



**Auditor of State
Betty Montgomery**

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY**

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CIRCLEVILLE CITY SCHOOL DISTRICT

PICKAWAY 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	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program		10.550	\$0	\$33,844	\$0	\$33,844
National School Breakfast Program	05-PU 2003	10.553	4,613	0	4,613	0
	05-PU 2004	10.553	28,235	0	28,235	0
National School Lunch Program	LL-P4-2003	10.555	33,178	0	33,178	0
	LL-P4-2004	10.555	180,988	0	180,988	0
TOTAL U.S. DEPARTMENT OF AGRICULTURE - NUTRITION CLUSTER			247,014	33,844	247,014	33,844
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies						
Title I Grants to Local Educational Agencies	C1-S1 - 2004	84.010	514,483	0	498,395	0
Title I Grants to Local Educational Agencies	C1-S1 - 2003	84.010	141,518	0	195,250	0
<i>Total Grants to Local Educational Agencies</i>			<u>656,001</u>	<u>0</u>	<u>693,645</u>	<u>0</u>
Special Education Cluster:						
Special Education Grants to States						
Special Education Grants to States	6B-SD - 2003 - P	84.027	35,000	0	49,878	0
Special Education Grants to States	6B-SD - 2004 - P	84.027	23,075	0	15,807	0
Special Education Grants to States	6B-SF - 2003 -P	84.027	50,486	0	75,007	0
Special Education Grants to States	6B-SF - 2004 - P	84.027	262,139	0	302,626	0
<i>Total Special Educaton Grants to States</i>			<u>370,700</u>	<u>0</u>	<u>443,318</u>	<u>0</u>
Special Education - Preschool Grant						
Special Education - Preschool Grant	PG-S1 - 2003 - P	84.173	(1,058)	0	0	0
Special Education - Preschool Grant	PG-S1 - 2004 - P	84.173	8,276	0	11,149	0
<i>Total Special Educaton - Preschool Grant</i>			<u>7,218</u>	<u>0</u>	<u>11,149</u>	<u>0</u>
<i>Total Special Educaton Cluster</i>			<u>377,918</u>	<u>0</u>	<u>454,467</u>	<u>0</u>
Safe and Drug-Free Schools State Grants						
Safe and Drug-Free Schools State Grants	DR-S1 - 2004	84.186	16,953	0	18,287	0
Safe and Drug-Free Schools State Grants	DR-S1 - 2003	84.186	(1,028)	0	0	0
<i>Total Safe and Drug-Free Schools State Grants</i>			<u>15,925</u>	<u>0</u>	<u>18,287</u>	<u>0</u>
State Grants for Innovative Educational Program Strategies						
State Grants for Innovative Educational Program Strategies	C2-S1 - 2004	84.298	14,609	0	14,098	0
State Grants for Innovative Educational Program Strategies	C2-S1 - 2003	84.298	4,440	0	6,815	0
<i>Total State Grants for Innovative Educational Program Strategies</i>			<u>19,049</u>	<u>0</u>	<u>20,913</u>	<u>0</u>
Education Technology State Grants						
Education Technology State Grants	TJ-S1 - 2004	84.318	16,010	0	12,734	0
Education Technology State Grants	TJ-S1 - 2003	84.318	0	0	7,196	0
<i>Total Education Technology State Grants</i>			<u>16,010</u>	<u>0</u>	<u>19,930</u>	<u>0</u>
Improving Teacher Quality State Grants						
Improving Teacher Quality State Grants	TR-S1 - 2004	84.367	148,857	0	130,166	0
Improving Teacher Quality State Grants	TR-S1 - 2003	84.367	50,036	0	25,019	0
<i>Total Improving Teacher Quality State Grants</i>			<u>198,893</u>	<u>0</u>	<u>155,185</u>	<u>0</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			1,283,796	0	1,362,427	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed Through Ohio Department of MRDD:</i>						
Medical Assistance Program		93.778	51,223	0	51,223	0
Totals			\$1,582,033	\$33,844	\$1,660,664	\$33,844

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

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY**

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

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – CHILD NUTRITION CLUSTER

Program regulations do not require the 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 the commodities received.

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

NOTE C- TRANSFERS DUE TO ODE ADMINISTRATIVE ACTION

The District transferred between special cost centers during fiscal year 2004 for the following: CFDA #'s 84.173-\$1,058 and 84.186-\$1,028. This was due to the revised Comprehensive Continuous Improvement Plan Strategy (CCIP) as of July, 2002 which is an attempt to promote consistency between fiscal periods, allows the local agencies to manage one Ohio Department of Education project at a time, and eliminates refunds to Ohio Department of Education.



Auditor of State Betty Montgomery

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

Circleville City School District
Pickaway County
388 Clark Drive
Circleville, Ohio 43113

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Circleville City School District, Pickaway County, Ohio, (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 December 3, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could directly and materially affect 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 we must report under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to the District's management in a separate letter dated December 3, 2004.

Internal Control Over Financial Reporting

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

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

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

Betty Montgomery
Auditor of State

December 3, 2004



**Auditor of State
Betty Montgomery**

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

Circleville City School District
Pickaway County
388 Clark Drive
Circleville, Ohio 431113

To the Board of Education:

Compliance

We have audited the compliance of Circleville City School District, Pickaway County, Ohio, (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

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

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

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 Circleville City School District, Pickaway County, Ohio, (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 December 3, 2004. 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 for the information and use of the audit committee, management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

December 3, 2004

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY
JUNE 30, 2004**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title I Grants to Local Educational Agencies – CFDA 84.010 Improving Teacher Quality State Grants - CFDA 84.367
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

CIRCLEVILLE CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2004

PREPARED BY
TREASURER'S DEPARTMENT
CYNTHIA J. RITTER, TREASURER/CFO

388 CLARK DRIVE

CIRCLEVILLE, OHIO 43113

INTRODUCTORY SECTION

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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Circleville City Schools

388 Clark Drive, Circleville, Ohio 43113
(740) 474-4340

December 3, 2004

Members of the Board of Education and Residents of the Circleville City School District:

The Comprehensive Annual Financial Report (CAFR) of the Circleville City School District (the "District") for the fiscal year ended June 30, 2004 is hereby submitted. The CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental entities, 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). Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in three sections as follows:

1. **Introductory Section** - This section contains a Table of Contents, Letter of Transmittal, List of Principal Officers, Organizational Chart of the District, Certificate of Achievement for Excellence in Financial Reporting and Certificate of Excellence in Financial Reporting.
2. **Financial Section** - This section begins with the Independent Accountants' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, the combining statements by fund type, and other schedules providing detailed information relative to the basic financial statements.
3. **Statistical Section** - This section presents selected financial and demographic information generally present on a multi-year basis.

General Introduction to the District

The District ranks as the 216th largest by total enrollment among the 825 public and community school districts in the State. As of the current school year (2003-2004), the October enrollment head count was 2,451 students. Most of these students attend one of the District's six schools. The District is host to several satellite programs for the Pickaway-Ross Career Technical Center, in which the district is a part of the vocational programs at that school district.

The District has 280 full and part time employees. The District employs 168 certified staff members and 13 administrators. Additionally, the District employs 97 full-time and part-time non-teaching staff members and 2 non-certified supervisors.

The District offers a variety of educational programs for all segments of the community. Circleville High School offers several vocational programs through the Pickaway Ross Joint Vocational School District as well as a wide range of college preparatory and technology preparatory courses. The District provides extensive special education services, as well as co-op classes with the other districts in Pickaway County.

"A COMMUNITY IS KNOWN BY THE SCHOOLS IT KEEPS."

Circleville High School
380 Clark Drive
Circleville, Ohio 43113
740-474-4846

Everts Middle School
520 South Court Street
Circleville, Ohio 43113
740-474-2345

Atwater Elementary School
870 Atwater Avenue
Circleville, Ohio 43113
740-474-4706

Court Elementary School
1250 South Court Street
Circleville, Ohio 43113
740-474-2495

Mound Elementary School
424 East Mound Street
Circleville, Ohio 43113
740-474-3940

Nicholas Elementary School
410 Nicholas Drive
Circleville, Ohio 43113
740-474-7311

A full range of extracurricular programs and activities are available to students in the Middle School and High School. All District schools have libraries and multi-purpose rooms and curricular offerings specific to each building needs as designed by the buildings faculty and administration.

Each elementary building has very active Parent Teacher Boosters Organizations, which provide many of the extra activities for the students, as well as providing for communication between the parents, community members and school officials.

The District has active Music Boosters, Athletic Boosters and Academic Boosters that support the students in the Middle School and High School with various activities as well as providing for communication between the members, parents, and community and school officials.

Classroom teachers at all levels are supported by specialists in media, guidance, art, instrumental and vocal music, physical education and curriculum development. A comprehensive interscholastic sports program is offered to students in grades seven through twelve. All elementary schools have full-time media aides and certified media specialists staff the secondary schools. A school nurse, one full-time school psychologist and a part-time school psychologist, four counselors, and a gifted coordinator offer direction and support of services for all students.

Reporting Entity

The District has reviewed the reporting entity definition to ensure conformance with the Governmental Accounting Standard Board Statement No. 14 "The Financial Reporting Entity." In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units. A complete discussion of the District's reporting entity is provided in Note 2.A. to the basic financial statements.

Overlapping Governmental Entities

The major political subdivisions or other governmental entities that overlap the territory of the District are listed below. The state percentage is that percentage of the tax valuation of the overlapping entity that is located within the District.

1. A portion (30.71%) of Pickaway County (functions allocated to counties by Ohio law, such as elections, health and human services, and judicial).
2. The City of Circleville (100%) (municipal corporation responsibilities)

Each of these entities operates independently, with its own separate budget, taxing power, and sources of revenue. Both Pickaway County and the City of Circleville levy property taxes within the ten-mill limitation (subject to available statutory allocation of the 10 mills).

Employees

A statewide public employee bargaining law applies generally to public employee relations and collective bargaining. The starting salary for the 2003-2004 school year is \$30,507 for a teacher with a Bachelor's degree and no experience, and the maximum salary for a teacher with a Master's degree plus 25 graduate hours and 25 years experience is \$63,253.

The District's certificated staff, excluding administration and psychologist, are members of the Circleville Education Association (CEA), a labor organization affiliated with the Ohio Education Association. The current contract between the Board of Education and the CEA expired October 31, 2004.

All of the District's support staff employees, including secretarial, custodial, maintenance, transportation and aides, are not part of any labor organization. The support staff elects representatives from each classification to serve on the Superintendent's Labor Relation Board, which meets four times per year.

Facilities

The District's classroom and other facilities are as follows:

Facility	Construction Date & Improvements	Number of Classrooms	Capacity	ADM as of June 2004	Sound Insurable Value
Elementary					
<i>Atwater</i>	1951, 1956, 1966, 1970	16	300	368	3,207,000
<i>Court</i>	1956, 1962	16	250	242	2,956,250
<i>High Street</i>	Rental Property	4	60	53	
<i>Mound</i>	1956, 1965	14	200	245	2,875,000
<i>Nicholas</i>	1962, 1972	15	200	243	3,954,900
Middle School					
<i>Everts</i>	1916, 1952, 1954	45	585	579	14,496,300
High School					
<i>Circleville</i>	1966, 1987	44	574	712*	22,334,550

*Includes students enrolled at the Pickaway-Ross Career Technical Center

Economic Conditions and Outlook

The District is located in Pickaway County, in Central Ohio, approximately 35 miles south of Columbus. The entire District is located within Pickaway County and falls within the corporate boundaries of the City of Circleville and Wayne Township. Circleville is the county seat for Pickaway County.

The District is served by diversified transportation facilities including access to several State highways. The District is served by Norfolk and Southern and CSX Railroad systems.

The Circleville Herald daily newspaper serves the District, as does the Columbus Dispatch. The District is within the broadcast area of all major television stations in Central Ohio and numerous radio stations.

Major Initiative for the Year

The District is focusing on the implementation of the *Baldrige in Education Initiative* in order to meet student and community needs. Everything the District is doing is being viewed through the Baldrige lens in an attempt to align our continuous improvement efforts.

Baldrige in Education Initiative is a partnership of twenty-four (24) national educational and business organizations working to help states, districts and communities accelerate and sustain continuous improvement in student achievement and system performance. The District Baldrige Leadership Team includes teachers, administrators, school board members, students, parents, and community members. In turn, each building has established a Building Leadership Team that coordinates improvement efforts at the building level.

Major Initiatives for the Future

Student Performance. The District has shown steady improvement through data used to determine rankings on District's Local Report Card (LRC) that is issued by the Ohio Department of Education. Falling in the "Continuous Improvement" range of criteria met on the LRC, data shows that scores are improving in virtually every category. The students and staff of the District are now setting their sights on meeting additional standards needed to earn an "Effective" rating. Although continuous improvement strategies take time to pay off in results, it is evident the District has responded to state mandated accountability measures that were enacted through the state legislature.

Baldrige in Education Initiative. All six of the District's schools have teachers who have voluntarily implemented Baldrige quality improvement tools to continuously improve student performance. District wide, all schools have mission statements and goals aligned to the District mission and goals. Baldrige classrooms have a classroom mission statement and goals aligned with the building and District goals. Students in Baldrige classrooms have developed personal goals and use personal data folders to improve their performance. The District teachers continue to receive Baldrige training from teacher practitioners who are brought into the District from North Carolina, Georgia, Indiana, and Florida.

Technology. The District is continually exploring ways to upgrade all areas of technology. Staffing for technology will be reviewed, and improvements throughout the District will be made through purchases of hardware and software, as well as infrastructure upgrades.

Internal Control Structure

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 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 their implementation; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Legal Compliance/Independent Audit

State statute requires an annual audit by independent accountants. The Ohio Auditor of State's office conducted the audit. The audit has been conducted in accordance with generally accepted auditing standards, generally accepted government auditing standards, and include a review of internal controls and test of compliance with Federal and State laws and regulations. The Independent Accountant's Report is included in this CAFR.

As a part of the District's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the school district has complied with applicable laws and regulations. The results of the District's independent audit for the fiscal year ended June 30, 2004 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

In addition to the internal control structure mentioned above, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of all funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered amounts lapse at year-end. A complete description of the District's Budgetary Process can be found in Note 2.E. to the basic financial statements.

Financial Condition

This is the third year the District has prepared financial statements following GASB Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." GASB No. 34 creates new basic financial statements for reporting on the District's 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 businesses. The government-wide statements distinguish those activities of the District that are governmental.

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

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

As a part of this new reporting model, management is also responsible for preparing a Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2004 and the outlook for the future. Because that discussion focuses on major funds, the financial highlights provided in this letter focus on certain non-major funds of the District.

Financial Highlights

Internal Service Fund - The only internal service fund of the District is the Self Insurance fund. The internal service fund had net assets of \$(245,210) at June 30, 2003 and net assets of \$(644,335) at June 30, 2004 for a decrease of \$399,125.

Fiduciary Funds - The fiduciary funds account for assets held by the District in a trustee capacity, or as an agent, for individuals, other district organizations or other funds. The District maintains a private purpose trust fund and an agency fund. The private purpose trust fund has net assets of \$41,969 and the agency fund has assets of \$111,360 at June 30, 2004.

Use of this Report

The report is published to provide to the Board of Education, as well as to our citizens and other interested persons, detailed information concerning the financial condition of the District, with particular emphasis placed on the utilization of resources during the past fiscal year. It is also intended that this report will serve as a guide in formulating policies and in conducting the District's future day-to-day activities. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

In today's bond market environment, it is increasingly important that public agencies prepare soundly conceived annual financial reports, which are independently audited by a qualified firm or agency. It has become almost required practice that such reports be prepared in accordance with GAAP, and the major bond rating agencies review the data presented in such reports before determining a public agency's bond rating.

