	1,957,726	0	0	74,317	2,032,043
Extracurricular Activities	0	0	0	116,288	116,288
Rent	12,888	0	0	0	12,888
Charges for Services	0	0	0	319,825	319,825
Payments in Lieu of Taxes	19,629	0	0	0	19,629
Contributions and Donations	0	0	0	22,784	22,784
Miscellaneous	55,466	0	0	9,216	64,682
<i>Total Revenues</i>	<u>22,141,659</u>	<u>2,765,060</u>	<u>1,152,232</u>	<u>3,561,531</u>	<u>29,620,482</u>
<u>Expenditures:</u>					
<i>Current:</i>					
<i>Instruction:</i>					
Regular	9,746,611	0	0	1,472,203	11,218,814
Special	2,303,945	0	0	738,080	3,042,025
Vocational	367,322	0	0	0	367,322
<i>Support Services:</i>					
Pupil	891,076	0	0	180,534	1,071,610
Instructional Staff	881,345	0	0	431,839	1,313,184
Board of Education	120,422	0	0	0	120,422
Administration	1,463,470	0	0	209,136	1,672,606
Fiscal	634,901	51,855	0	1,068	687,824
Business	148,554	0	0	0	148,554
Operation and Maintenance of Plant	2,898,821	0	0	44,855	2,943,676
Pupil Transportation	1,387,476	0	0	10,194	1,397,670
Central	55,191	0	0	74,869	130,060
Operation of Non-Instructional Services	24	0	0	752,698	752,722
Extracurricular Activities	318,855	0	0	88,696	407,551
Capital Outlay	13,645	0	1,016,800	1,842	1,032,287
<i>Debt Service:</i>					
Principal Retirement	215,000	2,764,118	0	0	2,979,118
Interest and Fiscal Charges	5,321	1,415,169	0	0	1,420,490
<i>Total Expenditures</i>	<u>21,451,979</u>	<u>4,231,142</u>	<u>1,016,800</u>	<u>4,006,014</u>	<u>30,705,935</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>689,680</u>	<u>(1,466,082)</u>	<u>135,432</u>	<u>(444,483)</u>	<u>(1,085,453)</u>
<u>Other Financing Sources:</u>					
Proceeds of Refunding Bonds	0	2,335,000	0	0	2,335,000
Premium on Bonds Issued	0	86,623	0	0	86,623
<i>Total Other Financing Sources</i>	<u>0</u>	<u>2,421,623</u>	<u>0</u>	<u>0</u>	<u>2,421,623</u>
<i>Net Change in Fund Balances</i>	689,680	955,541	135,432	(444,483)	1,336,170
<i>Fund Balances at Beginning of Year</i>	<u>2,197,118</u>	<u>2,713,480</u>	<u>3,419,471</u>	<u>730,711</u>	<u>9,060,780</u>
<i>Fund Balances at End of Year</i>	<u>\$2,886,798</u>	<u>\$3,669,021</u>	<u>\$3,554,903</u>	<u>\$286,228</u>	<u>\$10,396,950</u>

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2004*

Net Change in Fund Balances - Total Governmental Funds \$1,336,170

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (1,113,374)

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

Property taxes	72,991
Intergovernmental	181,045
	254,036

Total revenues not reported in the funds 254,036

Bond proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from general obligation bonds, including a premium of \$86,623. (2,421,623)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 2,979,118

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 2,774

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

Increase in compensated absences	(171,847)
Decrease in intergovernmental payables	155,473
Decrease in retirement incentive obligation	40,000
	23,626

Total expenditures not reported in the funds 23,626

An internal service fund is used by management to charge the costs of insurance to individual funds. The net revenue of the internal service fund is reported as governmental activities. (1,565,256)

Change in Net Assets of Governmental Activities (\$504,529)

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Taxes	\$0	\$10,365,267	\$10,365,267	\$0
Intergovernmental	0	9,521,300	9,521,300	0
Interest	209,105	136,639	137,369	730
Tuition and Fees	1,759,844	1,957,726	1,957,726	0
Rent	11,648	12,888	12,888	0
Payments in Lieu of Taxes	0	19,629	19,629	0
Miscellaneous	46,003	48,068	55,623	7,555
<i>Total Revenues</i>	2,026,600	22,061,517	22,069,802	8,285
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	9,294,177	10,249,042	10,249,988	(946)
Special	2,282,788	2,355,071	2,355,661	(590)
Vocational	357,110	390,119	390,120	(1)
<i>Support Services:</i>				
Pupils	893,471	931,746	931,747	(1)
Instructional Staff	743,049	895,035	895,067	(32)
Board of Education	8,639	120,347	120,347	0
Administration	1,369,790	1,502,044	1,501,914	130
Fiscal	633,527	640,448	640,449	(1)
Business	150,588	149,151	149,151	0
Operation and Maintenance of Plant	2,764,702	2,828,631	2,828,631	0
Pupil Transportation	1,429,128	1,417,531	1,417,531	0
Central	80,229	56,657	56,657	0
Operation of Non-Instructional Services	157	24	24	0
Extracurricular Activities	309,431	315,131	315,131	0
Capital Outlay	21,974	16,324	16,324	0
<i>Debt Service:</i>				
Principal Retirement	215,000	215,000	215,000	0
Interest and Fiscal Charges	5,321	5,321	5,321	0
<i>Total Expenditures</i>	20,559,081	22,087,622	22,089,063	(1,441)
Excess of Revenues Over (Under) Expenditures	(18,532,481)	(26,105)	(19,261)	6,844
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	35,298	0	0	0
Advances In	0	40,000	40,000	0
Advances Out	0	(43,630)	(43,630)	0
<i>Total Other Financing Sources (Uses)</i>	35,298	(3,630)	(3,630)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(18,497,183)	(29,735)	(22,891)	6,844
Fund Balance at Beginning of Year	3,815,240	3,815,240	3,815,240	0
Prior Year Encumbrances Appropriated	340,568	340,568	340,568	0
Fund Balance at End of Year	(\$14,341,375)	\$4,126,073	\$4,132,917	\$6,844

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Net Assets

Proprietary Fund

June 30, 2004

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Assets:</u>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	\$3,879,309
Accrued Interest Receivable	10,768
	<hr/>
<i>Total Assets</i>	3,890,077
	<hr/>
<u>Liabilities:</u>	
<i>Current Liabilities:</i>	
Accounts Payable	6,731
Claims Payable	497,659
	<hr/>
<i>Total Current Liabilities</i>	504,390
	<hr/>
<u>Net Assets:</u>	
Unrestricted	\$3,385,687
	<hr/> <hr/>

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
*Statement of Revenues,
Expenses and Change in Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2004*

	Governmental Activities
	Internal Service
<u>Operating Revenues:</u>	
Charges for Services	\$2,558,929
<u>Operating Expenses:</u>	
Purchased Services	461,219
Claims	3,673,734
<i>Total Operating Expenses</i>	4,134,953
<i>Operating Loss</i>	(1,576,024)
<u>Nonoperating Revenue:</u>	
Interest	10,768
<i>Change in Net Assets</i>	(1,565,256)
<i>Net Assets at Beginning of Year</i>	4,950,943
<i>Net Assets at End of Year</i>	\$3,385,687

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT

Statement of Cash Flows

Proprietary Fund

For the Fiscal Year Ended June 30, 2004

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Services Provided	\$2,558,929
Cash Payments for Goods and Services	(458,314)
Cash Payments for Claims	(3,439,586)
<i>Net Cash from Operating Activities</i>	<u>(1,338,971)</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(1,338,971)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>5,218,280</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$3,879,309</u></u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash from Operating Activities:</u>	
Operating Loss	(\$1,576,024)
<u>Adjustments to Reconcile Operating Income (Loss)</u>	
<u>to Net Cash from Operating Activities:</u>	
<i>Increase (Decrease) in Liabilities:</i>	
Accounts Payable	6,263
Intergovernmental Payable	(3,358)
Claims Payable	234,148
Total Adjustments	<u>237,053</u>
<i>Net Cash from Operating Activities</i>	<u><u>(\$1,338,971)</u></u>

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2004

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$21,121	\$49,658
	<u> </u>	<u> </u>
<u>Liabilities:</u>		
Accounts Payable	0	750
Due to Students	0	48,908
	<u> </u>	<u> </u>
<i>Total Liabilities</i>	0	49,658
	<u> </u>	<u> </u>
<u>Net Assets:</u>		
Unrestricted	\$21,121	\$0
	<u> </u>	<u> </u>

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
Statement of Change in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2004

	<u>Private Purpose Trust</u>
<i>Additions</i>	\$0
<i>Deductions</i>	<u>0</u>
<i>Change in Net Assets</i>	0
<i>Net Assets at Beginning of Year</i>	<u>21,121</u>
<i>Net Assets at End of Year</i>	<u><u>\$21,121</u></u>

See accompanying notes to the basic financial statements

This page left blank intentionally.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

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 190th largest in the State of Ohio (among 613 school districts) in terms of enrollment. It is staffed by 168 non-certificated employees, 239 certificated full-time teaching personnel and 18 administrative employees who provide services to 2,935 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 16 and 17 to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

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

Governmental Funds

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

The following are the District's major governmental funds:

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

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

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

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

Proprietary Fund

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

Fiduciary Funds

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

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

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

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

Deferred Revenue

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

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

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

Expenses/Expenditures

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

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

E. Cash and Cash Equivalents

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

During the fiscal year 2004, the District's investments were limited to the U.S. Treasury Notes and State Treasury Asset Reserve of Ohio (STAROhio). Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investments the investment could be sold for on June 30, 2004.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2004 amounted to \$125,960, which includes \$74,792 assigned from other District funds.

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

F. Inventory

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

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

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2004, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. Restricted assets in the General Fund include amounts restricted for bus purchases and amounts required by statute to be set-aside by the District to create a reserve for budget stabilization. See Note 15 for additional information regarding set-asides.

I. Capital Assets

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

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

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

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

J. Interfund Balances

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

K. Compensated Absences

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

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

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

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

L. Accrued Liabilities and Long-Term Liabilities

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

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

M. Net Assets

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

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

N. Fund Balance Reserves

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

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

O. Operating Revenues and Expenses

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

P. Interfund Transactions

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. For fiscal year 2004, the District reported no extraordinary or special items.

R. Estimates

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

S. Budgetary Process

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2004.

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

NOTE 3 - ACCOUNTABILITY

The following funds had a deficit fund balance as of June 30, 2004:

Nonmajor Special Revenue Funds:

Food Service	\$23,182
Title VI-B	36,014
Title I	44,013
Other Federal Support	14,285

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$689,680
<i>Adjustments:</i>	
Revenue Accruals	(71,857)
Expenditure Accruals	(398,714)
Encumbrances	(238,370)
Other Sources (Uses)	<u>(3,630)</u>
Budget Basis	<u><u>(\$22,891)</u></u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

At fiscal year end, the District had \$2,000 in undeposited cash on hand which is included on the balance sheet of District as part of "equity in pooled cash and cash equivalents."

Deposits: At fiscal year-end, the carrying amount of the District's deposits was \$4,083,669, and the bank balance was \$4,487,934. Of the bank balance, \$300,000 was covered by federal depository insurance and \$4,187,934 was uninsured and uncollateralized, however it was covered by a collateral pool allowed under Ohio Revised Code Section 135.181. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation.