Use of this report by the various departments of the District is encouraged when furnishing information. Copies of the report are being placed in the public library for use by the general public.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2003. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principals 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.

The District has also received a Certificate of Excellence in Financial Reporting in School Districts from the Association of School Business Officials (ASBO) for the District's comprehensive annual financial report for the fiscal year ended June 30, 2003. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

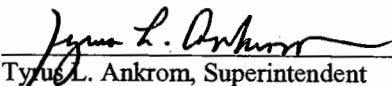
Acknowledgments

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated services of the Treasurer's office staff. In addition, we acknowledge our consultant, Trimble, Julian & Grube, Inc., provided us with expert technical assistance in all phases of preparing the report. The assistance of the Pickaway County Auditor's office in providing information is also appreciated. Finally, we wish to acknowledge the cooperation of the team from the Ohio Auditor of State's office, who conducted a thorough audit of our finances.

In closing, without the leadership and support of the Board of Education of the District, preparation of this report would not have been possible.

Sincerely,


Cynthia J. Ritter, Treasurer/CFO


Tyrus L. Ankrom, Superintendent

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

LIST OF PRINCIPAL OFFICERS

Board of Education

Name	Began Service As a Board Member January 1	Present Term Expires December 31	Vocation in Private Life
Todd Stevens	2004	2007	President – Stevens Mortgage Inc.
Michael Whitten	2004	2007	Teacher – Teays Valley Local Schools
Thomas Scherer**	June 29, 1998	2007	Compliance Director - Nationwide Financial
Daniel Bradhurst*	2003	2005	Chief Administrator for Pickaway County Commissioners
Christine Williams	2003	2005	Sr. Director of Direct Merchandising – Too Brands Inc.

** President

*Vice President

Superintendent/CEO

Tyrus A. Ankrom

Treasurer/CFO

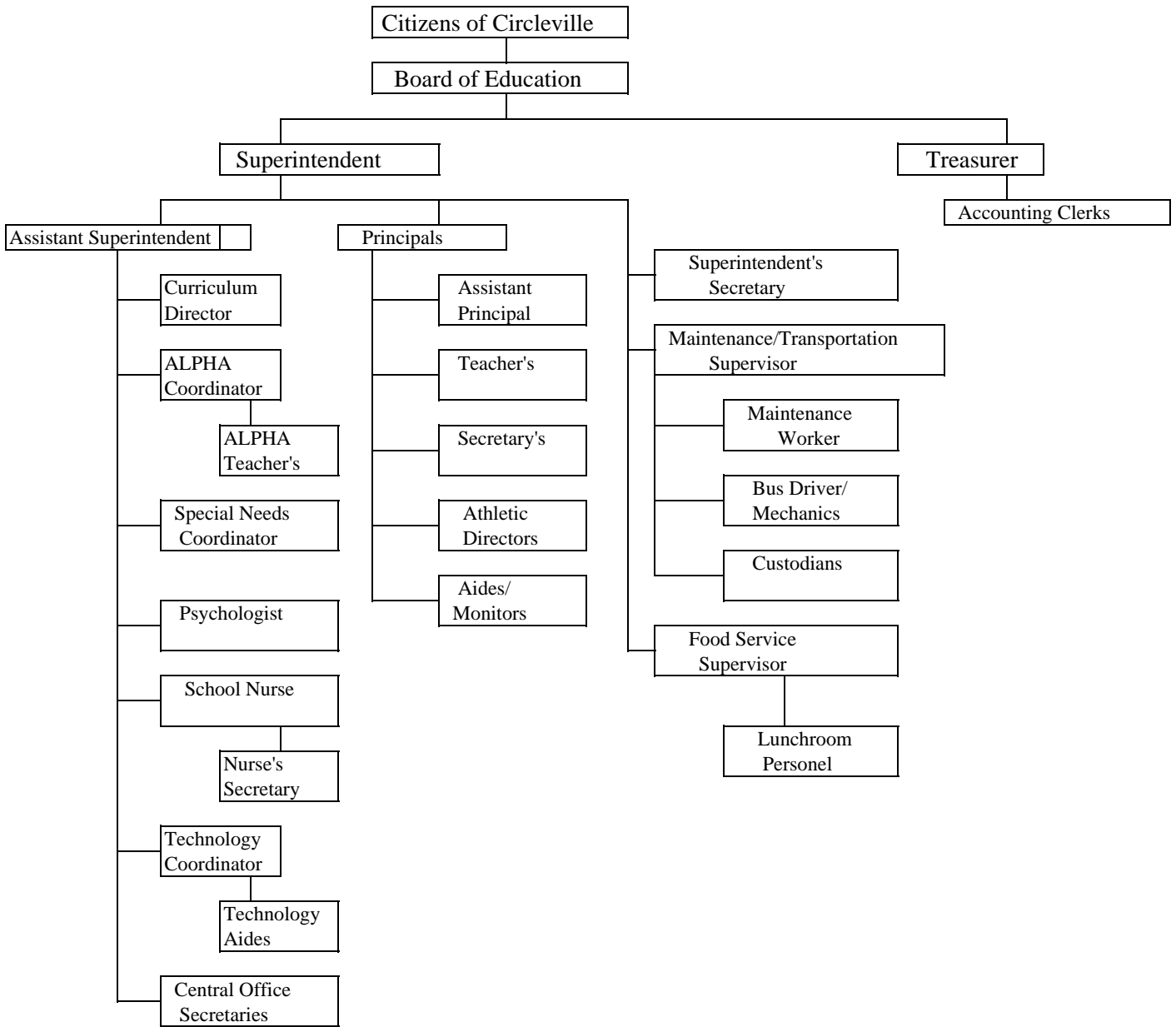
Cynthia J. Ritter

Central Office Administrative Staff

Thomas Patterson	Assistant Superintendent
Barbara Beech-Brown	Special Needs Coordinator
Sherry Kneece	Curriculum Director
Lisa Heins	Gifted Coordinator
Daniel Chrismer	School Psychologist
Mark Merkle	Maintenance/Transportation Supervisor
Suzannah Craycraft	Food Service Director
Lorrie Germann	Technology Coordinator

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

ORGANIZATIONAL CHART
JUNE 30, 2004



Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Circleville 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.



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

CIRCLEVILLE CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2003

Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

William R. Fall
President

Barbara H. Nelder
Executive Director

FINANCIAL SECTION



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Circleville City School District
Pickaway County
388 Clark Drive
Circleville, Ohio 43113

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Circleville City School District, Pickaway County, Ohio, (the District), 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 opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2004, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and the statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and the statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Betty Montgomery
Auditor of State

December 3, 2004

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED**

The discussion and analysis of the Circleville City School District's (the "District") financial performance provides an overall review 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 the transmittal letter, notes to the basic financial statements and basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2004 are as follows:

- In total, net assets of governmental activities decreased \$2,419,582 which represents a 40.23% decrease from 2003.
- General revenues accounted for \$16,184,953 in revenue or 82.08% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,534,032 or 17.92% of total revenues of \$19,718,985.
- The District had \$22,138,567 in expenses related to governmental activities; only \$3,534,032 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$16,184,953 were not adequate to provide for these programs.
- The District's largest major fund is the general fund. The general fund had \$15,592,860 in revenues and \$16,655,367 in expenditures. During fiscal 2004, the general fund's fund balance decreased \$1,073,024 from \$771,971 to (301,053).
- The debt service fund had \$158,399 in revenues and \$501,895 in expenditures. The fund balance decreased \$343,496 from \$1,737,568 to \$1,394,072 during fiscal year 2004.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2004?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the Governmental Activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net assets and statement of activities can be found on pages F15-F16 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page F11. 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 funds are the general fund and debt service fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages F17-F21 of this report.

Proprietary Funds

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for medical and dental self-insurance. The basic proprietary fund financial statements can be found on pages F22-F24 of this report.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages F25 and F26. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

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. These notes to the basic financial statements can be found on pages F27-F51 of this report.

The District as a Whole

The Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2004 compared to fiscal 2003.

	Net Assets	
	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
<u>Assets</u>		
Current and other assets	\$ 13,094,401	\$ 13,235,442
Capital assets	<u>5,057,280</u>	<u>5,442,643</u>
Total assets	<u>18,151,681</u>	<u>18,678,085</u>
<u>Liabilities</u>		
Current liabilities	11,622,579	9,813,456
Long-term liabilities	<u>2,934,704</u>	<u>2,850,649</u>
Total liabilities	<u>14,557,283</u>	<u>12,664,105</u>
<u>Net Assets</u>		
Invested in capital assets, net of debt	3,732,280	3,727,643
Restricted	1,855,552	2,333,991
Unrestricted	<u>(1,993,434)</u>	<u>(47,654)</u>
Total net assets	<u>\$ 3,594,398</u>	<u>\$ 6,013,980</u>

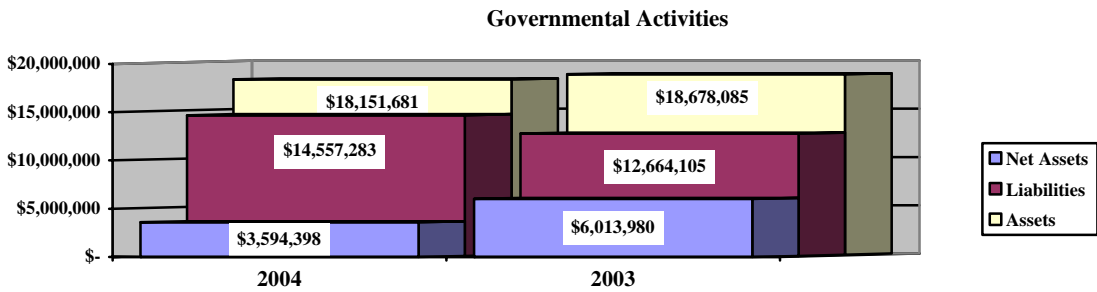
Net assets decreased \$2,419,582 or 40.23%, due to a decrease of \$982,027 in the amount of tax available as an advance, a decrease of \$715,700 in cash and cash equivalents, and depreciation expense exceeding capital outlay by \$385,363.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED**

At year-end, capital assets represented 27.86% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2004, were \$3,732,280. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$1,855,552, represents resources that are subject to external restriction on how they may be used.



**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED**

The table below shows the changes in net assets for governmental activities for fiscal year 2004 compared to fiscal year 2003.

Change in Net Assets

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 1,128,694	\$ 777,332
Operating grants and contributions	2,405,338	2,142,412
General revenues:		
Property taxes	7,775,365	8,942,267
Grants and entitlements	8,140,272	7,640,732
Other	<u>269,316</u>	<u>123,664</u>
Total revenues	<u>19,718,985</u>	<u>19,626,407</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	10,221,695	9,580,035
Special	2,674,603	2,191,171
Vocational	14,326	16,562
Support services:		
Pupil	1,096,268	828,589
Instructional staff	1,589,505	1,483,731
Board of Education	85,045	73,527
Administration	1,775,395	1,728,376
Fiscal	512,733	562,863
Operations and maintenance	1,939,146	1,774,158
Pupil transportation	778,810	650,629
Central	3,368	3,527
Operation of non-instructional services	16,918	17,026
Food service operations	813,751	780,508
Extracurricular activities	475,157	414,581
Intergovernmental pass through	33,195	54,628
Interest and fiscal charges	<u>108,652</u>	<u>134,772</u>
Total expenses	<u>22,138,567</u>	<u>20,294,683</u>
Changes in net assets	<u>\$ (2,419,582)</u>	<u>\$ (668,276)</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED**

Governmental Activities

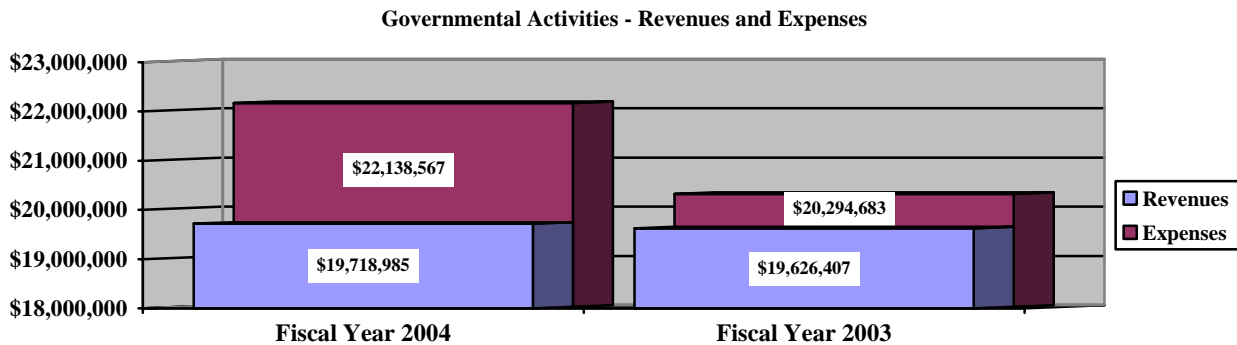
Net assets of the District's governmental activities decreased \$2,419,582. Total governmental expenses of \$22,138,567 were offset by program revenues of \$3,534,032 and general revenues of \$16,184,953. Program revenues supported 15.96% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These two revenue sources represent 80.71% of total governmental revenue. Real estate property is reappraised every six years. The latest reappraisal by Pickaway County was in 1999, with an update in 2002. Although recent growth had a positive effect on the District's tax base, the full tax revenue impact has not been realized due to H.B. 920. This state law, enacted in 1976, does not allow for revenue increases caused by inflationary growth of real property values. Increases in valuation prompt corresponding annual reductions in the "effective millage", the tax rates applied to real property. Thus, although District tax valuation continues to grow, this built-in revenue limitation requires the District to request additional school operating revenue by placing a levy on the ballot periodically (every three to five years, on average).

The District had two levies equaling 16.8 mills, which generated approximately \$3.7 million per year that expired in 2003. The District combined the two levies and asked the voters to approve a replacement of the levies at the May 2003 election. The voters passed the 16.8 mill five (5) year levy, which will generate an approximate \$600,000 increase per year from the previous collection.

The District's financial condition has declined in recent years, primarily due to decreased financial support from the state and taxes from the loss of area business. During 2003 the state was forced to make cuts to all areas within the state budget. Primary and Secondary Education was not spared in the budget cuts, the District received an actual decrease in state foundation payments for 2004 in the amount of \$282,624.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2004 and 2003.



**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2004 compared to 2003. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements.

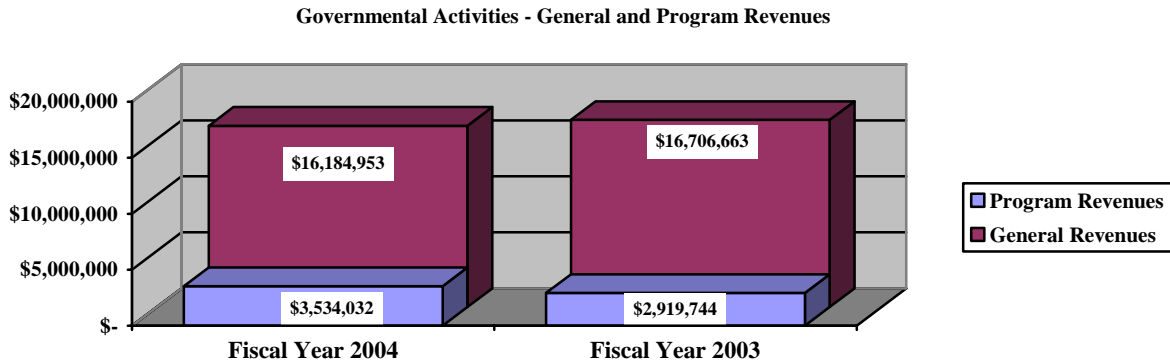
Governmental Activities				
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2004</u>	<u>2004</u>	<u>2003</u>	<u>2003</u>
Program expenses:				
Instruction:				
Regular	\$ 10,221,695	\$ 9,150,105	\$ 9,580,035	\$ 8,805,610
Special	2,674,603	1,976,503	2,191,171	1,684,153
Vocational	14,326	14,326	16,562	11,609
Support services:				
Pupil	1,096,268	982,209	828,589	691,268
Instructional staff	1,589,505	1,164,869	1,483,731	1,152,874
Board of Education	85,045	85,045	73,527	73,527
Administration	1,775,395	1,654,606	1,728,376	1,608,540
Fiscal	512,733	512,733	562,863	562,863
Operations and maintenance	1,939,146	1,881,631	1,774,158	1,712,560
Pupil transportation	778,810	778,810	650,629	634,252
Central	3,368	3,368	3,527	3,527
Operation of non-instructional services	16,918	11,710	17,026	(4,889)
Food service operations	813,751	10,093	780,508	8,642
Extracurricular activities	475,157	276,538	414,581	278,388
Intergovernmental pass through	33,195	(6,663)	54,628	17,243
Interest and fiscal charges	<u>108,652</u>	<u>108,652</u>	<u>134,772</u>	<u>134,772</u>
Total expenses	<u>\$ 22,138,567</u>	<u>\$ 18,604,535</u>	<u>\$ 20,294,683</u>	<u>\$ 17,374,939</u>

The dependence upon tax and other general revenues for governmental activities is apparent, 86.29% of instruction activities in fiscal 2004 are supported through taxes and other general revenues. For all governmental activities, general revenue support is 84.04%. The District's taxpayers, as a whole, are by far the primary support for District's students.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

The graph below presents the District's governmental activities revenue for fiscal year 2004 and 2003.



The District's Funds

The District's governmental funds (as presented on the balance sheet on page F17) reported a combined fund balance of \$1,530,921, which is lower than last year's total of \$3,180,832. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2004 and 2003.

	<u>June 30, 2004</u>	<u>June 30, 2003</u>	<u>Decrease</u>
General	\$ (301,053)	\$ 771,971	\$ (1,073,024)
Debt Service	1,394,072	1,737,568	(343,496)
Other Governmental	<u>437,902</u>	<u>671,293</u>	<u>(233,391)</u>
 Total	 <u>\$ 1,530,921</u>	 <u>\$ 3,180,832</u>	 <u>\$ (1,649,911)</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

General Fund

The District's general fund balance decreased \$1,073,024. The decrease in fund balance can be attributed to a decrease in tax revenue caused by a \$548,088 tax advance available at June 30, 2004, a decrease of \$889,279 from June 30, 2003. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	<u>2004</u> <u>Amount</u>	<u>2003</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 6,856,367	\$ 8,052,694	(14.86)%
Earnings on investments	69,417	87,697	(20.84)%
Intergovernmental	8,069,320	7,630,241	5.75%
Other revenues	<u>597,756</u>	<u>157,913</u>	278.35%
 Total	 <u>\$ 15,592,860</u>	 <u>\$ 15,928,545</u>	 (2.11)%
<u>Expenditures</u>			
Instruction	\$ 10,360,398	\$ 10,300,963	0.58%
Support services	5,984,202	6,066,811	(1.36)%
Extracurricular activities	<u>310,767</u>	<u>293,300</u>	5.96%
 Total	 <u>\$ 16,655,367</u>	 <u>\$ 16,661,074</u>	 (0.03)%

General Fund Budgeting Highlights

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

During the course of fiscal 2004, the District amended its general fund budget several times. For the general fund, final budgeted revenues were \$16,633,552, which approximates the original budgeted revenues estimate of \$16,426,913. Actual revenues for fiscal 2004 were \$16,685,462. This represents a \$258,549 increase over original revenues. This increase is primarily due to the new requirements for posting of incoming open enrollment students.

General fund original and final appropriations were \$17,411,423. The actual budget basis expenditures and other financing uses for fiscal year 2004 totaled \$16,853,278, which was \$558,145 less than the original and final budget appropriations. The increases in appropriations were caused by the District's health insurance rates increasing at a pace greater than estimated and increased administrative costs associated with the collection of delinquent taxes by the County Auditor. The decrease in actual expenditures over budgeted is due to salary costs proving to be lower than anticipated in the original and final budget.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

Debt Service Fund

The District's debt service fund balance decreased by \$343,496. The table that follows assists in illustrating the financial activities and fund balance of the debt service fund.

	<u>2004</u> <u>Amount</u>	<u>2003</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 155,187	\$ 188,181	(17.53)%
Intergovernmental	<u>3,212</u>	<u>6,232</u>	(48.46)%
 Total	 <u>\$ 158,399</u>	 <u>\$ 194,413</u>	 (18.52)%
<u>Expenditures</u>			
Support services:			
Fiscal	\$ 1,019	\$ 1,027	(10.79)%
Debt Service:			
Principal retirement	390,000	379,000	2.90%
Interest	<u>110,876</u>	<u>136,958</u>	(19.04)%
 Total	 <u>\$ 501,895</u>	 <u>\$ 516,985</u>	 (2.92)%

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2004, the District had \$5,057,280 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported in governmental activities. See Note 8 to the basic financial statement for detail. The following table shows fiscal 2004 balances compared to 2003:

	Capital Assets at June 30 (Net of Depreciation)	
	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
Land	\$ 200,638	\$ 200,638
Land improvements	420,074	499,610
Building and improvements	3,979,305	4,174,758
Furniture and equipment	376,157	459,052
Vehicles	<u>81,106</u>	<u>108,585</u>
 Total	 <u>\$ 5,057,280</u>	 <u>\$ 5,442,643</u>

The District did not have any major capital asset additions during fiscal 2004. The overall decrease in capital assets is due to the recording of \$470,537 in depreciation expense.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

Debt Administration

At June 30, 2004, the District had \$1,325,000 in general obligation bonds and general obligation notes outstanding. Of this total, \$380,000 is due within one year and \$945,000 is due within greater than one year. The following table summarizes the bonds and notes outstanding.

Outstanding Debt, at Year End

	<u>Governmental Activities 2004</u>	<u>Governmental Activities 2003</u>
General obligation bonds:		
Building bonds	\$ 1,000,000	\$ 1,250,000
Renovation bonds	<u>120,000</u>	<u>150,000</u>
Total bonds	<u>1,120,000</u>	<u>1,400,000</u>
School bus bonds	-	15,000
General obligation notes:		
Energy conservation	<u>205,000</u>	<u>300,000</u>
Total	<u>\$ 1,325,000</u>	<u>\$ 1,715,000</u>

At June 30, 2004, the District had \$1,120,000 outstanding in general obligation bonds. On April 1, 1987, the District issued \$5,000,000 in building bonds and on May 1, 1988, the District issued \$500,000 in renovation bonds for the purpose of constructing and equipping a new central office and for the improvement and addition to the new high school building. The building bonds bear an annual interest rate of 7.50% and the renovation bonds bear an annual interest rate of 7.25%.

On October 15, 1997, the District issued \$90,000 in school bus bonds for the purpose of acquiring school buses. The bonds matured on April 15, 2004 and bear an interest rate of 7.25%.

The general obligation notes were issued on July 10, 1996, in the amount of \$830,000, for the purpose of providing energy conservation. The notes mature on June 1, 2006, and bear an interest rate of 5.4%.

At June 30, 2004, the District's overall legal debt margin was \$25,590,578 with an unvoted debt margin of \$281,295.

See Note 9 to the basic financial statement for detail on the District's debt administration.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED**

Current Financial Related Activities

The finances are perpetual for fiscal year 2004. The District replaced the two levies that equaled 16.8 mills into a single levy for the next five years. The increase of approximately \$600,000 began in January 2004.

The challenge for the District's Management is to continue to provide the resources necessary to meet student needs and be able to stay within the five-year forecast. The five-year forecast is utilized by management in order to effectively and efficiently manage the District's resources to their fullest.

Since the District relies on the State for approximately 48.18% of the general operating revenues, one of the largest challenges facing the District is that of state funding. The State of Ohio was found by the Supreme Court in March 1997 to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decision that Ohio's current school-funding plan is unconstitutional.

Due to the state budget and the cuts to primary and secondary education the District forecast has been substantially decreased. In 2004, the District received only a 3.77% increase in basic formula aid compared to the 8.88% increase in 2003. At this time the District is greatly concerned on any amount of state funding for the future.

Along with decreases in funding from the state, the City of Circleville has a decreasing economy. In March 2004, Thomson Consumer Electronics announced that it would be closing the Circleville plant. Thomson consumer was the largest employer and taxpayer within the school district.

The delinquent real estate taxes are increasing since many of the Thomson Consumer employees are not able to find other jobs in the area. These delinquencies are contributing to the Districts financial shortfalls.

Due to the loss of state funds, Real Estate Taxes and Personal Property taxes the Board of Education placed a 9.9 mill five (5) year operating levy on the special election ballot August 3, 2004. Unfortunately the levy was defeated by 72% of the voters.

Prior to the August election the District made \$1.1 million in cuts during the 2004 fiscal year to begin as of July 1, 2004. These cuts were in the areas of instruction, support services, transportation and administration.

The Board of Education and administration feel that the need for a levy is crucial for financial stability of the District. A 9.9 mill levy was placed on the November 2, 2004 general election ballot. Since the levy did not pass in November 2004, the District will need to make another set of cuts for approximately two million dollars.

Contacting the 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 receives. If you have questions about this report or need additional financial information contact Cynthia J. Ritter, Treasurer/CFO at Circleville City School District, 388 Clark Drive, Circleville, Ohio, 43113.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2004

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents. . .	\$ 3,257,748
Receivables:	
Property taxes	9,482,156
Accounts	25,845
Intergovernmental	259,447
Prepayments.	55,558
Materials and supplies inventory	13,647
Capital assets:	
Land	200,638
Depreciable capital assets, net	4,856,642
Total capital assets	5,057,280
 Total assets	 18,151,681
 Liabilities:	
Accounts payable.	95,406
Accrued wages and benefits	1,936,310
Pension obligation payable.	475,033
Intergovernmental payable	591,503
Deferred revenue	8,234,080
Accrued interest payable	7,530
Claims payable	282,717
Long-term liabilities:	
Due within one year.	510,166
Due in more than one year	2,424,538
Total liabilities	14,557,283
 Net Assets:	
Invested in capital assets, net of related debt.	3,732,280
Restricted for:	
Capital projects	448,294
Debt service.	1,386,542
Other purposes	20,716
Unrestricted	(1,993,434)
 Total net assets	 \$ 3,594,398

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

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	
Governmental activities:				
Instruction:				
Regular	\$ 10,221,695	\$ 432,764	\$ 638,826	\$ (9,150,105)
Special	2,674,603	-	698,100	(1,976,503)
Vocational	14,326	-	-	(14,326)
Support services:				
Pupil.	1,096,268	-	114,059	(982,209)
Instructional staff	1,589,505	-	424,636	(1,164,869)
Board of education	85,045	-	-	(85,045)
Administration.	1,775,395	-	120,789	(1,654,606)
Fiscal.	512,733	-	-	(512,733)
Operations and maintenance	1,939,146	24,134	33,381	(1,881,631)
Pupil transportation.	778,810	-	-	(778,810)
Central	3,368	-	-	(3,368)
Operation of non-instructional services	16,918	2,078	3,130	(11,710)
Food service operations	813,751	471,099	332,559	(10,093)
Extracurricular activities.	475,157	198,619	-	(276,538)
Intergovernmental pass through	33,195	-	39,858	6,663
Interest and fiscal charges	108,652	-	-	(108,652)
Totals	\$ 22,138,567	\$ 1,128,694	\$ 2,405,338	(18,604,535)
 General Revenues:				
Property taxes levied for:				
General purposes				6,998,899
Debt service.				153,134
Capital outlay.				623,332
Grants and entitlements not restricted to specific programs				8,140,272
Investment earnings				67,938
Miscellaneous				201,378
				16,184,953
Total general revenues.				16,184,953
Change in net assets				(2,419,582)
Net assets, July 1				6,013,980
Net assets, June 30				\$ 3,594,398

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,114,447	\$ 1,393,771	\$ 653,458	\$ 3,161,676
Receivables:				
Property taxes	8,783,697	301	698,158	9,482,156
Accounts	23,065	-	2,780	25,845
Intergovernmental	-	-	259,447	259,447
Interfund loans	40,862	-	-	40,862
Materials and supplies inventory	5,962	-	7,685	13,647
Prepayments	55,558	-	-	55,558
Restricted assets:				
Equity in pooled cash and cash equivalents	82,071	-	-	82,071
Total assets	<u>\$ 10,105,662</u>	<u>\$ 1,394,072</u>	<u>\$ 1,621,528</u>	<u>\$ 13,121,262</u>
Liabilities:				
Accounts payable	\$ 75,021	\$ -	\$ 20,385	\$ 95,406
Accrued wages and benefits	1,649,946	-	286,364	1,936,310
Compensated absences payable	108,363	-	2,355	110,718
Pension obligation payable	286,764	-	20,552	307,316
Intergovernmental payable	189,884	-	26,000	215,884
Interfund loan payable	-	-	40,862	40,862
Deferred revenue	8,096,737	-	787,108	8,883,845
Total liabilities	<u>10,406,715</u>	<u>-</u>	<u>1,183,626</u>	<u>11,590,341</u>
Fund Balances:				
Reserved for encumbrances	92,499	-	233,584	326,083
Reserved for prepayments	55,558	-	-	55,558
Reserved for materials and supplies inventory	5,962	-	7,685	13,647
Reserved for property tax unavailable for appropriation	548,088	-	43,683	591,771
Reserved for budget stabilization	82,071	-	-	82,071
Unreserved, undesignated, reported in:				
General fund	(1,085,231)	-	-	(1,085,231)
Special revenue funds	-	-	7,781	7,781
Debt service fund	-	1,394,072	-	1,394,072
Capital projects funds	-	-	145,169	145,169
Total fund balances	<u>(301,053)</u>	<u>1,394,072</u>	<u>437,902</u>	<u>1,530,921</u>
Total liabilities and fund balances	<u>\$ 10,105,662</u>	<u>\$ 1,394,072</u>	<u>\$ 1,621,528</u>	<u>\$ 13,121,262</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2004

Total governmental fund balances		\$ 1,530,921
<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.		5,057,280
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	\$ 507,971	
Grants	<u>141,794</u>	
Total		649,765
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		(644,335)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	1,120,000	
General obligation notes	205,000	
Compensated absences	1,498,986	
Pension obligation payable	167,717	
Accrued interest payable	<u>7,530</u>	
Total		<u>(2,999,233)</u>
Net assets of governmental activities		<u><u>\$ 3,594,398</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
From local sources:				
Taxes	\$ 6,856,367	\$ 155,187	\$ 614,909	\$ 7,626,463
Tuition.	313,037	-	-	313,037
Charges for services	-	-	468,817	468,817
Earnings on investments.	69,417	-	141	69,558
Extracurricular.	-	-	234,362	234,362
Classroom materials and fees	59,207	-	-	59,207
Other local revenues.	225,512	-	29,137	254,649
Intergovernmental - state	8,023,555	3,212	897,606	8,924,373
Intergovernmental - federal.	45,765	-	1,684,307	1,730,072
 Total revenues	 15,592,860	 158,399	 3,929,279	 19,680,538
Expenditures:				
Current:				
Instruction:				
Regular	8,562,423	-	1,006,515	9,568,938
Special.	1,797,975	-	760,132	2,558,107
Support Services:				
Pupil.	829,925	-	207,572	1,037,497
Instructional staff	1,040,538	-	462,425	1,502,963
Board of education	85,045	-	-	85,045
Administration.	1,515,788	-	146,828	1,662,616
Fiscal	475,725	1,019	17,402	494,146
Operations and maintenance.	1,425,849	-	447,544	1,873,393
Pupil transportation	607,964	-	121,461	729,425
Central.	3,368	-	-	3,368
Operation of non-instructional services	-	-	4,233	4,233
Food service operations	-	-	772,550	772,550
Extracurricular activities.	310,767	-	170,179	480,946
Intergovernmental pass through	-	-	33,195	33,195
Debt service:				
Principal retirement	-	390,000	-	390,000
Interest and fiscal charges	-	110,876	-	110,876
 Total expenditures	 16,655,367	 501,895	 4,150,036	 21,307,298
 Net change in fund balances	 (1,062,507)	 (343,496)	 (220,757)	 (1,626,760)
Fund balances, July 1	771,971	1,737,568	671,293	3,180,832
Decrease in reserve for inventory	(10,517)	-	(12,634)	(23,151)
 Fund balances, June 30	 \$ (301,053)	 \$ 1,394,072	 \$ 437,902	 \$ 1,530,921