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

	Category 3	Carrying Value	Fair Value
U.S. Treasury Notes and Securities	\$4,994,914	\$4,994,914	\$4,994,914
STAROhio	0	6,906,065	6,906,065
Totals	<u>\$4,994,914</u>	<u>\$11,900,979</u>	<u>\$11,900,979</u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$15,986,648	\$0
Cash on Hand	(2,000)	0
<i>Investments:</i>		
U.S. Treasury Notes	(4,994,914)	4,994,914
STAROhio	(6,906,065)	6,906,065
GASB Statement No. 3	<u>\$4,083,669</u>	<u>\$11,900,979</u>

NOTE 6 - PROPERTY TAXES

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

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

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

The District receives property taxes from Athens County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2004 are available to finance fiscal year 2004 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable represents the June 2004 personal property tax settlement, delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which become measurable as of June 30, 2004. 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, 2004 was \$589,003 and is recognized as revenue. Of this total amount, \$431,883 was available to the General Fund, \$107,757 was available to the Bond Retirement Fund, and \$49,363 was available to the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2004 taxes were collected are:

	2003 Second- Half Collections		2004 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$357,211,960	88.48%	\$362,411,010	88.61%
Public Utility Personal	22,930,390	5.68%	23,330,900	5.70%
Tangible Personal Property	23,566,052	5.84%	23,265,910	5.69%
Total Assessed Value	<u>\$403,708,402</u>	<u>100.00%</u>	<u>\$409,007,820</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$67.90		\$67.90	

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 7 - RECEIVABLES

Receivables at June 30, 2004 consisted of property taxes, accounts (student fees), interfund, interest, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	
<hr/>	
<i>Nonmajor Special Revenue Funds:</i>	
Food Service	\$43,630
Title VI-B	47,205
Title I	168,928
Other Federal Support	144,034
	<hr/>
Total Nonmajor Special Revenue Funds	403,797
	<hr/>
Total Intergovernmental Receivables	<u><u>\$403,797</u></u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 8 - CAPITAL ASSETS

Capital asset governmental activity for the fiscal year ended June 30, 2004 was as follows:

<u>Asset Category</u>	<u>Balance at July 1, 2003</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at June 30, 2004</u>
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,481,240	\$0	\$0	\$1,481,240
Total Nondepreciable Capital Assets	1,481,240	0	0	1,481,240
<i>Depreciable Capital Assets:</i>				
Land Improvements	2,973,530	0	0	2,973,530
Buildings and Improvements	35,328,477	0	0	35,328,477
Furniture, Fixtures and Equipment	3,258,514	151,537	(232,573)	3,177,478
Vehicles	1,763,680	0	0	1,763,680
Library and Textbooks	1,399,405	0	0	1,399,405
Total Depreciable Capital Assets	44,723,606	151,537	(232,573)	44,642,570
Total Capital Assets	46,204,846	151,537	(232,573)	46,123,810
<i>Accumulated Depreciation:</i>				
Land Improvements	(1,666,623)	(88,804)	0	(1,755,427)
Buildings and Improvements	(13,616,861)	(945,916)	0	(14,562,777)
Furniture, Fixtures and Equipment	(2,940,187)	(103,831)	232,573	(2,811,445)
Vehicles	(1,145,715)	(107,784)	0	(1,253,499)
Library and Textbooks	(1,334,389)	(18,576)	0	(1,352,965)
Total Accumulated Depreciation	(20,703,775)	(1,264,911)	232,573	(21,736,113)
Total Net Capital Assets	<u>\$25,501,071</u>	<u>(\$1,113,374)</u>	<u>\$0</u>	<u>\$24,387,697</u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follow:

<i>Instruction:</i>	
Regular	\$1,014,702
Special	4,348
Vocational	123
<i>Support Services:</i>	
Instructional Staff	54,016
Administration	10,063
Fiscal	78
Operation and Maintenance	9,746
Pupil Transportation	115,750
Central	705
Operation of Non-Instructional Services	12,468
Extracurricular Activities	42,912
	<hr/>
Total Depreciation Expense	<u><u>\$1,264,911</u></u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

NOTE 9 - 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 2004, the District contracted with Nationwide Insurance for liability insurance, Reed and Baur Insurance for property insurance, fleet and inland marine insurance and Mathews Insurance for boiler and machinery insurance. Coverages provided are as follows:

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

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

For fiscal year 2004, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (the "Plan"), an insurance purchasing pool (Note 17). The intent of the Plan is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Plan. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria. The firm Gates McDonald & Co. provides administrative, cost control and actuarial services to the Plan.

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 9 - RISK MANAGEMENT - (Continued)

The claims liability of \$497,659 reported at June 30, 2004 is based on an estimate provided by the third party administrators and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2003	\$273,158	\$2,315,715	\$2,325,362	\$263,511
2004	263,511	3,673,734	3,439,586	497,659

NOTE 10 - DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

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

Plan members are required to contribute 10 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 2004, 9.09 percent of the annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$388,675, \$340,858, and \$210,661, respectively; 55.88 percent has been contributed for fiscal year 2004 and 100 percent for the fiscal years 2003 and 2002. \$171,493 representing the unpaid contribution for fiscal year 2004, is recorded as a liability within the respective funds.

State Teachers Retirement System

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$1,639,667, \$1,500,725, and \$1,046,341, respectively; 82.52 percent has been contributed for fiscal year 2004 and 100 percent for the fiscal years 2003 and 2002. \$286,620 representing the unpaid contribution for fiscal year 2004, 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, 2004, no members of the Board of Education have elected Social Security.

NOTE 11 - POSTEMPLOYMENT BENEFITS

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By Ohio Law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 2004, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund from which payments for health care benefits are paid. For the District, this amount equaled \$126,128 during fiscal year 2004.

STRS pays health care benefits from the Health Care Stabilization Fund. The balance in the Health Care Stabilization Fund was \$2.8 billion at June 30, 2003 (the latest information year available). For the year ended June 30, 2003, net health care costs paid by STRS were \$352,301,000 and STRS had 108,294 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For fiscal year 2004, employer contributions to fund health care benefits were 4.91 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 2004, the minimum pay has been established at \$25,400. 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, 2004, were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. The number of participants currently receiving health care benefits is approximately 62,000. For the District, the amount to fund health care benefits, including the surcharge, equaled \$358,525 during the 2004 fiscal year.

NOTE 12 - EMPLOYEE BENEFITS

Compensated Absences

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 12 - EMPLOYEE BENEFITS - Continued

Dental, Vision, and Life Insurance

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

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

Retirement Incentive

On January 16, 1999, the District Board of Education approved a Retirement Incentive Program. Participation is open to members of the Athens Education Association the year in which the member first attains thirty years of service credit with the STRS. Such members must retire at the end of the first year of eligibility (June 30) in order to receive the retirement incentive. The Board has elected to make the retirement incentive a lump sum payment of \$20,000. Members who do not retire in the first year of eligibility will not receive the retirement incentive. The retirement incentive program is a part of the negotiated union contract and is in effect until January 15, 2005. As of June 30, 2004, there was no retirement incentive liability recorded by the District.

NOTE 13 - LONG-TERM LIABILITIES

The changes in the District's long-term liabilities during fiscal year 2004 were as follows:

	Issue Date	Interest Rate	Principal Outstanding at July 1, 2003	Additions	Deletions	Principal Outstanding at June 30, 2004	Amount Due in One Year
<u>Governmental Activities:</u>							
Energy Conservation Note	1994	4.95%	\$215,000	\$0	\$215,000	\$0	\$0
Renovation Bonds	2000	6.01%	15,750,000	0	370,000	15,380,000	390,000
Refunding Bonds	1993	2.4-5.2%	2,426,566	0	2,394,118	32,448	32,448
Refunding Bonds	2003	3.0-4.0%	0	2,335,000	0	2,335,000	565,000
Issuance Premium on Bonds			0	86,623	0	86,623	0
Retirement Incentive Obligation			40,000	0	40,000	0	0
Compensated Absences			1,880,472	636,525	587,332	1,929,665	348,229
Total Governmental Activities Long-Term Liabilities			<u>\$20,312,038</u>	<u>\$3,058,148</u>	<u>\$3,606,450</u>	<u>\$19,763,736</u>	<u>\$1,335,677</u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 13 - LONG-TERM LIABILITIES - (Continued)

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

Renovations General Obligation Bonds - In 2000, Athens City School District issued voted general obligation bonds in the amount of \$16,400,000 for the purpose of renovating the Middle School, High School and smaller projects at several other facilities. The bonds were issued for a twenty-four year period with final maturity at December 1, 2024. The proceeds from the sale of these bonds were recorded in the Building Fund. These bonds are retired through the Bond Retirement Fund using tax revenues.

Refunding General Obligation Bonds - The 1993 Series Refunding General Obligation Bonds were issued for the purpose of providing the funds necessary to advance refund \$3,305,000 of School Improvement Bonds, Series 1990 that were originally issued for \$5,000,000. The proceeds of the refunding were deposited in an irrevocable trust with Bank One Trust Company to provide for all future debt service payments. The payment to the escrow agent resulted in an in-substance defeasance of the 1990 Series bonds. As a result, the liability for the 1990 Series bonds was removed as a liability of the District. During fiscal year 2001, the defeased 1990 series bonds in the amount of \$3,305,000 were fully retired by the escrow agent. The 1990 series bonds were issued for the purpose of constructing, furnishing and equipping a new elementary school and other buildings and facilities for school purposes. During fiscal year 2004, the District issued \$2,335,000 of general obligation bonds for the current refunding of \$2,355,000 of the 1993 series bonds. The \$86,623 premium on the issuance of the refunding bonds is netted against this new debt and will be amortized over the life of this new debt, which was shortened by 5 years over the remaining life of the refunded debt from 7 years to 2 years. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in an economic gain of \$459,326 and a reduction of \$421,061 in future debt service payments. The refunding bonds are retired through the Bond Retirement Fund using tax revenues.

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

The District's overall legal debt margin was \$19,240,974 with an unvoted debt margin of \$411,205 at June 30, 2004.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 13 - LONG-TERM LIABILITIES - (Continued)

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2004, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$987,448	\$1,304,106	\$2,291,554
2006	2,185,000	918,530	3,103,530
2007	440,000	859,130	1,299,130
2008	465,000	835,257	1,300,257
2009	490,000	809,828	1,299,828
2010-2014	2,875,000	3,603,310	6,478,310
2015-2019	3,865,000	2,556,348	6,421,348
2020-2024	5,210,000	1,184,770	6,394,770
2025	1,230,000	36,900	1,266,900
Total	<u>\$17,747,448</u>	<u>\$12,108,179</u>	<u>\$29,855,627</u>

The above amortization table excludes the amortization of the issuance premium on the bonds.

NOTE 14 - INTERFUND ACTIVITY

As of June 30, 2004, receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<i>General Fund</i>	\$43,630	\$0
<i>Nonmajor Special Revenue Fund:</i>		
Food Service	0	43,630
Total	<u>\$43,630</u>	<u>\$43,630</u>

The interfund transaction was an advance from the General Fund to help cover operating expenses in the Food Service Fund. This advance is expected to be repaid in fiscal year 2005.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 15 - STATUTORY SET-ASIDES

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2004:

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-Aside Balance as of July 1, 2003	\$0	\$0	\$49,986	49,986
Current Year Set-Aside Requirement	489,102	489,102	0	978,204
Qualifying Disbursements	<u>(489,102)</u>	<u>(489,102)</u>	<u>(39,058)</u>	<u>(1,017,262)</u>
Total	<u>0</u>	<u>0</u>	<u>10,928</u>	<u>10,928</u>
Set-Aside Balance as of June 30, 2004	<u>\$0</u>	<u>\$0</u>	<u>\$10,928</u>	
Total Restricted Assets				<u>\$10,928</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 16 - JOINTLY GOVERNED ORGANIZATIONS

Southeast Ohio Voluntary Education Cooperative (SEOVEC)

Southeast Ohio Voluntary Education Cooperative, is a jointly governed organization created as a regional council of governments pursuant to State statutes. SEOVEC has 35 participants consisting of 26 school districts and 9 county boards of education. SEOVEC provides financial accounting services, educational management information, and cooperative purchasing services to member districts. Each member district pays a fee annually for services provided by SEOVEC. SEOVEC is governed by a governing board which is selected by the member districts. Each district has one vote in all matters, and each member district's control over budgeting and financing of SEOVEC is limited to its voting authority and any representation it may have on the governing board. SEOVEC operates with its own Treasurer. The continued existence of SEOVEC is not dependent on the District's continued participation and no equity interest exists. SEOVEC has no outstanding debt. Financial statements for SEOVEC can be obtained from the Southeast Ohio Voluntary Education Cooperative, 221 North Columbus Road, Athens, Ohio 45701. The District made payments of \$128,213 to SEOVEC in fiscal year 2004.

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 2004, 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.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

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 2004.

NOTE 17 - INSURANCE PURCHASING POOL

Ohio School Boards Association Worker's Compensation Group Rating Plan

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

NOTE 18 - 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, 2004.

NOTE 19 - SCHOOL FUNDING

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

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

NOTE 20 - SUBSEQUENT EVENT

In November 2004, the District passed an emergency operating levy.