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

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 \$ (1,626,760)

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 expense (\$470,537) exceeded capital outlays (\$85,174) in the current period. (385,363)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 38,447

Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed. (23,151)

Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 390,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 2,224

Some expenses reported in the statement of activities, such as compensated absences and pension obligations, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (415,854)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (399,125)

Change in net assets of governmental activities \$ (2,419,582)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 8,510,163	\$ 8,510,163	\$ 7,894,730	\$ (615,433)
Tuition	16,000	16,000	306,257	290,257
Earnings on investments	70,000	70,000	62,454	(7,546)
Classroom materials and fees	60,765	60,765	58,694	(2,071)
Other local revenue	92,000	92,000	247,759	155,759
Intergovernmental - state	7,627,985	7,834,624	8,023,555	188,931
Intergovernmental - federal	50,000	50,000	52,655	2,655
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	16,426,913	16,633,552	16,646,104	12,552
Expenditures:				
Current:				
Instruction:				
Regular	8,729,736	8,729,736	8,393,294	336,442
Special	1,830,802	1,830,802	1,780,161	50,641
Support services:				
Pupils	807,614	807,614	799,304	8,310
Instructional staff	1,129,998	1,129,998	1,104,971	25,027
Board of education	91,000	91,000	84,628	6,372
Administration	1,593,721	1,593,721	1,585,778	7,943
Fiscal	556,938	556,938	521,425	35,513
Operations and maintenance	1,638,057	1,638,057	1,477,606	160,451
Pupil transportation	596,460	596,460	624,177	(27,717)
Central	33	33	2,718	(2,685)
Extracurricular activities	310,351	310,351	311,641	(1,290)
Debt service:				
Principal retirement	110,000	110,000	110,000	-
Interest and fiscal charges	16,713	16,713	16,713	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	17,411,423	17,411,423	16,812,416	599,007
Excess of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	(984,510)	(777,871)	(166,312)	611,559
Other financing sources (uses):				
Advances in	-	-	39,358	39,358
Advances (out)	-	-	(40,862)	(40,862)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	(1,504)	(1,504)
Net change in fund balance	<hr/>	<hr/>	<hr/>	<hr/>
	(984,510)	(777,871)	(167,816)	610,055
Fund balance, July 1	1,050,207	1,050,207	1,050,207	-
Prior year encumbrances appropriated	178,563	178,563	178,563	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, June 30	<u>\$ 244,260</u>	<u>\$ 450,899</u>	<u>\$ 1,060,954</u>	<u>\$ 610,055</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2004

	<u>Governmental Activities - Internal Service Fund</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 14,001
Total assets	<u>\$ 14,001</u>
Liabilities:	
Due to other governments	\$ 375,619
Claims payable.	<u>282,717</u>
Total liabilities	<u>658,336</u>
Net assets:	
Unrestricted	<u>(644,335)</u>
Total net assets (deficit)	<u>\$ (644,335)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Governmental Activities - Internal Service Fund</u>
Operating revenues:	
Charges for services.	\$ 1,816,426
Total operating revenues	<u>1,816,426</u>
Operating expenses:	
Claims and administrative services	<u>2,215,551</u>
Total operating expenses	<u>2,215,551</u>
Change in net assets.	(399,125)
Net assets (deficit), July 1	<u>(245,210)</u>
Net assets (deficit), June 30	<u><u>\$ (644,335)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Governmental Activities - Internal Service Fund</u>
Cash flows from operating activities:	
Cash received from charges for services	\$ 1,816,426
Cash payments for claims and administrative services	<u>(1,879,235)</u>
Net cash used in operating activities.	<u>(62,809)</u>
Net decrease in cash and cash equivalents.	(62,809)
Cash and cash equivalents, July 1	<u>76,810</u>
Cash and cash equivalents, June 30	<u><u>\$ 14,001</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (399,125)
Changes in assets and liabilities:	
Increase in due to other governments	375,619
Decrease in claims payable.	<u>(39,303)</u>
Net cash used in operating activities	<u><u>\$ (62,809)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2004

	Private Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 41,969	\$ 109,296
Receivables:		
Accounts	-	2,064
Total assets	41,969	111,360
Liabilities:		
Accounts payable	-	10,738
Due to students	-	100,622
Total liabilities	-	\$ 111,360
Net Assets:		
Held in trust for scholarships	41,969	
Total net assets	\$ 41,969	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Private Purpose Trust
	Scholarship
Additions:	
Interest	\$ 20
Total additions.	20
Deductions:	
Scholarships awarded	3,000
Change in net assets	(2,980)
Net assets, July 1	44,949
Net assets, June 30	\$ 41,969

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Circleville City School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (five members) and is responsible for the provision of public education to residents of the District.

The District ranks as the 216th largest by enrollment among the 825 public and community school districts in the State. The District employs 13 administrators, 97 non-certified, 168 certified employees and 2 non-certified supervisors to provide services to approximately 2,451 students and community groups. The District provides regular instruction, special instruction, and vocational programs through the Pickaway Ross Joint Vocational School District. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services. The District co-operates with the Pickaway County Educational Service Center, a separate entity, for curricular services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity". The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, preschool 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 organizations' government 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 to organizations' 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. Based upon the application of this criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government). The following organizations are described due to their relationship to the District:

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Education Council (MEC) - Is a not for profit educational council whose primary purpose and objective is to contribute to the educational services available to school districts in Franklin County and surrounding areas by cooperative action membership. The governing board consists of a representative from each of the Franklin County districts. Districts outside of Franklin County are associate members and each county selects a single district to represent them on the governing board. MEC is its own fiscal agent.

Ross County School Employees Insurance Consortium

The District is a member of the Ross County School Employees Insurance Consortium (the "Consortium"), a claims servicing pool consisting of fourteen school districts within Ross County and its surrounding area. Medical/surgical insurance is administered through a third party administrator, Klais and Company. The Consortium's business and affairs are managed by a Council consisting of one representative for each participating school. The participating school districts pay an administrative fee to the fiscal agent to cover the costs of administering the Consortium. To obtain financial information, write to Westfall Local School District, Scott Glandon, who serves as Treasurer, at 19463 Pherson Pike, Williamsport, Ohio 43164.

Central Ohio Special Education Regional Resource Center

The Central Ohio Special Education Regional Resource Center (COSERRC) is a jointly governed organization operated by a Governing Board that is composed of superintendents of member school districts in central Ohio which comprise sixty percent of the Board, two parents of children with disabilities, one representative of a chartered nonpublic school, one representative of a county board of Mental Retardation and Development Disabilities, representatives of universities and students and persons with disabilities representations. COSERRC assists the District in complying with mandates of Public Law 99-456 for educating children with disabilities. There is no financial commitment made by the districts involved in COSERRC. COSERRC is not dependent upon the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for the COSERRC.

PUBLIC ENTITY RISK POOL

Workers' Compensation

The District participates in the Ohio Association of School Business Officials (OASBO)/ Sheakley UniServe Workers' Compensation Group Rating Program (GRP). The GRP is sponsored by OASBO and administered by Sheakley UniServe, Inc. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The District pays a fee to the GRP to cover the costs of administering the program.

B. Fund Accounting

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

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

Debt Service Fund - This fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain long-term obligations from governmental resources when the government is obligated in some manner for payment.

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

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service fund:

Internal Service Fund - The internal service fund is used to account for the financing of goods or 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 dental benefits to employees.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: 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. The District's only trust fund is a private purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student activities.

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal Service fund operating activity is eliminated to avoid overstatement of revenues and expenses.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. 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 amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

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

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statement. Fiduciary funds are reported by fund type.

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's internal service fund is charges for services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The private purpose trust fund is reported using the economic resources measurement focus. The agency fund does not report a measurement focus as it does not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting on the fund financial statements. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

Revenues - Exchange and Non-exchange 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. Available means that the resources will be collected 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 an 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 fiscal 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 fiscal year-end: property taxes available as an advance, tuition, grants, student fees and rentals.

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 2005 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 governmental funds.

E. Budgets

The District is required by state statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2004 is as follows.

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

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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

2. By no later than January 20, the board-adopted budget is filed with the Pickaway County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the final budgeted amount in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2004.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures.

Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed appropriations totals.

5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education throughout the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. Individual building and/or departments may transfer funds within their budgets upon review and approval of the Treasurer, if the line item transfer does not exceed \$10,000. All supplemental appropriations were legally enacted. The final budget figures, which appear in the statements of budgetary comparisons, represent the permanent appropriation amounts plus all supplemental appropriations legally enacted during the year. During the year, supplemental appropriations were legally enacted by the Board, none were significant.
8. At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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

F. Cash and Investments

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

During fiscal year 2004, investments were limited to federal agency securities, a repurchase agreement, and the State Treasury Asset Reserve (STAR Ohio). Investments are reported at fair value, which is based on quoted market prices, with the following exceptions: nonparticipating investment contracts such as repurchase agreements are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2004. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2004.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenues credited to the general fund during fiscal year 2004, amounted to \$69,417, which includes \$49,021 assigned from other District funds.

For presentation on the financial statements, 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 considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the Treasurer's investments at year-end is provided in Note 4.

G. 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. Inventories are accounted for using the consumption method.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary fund. 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.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

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

All reported capital assets except land 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>Governmental Activities Estimated Lives</u>
Land improvements	15 years
Buildings and improvements	40 - 50 years
Furniture and equipment	5 - 10 years
Vehicles	10 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental type activities columns of the Statement of Net Assets.

J. Compensated Absences

Compensated absences of the District consist of vacation leave and severance liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2004, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees with at least ten years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2004, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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

For 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.

K. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the internal service fund are reported on the proprietary fund 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 judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

M. Fund Balance Reserves

The District reserves those portions of fund equity 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, prepayments, inventories of materials and supplies, property tax unavailable for appropriation and budget stabilization. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under State statute.

N. Parochial Schools

New Hope Christian School and A Child's Place School operate within the District's boundaries. Current state legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial schools. These activities are reported as a governmental activity of the District.

O. Restricted Assets

Assets are reported as restricted assets 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 include the amount required by state statute to be set aside to create a reserve for budget stabilization. See Note 16 for details.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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

P. Estimates

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

Q. 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.

R. Operating Revenues and Expenses

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

S. Interfund Activity

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

T. 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. Neither type of transaction occurred during fiscal 2004.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Deficit Fund Balances

Fund balances at June 30, 2004 included the following individual fund deficits:

	Deficit
General Fund	\$ 301,053
<u>Nonmajor Funds</u>	
Management Information Systems	69
Disadvantaged Pupil Impact Aid	111,117
Title VI-B	4,506
Title I	73,328
Title VI	1,569
Title VI-R	3,528
Self Insurance Fund	644,335

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

B. Appropriations Exceeding Estimated Resources

Appropriations and carryover encumbrances exceeded estimated resources during the year in the Title VI-B, Title I, Drug Free Grant, Improving Teacher Quality and Miscellaneous Federal Grants special revenue funds, in the amount of \$3,143, \$42,333, \$3,865, \$14,297, and \$6,364 respectively.

At year end, appropriations and carryover encumbrances exceeded estimated resources in the Title VI-B, Title I, Drug Free Grant, EHA Preschool Grant, Summer Intervention and Miscellaneous Federal Grants special revenue funds in the amount of \$8,557, \$11,133, \$1,029, \$1,058, \$348, and \$368 respectively.

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS

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

Active deposits are public deposits necessary to meet certain 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 the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be 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 monies. Interim monies are those monies, which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

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 or 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 market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed 30 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 Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25% of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt instruments 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.

Cash on Hand: At fiscal year-end, the District had \$7,450 in undeposited cash on hand which is included on the basic financial statements of the District as part of "Equity in Pooled Cash and Cash Equivalents."

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

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Deposits: At year-end, the carrying amount of the District's deposits, including non-negotiable certificates of deposit, was \$89,315, and the bank balance was \$234,247. Of the bank balance:

1. \$100,000 was covered by federal depository insurance; and
2. \$134,217 was uninsured and uncollateralized as defined by GASB although it was secured by collateral held by third party trustees, pursuant to section 135.181 Ohio Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions; these securities not being in the name of the District. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

Investments: Investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or securities held by the District. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department, but not in the District's name. Investments in STAR Ohio is not categorized because it is not evidenced by securities that exist in physical or book entry form.

	<u>Category 3</u>	<u>Reported Amount</u>	<u>Fair Value</u>
Federal agency securities	<u>\$ 301,968</u>	\$ 301,968	\$ 301,968
Investment in STAR Ohio		<u>3,010,280</u>	<u>3,010,280</u>
Total investments		<u>\$ 3,312,248</u>	<u>\$ 3,312,248</u>

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

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

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$ 3,409,013	\$ -
Investments of the cash management pool:		
Federal agency securities	(301,968)	301,968
Investment in STAR Ohio	(3,010,280)	3,010,280
Cash on hand	<u>(7,450)</u>	<u>-</u>
GASB Statement No. 3	<u>\$ 89,315</u>	<u>\$ 3,312,248</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

NOTE 5 - INTERFUND TRANSACTIONS

Interfund balances consisted of the following at June 30, 2004, as reported on the fund statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 40,862

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2004 are reported on the Statement of Net Assets.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2004 represents collections of calendar year 2003 taxes. Real property taxes received in calendar year 2004 were levied after April 1, 2003, on the assessed value listed as of January 1, 2003, the lien date. Assessed values for real property taxes are established by state law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, state statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2004 represents collections of calendar year 2003 taxes. Public utility real and tangible personal property taxes received in calendar year 2004 became a lien December 31, 2002, were levied after April 1, 2003 and are collected in 2004 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2004 (other than public utility property) represents the collection of 2004 taxes. Tangible personal property taxes received in calendar year 2004 were levied after April 1, 2003, on the value as of December 31, 2003. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments 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. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

The District receives property taxes from Pickaway County. The Pickaway 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 tax bills are sent.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2004 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2004 was \$548,088 in the general fund and \$43,683 in the capital projects funds. These amounts have been recorded as revenue. The amount available as an advance at June 30, 2003 was \$1,437,367 in the general fund, \$9,000 in the debt service fund, and \$127,431 in the capital projects funds.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

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

	2004 First Half Collections		2003 Second Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 212,522,200	75.55	\$ 210,543,600	76.62
Public utility personal	10,957,690	3.90	11,159,790	4.06
Tangible personal property	<u>57,814,626</u>	<u>20.55</u>	<u>53,104,795</u>	<u>19.32</u>
Total	<u>\$ 281,294,516</u>	<u>100.00</u>	<u>\$ 274,808,185</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 47.45		\$ 47.70	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2004 consisted of taxes, accounts (billings for user charged services and student fees), and intergovernmental grants and entitlements. 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 receivables reported on the Statement of Net Assets follows:

Governmental Activities

Property taxes	\$ 9,482,156
Accounts	25,845
Intergovernmental	<u>259,447</u>
Total	<u>\$ 9,767,448</u>

Receivables have been disaggregated on the face of the financial statements. All receivables are expected to be collected within one year.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 8 - CAPITAL ASSETS

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

	<u>Balance</u> <u>06/30/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/04</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 200,638	\$ -	\$ -	\$ 200,638
<i>Capital assets, being depreciated:</i>				
Land improvements	1,235,433	-	-	1,235,433
Building and improvements	9,336,328	-	-	9,336,328
Furniture and equipment	2,412,283	85,174	(767)	2,496,690
Vehicles	694,646	-	-	694,646
Total capital assets, being depreciated	<u>13,678,690</u>	<u>85,174</u>	<u>(767)</u>	<u>13,763,097</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(735,823)	(79,536)	-	(815,359)
Building and improvements	(5,161,570)	(195,453)	-	(5,357,023)
Furniture and equipment	(1,953,231)	(168,069)	767	(2,120,533)
Vehicles	(586,061)	(27,479)	-	(613,540)
Total accumulated depreciation	<u>(8,436,685)</u>	<u>(470,537)</u>	<u>767</u>	<u>(8,906,455)</u>
Governmental activities capital assets, net	<u>\$ 5,442,643</u>	<u>\$ (385,363)</u>	<u>\$ -</u>	<u>\$ 5,057,280</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 321,669
Special	20,433
Vocational	14,326
<u>Support Services:</u>	
Pupil	2,649
Instructional staff	33,356
Administration	18,635
Fiscal	2,652
Operations and maintenance	7,761
Pupil transportation	27,479
Non-instructional services	12,685
Food service operations	7,567
Extracurricular	<u>1,325</u>
Total depreciation expense	<u>\$ 470,537</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 9 - LONG-TERM OBLIGATIONS

A. The District's long-term obligations during the year consist of the following:

	<u>Balance at</u> <u>6/30/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>06/30/04</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental Activities:					
General obligation bonds payable	\$ 1,400,000	\$ -	\$ (280,000)	\$ 1,120,000	\$ 280,000
General obligation notes payable	300,000	-	(95,000)	205,000	100,000
School bus bonds payable	15,000	-	(15,000)	-	-
Compensated absences:					
Severance	1,021,823	490,686	(67,101)	1,445,408	110,718
Vacation leave	<u>113,826</u>	<u>75,756</u>	<u>(25,286)</u>	<u>164,296</u>	<u>19,448</u>
Total compensated absences	<u>1,135,649</u>	<u>566,442</u>	<u>(92,387)</u>	<u>1,609,704</u>	<u>130,166</u>
Total governmental activities long-term liabilities	<u>\$ 2,850,649</u>	<u>\$ 566,442</u>	<u>\$ (482,387)</u>	<u>\$ 2,934,704</u>	<u>\$ 510,166</u>

Compensated Absences: Compensated absences will be paid from the fund which the employee's salaries are paid.

General Obligation Bonds: The \$1,120,000 of outstanding general obligation bonds relate to a project in 1987, for which bonds were issued for the purpose of constructing and equipping a new central office and addition to the high school and improving the site thereof at an interest rate of 7.5%. These bonds mature December, 2007, and are in full compliance with the general laws of the State of Ohio, particularly Sections 133.01 to 133.48, inclusive, of the Revised Code and Section 133.09 thereof.

The annual maturities of the general obligation bonds as of June 30, 2004, and related interest payments are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 280,000	\$ 73,238	\$ 353,238
2006	280,000	52,312	332,312
2007	280,000	31,388	311,388
2008	<u>280,000</u>	<u>10,463</u>	<u>290,463</u>
Total	<u>\$ 1,120,000</u>	<u>\$ 167,401</u>	<u>\$ 1,287,401</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

General Obligation Notes: Energy conservation notes were issued by the District in two issues. The June, 1990 issue carries an interest rate of 7.7%, and the July, 1996 issue carries an interest rate of 5.4%. The annual maturities of the general obligation notes (energy conservation notes) as of June 30, 2004, and related interest payments are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 100,000	\$ 10,970	\$ 110,970
2006	<u>105,000</u>	<u>5,670</u>	<u>110,670</u>
Total	<u>\$ 205,000</u>	<u>\$ 16,640</u>	<u>\$ 221,640</u>

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The effects of these debt limitations at June 30, 2004, are a voted debt margin of \$25,590,578 (including available funds of \$1,394,072) and an unvoted debt margin of \$281,295.

NOTE 10 - COMPENSATED ABSENCES

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and state laws. Only administrative and support personnel who are under a full year contract (260 days) are eligible for vacation time. The administrators are generally granted 20 days of vacation per year.

Classified employees earn 10 to 20 days of vacation per year, depending upon length of service. Vacation time, which is unused as of the employee's anniversary date, can be carried over to a subsequent year, with a maximum of 3 years accrual (60 days). Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment.

The classified personnel accumulate vacation based on the following schedule:

<u>Years Service</u>	<u>Vacation Days</u>
1 - 6	10
7 - 10	15
11 - 15	18
16 - beyond	20

Each employee earns sick leave at the rate of one and one-half days per month. Sick leave shall accumulate during active employment on a continuous year-to-date basis. Maximum sick leave accumulation for all employees is 252 days.

**CIRCLEVILLE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

NOTE 10 - COMPENSATED ABSENCES - (Continued)

For all employees, retirement severance is paid to each employee retiring from the District at a per diem rate of the annual salary at the time of retirement, if the employee has been employed by the District for a minimum of 10 consecutive years at the time of retirement. Any employee receiving retirement severance pay shall be entitled to a dollar amount equivalent to one-fourth of 120 days of all accumulated sick leave credited to that employee, of 35 day's pay, plus 1 day's pay for each 6 accrued sick leave days exceeding 120 days, not to exceed a total of 54 days of severance pay.

NOTE 11 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District has addressed these various types of risk by purchasing a comprehensive insurance policy through commercial carriers.

General liability insurance is maintained in the amount of \$1,000,000 for each occurrence and \$3,000,000 in the aggregate. In addition, the District maintains a \$3,000,000 umbrella liability policy.

The District maintains fleet insurance in the amount of \$3,000,000 for any one accident or loss.

The District maintains replacement cost insurance on buildings and contents in the amount of \$39,738,983.

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

B. Employee Medical Insurance

The District has established an internal service "self-insurance" fund, in conjunction with a formalized risk management program, in an effort to minimize risk exposure and control claims and premium costs. This self-insurance fund was established October 19, 1984, for the purpose of accumulating balances sufficient to self-insure dental treatments. The District pays the entire amount of premium contributions.

On July 1, 1998, the District joined the Ross County School Employees Insurance Consortium (RCSEIC) to self-insure its medical claims. RCSEIC currently includes 14 member school districts. Contributions are determined by the consortium's board of directors and are remitted monthly to the consortium's fiscal agent, who then pays all incurred claims. Thus, actual cash "reserves" are held by the fiscal agent.

Klais and Company, Inc., a third party administrator, services all health/medical claims submitted by employees and Core Source, a third party administrator, services all dental claims submitted by employees. An excess coverage insurance policy covers individual claims in excess of \$100,000 per employee consortium-wide.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 11 - RISK MANAGEMENT - (Continued)

The claims liability of \$282,717 reported in the internal service fund at June 30, 2004, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Changes in claims activity for the past two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2004	\$ 322,020	\$ 1,839,932	\$ (1,879,235)	\$ 282,717
2003	321,924	1,664,092	(1,663,996)	322,020

C. Workers' Compensation Rating Program

For fiscal year 2004, the District participated in the OASBO/Sheakley UniServe Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is tiered into groups based upon past workers' compensation experience. Within each tiered group, a common premium rate is applied to all school districts within that group. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of their tiered group. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniServe provides administrative, cost control, and actuarial services to the GRP.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statute Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone 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 43215-3476, or by calling (614) 222-5853.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% 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% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2003, 8.17% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The adequacy of the contribution rates is determined annually. The District's required contributions to SERS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$315,864, \$308,335, and \$275,219, respectively; 41.91% has been contributed for fiscal year 2004 and 100% for the fiscal years 2003 and 2002. \$183,492 represents the unpaid contribution for fiscal year 2004.

B. 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 retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

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

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

**CIRCLEVILLE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% 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, 13% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2003, 13% of annual covered salary was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employee contributions. The District's required contributions to STRS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$1,398,478, \$1,323,342, and \$1,266,713, respectively; 82.40% has been contributed for fiscal year 2004 and 100% for the fiscal years 2003 and 2002. \$246,152 represents the unpaid contribution for fiscal year 2004.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement Systems/State Teachers Retirement System. As of June 30, 2004, certain members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through STRS, and to retired non-certified employees and their dependents through SERS. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligations to contribute are established by STRS and SERS based on authority granted by state statute. Both STRS and SERS are funded on a pay-as-you-go-basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the 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% of covered payroll. For this fiscal year, the State Teachers Retirement Board allocated employer contributions equal to 1% of covered payroll to the Health Care Reserve fund. For the District, this amount equaled \$99,891 during fiscal 2004.

STRS pays health care benefits from the Health Care Reserve fund. The balance in the Health Care Reserve fund was \$2.8 billion at June 30, 2003 (the latest information available). For the fiscal year ended June 30, 2003 (the latest information available), net health care costs paid by STRS were \$352.301 million and STRS had 108,294 eligible benefit recipients.

For SERS, coverage is made available to service retirees with 10 or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 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.

**CIRCLEVILLE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

For this fiscal year, employer contributions to fund health care benefits were 4.91% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2004, the minimum pay has been established at \$14,500. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2003 (the latest information available) were \$204.931 million and the target level was \$307.4 million. At June 30, 2003, (the latest information available) SERS had net assets available for payment of health care benefits of \$303.6 million and SERS had approximately 50,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$149,353 during the 2004 fiscal year.

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis); and
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

	<u>General Fund</u>
Budget basis	\$ (167,816)
Net adjustment for revenue accruals	(1,053,244)
Net adjustment for expenditure accruals	23,453
Net adjustment for other sources/uses	1,504
Adjustment for encumbrances	<u>133,596</u>
GAAP basis	<u>\$ (1,062,507)</u>

NOTE 15 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement 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 effect on the financial position of the District at June 30, 2004.

B. School Funding Decision

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

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

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

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 16 - STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2004, the reserve activity was as follows:

	<u>Instructional Materials</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside cash balance as of June 30, 2003	\$ (497,649)	\$ -	\$ 82,071
Current year set-aside requirement	347,267	347,267	-
Current year offsets	-	-	-
Qualifying disbursements	<u>(425,233)</u>	<u>(550,217)</u>	<u>-</u>
Total	<u>\$ (575,615)</u>	<u>\$ (202,950)</u>	<u>\$ 82,071</u>
Balance carried forward to FY 2005	<u>\$ (575,615)</u>	<u>\$ -</u>	<u>\$ 82,071</u>

Although the District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero for the capital acquisition reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

A schedule of the Governmental Fund restricted assets at June 30, 2004 follows:

Amount restricted for BWC refunds	<u>\$ 82,071</u>
Total restricted assets	<u>\$ 82,071</u>

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's special revenue funds follows:

Food Service Section 3313.81, Revised Code

A fund which is used to account for all revenues and expenditures related to the provision of food services, including breakfast and lunch for students and staff of the District.

Special Trust Section 5705.12, Revised Code

A fund which is used to account for trust agreements in which the principal and income are used to support District programs.

Public School Support Section 5705.12, Revised Code

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

Other Grants Sections 5705.09 and 5705.13, Revised Code

A fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted for specified purposes.

DECA Scholarship Section 3315.40, Revised Code

A fund provided to account for the proceeds of any bequest, gift, or endowment given to the District or without conditions for limitations. Monies in the fund shall only be expended by resolution adopted by a majority of the members of the board for operating or capital costs or any existing or new and innovative program designed to enhance or promote education within the District, such as scholarships for students or teachers.

District Managed Student Activity Section 3313.062

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

Auxiliary Services Current Budget Bill, Appropriation line item 200-511

A fund use to account for monies which provide services and materials to pupils attending non-public schools within the school district.

Management Information Systems Current Budget Bill, Appropriation line item 200-446

A fund provided to account for hardware and software development, or other costs associated with the requirements of the management information system.

Disadvantaged Pupil Impact Aid Current Budget Bill

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

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (Continued)

Data Communications Sections 5705.09, Revised Code

A fund provided to account for money appropriated for Ohio Educational Computer Network Connections.

SchoolNet Professional Development Section 5705.09, Revised Code

A fund provided to account for a limited number of professional development subsidy grants.

Textbooks/Instructional Materials Subsidy Sub House Bill 412

A fund provided for textbooks, instructional software, instructional materials, and any other materials the District deems to be helpful in providing appropriate instruction to students in the following subject areas: reading, writing, mathematics, science and citizenship.

Summer Intervention State line item Appropriation 200-513

A fund used to account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Revised Code.

Miscellaneous State Grants Section 5705.12, Revised Code

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

Title VI-B Catalog of Federal Domestic Assistance #84.027

To account for Federal monies which assist states in the identification of handicapped children, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Title I Catalog of Federal Domestic Assistance #84.010

To account for funds which provide financial assistance to State and local educational agencies to meet the special needs of educationally deprived children.

Title VI Catalog of Federal Domestic Assistance #84.151

To account for Federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, and in-service and staff development.

Drug-Free School Grant Catalog of Federal Domestic Assistance #84.186

To provide funds to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

EHA Preschool Grant Catalog of Federal Domestic Assistance #84.173

This fund accounts for monies received to address the improvement and expansion of services for the handicapped children ages three through five years old.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (Continued)

Improving Teacher Quality

Catalog of Federal Domestic Assistance #84.340 and 84.367

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

Miscellaneous Federal Grants

Section 5705.12, Revised Code

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

Nonmajor Capital Projects Funds

Capital projects funds account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's capital projects funds follows:

Permanent Improvement

Section 5705.10, Revised Code

A fund provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code.