This page left blank intentionally.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

ATHENS CITY SCHOOL DISTRICT
Description of Funds

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

Food Service

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

Uniform School Supplies

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

Other Local Support

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

District Managed Student Activities

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

Disadvantaged Pupil Impact Aid

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

Ohio Reads

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

Other State Support

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

ATHENS CITY SCHOOL DISTRICT
Description of Funds

Nonmajor Special Revenue Funds (Continued)

Title VI-B

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

Title I

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

Other Federal Support

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

CAPITAL PROJECTS FUNDS

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

Nonmajor Capital Projects Funds

Building

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

SchoolNet

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

INTERNAL SERVICE FUND

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

ATHENS CITY SCHOOL DISTRICT
Description of Funds

Employee Benefits Self-Insurance

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

FIDUCIARY FUNDS

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

Private Purpose Trust Funds

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

Unclaimed Monies

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

Agency Fund

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

Student Managed Activities

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

ATHENS CITY SCHOOL DISTRICT

*Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2004*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$514,892	\$48,548	\$563,440
Accounts Receivable	105	0	105
Intergovernmental Receivable	403,797	0	403,797
Inventory Held for Resale	10,843	0	10,843
<i>Total Assets</i>	<u>\$929,637</u>	<u>\$48,548</u>	<u>\$978,185</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$10,915	\$0	\$10,915
Accrued Wages and Benefits	187,015	0	187,015
Intergovernmental Payable	75,715	0	75,715
Interfund Payable	43,630	0	43,630
Deferred Revenue	360,167	0	360,167
Compensated Absences Payable	14,515	0	14,515
<i>Total Liabilities</i>	<u>691,957</u>	<u>0</u>	<u>691,957</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	100,534	834	101,368
<i>Unreserved, Undesignated, Reported in:</i>			
Special Revenue Funds	137,146	0	137,146
Capital Projects Funds	0	47,714	47,714
<i>Total Fund Balances</i>	<u>237,680</u>	<u>48,548</u>	<u>286,228</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$929,637</u>	<u>\$48,548</u>	<u>\$978,185</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Intergovernmental	\$3,019,101	\$0	\$3,019,101
Tuition and Fees	74,317	0	74,317
Extracurricular Activities	116,288	0	116,288
Charges for Services	319,825	0	319,825
Contributions and Donations	22,784	0	22,784
Miscellaneous	9,216	0	9,216
<i>Total Revenues</i>	<u>3,561,531</u>	<u>0</u>	<u>3,561,531</u>
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	1,472,203	0	1,472,203
Special	738,080	0	738,080
<i>Support Services:</i>			
Pupil	180,534	0	180,534
Instructional Staff	431,839	0	431,839
Administration	209,136	0	209,136
Fiscal	1,068	0	1,068
Operation and Maintenance of Plant	44,855	0	44,855
Pupil Transportation	10,194	0	10,194
Central	74,869	0	74,869
Operation of Non-Instructional Services	752,698	0	752,698
Extracurricular Activities	88,696	0	88,696
Capital Outlay	0	1,842	1,842
<i>Total Expenditures</i>	<u>4,004,172</u>	<u>1,842</u>	<u>4,006,014</u>
<i>Net Change in Fund Balances</i>	(442,641)	(1,842)	(444,483)
<i>Fund Balances at Beginning of Year</i>	<u>680,321</u>	<u>50,390</u>	<u>730,711</u>
<i>Fund Balances at End of Year</i>	<u><u>\$237,680</u></u>	<u><u>\$48,548</u></u>	<u><u>\$286,228</u></u>

ATHENS CITY SCHOOL DISTRICT

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2004

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Other Local Support</u>	<u>District Managed Activities</u>
<u>Assets:</u>				
Equity In Pooled Cash and Cash Equivalents	\$3,286	\$26,329	\$76,926	\$47,733
Accounts Receivable	0	105	0	0
Intergovernmental Receivable	43,630	0	0	0
Inventory Held for Resale	10,843	0	0	0
<i>Total Assets</i>	<u>\$57,759</u>	<u>\$26,434</u>	<u>\$76,926</u>	<u>\$47,733</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$138	\$1,786	\$338	\$0
Accrued Wages and Benefits	25,938	0	347	0
Intergovernmental Payable	8,196	0	144	0
Interfund Payable	43,630	0	0	0
Deferred Revenue	0	0	0	0
Compensated Absences Payable	3,039	0	0	0
<i>Total Liabilities</i>	<u>80,941</u>	<u>1,786</u>	<u>829</u>	<u>0</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	4,771	11,744	1,606
<i>Unreserved, Undesignated, Reported in:</i>				
Special Revenue Funds	<u>(23,182)</u>	<u>19,877</u>	<u>64,353</u>	<u>46,127</u>
<i>Total Fund Balances</i>	<u>(23,182)</u>	<u>24,648</u>	<u>76,097</u>	<u>47,733</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$57,759</u>	<u>\$26,434</u>	<u>\$76,926</u>	<u>\$47,733</u>

Disadvantaged Pupil Impact Aid	Ohio Reads	Other State Support	Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$254,440	\$15,590	\$50,921	\$10,137	\$7,110	\$22,420	\$514,892
0	0	0	0	0	0	105
0	0	0	47,205	168,928	144,034	403,797
0	0	0	0	0	0	10,843
<u>\$254,440</u>	<u>\$15,590</u>	<u>\$50,921</u>	<u>\$57,342</u>	<u>\$176,038</u>	<u>\$166,454</u>	<u>\$929,637</u>
\$0	\$735	\$437	\$2,133	\$0	\$5,348	\$10,915
72,437	2,000	6,742	30,183	25,584	23,784	187,015
23,362	165	4,600	13,835	17,840	7,573	75,715
0	0	0	0	0	0	43,630
0	0	0	47,205	168,928	144,034	360,167
3,777	0	0	0	7,699	0	14,515
<u>99,576</u>	<u>2,900</u>	<u>11,779</u>	<u>93,356</u>	<u>220,051</u>	<u>180,739</u>	<u>691,957</u>
8,220	41	1,372	0	7,470	65,310	100,534
<u>146,644</u>	<u>12,649</u>	<u>37,770</u>	<u>(36,014)</u>	<u>(51,483)</u>	<u>(79,595)</u>	<u>137,146</u>
<u>154,864</u>	<u>12,690</u>	<u>39,142</u>	<u>(36,014)</u>	<u>(44,013)</u>	<u>(14,285)</u>	<u>237,680</u>
<u>\$254,440</u>	<u>\$15,590</u>	<u>\$50,921</u>	<u>\$57,342</u>	<u>\$176,038</u>	<u>\$166,454</u>	<u>\$929,637</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2004

	Food Service	Uniform School Supplies	Other Local Support	District Managed Activities
<u>Revenues:</u>				
Intergovernmental	\$381,511	\$0	\$7,652	\$0
Tuition and Fees	0	66,599	7,718	0
Extracurricular Activities	0	0	28,887	87,401
Charges for Services	319,825	0	0	0
Contributions and Donations	0	0	22,391	393
Miscellaneous	4,200	0	0	5,016
<i>Total Revenues</i>	<u>705,536</u>	<u>66,599</u>	<u>66,648</u>	<u>92,810</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	0	61,378	63,017	0
Special	0	0	0	6,360
<i>Support Services:</i>				
Pupil	0	5,858	0	0
Instructional Staff	0	0	19,730	0
Administration	0	0	2,156	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	752,271	0	0	0
Extracurricular Activities	0	0	479	88,217
<i>Total Expenditures</i>	<u>752,271</u>	<u>67,236</u>	<u>85,382</u>	<u>94,577</u>
<i>Net Change in Fund Balances</i>	(46,735)	(637)	(18,734)	(1,767)
<i>Fund Balances (Deficits) at Beginning of Year</i>	<u>23,553</u>	<u>25,285</u>	<u>94,831</u>	<u>49,500</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u>(\$23,182)</u>	<u>\$24,648</u>	<u>\$76,097</u>	<u>\$47,733</u>

Disadvantaged Pupil Impact Aid	Ohio Reads	Other State Support	Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$878,399	\$50,000	\$141,198	\$306,933	\$575,567	\$677,841	\$3,019,101
0	0	0	0	0	0	74,317
0	0	0	0	0	0	116,288
0	0	0	0	0	0	319,825
0	0	0	0	0	0	22,784
0	0	0	0	0	0	9,216
<u>878,399</u>	<u>50,000</u>	<u>141,198</u>	<u>306,933</u>	<u>575,567</u>	<u>677,841</u>	<u>3,561,531</u>
578,638	123,634	92,157	51,507	0	501,872	1,472,203
0	0	0	207,394	518,326	6,000	738,080
46,860	2,095	6,405	50,371	945	68,000	180,534
269,962	11,953	21,569	21,809	20,056	66,760	431,839
0	2,093	7,870	0	82,330	114,687	209,136
0	0	1,068	0	0	0	1,068
41,855	0	0	0	0	3,000	44,855
0	0	0	0	0	10,194	10,194
0	0	67,869	0	0	7,000	74,869
0	0	427	0	0	0	752,698
0	0	0	0	0	0	88,696
<u>937,315</u>	<u>139,775</u>	<u>197,365</u>	<u>331,081</u>	<u>621,657</u>	<u>777,513</u>	<u>4,004,172</u>
(58,916)	(89,775)	(56,167)	(24,148)	(46,090)	(99,672)	(442,641)
<u>213,780</u>	<u>102,465</u>	<u>95,309</u>	<u>(11,866)</u>	<u>2,077</u>	<u>85,387</u>	<u>680,321</u>
<u>\$154,864</u>	<u>\$12,690</u>	<u>\$39,142</u>	<u>(\$36,014)</u>	<u>(\$44,013)</u>	<u>(\$14,285)</u>	<u>\$237,680</u>

ATHENS CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2004

	Building	SchoolNet	Total Nonmajor Capital Projects Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$48,548	\$0	\$48,548
<i>Liabilities</i>	\$0	\$0	\$0
<u>Fund Balances:</u>			
Reserved for Encumbrances	250	584	834
<i>Unreserved, Undesignated, Reported in:</i>			
Capital Projects Funds	48,298	(584)	47,714
 <i>Total Fund Balances</i>	 48,548	 0	 48,548
 <i>Total Liabilities and Fund Balances</i>	 \$48,548	 \$0	 \$48,548

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2004

	Building	SchoolNet	Total Nonmajor Capital Projects Funds
<i>Revenues</i>	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay	250	1,592	1,842
<i>Net Change in Fund Balances</i>	(250)	(1,592)	(1,842)
<i>Fund Balances at Beginning of Year</i>	48,798	1,592	50,390
<i>Fund Balances at End of Year</i>	\$48,548	\$0	\$48,548

ATHENS CITY SCHOOL DISTRICT
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2004

	<u>Balance at July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2004</u>
<u>STUDENT MANAGED ACTIVITIES</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$48,027	\$123,977	\$122,346	\$49,658
<u>Liabilities:</u>				
Accounts Payable	\$1,891	\$750	\$1,891	\$750
Due to Students	46,136	123,227	120,455	48,908
<i>Total Liabilities</i>	<u>\$48,027</u>	<u>\$123,977</u>	<u>\$122,346</u>	<u>\$49,658</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$0	\$10,365,267	\$10,365,267	\$0
Intergovernmental	0	9,521,300	9,521,300	0
Interest	209,105	136,639	137,369	730
Tuition and Fees	1,759,844	1,957,726	1,957,726	0
Rent	11,648	12,888	12,888	0
Payment in Lieu of Taxes	0	19,629	19,629	0
Miscellaneous	46,003	48,068	55,623	7,555
<i>Total Revenues</i>	2,026,600	22,061,517	22,069,802	8,285
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	7,089,351	7,150,765	7,150,765	0
Fringe Benefits	1,977,804	2,157,350	2,158,296	(946)
Purchased Services	94,398	764,707	764,707	0
Materials and Supplies	105,358	137,692	137,692	0
Other	0	1,903	1,903	0
Capital Outlay	27,266	36,625	36,625	0
<i>Total Regular Instruction</i>	9,294,177	10,249,042	10,249,988	(946)
Special				
Salaries	1,746,613	1,754,427	1,754,427	0
Fringe Benefits	494,596	503,637	503,637	0
Purchased Services	4,573	61,943	61,943	0
Materials and Supplies	29,824	31,221	31,221	0
Capital Outlay	7,182	3,843	4,433	(590)
<i>Total Special Instruction</i>	2,282,788	2,355,071	2,355,661	(590)
Vocational				
Salaries	259,365	261,789	261,789	0
Fringe Benefits	68,530	72,438	72,438	0
Purchased Services	1,200	1,598	1,598	0
Materials and Supplies	10,482	24,522	24,523	(1)
Capital Outlay	17,533	29,772	29,772	0
<i>Total Vocational Instruction</i>	357,110	390,119	390,120	(1)
<i>Total Instruction</i>	11,934,075	12,994,232	12,995,769	(1,537)
<i>Support Services:</i>				
Pupils				
Salaries	665,186	646,820	646,820	0
Fringe Benefits	170,047	169,928	169,928	0
Purchased Services	54,525	45,957	45,958	(1)
Materials and Supplies	969	3,647	3,647	0
Other	0	63,727	63,727	0
Capital Outlay	2,744	1,667	1,667	0
<i>Total Pupils</i>	893,471	931,746	931,747	(1)

(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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Instructional Staff				
Salaries	459,347	548,195	548,195	0
Fringe Benefits	262,890	313,459	313,459	0
Purchased Services	7,189	16,031	16,032	(1)
Materials and Supplies	12,623	14,370	14,372	(2)
Capital Outlay	1,000	2,980	3,009	(29)
Total Instructional Staff	743,049	895,035	895,067	(32)
Board of Education				
Salaries	6,986	6,190	6,190	0
Fringe Benefits	103	90	90	0
Purchased Services	1,045	79,647	79,647	0
Materials and Supplies	0	372	372	0
Other	505	34,048	34,048	0
Total Board of Education	8,639	120,347	120,347	0
Administration				
Salaries	1,005,094	1,041,757	1,041,757	0
Fringe Benefits	346,176	370,639	370,510	129
Purchased Services	4,225	19,845	19,845	0
Materials and Supplies	13,095	18,039	18,038	1
Other	0	50,643	50,643	0
Capital Outlay	1,200	1,121	1,121	0
Total Administration	1,369,790	1,502,044	1,501,914	130
Fiscal				
Salaries	236,089	236,357	236,357	0
Fringe Benefits	74,271	83,777	83,777	0
Purchased Services	29,410	26,859	26,860	(1)
Materials and Supplies	12,907	9,944	9,944	0
Other	275,850	282,003	282,003	0
Capital Outlay	5,000	1,508	1,508	0
Total Fiscal	633,527	640,448	640,449	(1)
Business				
Salaries	108,524	109,224	109,224	0
Fringe Benefits	33,042	36,111	36,111	0
Purchased Services	5,296	2,467	2,467	0
Materials and Supplies	2,726	1,259	1,259	0
Other	500	90	90	0
Capital Outlay	500	0	0	0
Total Business	150,588	149,151	149,151	0
Operation and Maintenance of Plant				
Salaries	1,217,159	1,211,628	1,211,628	0
Fringe Benefits	329,747	409,272	409,272	0
Purchased Services	780,819	796,745	796,745	0
Materials and Supplies	436,977	410,986	410,986	0
Total Operation and Maintenance of Plant	2,764,702	2,828,631	2,828,631	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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil Transportation				
Salaries	656,526	638,919	638,919	0
Fringe Benefits	351,579	388,289	388,289	0
Purchased Services	15,235	8,082	8,082	0
Materials and Supplies	302,734	252,891	252,891	0
Other	45,147	45,024	45,024	0
Capital Outlay	57,907	84,326	84,326	0
Total Pupil Transportation	1,429,128	1,417,531	1,417,531	0
Central				
Salaries	57,430	31,990	31,990	0
Fringe Benefits	17,504	18,238	18,238	0
Purchased Services	2,795	0	0	0
Materials and Supplies	2,500	5,828	5,828	0
Capital Outlay	0	601	601	0
Total Central	80,229	56,657	56,657	0
Total Support Services	8,073,123	8,541,590	8,541,494	0
<i>Operation of Non-Instructional Services:</i>				
Food Service Operations				
Salaries	155	24	24	0
Fringe Benefits	2	0	0	0
Total Food Service Operations	157	24	24	0
Total Operation of Non-Instructional Services	157	24	24	0
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Salaries	75,911	66,040	66,040	0
Fringe Benefits	11,746	12,678	12,678	0
Total Academic Oriented Activities	87,657	78,718	78,718	0
Sport Oriented Activities				
Salaries	182,857	175,254	175,254	0
Fringe Benefits	38,917	40,318	40,318	0
Purchased Services	0	20,841	20,841	0
Total Sport Oriented Activities	221,774	236,413	236,413	0
Total Extracurricular Activities	309,431	315,131	315,131	0
<i>Capital Outlay:</i>				
Site Improvement Services				
Purchased Services	14,495	8,845	8,845	0
Building Improvement Services				
Purchased Services	7,479	7,479	7,479	0
Total Capital Outlay	21,974	16,324	16,324	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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Debt Service:</i>				
Principal Retirement	215,000	215,000	215,000	0
Interest and Fiscal Charges	5,321	5,321	5,321	0
Total Debt Service	220,321	220,321	220,321	0
<i>Total Expenditures</i>	20,559,081	22,087,622	22,089,063	(1,441)
Excess of Revenues Over (Under) Expenditures	(18,532,481)	(26,105)	(19,261)	6,844
<i>Other Financing Sources (Uses):</i>				
Proceeds from Sale of Capital Assets	35,298	0	0	0
Advances In	0	40,000	40,000	0
Advances Out	0	(43,630)	(43,630)	0
<i>Total Other Financing Sources (Uses)</i>	35,298	(3,630)	(3,630)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(18,497,183)	(29,735)	(22,891)	6,844
Fund Balance at Beginning of Year	3,815,240	3,815,240	3,815,240	0
Prior Year Encumbrances Appropriated	340,568	340,568	340,568	0
Fund Balance at End of Year	(\$14,341,375)	\$4,126,073	\$4,132,917	\$6,844

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Bond Retirement Debt Service Fund
For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$2,159,485	\$2,320,252	\$2,320,252	\$0
Intergovernmental	114,939	406,727	406,727	0
Interest	0	5,119	5,119	0
<i>Total Revenues</i>	2,274,424	2,732,098	2,732,098	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Support Services:</i>				
Fiscal				
Other	50,000	51,855	51,855	0
<i>Debt Service:</i>				
Principal Retirement	409,118	2,764,118	2,764,118	0
Interest and Fiscal Charges	1,363,380	1,415,169	1,415,169	0
<i>Total Expenditures</i>	1,822,498	4,231,142	4,231,142	0
Excess of Revenues Over (Under) Expenditures	451,926	(1,499,044)	(1,499,044)	0
<i>Other Financing Sources:</i>				
Proceeds of Refunding Bonds	0	2,335,000	2,335,000	0
Premium on Bonds Issued	0	86,623	86,623	0
<i>Total Other Financing Sources</i>	0	2,421,623	2,421,623	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	451,926	922,579	922,579	0
Fund Balance at Beginning of Year	2,638,686	2,638,686	2,638,686	0
Fund Balance at End of Year	\$3,090,612	\$3,561,265	\$3,561,265	\$0

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$913,805	\$923,813	\$923,813	\$0
Intergovernmental	52,868	157,237	157,237	0
Interest	2,479,964	56,460	56,460	0
<i>Total Revenues</i>	3,446,637	1,137,510	1,137,510	0
<u>Expenditures:</u>				
<i>Capital Outlay:</i>				
Architecture and Engineering Services				
Purchased Services	0	52,777	52,777	0
Building Improvement Services				
Purchased Services	43,161	367,439	367,439	0
Materials and Supplies	111,774	543,823	543,823	0
Other	0	21,512	21,512	0
Capital Outlay	138,204	436,430	436,430	0
Interest and Fiscal Charges	9,000	0	0	0
Total Building Improvement Services	302,139	1,369,204	1,369,204	0
<i>Total Expenditures</i>	302,139	1,421,981	1,421,981	0
Excess of Revenues Over (Under) Expenditures	3,144,498	(284,471)	(284,471)	0
Fund Balance at Beginning of Year	3,203,404	3,203,404	3,203,404	0
Prior Year Encumbrances Appropriated	208,204	208,204	208,204	0
Fund Balance at End of Year	\$6,556,106	\$3,127,137	\$3,127,137	\$0

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)*
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$346,473	\$364,903	\$364,903	\$0
Charges for Services	291,319	317,906	319,825	1,919
Miscellaneous	5,825	4,200	4,200	0
<i>Total Revenues</i>	643,617	687,009	688,928	1,919
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Salaries	255,506	275,571	275,571	0
Fringe Benefits	129,463	141,387	141,387	0
Purchased Services	38,466	10,412	10,412	0
Materials and Supplies	3,000	297,638	297,638	0
Capital Outlay	0	643	643	0
<i>Total Expenditures</i>	426,435	725,651	725,651	0
Excess of Revenues Over (Under) Expenditures	217,182	(38,642)	(36,723)	1,919
<u>Other Financing Sources (Uses):</u>				
Advances In	40,200	43,630	43,630	0
Transfers In	242,708	0	0	0
Advances Out	0	(40,000)	(40,000)	0
<i>Total Other Financing Sources (Uses)</i>	282,908	3,630	3,630	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	500,090	(35,012)	(33,093)	1,919
Fund Balance at Beginning of Year	189	189	189	0
Prior Year Encumbrances Appropriated	36,190	36,190	36,190	0
Fund Balance at End of Year	\$536,469	\$1,367	\$3,286	\$1,919

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)
 Uniform School Supplies Special Revenue Fund
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Tuition and Fees	\$57,066	\$66,494	\$66,494	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Materials and Supplies	71,829	67,666	67,675	(9)
<i>Support Services:</i>				
Pupils				
Materials and Supplies	0	6,782	6,782	0
<i>Total Expenditures</i>	71,829	74,448	74,457	(9)
Excess of Revenues Over (Under) Expenditures	(14,763)	(7,954)	(7,963)	(9)
<u>Other Financing Sources:</u>				
Transfers In	2,143	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(12,620)	(7,954)	(7,963)	(9)
Fund Balance at Beginning of Year	24,617	24,617	24,617	0
Prior Year Encumbrances Appropriated	3,115	3,115	3,115	0
Fund Balance at End of Year	\$15,112	\$19,778	\$19,769	(\$9)

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other Local Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$7,652	\$7,652	\$0
Tuition and Fees	5,315	7,718	7,718	0
Extracurricular Activities	25,083	28,709	28,887	178
Gifts and Donations	4,442	22,391	22,391	0
Total Revenues	34,840	66,470	66,648	178
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	50	1,379	1,379	0
Fringe Benefits	0	177	177	0
Purchased Services	16,058	17,522	17,522	0
Materials and Supplies	27,626	44,278	44,278	0
Other	5,741	8,383	8,383	0
Capital Outlay	16,614	5,492	5,492	0
Total Regular Instruction	66,089	77,231	77,231	0
<i>Support Services:</i>				
Pupils				
Materials and Supplies	1,631	0	0	0
Other	400	0	0	0
Total Pupils	2,031	0	0	0
Instructional Staff				
Salaries	0	11,879	11,879	0
Fringe Benefits	0	3,385	3,385	0
Purchased Services	500	0	0	0
Total Instructional Staff	500	15,264	15,264	0
Administration				
Purchased Services	1,000	0	0	0
Materials and Supplies	4,500	1,264	1,264	0
Capital Outlay	5,000	1,000	1,000	0
Total Administration	10,500	2,264	2,264	0
Operation and Maintenance of Plant				
Salaries	187	0	0	0
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Materials and Supplies	0	759	759	0
Total Expenditures	79,307	95,518	95,518	0
Excess of Revenues Over (Under) Expenditures	(44,467)	(29,048)	(28,870)	178
Fund Balance at Beginning of Year	91,849	91,849	91,849	0
Prior Year Encumbrances Appropriated	8,691	8,691	8,691	0
Fund Balance at End of Year	\$56,073	\$71,492	\$71,670	\$178

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
District Managed Student Activities Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Extracurricular Activities	\$59,400	\$87,471	\$87,471	\$0
Gifts and Donations	2,000	393	393	0
Miscellaneous	0	5,016	5,016	0
<i>Total Revenues</i>	61,400	92,880	92,880	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Special</i>				
Purchased Services	0	6,360	6,360	0
<i>Extracurricular Activities:</i>				
<i>Academic Oriented Activities</i>				
Purchased Services	0	4,123	4,123	0
Materials and Supplies	99	4,747	4,747	0
Capital Outlay	0	43	43	0
<i>Total Academic Oriented Extracurricular Activities</i>	99	10,577	10,577	0
<i>Sport Oriented Activities</i>				
Purchased Services	25,400	38,309	38,309	0
Materials and Supplies	30,742	31,260	31,260	0
Other	10,300	7,526	7,297	229
Capital Outlay	4,058	4,593	4,593	0
<i>Total Sport Oriented Extracurricular Activities</i>	70,500	81,688	81,459	229
<i>Total Extracurricular Activities</i>	70,599	92,265	92,036	229
<i>Total Expenditures</i>	70,599	98,625	98,396	229
Excess of Revenues Over (Under) Expenditures	(9,199)	(5,745)	(5,516)	229
Fund Balance at Beginning of Year	47,076	47,076	47,076	0
Prior Year Encumbrances Appropriated	3,599	3,599	3,599	0
Fund Balance at End of Year	\$41,476	\$44,930	\$45,159	\$229

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)
 Disadvantaged Pupil Impact Aid Special Revenue Fund
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$878,399	\$878,399	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	112,630	535,866	461,191	74,675
Fringe Benefits	34,000	146,578	119,244	27,334
Total Regular Instruction	146,630	690,344	588,335	102,009
<i>Support Services:</i>				
Pupils				
Salaries	11,904	33,187	27,199	5,988
Fringe Benefits	5,952	21,970	21,753	217
Total Pupils	17,856	55,157	48,952	6,205
Instructional Staff				
Salaries	72,050	264,578	178,863	85,715
Fringe Benefits	35,250	148,555	109,538	39,017
Total Instructional Staff	107,300	413,133	288,401	124,732
Operation and Maintenance of Plant				
Capital Outlay	55,487	55,487	55,487	0
Total Expenditures	327,273	1,214,121	981,175	232,946
Excess of Revenues Over (Under) Expenditures	(327,273)	(335,722)	(102,776)	232,946
Fund Balance at Beginning of Year	293,508	293,508	293,508	0
Prior Year Encumbrances Appropriated	55,488	55,488	55,488	0
Fund Balance at End of Year	\$21,723	\$13,274	\$246,220	\$232,946

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)
 Ohio Reads Special Revenue Fund
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$50,000	\$50,000	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	6,953	19,162	7,873	11,289
Fringe Benefits	767	2,814	1,550	1,264
Purchased Services	45,071	93,134	92,237	897
Materials and Supplies	4,560	19,252	19,164	88
Other	0	1,877	1,874	3
Capital Outlay	115	3,044	3,044	0
Total Regular Instruction	57,466	139,283	125,742	13,541
<i>Support Services:</i>				
Pupils				
Other	711	710	710	0
Capital Outlay	362	363	363	0
Total Pupils	1,073	1,073	1,073	0
Instructional Staff				
Salaries	0	6,052	5,352	700
Fringe Benefits	8	1,060	815	245
Purchased Services	1,658	4,566	4,565	1
Materials and Supplies	12	1,800	1,800	0
Other	2	0	0	0
Total Instructional Staff	1,680	13,478	12,532	946
Administration				
Materials and Supplies	0	1,118	1,118	0
Capital Outlay	0	975	975	0
Total Administration	0	2,093	2,093	0
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Materials and Supplies	242	0	0	0
Total Expenditures	60,461	155,927	141,440	14,487
Excess of Revenues Over (Under) Expenditures	(60,461)	(105,927)	(91,440)	14,487
Fund Balance at Beginning of Year	101,303	101,303	101,303	0
Prior Year Encumbrances Appropriated	4,624	4,624	4,624	0
Fund Balance at End of Year	\$45,466	\$0	\$14,487	\$14,487