SchoolNet

Section 5705.09, Revised Code

A fund provided to account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

Interactive Video Distance Learning

Section 5705.09, Revised Code

A fund used to account for State Grant money used to finance the interactive video distance learning project.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 297,377	\$ 356,081	\$ 653,458
Receivables:			
Property taxes	-	698,158	698,158
Accounts.	2,780	-	2,780
Intergovernmental	259,447	-	259,447
Materials and supplies inventory	7,685	-	7,685
Total assets.	<u>\$ 567,289</u>	<u>\$ 1,054,239</u>	<u>\$ 1,621,528</u>
Liabilities:			
Accounts payable.	\$ 19,306	\$ 1,079	\$ 20,385
Accrued wages and benefits	286,364	-	286,364
Compensated absences payable.	2,355	-	2,355
Pension obligation payable.	20,552	-	20,552
Intergovernmental payable	26,000	-	26,000
Interfund loan payable	40,862	-	40,862
Deferred revenue.	141,794	645,314	787,108
Total liabilities.	<u>537,233</u>	<u>646,393</u>	<u>1,183,626</u>
Fund Balances:			
Reserved for encumbrances.	14,590	218,994	233,584
Reserved for materials and supplies inventory	7,685	-	7,685
Reserved for property tax unavailable for appropriation	-	43,683	43,683
Unreserved, undesignated, reported in:			
Special revenue funds	7,781	-	7,781
Capital projects.	-	145,169	145,169
Total fund balances.	<u>30,056</u>	<u>407,846</u>	<u>437,902</u>
Total liabilities and fund balances	<u>\$ 567,289</u>	<u>\$ 1,054,239</u>	<u>\$ 1,621,528</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

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
Revenues:			
From local sources:			
Taxes	\$ -	\$ 614,909	\$ 614,909
Charges for services	468,817	-	468,817
Earnings on investments	141	-	141
Extracurricular	234,362	-	234,362
Other local revenues	29,137	-	29,137
Intergovernmental - state	829,866	67,740	897,606
Intergovernmental - federal	1,684,307	-	1,684,307
 Total revenue	 3,246,630	 682,649	 3,929,279
Expenditures:			
Current:			
Instruction:			
Regular	774,739	231,776	1,006,515
Special	760,132	-	760,132
Support services:			
Pupil	128,818	78,754	207,572
Instructional staff	453,725	8,700	462,425
Administration	146,828	-	146,828
Fiscal	-	17,402	17,402
Operations and maintenance	37,401	410,143	447,544
Pupil transportation	-	121,461	121,461
Operation of non-instructional services	4,233	-	4,233
Food service operations	772,550	-	772,550
Extracurricular activities	170,179	-	170,179
Intergovernmental pass through	33,195	-	33,195
 Total expenditures	 3,281,800	 868,236	 4,150,036
 Net change in fund balances	 (35,170)	 (185,587)	 (220,757)
Fund balances, July 1	77,860	593,433	671,293
Decrease in reserve for inventory	(12,634)	-	(12,634)
Fund balances, June 30	\$ 30,056	\$ 407,846	\$ 437,902

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004

	Food Service	Special Trust	Public School Support	Other Grants
Assets:				
Equity in pooled cash and cash equivalents.	\$ 57,237	\$ 3,819	\$ 39,204	\$ 19,633
Receivables:				
Accounts.	457	-	779	-
Intergovernmental	38,056	-	-	-
Materials and supplies inventory	7,685	-	-	-
Total assets.	\$ 103,435	\$ 3,819	\$ 39,983	\$ 19,633
Liabilities:				
Accounts payable.	\$ 19	\$ -	\$ 4,527	\$ -
Accrued wages and benefits	49,092	-	-	-
Compensated absences payable.	-	-	-	-
Pension obligation payable.	7,392	-	20	-
Intergovernmental payable	4,636	-	22	-
Interfund loan payable	-	-	-	-
Deferred revenue.	-	-	-	-
Total liabilities.	61,139	-	4,569	-
Fund Balances:				
Reserved for encumbrances.	38	-	1,594	-
Reserved for materials and supplies inventory	7,685	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	34,573	3,819	33,820	19,633
Total fund balances (deficits).	42,296	3,819	35,414	19,633
Total liabilities and fund balances	\$ 103,435	\$ 3,819	\$ 39,983	\$ 19,633

<u>DECA Scholarship</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>SchoolNet Professional Development</u>
\$ 13,089	\$ 96,974	\$ 7,563	\$ -	\$ 1,119	\$ 1,140
-	1,544	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 13,089</u>	<u>\$ 98,518</u>	<u>\$ 7,563</u>	<u>\$ -</u>	<u>\$ 1,119</u>	<u>\$ 1,140</u>
\$ -	\$ 8,983	\$ -	\$ -	\$ -	\$ -
-	-	-	-	88,106	-
-	-	-	-	-	-
-	-	-	-	13,140	-
-	8	242	69	10,990	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>8,991</u>	<u>242</u>	<u>69</u>	<u>112,236</u>	<u>-</u>
-	4,401	-	-	1,119	-
-	-	-	-	-	-
<u>13,089</u>	<u>85,126</u>	<u>7,321</u>	<u>(69)</u>	<u>(112,236)</u>	<u>1,140</u>
<u>13,089</u>	<u>89,527</u>	<u>7,321</u>	<u>(69)</u>	<u>(111,117)</u>	<u>1,140</u>
<u>\$ 13,089</u>	<u>\$ 98,518</u>	<u>\$ 7,563</u>	<u>\$ -</u>	<u>\$ 1,119</u>	<u>\$ 1,140</u>

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**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2004

	Summer Intervention	Miscellaneous State Grants	Title VI-B	Title I
Assets:				
Equity in pooled cash and cash equivalents.	\$ 6,671	\$ 433	\$ 7,269	\$ 16,089
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	-	-	117,348	90,606
Materials and supplies inventory	-	-	-	-
	<u>\$ 6,671</u>	<u>\$ 433</u>	<u>\$ 124,617</u>	<u>\$ 106,695</u>
Total assets.	<u>\$ 6,671</u>	<u>\$ 433</u>	<u>\$ 124,617</u>	<u>\$ 106,695</u>
Liabilities:				
Accounts payable.	\$ 700	\$ -	\$ 2,821	\$ 673
Accrued wages and benefits	-	-	45,132	81,509
Compensated absences payable.	-	-	-	2,355
Pension obligation payable.	-	-	-	-
Intergovernmental payable	400	-	2,932	4,880
Interfund loan payable	375	-	40,487	-
Deferred revenue.	-	-	37,751	90,606
	<u>1,475</u>	<u>-</u>	<u>129,123</u>	<u>180,023</u>
Total liabilities.	<u>1,475</u>	<u>-</u>	<u>129,123</u>	<u>180,023</u>
Fund Balances:				
Reserved for encumbrances.	5,944	-	301	228
Reserved for materials and supplies inventory	-	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	(748)	433	(4,807)	(73,556)
	<u>5,196</u>	<u>433</u>	<u>(4,506)</u>	<u>(73,328)</u>
Total fund balances (deficits).	<u>5,196</u>	<u>433</u>	<u>(4,506)</u>	<u>(73,328)</u>
Total liabilities and fund balances	<u>\$ 6,671</u>	<u>\$ 433</u>	<u>\$ 124,617</u>	<u>\$ 106,695</u>

<u>Title VI</u>	<u>Drug-Free School Grant</u>	<u>EHA Preschool Grant</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 510	\$ 2,251	\$ 2,408	\$ 18,692	\$ 3,276	\$ 297,377
-	-	-	-	-	2,780
1,351	8,677	-	3,041	368	259,447
-	-	-	-	-	7,685
<u>\$ 1,861</u>	<u>\$ 10,928</u>	<u>\$ 2,408</u>	<u>\$ 21,733</u>	<u>\$ 3,644</u>	<u>\$ 567,289</u>
\$ -	\$ 1,414	\$ -	\$ 169	\$ -	\$ 19,306
1,925	-	-	20,600	-	286,364
-	-	-	-	-	2,355
-	-	-	-	-	20,552
154	-	31	1,451	185	26,000
-	-	-	-	-	40,862
1,351	8,677	-	3,041	368	141,794
<u>3,430</u>	<u>10,091</u>	<u>31</u>	<u>25,261</u>	<u>553</u>	<u>537,233</u>
-	-	-	965	-	14,590
-	-	-	-	-	7,685
<u>(1,569)</u>	<u>837</u>	<u>2,377</u>	<u>(4,493)</u>	<u>3,091</u>	<u>7,781</u>
<u>(1,569)</u>	<u>837</u>	<u>2,377</u>	<u>(3,528)</u>	<u>3,091</u>	<u>30,056</u>
<u>\$ 1,861</u>	<u>\$ 10,928</u>	<u>\$ 2,408</u>	<u>\$ 21,733</u>	<u>\$ 3,644</u>	<u>\$ 567,289</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Food Service	Special Trust	Public School Support	Other Grants
Revenues:				
From local sources:				
Charges for services	\$ 468,817	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Extracurricular	-	-	51,952	-
Other local revenues	2,282	2,078	3,752	8,568
Intergovernmental - state	13,845	-	-	-
Intergovernmental - federal	318,714	-	-	-
 Total revenue.	 803,658	 2,078	 55,704	 8,568
Expenditures:				
Current:				
Instruction:				
Regular.	-	-	57,902	1,923
Special	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	-	-	-
Administration	-	-	-	-
Operation and maintenance	-	-	-	-
Operation of non-instructional services	-	1,394	-	-
Food service operations	772,550	-	-	-
Extracurricular activities.	-	-	3,841	-
Intergovernmental pass through	-	-	-	-
 Total expenditures	 772,550	 1,394	 61,743	 1,923
 Net change in fund balances	 31,108	 684	 (6,039)	 6,645
Fund balances (deficits), July 1	20,749	3,135	41,453	12,988
Decrease in reserve for inventory.	(9,561)	-	-	-
Fund balances (deficits), June 30	\$ 42,296	\$ 3,819	\$ 35,414	\$ 19,633

<u>DECA Scholarship</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Data Communications</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
141	-	-	-	-	-
-	182,410	-	-	-	-
-	12,457	-	-	-	-
-	-	39,858	8,878	695,233	18,000
-	-	-	-	-	-
<u>141</u>	<u>194,867</u>	<u>39,858</u>	<u>8,878</u>	<u>695,233</u>	<u>18,000</u>
-	-	-	-	681,307	-
-	-	-	-	-	-
-	-	-	-	134	-
-	-	-	-	24,828	27,894
-	-	-	26,480	35,466	-
-	-	-	-	37,380	-
-	-	-	-	-	-
-	-	-	-	-	-
1,000	165,338	-	-	-	-
-	-	33,195	-	-	-
<u>1,000</u>	<u>165,338</u>	<u>33,195</u>	<u>26,480</u>	<u>779,115</u>	<u>27,894</u>
(859)	29,529	6,663	(17,602)	(83,882)	(9,894)
13,948	59,998	658	17,533	(27,235)	9,894
-	-	-	-	-	-
<u>\$ 13,089</u>	<u>\$ 89,527</u>	<u>\$ 7,321</u>	<u>\$ (69)</u>	<u>\$ (111,117)</u>	<u>\$ -</u>

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**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

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

	<u>SchoolNet Professional Development</u>	<u>Textbooks/ Instructional Materials Subsidy</u>	<u>Summer Intervention</u>	<u>Miscellaneous State Grants</u>
Revenues:				
From local sources:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Extracurricular	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	4,140	-	47,626	2,286
Intergovernmental - federal	-	-	-	2,200
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue.	4,140	-	47,626	4,486
Expenditures:				
Current:				
Instruction:				
Regular.	-	158	17,450	6,260
Special	-	-	-	2,000
Support services:				
Pupil	-	-	-	2,286
Instructional staff.	4,256	-	24,980	2,200
Administration	-	-	-	-
Operation and maintenance	-	-	-	-
Operation of non-instructional services	-	-	-	-
Food service operations	-	-	-	-
Extracurricular activities.	-	-	-	-
Intergovernmental pass through	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	4,256	158	42,430	12,746
Net change in fund balances	(116)	(158)	5,196	(8,260)
Fund balances (deficits), July 1	1,256	158	-	8,693
Decrease in reserve for inventory.	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits), June 30	<u>\$ 1,140</u>	<u>\$ -</u>	<u>\$ 5,196</u>	<u>\$ 433</u>

<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug-Free School Grant</u>	<u>EHA Preschool Grant</u>	<u>Improving Teacher Quality</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
450,297	656,001	19,049	15,925	7,218	198,893
<u>450,297</u>	<u>656,001</u>	<u>19,049</u>	<u>15,925</u>	<u>7,218</u>	<u>198,893</u>
-	-	5,739	4,000	-	-
90,772	577,681	-	-	2,106	87,573
-	86,617	16,679	14,028	9,074	-
287,322	7,145	-	-	-	54,985
84,562	320	-	-	-	-
-	-	-	21	-	-
-	1,189	-	1,650	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>462,656</u>	<u>672,952</u>	<u>22,418</u>	<u>19,699</u>	<u>11,180</u>	<u>142,558</u>
(12,359)	(16,951)	(3,369)	(3,774)	(3,962)	56,335
7,853	(53,304)	1,800	4,611	6,339	(59,863)
-	(3,073)	-	-	-	-
<u>\$ (4,506)</u>	<u>\$ (73,328)</u>	<u>\$ (1,569)</u>	<u>\$ 837</u>	<u>\$ 2,377</u>	<u>\$ (3,528)</u>

-- Continued

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:		
From local sources:		
Charges for services	\$ -	\$ 468,817
Earnings on investments	-	141
Extracurricular	-	234,362
Other local revenues	-	29,137
Intergovernmental - state	-	829,866
Intergovernmental - federal	16,010	1,684,307
	16,010	1,684,307
 Total revenue.	 16,010	 3,246,630
 Expenditures:		
Current:		
Instruction:		
Regular	-	774,739
Special	-	760,132
Support services:		
Pupil	-	128,818
Instructional staff.	20,115	453,725
Administration	-	146,828
Operation and maintenance	-	37,401
Operation of non-instructional services	-	4,233
Food service operations	-	772,550
Extracurricular activities.	-	170,179
Intergovernmental pass through	-	33,195
	20,115	3,281,800
 Total expenditures	 20,115	 3,281,800
 Net change in fund balances	 (4,105)	 (35,170)
 Fund balances (deficits), July 1	 7,196	 77,860
Decrease in reserve for inventory.	-	(12,634)
 Fund balances (deficits), June 30	 \$ 3,091	 \$ 30,056

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2004

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
Assets:			
Equity in pooled cash and cash equivalents.	\$ 355,755	\$ 326	\$ 356,081
Receivables:			
Property taxes	698,158	-	698,158
Total assets.	<u>\$ 1,053,913</u>	<u>\$ 326</u>	<u>\$ 1,054,239</u>
Liabilities:			
Accounts payable.	\$ 1,079	\$ -	\$ 1,079
Deferred revenue.	645,314	-	645,314
Total liabilities.	646,393	-	646,393
Fund Balances:			
Reserved for encumbrances	218,994	-	218,994
Reserved for property tax unavailable for appropriation	43,683	-	43,683
Unreserved, undesignated, reported in:			
Capital projects	144,843	326	145,169
Total fund balances	407,520	326	407,846
Total liabilities and fund balances	<u>\$ 1,053,913</u>	<u>\$ 326</u>	<u>\$ 1,054,239</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Permanent Improvement	SchoolNet	Interactive Video Distance Learning	Total Nonmajor Capital Projects Funds
Revenues:				
From local sources:				
Taxes	\$ 614,909	\$ -	\$ -	\$ 614,909
Intergovernmental - state	67,740	-	-	67,740
	682,649	-	-	682,649
Expenditures:				
Current:				
Instruction:				
Regular	231,776	-	-	231,776
Support services:				
Pupil	78,754	-	-	78,754
Instructional staff	-	-	8,700	8,700
Fiscal	17,402	-	-	17,402
Operations and maintenance	410,143	-	-	410,143
Pupil transportation	121,461	-	-	121,461
	859,536	-	8,700	868,236
Total expenditures	859,536	-	8,700	868,236
Net change in fund balances	(176,887)	-	(8,700)	(185,587)
Fund balances, July 1	584,407	326	8,700	593,433
Fund balances, June 30	\$ 407,520	\$ 326	\$ -	\$ 407,846

**CIRCLEVILLE CITY SCHOOL DISTRICT
COMBINING STATEMENTS - FIDUCIARY FUNDS**

Fiduciary Funds

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

Private Purpose Trust Fund

Scholarship Trust Fund

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

Agency Fund

Student Managed Activity

Section 3315.062, Revised Code

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

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2004

	Scholarship Trust Fund	Agency	Totals
Assets:			
Equity in pooled cash and cash equivalents.	\$ 41,969	\$ 109,296	\$ 151,265
Receivables			
Accounts	-	2,064	2,064
Total assets	41,969	111,360	153,329
Liabilities:			
Accounts payable.	-	10,738	10,738
Due to students.	-	100,622	100,622
Total liabilities.	-	111,360	111,360
Net Assets:			
Held in trust for scholarships.	41,969	-	41,969
Total net assets.	\$ 41,969	\$ -	\$ 41,969

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2004

	Beginning Balance <u>July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2004</u>
Student Managed Activity				
Assets:				
Equity in pooled cash and cash equivalents	\$ 108,585	\$ 181,576	\$ (180,865)	\$ 109,296
Receivables				
Accounts	<u>1,859</u>	<u>2,064</u>	<u>(1,859)</u>	<u>2,064</u>
Total assets	<u>\$ 110,444</u>	<u>\$ 183,640</u>	<u>\$ (182,724)</u>	<u>\$ 111,360</u>
Liabilities:				
Accounts payable	\$ 6,665	\$ 10,738	\$ (6,665)	\$ 10,738
Due to students	<u>103,779</u>	<u>172,902</u>	<u>(176,059)</u>	<u>100,622</u>
Total liabilities.	<u>\$ 110,444</u>	<u>\$ 183,640</u>	<u>\$ (182,724)</u>	<u>\$ 111,360</u>

INDIVIDUAL FUND SCHEDULES OF
REVENUES, EXPENDITURES/EXPENSES AND
CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

GENERAL FUND

The general fund is used to account for resources traditionally associated with a school district which are not required legally or by sound financial management to be accounted for in another fund. These activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation, and administration.