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other State Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$164,697	\$141,198	(\$23,499)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	5,449	86,335	65,934	20,401
Fringe Benefits	494	19,511	16,806	2,705
Purchased Services	197	197	0	197
Materials and Supplies	11,681	29,696	26,455	3,241
Other	2,913	2,913	0	2,913
Capital Outlay	247	2,081	1,784	297
Total Regular Instruction	20,981	140,733	110,979	29,754
Special				
Materials and Supplies	398	398	398	0
<i>Support Services:</i>				
Pupils				
Purchased Services	89	6,405	6,405	0
Materials and Supplies	0	138	0	138
Total Pupils	89	6,543	6,405	138
Instructional Staff				
Salaries	5,795	5,795	5,472	323
Fringe Benefits	1,826	1,925	1,945	(20)
Purchased Services	1,000	14,000	10,525	3,475
Materials and Supplies	1,291	5,241	1,775	3,466
Other	1,132	5,732	4,600	1,132
Capital Outlay	0	5,308	3,693	1,615
Total Instructional Staff	11,044	38,001	28,010	9,991
Administration				
Salaries	3,693	12,951	5,848	7,103
Fringe Benefits	1,455	3,817	1,464	2,353
Materials and Supplies	0	570	570	0
Total Administration	5,148	17,338	7,882	9,456
Fiscal				
Materials and Supplies	1,068	1,850	1,068	782
Central				
Purchased Services	0	70,000	67,869	2,131
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Purchased Services	0	427	427	0
Total Expenditures	38,728	275,290	223,038	52,252
Excess of Revenues Over (Under) Expenditures	(38,728)	(110,593)	(81,840)	28,753
Fund Balance at Beginning of Year	120,097	120,097	120,097	0
Prior Year Encumbrances Appropriated	10,030	10,030	10,030	0
Fund Balance at End of Year	\$91,399	\$19,534	\$48,287	\$28,753

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)*
Title VI-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$354,139	\$306,933	(\$47,206)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	0	235,000	51,507	183,493
Special				
Salaries	6,914	9,767	151,752	(141,985)
Fringe Benefits	10,401	64,330	59,766	4,564
Materials and Supplies	5,178	2,786	2,786	0
Total Special Instruction	22,493	76,883	214,304	(137,421)
<i>Support Services:</i>				
Pupils				
Salaries	7,935	44,596	33,269	11,327
Fringe Benefits	2,099	13,341	7,054	6,287
Purchased Services	6,000	11,907	11,907	0
Total Pupils	16,034	69,844	52,230	17,614
Instructional Staff				
Salaries	4,218	4,818	12,301	(7,483)
Fringe Benefits	5,187	3,084	8,058	(4,974)
Total Instructional Staff	9,405	7,902	20,359	(12,457)
<i>Total Expenditures</i>	47,932	389,629	338,400	51,229
Excess of Revenues Over (Under) Expenditures	(47,932)	(35,490)	(31,467)	4,023
Fund Balance at Beginning of Year	35,487	35,487	35,487	0
Fund Balance at End of Year	(\$12,445)	(\$3)	\$4,020	\$4,023

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$744,495	\$575,567	(\$168,928)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Special				
Salaries	125,466	555,807	439,520	116,287
Fringe Benefits	12,154	121,504	114,809	6,695
Materials and Supplies	5,000	4,757	4,757	0
Capital Outlay	5,397	17,680	0	17,680
Total Special Instruction	<u>148,017</u>	<u>699,748</u>	<u>559,086</u>	<u>140,662</u>
<i>Support Services:</i>				
Pupils				
Materials and Supplies	3,626	6,536	1,051	5,485
Instructional Staff				
Salaries	3,806	12,533	8,489	4,044
Fringe Benefits	1,896	3,028	2,761	267
Purchased Services	5,168	5,757	4,942	815
Materials and Supplies	5,054	4,369	4,212	157
Capital Outlay	21,208	9,500	0	9,500
Total Instructional Staff	<u>37,132</u>	<u>35,187</u>	<u>20,404</u>	<u>14,783</u>
Administration				
Salaries	9,014	65,150	58,950	6,200
Fringe Benefits	1,628	18,278	17,113	1,165
Purchased Services	1,467	1,396	1,396	0
Materials and Supplies	975	1,000	727	273
Capital Outlay	370	0	0	0
Total Administration	<u>13,454</u>	<u>85,824</u>	<u>78,186</u>	<u>7,638</u>
<i>Total Expenditures</i>	<u>202,229</u>	<u>827,295</u>	<u>658,727</u>	<u>168,568</u>
Excess of Revenues Over (Under) Expenditures	(202,229)	(82,800)	(83,160)	(360)
Fund Balance at Beginning of Year	78,948	78,948	78,948	0
Prior Year Encumbrances Appropriated	<u>3,853</u>	<u>3,853</u>	<u>3,853</u>	<u>0</u>
Fund Balance at End of Year	<u>(\$119,428)</u>	<u>\$1</u>	<u>(\$359)</u>	<u>(\$360)</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)*
Other Federal Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$842,976	\$677,841	(\$165,135)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	14,731	219,581	176,941	42,640
Fringe Benefits	37,618	67,689	43,277	24,412
Purchased Services	1,000	246,555	246,958	(403)
Materials and Supplies	59	1,411	59	1,352
Other		54,065	54,065	0
Capital Outlay	3,137	2,455	2,031	424
Total Regular Instruction	56,545	591,756	523,331	68,425
Special				
Capital Outlay	7,434	9,922	9,129	793
<i>Support Services:</i>				
Pupils				
Purchased Services	9,301	38,000	68,000	(30,000)
Instructional Staff				
Salaries	28,250	43,306	26,200	17,106
Fringe Benefits	5,585	15,659	10,131	5,528
Purchased Services	8,371	27,710	28,504	(794)
Materials and Supplies	4,906	18,921	10,717	8,204
Other	1,193	0	0	0
Capital Outlay	10,915	11,365	5,000	6,365
Total Instructional Staff	59,220	116,961	80,552	36,409
Administration				
Purchased Services	2,938	91,721	90,364	1,357
Materials and Supplies	4,000	4,050	1,646	2,404
Other	500	29,647	29,647	0
Capital Outlay	1,551	1,500	1,500	0
Total Administration	8,989	126,918	123,157	3,761
Operation and Maintenance of Plant				
Purchased Services	0	3,000	3,000	0
Pupil Transportation				
Purchased Services	0	44,069	44,069	0
<i>Operation of Non-Instructional Services:</i>				
Community Services				
Materials and Supplies	154	0	0	0
Total Expenditures	141,643	930,626	851,238	79,388
Excess of Revenues Over (Under) Expenditures	(141,643)	(87,650)	(173,397)	(85,747)
Fund Balance at Beginning of Year	109,056	109,056	109,056	0
Prior Year Encumbrances Appropriated	14,036	14,036	14,036	0
Fund Balance at End of Year	(\$18,551)	\$35,442	(\$50,305)	(\$85,747)

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
Building Capital Projects Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
<i>Capital Outlay:</i>				
Architecture and Engineering Services				
Purchased Services	1,000	0	0	0
Building Improvement Services				
Capital Outlay	47,798	0	0	0
<i>Total Expenditures</i>	48,798	0	0	0
Excess of Revenues Over (Under) Expenditures	(48,798)	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	48,798	48,798	48,798	0
Fund Balance at End of Year	\$0	\$48,798	\$48,798	\$0

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
SchoolNet Capital Projects Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
<i>Capital Outlay:</i>				
Building Improvement Services				
Capital Outlay	1,592	1,592	1,592	0
<i>Total Expenditures</i>	1,592	1,592	1,592	0
Excess of Revenues Over (Under) Expenditures	(1,592)	(1,592)	(1,592)	0
Fund Balance at Beginning of Year	1,008	1,008	1,008	0
Prior Year Encumbrances Appropriated	584	584	584	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenses, and
Changes in Fund Equity - Budget and Actual (Budget Basis)
Employee Benefits Self-Insurance Internal Service Fund
For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$2,347,273	\$2,558,929	\$2,558,929	\$0
<i>Total Revenues</i>	<u>2,347,273</u>	<u>2,558,929</u>	<u>2,558,929</u>	<u>0</u>
<u>Expenses:</u>				
Operating Expenses				
Salaries	701,138	0	0	0
Fringe Benefits	106,124	10,861	10,861	0
Purchased Services	3,037,791	3,894,727	3,894,727	0
Claims	658	2,587	2,587	0
<i>Total Expenses</i>	<u>3,845,711</u>	<u>3,908,175</u>	<u>3,908,175</u>	<u>0</u>
Operating Income (Loss)	(1,498,438)	(1,349,246)	(1,349,246)	0
<u>Non-Operating Revenues:</u>				
Interest	5,668,962	0	0	0
Proceeds from Sale of Capital Assets	1,869	0	0	0
<i>Total Non-Operating Revenues</i>	<u>5,670,831</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses	4,172,393	(1,349,246)	(1,349,246)	0
Fund Equity at Beginning of Year	5,216,677	5,216,677	5,216,677	0
Prior Year Encumbrances Appropriated	1,603	1,603	1,603	0
Fund Equity at End of Year	<u><u>\$9,390,673</u></u>	<u><u>\$3,869,034</u></u>	<u><u>\$3,869,034</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)
 Unclaimed Monies Private Purpose Trust Fund
 For the Fiscal Year Ended June 30, 2004*

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

ATHENS CITY SCHOOL DISTRICT



STATISTICAL SECTION

Table 1

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

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Taxes	\$ 10,448,690	\$ 9,842,645	\$ 9,794,076	\$ 9,641,433	\$ 9,388,093	\$ 8,776,586	\$ 8,821,942	\$ 8,529,419	\$ 8,096,007	\$ 7,673,833
Intergovernmental	9,521,300	8,430,339	9,028,227	8,852,284	7,850,711	8,993,459	8,538,953	8,230,653	8,055,048	6,954,822
Interest	125,960	208,651	205,062	376,250	304,611	185,642	176,694	97,832	86,711	139,568
Tuition and Fees	1,957,726	1,751,088	1,623,018	1,032,291	867,114	268,416	16,053	92,309	72,986	12,877
Rent	12,888	11,590	11,105	3,588	7,585	17,285	13,077	11,190	12,404	-
Gifts and Donations	-	-	-	-	-	-	-	13,374	-	-
Payments in Lieu of Taxes	19,629	-	-	-	-	-	-	-	-	-
Miscellaneous	55,466	58,949	56,081	89,370	112,161	80,934	157,037	86,208	72,306	19,100
Total Revenue	\$ 22,141,659	\$ 20,303,262	\$ 20,717,569	\$ 19,995,216	\$ 18,530,275	\$ 18,322,322	\$ 17,723,756	\$ 17,060,985	\$ 16,395,462	\$ 14,800,200

Source: Athens City School District Fund Financial Statements

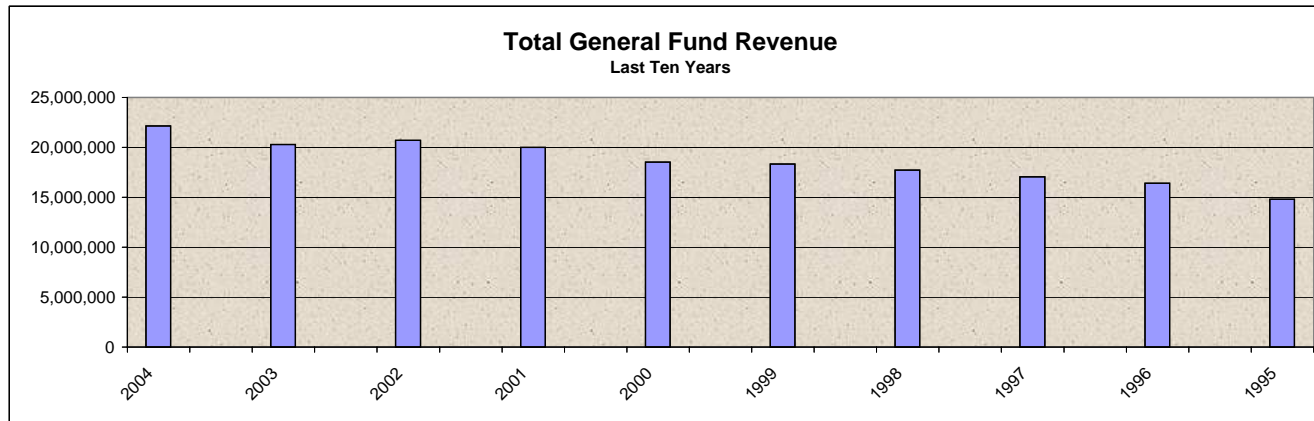


Table 2

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

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Instruction										
Regular	\$ 9,746,611	\$ 9,680,362	\$ 9,350,867	\$ 8,688,076	\$ 7,799,876	\$ 8,655,140	\$ 8,175,580	\$ 7,706,126	\$ 7,387,102	\$ 6,846,039
Special	2,303,945	2,206,647	2,241,067	2,262,488	2,057,624	1,916,816	1,688,144	1,713,080	1,569,875	1,471,172
Vocational	367,322	381,196	343,891	358,621	313,166	325,737	314,354	343,767	383,590	359,201
Other Instruction	-	-	-	1,702	13,103	20,171	49,489	32,524	40,417	77,248
Total Instruction	12,417,878	12,268,205	11,935,825	11,310,887	10,183,769	10,917,864	10,227,567	9,795,497	9,380,984	8,753,660
Support Services										
Pupils	891,076	953,440	909,914	906,736	770,765	904,312	781,655	720,269	647,993	572,980
Instructional Staff	881,345	702,560	629,842	562,925	459,858	447,097	381,835	371,624	289,812	275,949
Board of Education	120,422	100,901	116,622	97,760	51,116	67,149	93,328	42,488	50,676	44,736
Administration	1,463,470	1,368,501	1,374,867	1,401,083	1,222,476	1,402,705	1,259,443	1,145,481	1,097,475	1,035,675
Fiscal	634,901	591,833	613,316	573,290	529,596	535,755	485,491	464,497	454,062	451,789
Business	148,554	142,610	138,004	110,840	105,617	876	-	-	-	-
Operation & Maintenance of Plant	2,898,821	2,624,005	2,625,865	2,402,066	2,272,982	2,117,342	2,077,186	2,067,734	1,974,654	1,847,520
Pupil Transportation	1,387,476	1,382,321	1,291,548	1,207,507	1,207,507	1,281,289	1,117,317	1,104,413	1,105,605	990,995
Central	55,191	114,551	123,583	109,865	69,999	6,386	11,500	-	-	-
Total Support Services	8,481,256	7,980,722	7,823,561	7,372,072	6,763,698	6,774,544	6,207,755	5,916,506	5,620,277	5,219,644
Operations of Non-instructional Services	24	35,999	153	-	-	-	-	-	-	-
Extracurricular Activities	318,855	306,386	284,511	258,538	253,906	283,279	234,241	210,398	210,387	179,721
Capital Outlay	13,645	24,483	50,373	17,966	2,323	5,483	6,662	4,819	9,570	3,210
Debt Services	220,321	215,593	220,369	219,774	218,685	217,099	192,051	347,605	317,665	240,279
Total Expenditures and Other Uses	\$ 21,451,979	\$ 20,831,388	\$ 20,314,792	\$ 19,179,237	\$ 17,422,381	\$ 18,198,269	\$ 16,868,276	\$ 16,274,825	\$ 15,538,883	\$ 14,396,514

Source: Athens City School District Fund Financial Statements

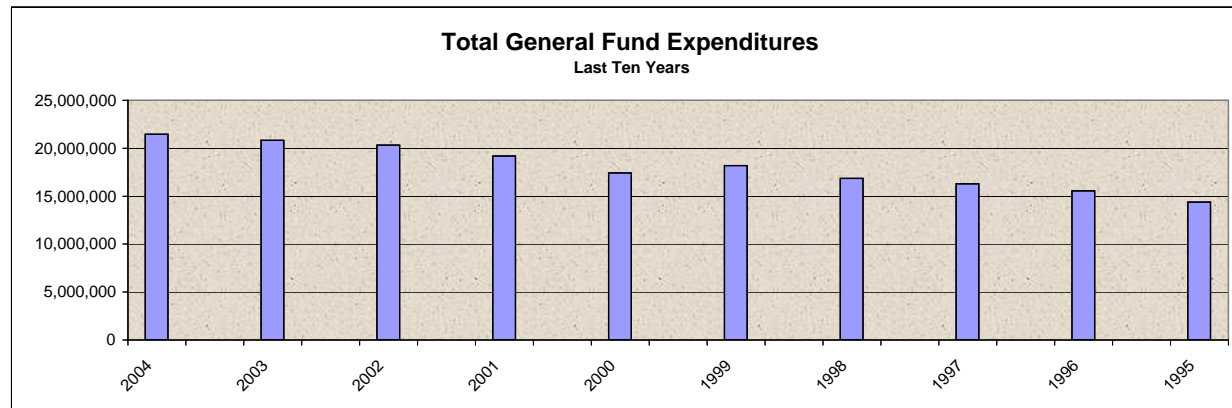


Table 3

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

Collection Years (1)	Current Tax Levied (2)	Current Taxes Collected (2)	Percent of Current Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections to Taxes Levied	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Current Levied
1994	\$ 7,952,257	\$ 7,787,144	97.92%	\$ 286,022	\$ 8,073,166	101.52%	\$ 430,365	5.41%
1995	9,633,381	9,369,889	97.26%	209,390	9,579,279	99.44%	315,071	3.27%
1996	9,857,164	9,480,431	96.18%	221,957	9,702,388	98.43%	318,456	3.23%
1997	9,436,858	9,039,341	95.79%	309,221	9,348,563	99.06%	496,541	5.26%
1998	10,706,049	10,296,314	96.17%	551,518	10,847,831	101.32%	672,549	6.28%
1999	11,028,914	10,641,196	96.48%	421,432	11,062,629	100.31%	565,254	5.13%
2000	12,690,846	12,315,346	97.04%	420,680	12,736,027	100.36%	571,684	4.50%
2001	13,089,931	12,297,066	93.94%	166,803	12,463,869	95.22%	609,497	4.66%
2002	13,654,139	11,713,239	85.79%	415,260	12,128,500	88.83%	718,292	5.26%
2003	15,102,050	14,583,677	96.57%	522,417	15,106,094	100.03%	822,474	5.45%

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

- (1) Represents calendar year data. 2004 information cannot be presented because all collections have not been made by June 30.
- (2) Included Homestead/Rollback on real estate and reimbursement on personal property taxes assessed locally, but distributed through the State of Ohio and reported as Intergovernmental Revenue.

Table 4

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

Collection Year	Real Property			Personal Property			Public Utility Personal			Total	
	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
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
2002	35%	295,558,800	844,453,714	25%	23,319,149	93,276,596	88%	22,422,540	25,480,159	341,300,489	963,210,469
2003	35%	357,211,960	1,020,605,600	25%	23,566,052	94,264,208	88%	22,930,390	26,057,261	403,708,402	1,140,927,069
2004	35%	362,411,010	1,035,460,029	25%	23,265,910	93,063,640	88%	23,330,900	26,512,386	409,007,820	1,155,036,055

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

Table 5-A

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

Athens Township (A01)

55

<u>Calendar Year</u>	<u>Athens City School District</u>	<u>Athens County</u>	<u>Tri-County Joint Vocational School</u>	<u>Athens Township</u>	<u>Total Full Rate</u>	<u>Total Residential/Agriculture Effective Rate</u>	<u>Total Commercial/Industrial Effective Rate</u>
1995	58.40	18.95	3.30	8.20	88.85	58.780493	62.083940
1996	59.40	19.05	3.30	8.20	89.95	60.011470	64.033992
1997	60.40	19.05	3.30	8.20	90.95	54.604301	58.432589
1998	60.40	18.55	3.30	8.02	90.27	55.207356	59.032734
1999	59.70	18.55	3.30	8.20	89.75	55.544992	59.433921
2000	64.60	18.55	3.30	8.20	94.65	55.755979	61.208002
2001	64.60	18.55	3.30	8.20	94.65	56.710329	62.119860
2002	64.60	18.55	3.30	8.20	94.65	58.173659	63.584096
2003	64.60	18.80	3.30	8.20	94.90	53.861848	61.423461
2004	64.60	18.80	3.30	8.20	94.90	53.903483	61.317746

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

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

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

Table 5-B

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

Athens Township - City of Athens (A02)

5-6

<u>Calendar Year</u>	<u>Athens City School District</u>	<u>Athens County</u>	<u>Tri-County Joint Vocational School</u>	<u>City of Athens</u>	<u>Athens Township</u>	<u>Total Full Rate</u>	<u>Total Residential/Agriculture Effective Rate</u>	<u>Total Commercial/Industrial Effective Rate</u>
1995	58.40	18.95	3.30	2.60	0.30	83.55	55.536946	58.813199
1996	59.40	19.05	3.30	2.60	0.30	84.65	56.774003	60.765034
1997	60.40	19.05	3.30	2.60	0.30	85.65	51.796455	55.605945
1998	60.40	18.55	3.30	2.60	0.30	85.15	52.400055	56.200331
1999	59.70	18.55	3.30	2.60	0.30	84.45	52.741033	56.602678
2000	64.60	18.55	3.30	2.60	0.30	89.35	53.255867	58.542443
2001	64.60	18.55	3.30	2.60	0.30	89.35	54.213092	59.454460
2002	64.60	18.55	3.30	2.60	0.30	89.35	55.679583	60.921219
2003	64.60	18.80	3.30	2.60	0.30	89.60	50.691695	57.778373
2004	64.60	18.80	3.30	2.60	0.30	89.60	50.728681	57.692136

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

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

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

Table 5-C

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

Athens Township - The Plains Fire District (A04)

<u>Calendar Year</u>	<u>Athens City School District</u>	<u>Athens County</u>	<u>Tri-County Joint Vocational School</u>	<u>The Plains Fire District</u>	<u>Athens Township</u>	<u>Total Full Rate</u>	<u>Total Residential/Agriculture Effective Rate</u>	<u>Total Commercial/Industrial Effective Rate</u>
1995	58.40	18.95	3.30	4.50	8.20	93.35	62.251372	66.164679
1996	59.40	19.05	3.30	4.50	8.20	94.45	63.472670	68.113637
1997	60.40	19.05	3.30	4.50	8.20	95.45	57.979399	62.495305
1998	60.40	18.55	3.30	4.50	8.02	94.77	59.981313	64.260193
1999	59.70	18.55	3.30	4.50	8.20	94.25	60.309732	64.653918
2000	64.60	18.55	3.30	4.00	8.20	98.65	59.956295	65.887433
2001	64.60	18.55	3.30	4.00	8.20	98.65	60.888887	66.798762
2002	64.60	18.55	3.30	4.00	8.20	98.65	62.347988	68.247927
2003	64.60	18.80	3.30	4.00	8.20	98.90	56.877365	64.994188
2004	64.60	18.80	3.30	4.00	8.20	98.90	56.924643	64.885480

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

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

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

Table 5-D

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

Canaan Township (E02)

Calendar Year	Athens City School District	Athens County	Tri-County Joint Vocational School	Canaan Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1995	58.40	18.95	3.30	4.60	85.25	56.521078	59.948860
1996	59.40	19.05	3.30	4.60	86.35	57.756387	61.900845
1997	60.40	19.05	3.30	6.60	89.35	54.407651	58.574268
1998	60.40	18.55	3.30	6.60	88.85	55.476303	59.530792
1999	59.70	18.55	3.30	6.60	88.15	55.815175	59.933068
2000	64.60	18.55	3.30	6.60	93.05	56.115695	61.676778
2001	64.60	18.55	3.30	6.60	93.05	57.067981	62.693727
2002	64.60	18.55	3.30	6.60	93.05	59.305377	64.594136
2003	64.60	18.80	3.30	6.60	93.30	53.877320	61.329580
2004	64.60	18.80	3.30	6.60	93.30	53.923556	61.169246

58

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

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

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

Table 5-E

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

Canaan Township - City of Athens (E03)

<u>Calendar Year</u>	<u>Athens City School District</u>	<u>Athens County</u>	<u>Tri-County Joint Vocational School</u>	<u>City of Athens</u>	<u>Canaan Township</u>	<u>Total Full Rate</u>	<u>Total Residential/ Agriculture Effective Rate</u>	<u>Total Commercial/ Industrial Effective Rate</u>
1995	58.40	18.95	3.30	2.40	2.70	85.75	57.021078	60.448886
1996	59.40	19.05	3.30	2.40	2.70	86.85	58.256387	62.400845
1997	60.40	19.05	3.30	2.40	4.70	89.85	54.907651	59.074268
1998	60.40	18.55	3.30	2.40	4.70	89.35	55.976303	60.030792
1999	59.70	18.55	3.30	2.40	4.70	88.65	56.315175	60.433068
2000	64.60	18.55	3.30	2.40	4.70	93.55	56.615695	62.176778
2001	64.60	18.55	3.30	2.40	4.70	93.55	57.567981	63.193727
2002	64.60	18.55	3.30	2.40	4.70	93.55	59.805715	65.094136
2003	64.60	18.80	3.30	2.40	4.70	93.80	54.377320	61.829580
2004	64.60	18.80	3.30	2.40	4.70	93.80	54.423556	61.669246

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

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

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

Table 5-F

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

Dover Township (G01)