Since there is only one general fund and the legal level of budgetary control is not greater than that presented in the basic financial statements, no additional financial statements are presented here.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 471,760	\$ 494,148	\$ 469,026	\$ (25,122)
Other local revenues	4,773	5,000	1,825	(3,175)
Intergovernmental - state	10,024	10,500	13,845	3,345
Intergovernmental - federal	211,943	222,000	247,014	25,014
	<u>698,500</u>	<u>731,648</u>	<u>731,710</u>	<u>62</u>
Expenditures:				
Current:				
Food service operations:				
Salaries and wages	262,784	262,784	263,752	(968)
Fringe benefits	116,443	116,443	121,243	(4,800)
Purchased services	29,317	29,317	4,693	24,624
Materials and supplies	339,200	339,200	341,441	(2,241)
Capital outlay	3,000	3,000	529	2,471
	<u>750,744</u>	<u>750,744</u>	<u>731,658</u>	<u>19,086</u>
Total expenditures	<u>750,744</u>	<u>750,744</u>	<u>731,658</u>	<u>19,086</u>
Net change in fund balance	(52,244)	(19,096)	52	19,148
Fund balance, July 1	57,071	57,071	57,071	-
Prior year encumbrances appropriated . . .	<u>57</u>	<u>57</u>	<u>57</u>	<u>-</u>
Fund balance, June 30	<u>\$ 4,884</u>	<u>\$ 38,032</u>	<u>\$ 57,180</u>	<u>\$ 19,148</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL TRUST
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Other local revenues	\$ 2,340	\$ 2,340	\$ 2,078	\$ (262)
Total revenues	<u>2,340</u>	<u>2,340</u>	<u>2,078</u>	<u>(262)</u>
Expenditures:				
Current:				
Instruction:				
Regular	200	200	-	200
Support services:				
Operation of non-instructional services . . .	<u>2,300</u>	<u>2,300</u>	<u>1,394</u>	<u>906</u>
Total expenditures	<u>2,500</u>	<u>2,500</u>	<u>1,394</u>	<u>1,106</u>
Net change in fund balance.	(160)	(160)	684	844
Fund balance, July 1.	3,135	3,135	3,135	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ 2,975</u>	<u>\$ 2,975</u>	<u>\$ 3,819</u>	<u>\$ 844</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Extracurricular	\$ 37,132	\$ 37,132	\$ 52,022	\$ 14,890
Other local revenues	25,343	25,343	3,752	(21,591)
Total revenues	<u>62,475</u>	<u>62,475</u>	<u>55,774</u>	<u>(6,701)</u>
Expenditures:				
Current:				
Instruction:				
Regular	61,880	61,880	60,645	1,235
Extracurricular activities	2,445	2,700	3,827	(1,127)
Total expenditures	<u>64,325</u>	<u>64,580</u>	<u>64,472</u>	<u>108</u>
Net change in fund balance	(1,850)	(2,105)	(8,698)	(6,593)
Fund balance, July 1	36,783	36,783	36,783	-
Prior year encumbrances appropriated . . .	<u>5,042</u>	<u>5,042</u>	<u>5,042</u>	<u>-</u>
Fund balance, June 30	<u>\$ 39,975</u>	<u>\$ 39,720</u>	<u>\$ 33,127</u>	<u>\$ (6,593)</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Other local revenues	\$ -	\$ 8,568	\$ 8,568	\$ -
Total revenues	<u>-</u>	<u>8,568</u>	<u>8,568</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	9,230	9,230	1,942	7,288
Vocational	1,580	1,580	1,580	-
Support services:				
Instructional staff.	<u>1,547</u>	<u>1,547</u>	<u>-</u>	<u>1,547</u>
Total expenditures	<u>12,357</u>	<u>12,357</u>	<u>3,522</u>	<u>8,835</u>
Net change in fund balance	(12,357)	(3,789)	5,046	8,835
Fund balance, July 1.	13,007	13,007	13,007	-
Prior year encumbrances appropriated . . .	<u>1,580</u>	<u>1,580</u>	<u>1,580</u>	<u>-</u>
Fund balance, June 30.	<u>\$ 2,230</u>	<u>\$ 10,798</u>	<u>\$ 19,633</u>	<u>\$ 8,835</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DECA SCHOLARSHIP
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments.	\$ 250	\$ 250	\$ 141	\$ (109)
Total revenues	<u>250</u>	<u>250</u>	<u>141</u>	<u>(109)</u>
Expenditures:				
Current:				
Extracurricular activities.	1,000	1,000	1,000	-
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Net change in fund balance	(750)	(750)	(859)	(109)
Fund balance, July 1.	13,948	13,948	13,948	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, June 30.	<u>\$ 13,198</u>	<u>\$ 13,198</u>	<u>\$ 13,089</u>	<u>\$ (109)</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED STUDENT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Extracurricular	\$ 130,000	\$ 218,427	\$ 181,637	\$ (36,790)
Other local revenue	-	-	12,088	12,088
Total revenues	<u>130,000</u>	<u>218,427</u>	<u>193,725</u>	<u>(24,702)</u>
Expenditures:				
Current:				
Extracurricular activities	<u>130,473</u>	<u>164,670</u>	<u>164,670</u>	<u>-</u>
Total expenditures	<u>130,473</u>	<u>164,670</u>	<u>164,670</u>	<u>-</u>
Net change in fund balance	(473)	53,757	29,055	(24,702)
Fund balance, July 1	56,732	56,732	56,732	-
Prior year encumbrances appropriated	<u>2,975</u>	<u>2,975</u>	<u>2,975</u>	<u>-</u>
Fund balance, June 30	<u>\$ 59,234</u>	<u>\$ 113,464</u>	<u>\$ 88,762</u>	<u>\$ (24,702)</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 39,098	\$ 39,858	\$ 39,858	\$ -
Total revenues	<u>39,098</u>	<u>39,858</u>	<u>39,858</u>	<u>-</u>
Expenditures:				
Intergovernmental pass through	44,860	44,860	38,057	6,803
Total expenditures	<u>44,860</u>	<u>44,860</u>	<u>38,057</u>	<u>6,803</u>
Net change in fund balance	(5,762)	(5,002)	1,801	6,803
Fund balance, July 1.	-		-	-
Prior year encumbrances appropriated . . .	<u>5,762</u>	<u>5,762</u>	<u>5,762</u>	<u>-</u>
Fund balance, June 30.	<u>\$ -</u>	<u>\$ 760</u>	<u>\$ 7,563</u>	<u>\$ 6,803</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MANAGEMENT INFORMATION SYSTEMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 17,533	\$ 17,533	\$ 8,878	\$ (8,655)
Total revenues	<u>17,533</u>	<u>17,533</u>	<u>8,878</u>	<u>(8,655)</u>
Expenditures:				
Support services:				
Administration	25,213	26,411	26,411	-
Total expenditures	<u>25,213</u>	<u>26,411</u>	<u>26,411</u>	<u>-</u>
Net change in fund balance	(7,680)	(8,878)	(17,533)	(8,655)
Fund balance, July 1.	17,533	17,533	17,533	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ 9,853</u>	<u>\$ 8,655</u>	<u>\$ -</u>	<u>\$ (8,655)</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISADVANTAGED PUPIL IMPACT AID
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 658,349	\$ 695,233	\$ 695,233	\$ -
Total revenues	<u>658,349</u>	<u>695,233</u>	<u>695,233</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	564,881	625,866	633,901	(8,035)
Pupil	181	200	134	66
Instructional staff.	22,558	24,993	24,076	917
Administration	32,793	36,332	34,158	2,174
Operation and maintenace	<u>37,936</u>	<u>42,030</u>	<u>37,152</u>	<u>4,878</u>
Total expenditures	<u>658,349</u>	<u>729,421</u>	<u>729,421</u>	<u>-</u>
Net change in fund balance	-	(34,188)	(34,188)	-
Fund balance, July 1.	34,188	34,188	34,188	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ 34,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 18,000	\$ 18,000	\$ 18,000	\$ -
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Expenditures:				
Current:				
Support services:				
Instructional staff	24,894	27,894	27,894	-
Total expenditures	<u>24,894</u>	<u>27,894</u>	<u>27,894</u>	<u>-</u>
Net change in fund balance	(6,894)	(9,894)	(9,894)	-
Fund balance, July 1	9,894	9,894	9,894	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, June 30	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOL NET PROFESSIONAL DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 4,400	\$ 4,400	\$ 4,140	\$ (260)
Total revenues	<u>4,400</u>	<u>4,400</u>	<u>4,140</u>	<u>(260)</u>
Expenditures:				
Current:				
Support services:				
Instructional staff.	<u>5,656</u>	<u>5,356</u>	<u>4,256</u>	<u>1,100</u>
Total expenditures	<u>5,656</u>	<u>5,356</u>	<u>4,256</u>	<u>1,100</u>
Net change in fund balance	(1,256)	(956)	(116)	840
Fund balance, July 1.	1,256	1,256	1,256	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 1,140</u>	<u>\$ 840</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TEXTBOOKS/INSTRUCTIONAL MATERIALS SUBSIDY
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current:				
Instruction:				
Regular	158	158	158	-
Total expenditures	158	158	158	-
Net change in fund balance	(158)	(158)	(158)	-
Fund balance, July 1.	158	158	158	-
Prior year encumbrances appropriated . . .	-	-	-	-
Fund balance, June 30.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SUMMER INTERVENTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ -	\$ 47,626	\$ 47,626	\$ -
Total revenues	-	47,626	47,626	-
Expenditures:				
Current:				
Instruction:				
Regular.	-	23,310	23,310	-
Support services:				
Instructional staff.	-	24,664	24,664	-
Total expenditures	-	47,974	47,974	-
Excess (deficiency) of revenues over (under) expenditures	-	(348)	(348)	-
Other financing sources (uses):				
Advances in.	-	-	375	375
Total other financing sources (uses)	-	-	375	375
Net change in fund balance	-	(348)	27	375
Fund balance, July 1.	-	-	-	-
Prior year encumbrances appropriated . . .	-	-	-	-
Fund balance, June 30.	\$ -	\$ (348)	\$ 27	\$ 375