<u>Calendar Year</u>	<u>Athens City School District</u>	<u>Athens County</u>	<u>Tri-County Joint Vocational School</u>	<u>Dover Township</u>	<u>Total Full Rate</u>	<u>Total Residential/Agriculture Effective Rate</u>	<u>Total Commercial/Industrial Effective Rate</u>
1995	58.40	18.95	3.30	10.70	91.35	60.091746	62.873640
1996	59.40	19.05	3.30	10.70	92.45	62.475198	66.338002
1997	60.40	19.05	3.30	8.70	91.45	54.979144	58.990779
1998	60.40	18.55	3.30	8.70	90.95	56.321954	60.334607
1999	59.70	18.55	3.30	8.70	90.25	57.762736	61.652130
2000	64.60	18.55	3.30	8.70	95.15	57.722326	63.406713
2001	64.60	18.55	3.30	8.70	95.15	59.728240	65.070822
2002	64.60	18.55	3.30	8.70	95.15	61.175868	66.538118
2003	64.60	18.80	3.30	11.20	97.90	57.607682	65.217816
2004	64.60	18.80	3.30	11.20	97.90	57.929292	65.347525

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

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

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

Table 5-G

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

Dover Township - Village of Chauncey (G02)

<u>Calendar Year</u>	<u>Athens City School District</u>	<u>Athens County</u>	<u>Tri-County Joint Vocational School</u>	<u>Village of Chauncey</u>	<u>Dover Township</u>	<u>Total Full Rate</u>	<u>Total Residential/Agriculture Effective Rate</u>	<u>Total Commercial/Industrial Effective Rate</u>
1995	58.40	18.95	3.30	3.90	5.30	89.85	60.320354	63.492614
1996	59.40	19.05	3.30	7.90	5.30	94.95	65.557233	69.536735
1997	60.40	19.05	3.30	7.90	3.30	93.95	57.602755	61.706041
1998	60.40	18.55	3.30	7.90	3.30	93.45	58.212419	62.303016
1999	59.70	18.55	3.30	7.90	3.30	92.75	59.657580	63.815493
2000	64.60	18.55	3.30	7.90	3.30	97.65	59.919503	65.574419
2001	64.60	18.55	3.30	7.90	3.30	97.65	62.354574	67.656663
2002	64.60	18.55	3.30	7.90	3.30	97.65	63.813636	69.132517
2003	64.60	18.80	3.30	7.90	5.80	100.40	59.382383	67.451832
2004	64.60	18.80	3.30	7.90	5.80	100.40	59.817088	67.581528

S-11

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

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

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

Table 5-H

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

Waterloo Township (N02)

<u>Calendar Year</u>	<u>Athens City School District</u>	<u>Athens County</u>	<u>Tri-County Joint Vocational School</u>	<u>Waterloo Township</u>	<u>Total Full Rate</u>	<u>Total Residential/Agriculture Effective Rate</u>	<u>Total Commercial/Industrial Effective Rate</u>
1995	58.40	18.95	3.30	10.80	91.45	60.643039	63.935523
1996	59.40	19.05	3.30	10.80	92.55	62.873018	66.763189
1997	60.40	19.05	3.30	10.80	93.55	56.878921	60.085145
1998	60.40	18.55	3.30	10.80	93.05	58.180004	61.551999
1999	59.70	18.55	3.30	9.90	91.45	58.871122	62.404502
2000	64.60	18.55	3.30	9.90	96.35	58.978506	64.117153
2001	64.60	18.55	3.30	9.90	96.35	60.165682	65.327257
2002	64.60	18.55	3.30	9.90	96.35	61.579783	66.794016
2003	64.60	18.80	3.30	9.90	96.60	55.708064	63.386606
2004	64.60	18.80	3.30	9.90	96.60	55.744979	63.300369

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

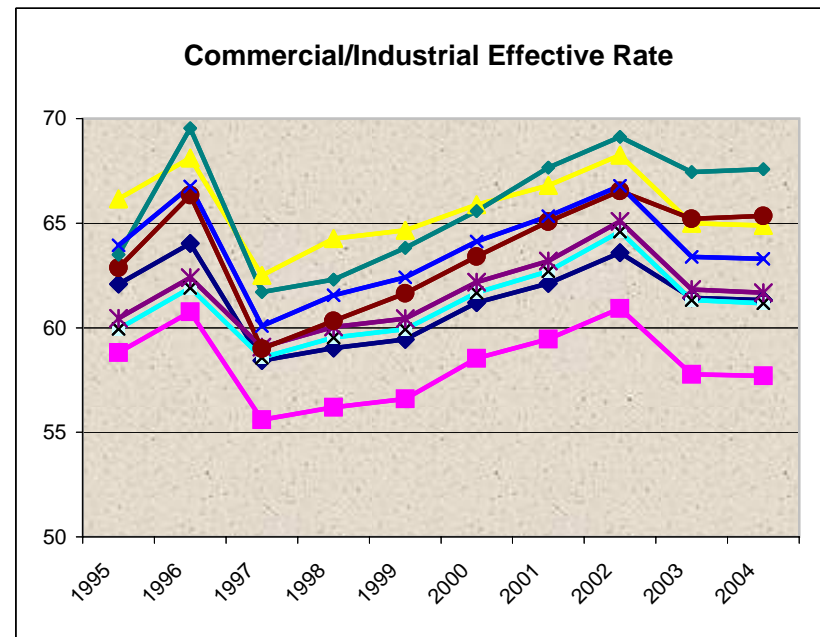
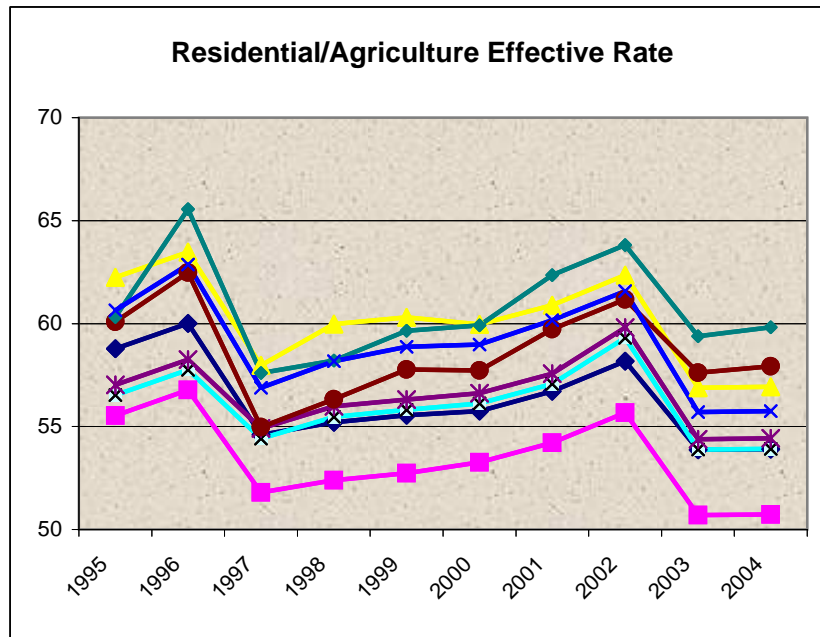
- A01 Athens Township
- A02 Athens Township - City of Athens
- A04 Athens Township - The Plains Fire District
- E02 Canaan Township
- E03 Canaan Township - City of Athens
- G01 Dover Township
- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

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









Table 5-I

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

S-13



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

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

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

Table 6

ATHENS CITY SCHOOL DISTRICT
Principal Property Taxpayers
2004 Collection Year

<u>PUBLIC UTILITY</u>			
Property Owner	Type of Business	Assessed Valuation	% of Total Assessed Valuation
Columbus Southern Power	Electricity	\$ 12,481,210	53.50%
Verizon North, Inc.	Communications	4,350,930	18.65%
Tennessee Gas Pipeline Co.	Natural Gas	1,287,730	5.52%
Texas Eastern Transmission	Natural Gas	1,258,010	5.39%
Columbia Gas of Ohio, Inc.	Natural Gas	926,330	3.97%
Norfolk Southern	Transportation	619,500	2.66%
Horizon Personal	Communications	546,560	2.34%
Ohio Telephone & Telegraph	Communications	452,620	1.94%
Columbia Gas Transmission	Natural Gas	430,240	1.84%
Orange County Cellular	Communications	292,370	1.25%
Total Top Ten		22,645,500	
All Others		685,400	2.94%
Total Public Utility		\$23,330,900	100.00%

<u>REAL ESTATE</u>			
Property Owner	Type of Business	Assessed Valuation	% of Total Assessed Valuation
Ohio University	Retail Sales	\$ 7,275,020	2.01%
University Mall Associates	Retail Sales	4,634,830	1.28%
AAC Athens LLC	Apartments	3,948,770	1.09%
Inn-Ohio of Athens, Inc.	Motel	1,903,690	0.53%
McCoody Properties LTD	Various Properties	1,668,410	0.46%
Presidents and Trustees of Ohio Univ.	Apartments	1,611,440	0.44%
City of Athens	Various Properties	1,560,540	0.43%
Southeast Development Co. 2	Apartments	1,423,060	0.39%
Diversified Properties	Various Properties	1,407,430	0.39%
Hickory Creek of Athens, Inc.	Nursing Home	1,378,530	0.38%
Total Top Ten		26,811,720	
All Others		335,599,290	92.60%
Total Real Estate		\$362,411,010	100.00%

<u>TAXABLE PERSONAL PROPERTY</u>			
Property Owner	Type of Business	Assessed Valuation	% of Total Assessed Valuation
Wal Mart Stores East LP	Retail Sales	\$ 1,519,850	6.53%
TS Trim Industries	Automotive Car Seat Mfg.	744,770	3.20%
Don Wood Ford, Lincoln Mercury, Inc.	Auto Sales and Service Center	716,290	3.08%
Don Wood Buick, Inc.	Auto Sales and Service Center	642,360	2.76%
K Mart Corp.	Retail Sales	598,780	2.57%
Kroger Co.	Grocery Store	496,840	2.14%
Taylor Motors, Inc.	Auto Sales and Service Center	496,680	2.13%
Athens Mold & Machine, Inc.	Machine Shop	378,940	1.63%
Taylor Honda/MMT Motors, Inc.	Auto Sales and Service Center	377,060	1.62%
G. & J. Pepsi Cola Bottlers, Inc.	Wholesale Distributors	363,180	1.56%
Total Top Ten		6,334,750	
All Others		16,931,160	72.77%
Total Tangible Personal Property		\$ 23,265,910	100.00%
Total Assessed Valuation		\$ 409,007,820	

Table 7

ATHENS CITY SCHOOL DISTRICT
Legal Debt Margin
June 30, 2004

Total Assessed Valuation		\$ 409,007,820
Overall Debt Limitation - 9.0% of Assessed Valuation (1)		36,810,704
Gross Indebtedness Authorized by the School Board	17,747,448	
Less Debt Outside Limitation:	-	
Debt within 9.0% Limitation	17,747,448	
Less Amount Available in Debt Service Fund	3,669,021	
Net Debt within 9.0% Limitation		14,078,427
Legal Debt Margin within 9.0% Limitation		\$ 22,732,277
<hr/>		
Energy Conservation Debt Limit - .90% of Assessed Value (1)		\$ 3,681,070
Net Debt within .90% Limitation		-
Energy Conservation Debt Margin		\$ 3,681,070
<hr/>		
Unvoted Debt Limitation - .10% of Assessed Valuation		\$ 409,008
Net Debt within .10% Limitation		-
Legal Debt Margin within .10% Limitation		\$ 409,008

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

Table 8

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

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Assessed Value Real & Personal Property (1)</u>	<u>General Bonded Debt</u>	<u>Less Debt Service</u>	<u>Net Bonded Debt</u>	<u>Ratio Bonded Debt To Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1995	32,170	\$ 253,583,890	\$ 5,339,973	\$ 286,786	\$ 5,053,187	1.99%	\$ 157
1996	32,330	255,591,667	4,849,973	51,401	4,798,572	1.88%	148
1997	32,450	292,476,676	4,344,973	161,609	4,183,364	1.43%	129
1998	32,600	295,211,248	3,824,973	487,536	3,337,437	1.13%	102
1999	32,721	302,265,315	3,289,973	721,757	2,568,216	0.85%	78
2000	32,721	334,411,779	19,319,973	1,707,620	17,612,353	5.27%	538
2001	32,596	341,363,222	18,684,973	1,654,485	17,030,488	4.99%	522
2002	32,596	341,300,489	18,424,513	2,152,841	16,271,672	4.77%	499
2003	32,596	403,708,402	18,176,566	2,638,685	15,537,881	3.85%	477
2004	32,596	409,007,820	17,747,448	3,669,021	14,078,427	3.44%	432

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

Table 9

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

Fiscal Year	Principal (1)	Interest (1)	Total Debt Service (1)	Total General Fund Expenditures	Percent of Debt Service to General Fund Expenditures
1995	\$ 485,000	\$ 282,038	\$ 767,038	\$ 14,396,514	5.33%
1996	490,000	271,330	761,330	15,538,883	4.90%
1997	505,000	241,358	746,358	16,274,825	4.59%
1998	520,000	247,588	767,588	16,868,276	4.55%
1999	535,000	173,801	708,801	18,198,269	3.89%
2000	370,000	153,582	523,582	17,422,381	3.01%
2001	635,000	1,099,065	1,734,065	19,179,237	9.04%
2002	260,460	1,370,137	1,630,598	20,314,792	8.03%
2003	247,947	1,366,651	1,614,598	20,831,388	7.75%
2004	2,764,118	1,415,169	4,179,287	21,451,979	19.48%

Source: Athens City School District Fund Financial Statements

(1) General Obligation Bonded Debt

Table 10

ATHENS CITY SCHOOL DISTRICT
Computation of Direct and Overlapping Debt
June 30, 2004

	General Obligation Debt (1)	Percent Overlapping	Applicable To Athens City School District
	<hr/>	<hr/>	<hr/>
<u>Direct Debt:</u>			
Athens City School District	\$ 17,747,448	100.00%	\$ 17,747,448
<u>Overlapping Debt:</u>			
Athens County	4,118,074	55.40%	2,281,413
City of Athens	9,885,000	98.47%	<hr/> 9,733,760
Total Overlapping Debt			<hr/> 12,015,173
Total Direct and Overlapping Debt			<hr/> <hr/> \$ 29,762,621

Source: Ohio Municipal Advisory Council

(1) General Obligation Bonded Debt

Table 11

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

Collection Year	Total Value New Construction	Tax Exempt Value	Assessed Property Values (1)			
			Real Property	Tangible Personal	Public Utility Personal	Total
1995	\$ 4,508,220	\$ 149,216,130	\$ 202,769,240	\$ 17,974,750	\$ 32,839,900	\$ 253,583,890
1996	6,711,340	152,311,580	206,713,970	19,251,537	29,626,160	255,591,667
1997	4,653,200	175,212,750	243,463,640	19,558,176	29,454,860	292,476,676
1998	2,327,440	175,032,770	246,407,920	20,849,558	27,953,770	295,211,248
1999	4,863,550	179,911,980	251,378,830	21,348,845	29,537,640	302,265,315
2000	3,338,130	195,411,980	285,737,630	22,056,469	26,617,680	334,411,779
2001	6,031,520	198,545,120	291,086,680	23,500,232	26,776,310	341,363,222
2002	5,471,520	204,652,910	295,558,800	23,319,149	22,422,540	341,300,489
2003	5,715,850	209,958,420	357,211,960	23,566,052	22,930,390	403,708,402
2004	6,356,460	209,958,420	362,411,010	23,265,910	23,330,900	409,007,820

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

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

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

Table 12

ATHENS CITY SCHOOL DISTRICT
Cost to Educate a 2004 Graduate

School Year Ended	Grade	Annual Expenditure Per Pupil	
		District Average	State Average
1992	Kindergarten	\$ 4,434	\$ 4,619
1993	1st Grade	4,538	4,815
1994	2nd Grade	4,386	5,010
1995	3rd Grade	5,181	5,151
1996	4th Grade	5,230	5,328
1997	5th Grade	5,889	5,557
1998 #	6th Grade	6,116	5,673
1999 #	7th Grade	6,681	6,642
2000 #	8th Grade	6,972	7,057
2001 #	9th Grade	7,832	7,591
2002 #	10th Grade	8,608	8,073
2003 #	11th Grade	8,713	8,441
2004 #	12th Grade	8,999	8,768
		<u>\$ 83,579</u>	<u>\$ 82,725</u>

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

Table 13

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

Fiscal Year	Number Of Graduates (1)	Average Daily Membership (ADM) (2)	Percentage ADM Increase (Decrease)
1995	208	2,837	(3.04%)
1996	204	2,850	0.46%
1997	225	2,793	(2.00%)
1998	242	2,705	(3.15%)
1999	234	2,966	9.65%
2000	235	2,823	(4.82%)
2001	235	2,757	(2.34%)
2002	233	2,544	(7.73%)
2003	209	2,482	(2.44%)
2004	205	2,482	0.00%

(1) Athens High School Guidance Department

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

Table 14

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

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000 (1)</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Professional Staff:										
Teaching Staff:										
Elementary (K-6)	146.9	147.9	153.3	147.0	150.4	115.6	112.1	108.8	108.8	107.8
Secondary (7-12)	54.2	56.2	55.7	57.0	57.4	81.2	81.2	81.5	82.5	81.5
Special Education	15.7	15.7	13.6	14.6	14.0	34.0	35.5	39.0	39.0	40.0
Administrators:										
Districtwide	16.0	14.0	16.0	16.0	17.0	18.0	18.0	18.0	17.0	18.0
Auxilliary Positions:										
Guidance/Counselors	5.0	5.0	4.8	4.0	4.0	5.0	5.0	5.0	5.0	5.0
Librarians/Audio Visual	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Psychologists	3.4	2.6	2.6	2.8	3.0	3.0	3.0	2.0	2.0	2.0
Nurses	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Support Staff:										
Secretarial	19.5	20.0	18.0	17.0	15.5	21.5	22.5	22.5	22.5	21.5
Aides	43.0	43.0	44.0	44.0	52.0	49.5	55.5	60.5	63.5	65.6
Maintenance/Mechanic	6.0	6.0	6.0	6.0	6.0	8.0	8.0	8.0	7.0	7.0
Transportation	35.0	37.0	38.0	31.0	31.0	29.0	30.0	28.0	29.5	29.5
Custodial	24.0	22.0	25.0	23.0	24.0	24.5	24.5	24.5	24.5	25.5
Lunchroom	<u>17.0</u>	<u>25.0</u>	<u>38.0</u>	<u>37.0</u>	<u>38.0</u>	<u>21.5</u>	<u>21.5</u>	<u>21.5</u>	<u>21.5</u>	<u>18.7</u>
TOTAL	387.7	396.4	417.0	401.4	414.3	412.8	418.8	421.3	424.8	424.1

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

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

Table 15

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

	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
4th Grade Proficiency Tests:									
Citizenship	61.1	53.6	61.7	79.2	68.3	73.3	79.5	68.8	65.3
Mathematics	48.7	39.6	41.5	56.2	50.9	66.1	75.1	63.5	67.9
Reading	51.5	52.1	56.6	66.0	67.1	65.7	75.8	74.5	74.1
Writing	61.5	70.3	71.8	77.0	80.1	82.0	85.7	84.1	75.9
Science	49.8	48.3	50.3	62.1	50.3	62.2	75.3	60.6	71.9
6th Grade Proficiency Tests:									
Citizenship	70.3	61.6	74.6	75.3	68.8	77.9	75.1	80.4	72.9
Mathematics	58.5	50.0	53.1	59.1	51.1	66.1	58.0	70.9	70.4
Reading	57.2	53.2	64.3	58.2	51.7	61.8	58.0	78.4	70.8
Writing	68.5	76.9	98.1	85.1	84.7	85.3	87.1	94.0	90.8
Science	54.0	48.3	64.3	57.2	51.1	69.0	60.5	74.9	70.0
9th Grade Proficiency Tests:									
Citizenship	89.2	85.5	91.6	87.7	81.9	88.8	88.3	91.1	94.3
Mathematics	74.9	78.3	81.4	83.3	75.0	81.3	83.1	85.5	88.1
Reading	90.8	90.0	95.4	94.0	88.4	95.1	94.4	95.1	95.5
Writing	81.3	86.7	92.0	96.2	90.3	93.3	93.3	92.4	94.9
Science	68.5	77.6	85.6	85.5	78.9	85.1	83.7	88.9	92.7
ACT Scores (Composite Averages)									
Athens City Schools	23.0	23.2	24.3	22.7	23.1	23.1	23.7	23.1	23.6
SAT Scores (Average)									
Athens City Schools									
Verbal	560	564	575	580	562	548	592	562	584
Mathematics	556	566	574	575	569	564	583	573	585

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

* Ohio Proficiency Testing Began in 1995-96

Table 16

ATHENS CITY SCHOOL DISTRICT
Educational Testing Comparison
2003-2004 School Year

	<u>District</u>	<u>State Average</u>	<u>Similar Districts *</u>
4th Grade Proficiency Tests:			
Citizenship	65.3	59.4	68.7
Mathematics	67.9	65.8	73.0
Reading	74.1	70.8	78.9
Writing	75.9	78.6	82.8
Science	71.9	64.4	74.0
6th Grade Proficiency Tests:			
Citizenship	72.9	67.9	73.5
Mathematics	70.4	65.6	68.7
Reading	70.8	64.6	70.0
Writing	90.8	90.3	92.8
Science	70.0	63.1	71.7
9th Grade Proficiency Tests:			
Citizenship	94.3	92.1	94.4
Mathematics	88.1	84.5	89.4
Reading	95.5	95.7	96.9
Writing	94.9	95.8	96.9
Science	92.7	88.3	92.4
	<u>District</u>	<u>State Average</u>	<u>National Average</u>
ACT Scores (Composite Averages)	23.6	21.4	20.9
SAT Scores (Average)			
Verbal	584	538	508
Mathematics	585	542	518

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

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

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

Table 17

ATHENS CITY SCHOOL DISTRICT
Valuation Data by Governmental Subdivision
Calendar Year 2003

	<u>Percent of Subdivisions's Assessed Valuation Within the School District</u>	<u>Percent of School District's Assessed Valuation Within the Subdivision</u>
City of Athens	98.47%	62.78%
Village of Chauncey	100.00%	1.43%
Athens Township	29.70%	25.09%
Dover Township	80.34%	6.70%
Canaan Township	27.51%	3.22%
Waterloo Township	14.72%	0.78%
Tri-County Career Center	31.67%	100.00%

Source: Ohio Municipal Advisory Council

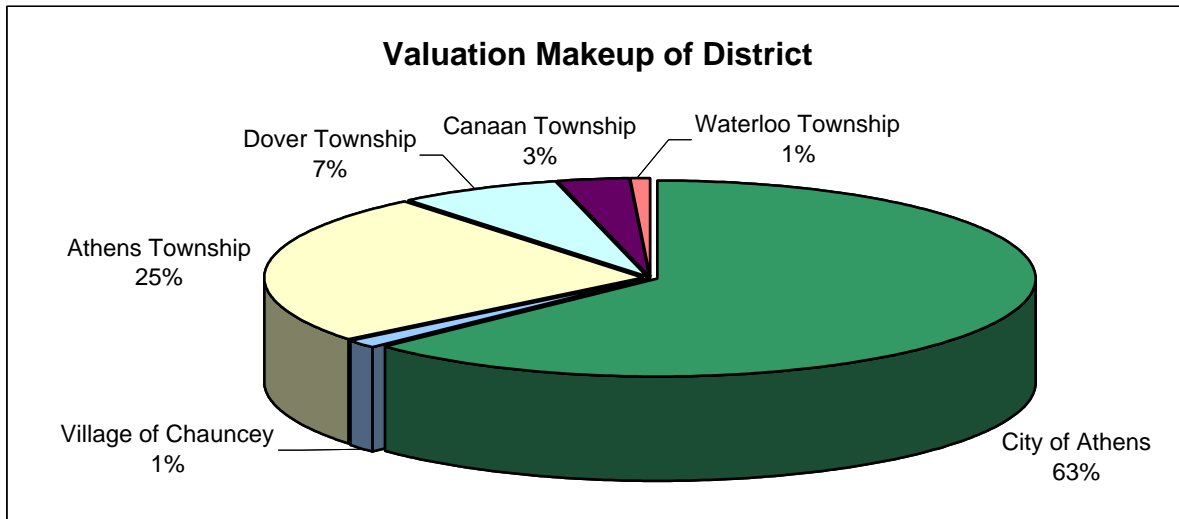


Table 18

ATHENS CITY SCHOOL DISTRICT
Building Enrollment and Capacity Information
 2003-2004 School Year

<u>Building</u>	<u>Grade Level</u>	<u>Enrollment</u> (1)	<u>Capacity</u> (2)	<u>Number of Regular Teachers</u> (3)	<u>Pupil/Teacher Ratio</u> (4)	<u>Year Building Completed</u>	<u>Date of Additions</u>
Athens High School	9 - 12	844	931	49	17.2 :1	1968	2002
Athens Middle School	7 & 8	437	779	29	15.1 :1	1923	1936, 1956 1973, 2002
Chauncey Elementary	PS - 6	248	344	18	13.8 :1	1964	1978
East Elementary	K - 6	301	429	18	16.7 :1	1956	1980
Morrison Elementary	K - 6	375	429	22	17.0 :1	1979	-
The Plains Elementary	PS - 6	429	516	26	16.5 :1	1990	-
West Elementary	PS - 6	<u>269</u>	<u>286</u>	<u>16</u>	16.8 :1	1956	1978
District Totals		2,903	3,714	178	16.3 :1		

- (1) Total Enrollment - All Students including Special Education - as of June 2004
- (2) Based on State recommended class size of 25 students
- (3) Does not include Counselors, Special Education Teachers, or Educational Assistants
- (4) Building Average with exclusions listed above



**Auditor of State
Betty Montgomery**

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

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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
APRIL 12, 2005**