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS STATE GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 25,612	\$ 2,286	\$ 2,286	\$ -
Intergovernmental-federal	24,648	2,200	2,200	-
Total revenues	<u>50,260</u>	<u>4,486</u>	<u>4,486</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	29,083	6,513	6,260	253
Special	9,210	2,000	2,000	-
Support services:				
Pupil	10,528	2,286	2,286	-
Instructional staff	10,132	2,200	2,200	-
Total expenditures	<u>58,953</u>	<u>12,999</u>	<u>12,746</u>	<u>253</u>
Net change in fund balance	(8,693)	(8,513)	(8,260)	253
Fund balance, July 1	8,693	8,693	8,693	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ 433</u>	<u>\$ 253</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI - B
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental - federal	\$ 469,870	\$ 469,870	\$ 370,700	\$ (99,170)
Total revenues	<u>469,870</u>	<u>469,870</u>	<u>370,700</u>	<u>(99,170)</u>
Expenditures:				
Current:				
Instruction:				
Special.	96,890	97,912	86,165	11,747
Support services:				
Instructional staff.	322,077	325,481	276,222	49,259
Administration	<u>93,445</u>	<u>94,433</u>	<u>84,052</u>	<u>10,381</u>
Total expenditures	<u>512,412</u>	<u>517,826</u>	<u>446,439</u>	<u>71,387</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,542)</u>	<u>(47,956)</u>	<u>(75,739)</u>	<u>(27,783)</u>
Other financing sources (uses):				
Advances in.	-	-	40,487	40,487
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>40,487</u>	<u>40,487</u>
Net change in fund balance	(42,542)	(47,956)	(35,252)	12,704
Fund balance, July 1.	36,255	36,255	36,255	-
Prior year encumbrances appropriated . . .	<u>3,144</u>	<u>3,144</u>	<u>3,144</u>	<u>-</u>
Fund balance, June 30.	<u>\$ (3,143)</u>	<u>\$ (8,557)</u>	<u>\$ 4,147</u>	<u>\$ 12,704</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental - federal	\$ 735,473	\$ 735,473	\$ 656,001	\$ (79,472)
Total revenues	<u>735,473</u>	<u>735,473</u>	<u>656,001</u>	<u>(79,472)</u>
Expenditures:				
Current:				
Instruction:				
Special	690,571	664,753	573,001	91,752
Support services:				
Pupil	106,276	102,219	86,615	15,604
Instructional staff	16,866	16,222	17,080	(858)
Administration	359	345	320	25
Operation of non-instructional services	17,467	16,800	17,530	(730)
Total expenditures	<u>831,539</u>	<u>800,339</u>	<u>694,546</u>	<u>105,793</u>
Net change in fund balance	(96,066)	(64,866)	(38,545)	26,321
Fund balance, July 1	11,399	11,399	11,399	-
Prior year encumbrances appropriated	42,334	42,334	42,334	-
Fund balance, June 30	<u>\$ (42,333)</u>	<u>\$ (11,133)</u>	<u>\$ 15,188</u>	<u>\$ 26,321</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental - federal	\$ 20,661	\$ 20,661	\$ 19,049	\$ (1,612)
Total revenues	<u>20,661</u>	<u>20,661</u>	<u>19,049</u>	<u>(1,612)</u>
Expenditures:				
Current:				
Support services:				
Regular.	5,251	5,222	6,315	(1,093)
Pupils.	16,049	15,960	14,599	1,361
Instructional staff.	<u>1,735</u>	<u>1,725</u>	<u>-</u>	<u>1,725</u>
Total expenditures	<u>23,035</u>	<u>22,907</u>	<u>20,914</u>	<u>1,993</u>
Net change in fund balance	(2,374)	(2,246)	(1,865)	381
Fund balance, July 1.	2,375	2,375	2,375	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ 1</u>	<u>\$ 129</u>	<u>\$ 510</u>	<u>\$ 381</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG-FREE SCHOOL GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental - federal	\$ 12,116	\$ 15,925	\$ 15,925	\$ -
Total revenues	<u>12,116</u>	<u>15,925</u>	<u>15,925</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	3,820	4,000	4,000	-
Support services:				
Pupil	15,124	15,839	13,953	1,886
Operation and maintenance	75	79	24	55
Operation of non-instructional services	<u>1,576</u>	<u>1,650</u>	<u>1,650</u>	<u>-</u>
Total expenditures	<u>20,595</u>	<u>21,568</u>	<u>19,627</u>	<u>1,941</u>
Net change in fund balance	(8,479)	(5,643)	(3,702)	1,941
Fund balance, July 1	751	751	751	-
Prior year encumbrances appropriated	<u>3,863</u>	<u>3,863</u>	<u>3,863</u>	<u>-</u>
Fund balance, June 30	<u>\$ (3,865)</u>	<u>\$ (1,029)</u>	<u>\$ 912</u>	<u>\$ 1,941</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EHA PRESCHOOL GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental - federal	\$ 9,798	\$ 9,798	\$ 7,218	\$ (2,580)
Total revenues	<u>9,798</u>	<u>9,798</u>	<u>7,218</u>	<u>(2,580)</u>
Expenditures:				
Current:				
Instruction:				
Special.	1,947	2,075	2,075	-
Support services:				
Pupil	<u>14,190</u>	<u>15,120</u>	<u>9,074</u>	<u>6,046</u>
Total expenditures	<u>16,137</u>	<u>17,195</u>	<u>11,149</u>	<u>6,046</u>
Net change in fund balance	(6,339)	(7,397)	(3,931)	3,466
Fund balance, July 1.	6,339	6,339	6,339	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ -</u>	<u>\$ (1,058)</u>	<u>\$ 2,408</u>	<u>\$ 3,466</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMPROVING TEACHER QUALITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental - federal	\$ 149,096	\$ 198,893	\$ 198,893	\$ -
Total revenues	<u>149,096</u>	<u>198,893</u>	<u>198,893</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special.	102,693	113,625	87,129	26,496
Support services:				
Instructional staff.	<u>75,041</u>	<u>82,053</u>	<u>69,189</u>	<u>12,864</u>
Total expenditures	<u>177,734</u>	<u>195,678</u>	<u>156,318</u>	<u>39,360</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,638)</u>	<u>3,215</u>	<u>42,575</u>	<u>39,360</u>
Other financing sources (uses):				
Advances (out)	-	-	(39,358)	(39,358)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(39,358)</u>	<u>(39,358)</u>
Net change in fund balance	(28,638)	3,215	3,217	2
Fund balance, July 1.	45	45	45	-
Prior year encumbrances appropriated	<u>14,296</u>	<u>14,296</u>	<u>14,296</u>	<u>-</u>
Fund balance, June 30.	<u>\$ (14,297)</u>	<u>\$ 17,556</u>	<u>\$ 17,558</u>	<u>\$ 2</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental - federal	\$ 7,156	\$ 16,010	\$ 16,010	\$ -
Total revenues	<u>7,156</u>	<u>16,010</u>	<u>16,010</u>	<u>-</u>
Expenditures:				
Current:				
Support services:				
Instructional staff.	<u>20,716</u>	<u>23,574</u>	<u>19,930</u>	<u>3,644</u>
Total expenditures	<u>20,716</u>	<u>23,574</u>	<u>19,930</u>	<u>3,644</u>
Net change in fund balance	(13,560)	(7,564)	(3,920)	3,644
Fund balance, July 1.	832	832	832	-
Prior year encumbrances appropriated . . .	<u>6,364</u>	<u>6,364</u>	<u>6,364</u>	<u>-</u>
Fund balance, June 30.	<u>\$ (6,364)</u>	<u>\$ (368)</u>	<u>\$ 3,276</u>	<u>\$ 3,644</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 40,000	\$ 40,000	\$ 39,052	\$ (948)
Intergovernmental-state	6,100	6,100	3,212	(2,888)
Total revenues	<u>46,100</u>	<u>46,100</u>	<u>42,264</u>	<u>(3,836)</u>
Expenditures:				
Current:				
Support services:				
Fiscal	3,200	3,200	1,078	2,122
Debt service:				
Principal retirement	280,000	280,000	280,000	-
Interest and fiscal charges	94,163	94,163	94,163	-
Total expenditures	<u>377,363</u>	<u>377,363</u>	<u>375,241</u>	<u>2,122</u>
Net change in fund balance	(331,263)	(331,263)	(332,977)	(1,714)
Fund balance, July 1	1,726,748	1,726,748	1,726,748	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, June 30	<u>\$ 1,395,485</u>	<u>\$ 1,395,485</u>	<u>\$ 1,393,771</u>	<u>\$ (1,714)</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 662,871	\$ 696,333	\$ 699,793	\$ 3,460
Intergovernmental-state	67,779	71,200	67,740	(3,460)
Total revenues	<u>730,650</u>	<u>767,533</u>	<u>767,533</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	197,365	226,500	231,777	(5,277)
Support services:				
Pupils	60,996	70,000	78,843	(8,843)
Fiscal	19,170	22,000	17,402	4,598
Operations and maintenance	638,857	733,164	665,071	68,093
Pupil transportation	105,837	121,461	180,030	(58,569)
Total expenditures	<u>1,022,225</u>	<u>1,173,125</u>	<u>1,173,123</u>	<u>2</u>
Net change in fund balance	(291,575)	(405,592)	(405,590)	2
Fund balance, July 1	292,822	292,822	292,822	-
Prior year encumbrances appropriated . . .	248,725	248,725	248,725	-
Fund balance, June 30	<u>\$ 249,972</u>	<u>\$ 135,955</u>	<u>\$ 135,957</u>	<u>\$ 2</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOL NET
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current:				
Instruction:				
Regular.	326	326	-	326
Total expenditures	326	326	-	326
Net change in fund balance	(326)	(326)	-	326
Fund balance, July 1.	326	326	326	-
Prior year encumbrances appropriated . . .	-	-	-	-
Fund balance, June 30.	\$ -	\$ -	\$ 326	\$ 326

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERACTIVE VIDEO DISTANCE LEARNING
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current:				
Support services:				
Instructional staff.	8,700	8,700	8,700	-
Total expenditures	8,700	8,700	8,700	-
Net change in fund balance	(8,700)	(8,700)	(8,700)	-
Fund balance, July 1.	8,700	8,700	8,700	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, June 30.	\$ -	\$ -	\$ -	\$ -

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOLARSHIP TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments.	\$ 410	\$ 410	\$ 20	\$ (390)
Other local revenues.	-	-	-	-
Total revenues	<u>410</u>	<u>410</u>	<u>20</u>	<u>(390)</u>
Expenditures:				
Current:				
Operation of non-instructional services.	<u>2,000</u>	<u>2,000</u>	<u>3,000</u>	<u>(1,000)</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>3,000</u>	<u>(1,000)</u>
Net change in fund balance	<u>(1,590)</u>	<u>(1,590)</u>	<u>(2,980)</u>	<u>(1,390)</u>
Fund balance, July 1.	44,949	44,949	44,949	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ 43,359</u>	<u>\$ 43,359</u>	<u>\$ 41,969</u>	<u>\$ (1,390)</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SELF INSURANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 2,009,600	\$ 2,009,600	\$ 1,816,426	\$ (193,174)
Total revenues.	<u>2,009,600</u>	<u>2,009,600</u>	<u>1,816,426</u>	<u>(193,174)</u>
Operating expenses:				
Claims and administrative services.	<u>1,799,430</u>	<u>1,879,235</u>	<u>1,879,235</u>	<u>-</u>
Total operating expenses	<u>1,799,430</u>	<u>1,879,235</u>	<u>1,879,235</u>	<u>-</u>
Net change in fund balance	210,170	130,365	(62,809)	(193,174)
Fund balance, July 1.	67,380	67,380	67,380	-
Prior year encumbrances appropriated . . .	<u>9,430</u>	<u>9,430</u>	<u>9,430</u>	<u>-</u>
Fund balance, June 30.	<u>\$ 286,980</u>	<u>\$ 207,175</u>	<u>\$ 14,001</u>	<u>\$ (193,174)</u>

STATISTICAL SECTION

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**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SUMMARY OF EXPENSES/EXEPENDITURES BY FUNCTION
AND OTHER FINANCING USES - GENERAL GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>2004</u>		<u>2003</u>		<u>2002</u>	
	<u>Full Accrual</u>	<u>Modified Accrual</u>	<u>Full Accrual</u>	<u>Modified Accrual</u>	<u>Full Accrual</u>	<u>Modified Accrual</u>
Instruction:						
Regular	\$10,221,695	\$ 9,568,938	\$ 9,580,035	\$ 9,381,050	\$ 8,801,275	\$ 8,423,243
Special	2,674,603	2,558,107	2,191,171	2,208,164	2,170,343	2,131,767
Vocational	14,326	-	16,562	1,596	29,838	18,893
Other	-	-	-	-	-	-
Total Instruction	<u>12,910,624</u>	<u>12,127,045</u>	<u>11,787,768</u>	<u>11,590,810</u>	<u>11,001,456</u>	<u>10,573,903</u>
Support services:						
Pupil	1,096,268	1,037,497	828,589	848,897	787,831	771,066
Instructional staff.	1,589,505	1,502,963	1,483,731	1,458,578	1,348,389	1,298,018
Board of Education.	85,045	85,045	73,527	73,527	63,365	63,084
Administration	1,775,395	1,662,616	1,728,376	1,720,805	1,574,733	1,532,186
Fiscal.	512,733	494,146	562,863	556,370	563,591	552,829
Business	-	-	-	-	-	-
Operations and maintenance	1,939,146	1,873,393	1,774,158	1,775,164	1,646,066	1,621,929
Pupil transportation	778,810	729,425	650,629	621,632	563,300	524,554
Central	3,368	3,368	3,527	3,527	12,732	12,676
Operation of non-instructional services	16,918	4,233	17,026	20,896	2,853	2,853
Food service operations	813,751	772,550	780,508	700,407	740,380	660,355
Extracurricular activities.	475,157	480,946	414,581	411,965	339,748	335,115
Intergovernmental pass through	33,195	33,195	54,628	54,628	19,665	19,665
Total support services	<u>9,119,291</u>	<u>8,679,377</u>	<u>8,372,143</u>	<u>8,246,396</u>	<u>7,662,653</u>	<u>7,394,330</u>
Total debt service	108,652	500,876	134,772	515,958	160,324	535,466
Other financing uses.	-	-	-	-	-	-
Total expenditures and other uses.	<u>\$22,138,567</u>	<u>\$ 21,307,298</u>	<u>\$20,294,683</u>	<u>\$20,353,164</u>	<u>\$18,824,433</u>	<u>\$18,503,699</u>

Source: School District financial records.

Note: Data from fiscal years 2002-2004 represent all general governmental funds. Data from fiscal years 1995-2001 represent general fund expenditures only, due to lack of information available in these years.

2001	2000	1999	1998	1997	1996	1995
Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual
\$ 7,380,061	\$ 6,969,993	\$ 6,746,098	\$ 6,339,954	\$ 5,910,701	\$ 5,859,800	\$ 5,505,270
1,436,686	1,274,407	1,129,672	1,068,466	1,000,156	948,484	891,053
-	-	-	27,355	11,378	356,948	374,357
62,423	-	-	-	-	-	-
<u>8,879,170</u>	<u>8,244,400</u>	<u>7,875,770</u>	<u>7,435,775</u>	<u>6,922,235</u>	<u>7,165,232</u>	<u>6,770,680</u>
681,453	678,037	670,201	642,340	592,934	561,572	506,016
774,023	681,567	551,970	567,877	550,559	386,244	345,578
39,552	26,912	23,621	11,566	11,361	25,801	34,438
1,437,660	1,280,157	1,307,762	1,166,818	1,191,398	1,149,814	966,558
427,800	358,118	306,004	304,593	290,421	294,406	262,111
7,375	3,678	5,751	4,357	2,516	3,665	6,025
1,089,985	1,126,146	979,475	910,602	813,351	892,924	834,396
413,952	405,272	366,977	385,844	494,794	344,677	329,136
-	-	-	-	-	-	-
492	532	423	147	112	250	144
219,677	208,312	195,005	188,042	181,188	168,460	155,101
-	-	-	-	-	-	-
<u>5,091,969</u>	<u>4,768,731</u>	<u>4,407,189</u>	<u>4,182,186</u>	<u>4,128,634</u>	<u>3,827,813</u>	<u>3,439,503</u>
22,309	-	-	-	-	-	-
76,972	205,940	18,297	195,681	177,937	76,283	547,699
<u>\$14,070,420</u>	<u>\$13,219,071</u>	<u>\$12,301,256</u>	<u>\$11,813,642</u>	<u>\$11,228,806</u>	<u>\$11,069,328</u>	<u>\$10,757,882</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SUMMARY OF REVENUES BY SOURCE - GENERAL GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2004		2003		2002	
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual
Program revenues						
Charges for services.	\$ 1,128,694	N/A	\$ 777,732	N/A	\$ 700,777	N/A
Operating grants and contributions . . .	2,405,338	N/A	2,142,412	N/A	1,501,153	N/A
Capital grants and contributions	-	N/A	-	N/A	55,088	N/A
General revenues						
Taxes	7,775,365	\$ 7,626,463	8,942,267	\$ 8,924,733	8,937,262	\$ 8,850,412
Tuition.	-	313,037	-	38,536	-	6,436
Charges for services.	-	468,817	-	447,323	-	428,336
Earnings on investments	67,938	69,558	86,307	87,913	135,534	150,144
Extracurricular	-	234,362	-	191,782	-	155,823
Classroom materials and fees	-	59,207	-	54,665	-	62,961
Miscellaneous	201,378	254,649	37,357	82,383	174,943	253,896
Intergovernmental.	8,140,272	10,654,445	7,640,732	9,681,976	7,372,735	8,705,304
Total revenue	\$ 19,718,985	\$ 19,680,538	\$19,626,807	\$19,509,311	\$18,877,492	\$18,613,312

Source: School District Financial records.

Note: Data from fiscal years 2002-2004 represent all general governmental funds. Data from fiscal years 1995-2001 represent general fund revenues only, due to lack of information available in these years.

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
\$ 7,151,608	\$ 8,080,504	\$ 6,399,804	\$ 6,619,657	\$ 6,223,736	\$ 6,211,137	\$ 5,986,856
810	765	1,630	4,005	27,080	46,882	70,245
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
429,577	336,531	292,675	358,442	245,516	213,355	150,797
6,747,058	6,184,095	5,943,686	5,063,863	4,966,762	4,802,955	4,538,393
<u>\$ 14,329,053</u>	<u>\$14,601,895</u>	<u>\$12,637,795</u>	<u>\$12,045,967</u>	<u>\$11,463,094</u>	<u>\$11,274,329</u>	<u>\$10,746,291</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS - REAL, PUBLIC UTILITY, AND TANGIBLE PERSONAL PROPERTY TAX
LAST TEN CALENDAR YEARS

Tax Collection Year	Current Levy	Outstanding Delinquent Taxes (1)	Total Levy	Current Collections	Percent of Current Levy Collected	Delinquent Collection	Taxes Receivable As a % of Total Levy	Total Collection	Total Collection as a Percent of Total Levy
1994	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1995	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1996	\$ 5,712,660	N/A	\$ 5,712,660	\$ 5,417,518	94.83%	\$ 153,090	4.26%	\$ 5,570,608	97.51%
1997	6,729,351	N/A	6,729,351	5,667,256	84.22%	157,785	4.25%	5,825,041	86.56%
1998	6,434,150	N/A	6,434,150	6,061,652	94.21%	163,544	4.14%	6,225,196	96.75%
1999	6,692,317	N/A	6,692,317	6,246,553	93.34%	273,455	4.38%	6,520,008	97.43%
2000	6,624,084	N/A	6,624,084	6,252,527	94.39%	251,363	4.72%	6,503,890	98.19%
2001	6,558,983	N/A	6,558,983	6,100,723	93.01%	310,460	4.51%	6,411,183	97.75%
2002	6,525,423	706,838	7,232,261	6,159,608	94.39%	314,797	4.35%	6,474,405	89.52%
2003	7,151,311	696,174	7,847,485	6,831,720	95.53%	354,893	4.52%	7,186,613	91.58%

Source: Pickaway County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

Note: The Pickaway County Auditor was unable to locate the files for the years 1994 through 1995.

(1) The amount of the delinquent taxes was not available from the way in which the Pickaway County Auditor determines delinquent taxes.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX YEARS**

Assessed Valuation

Tax Year	Tangible				Total Estimated Actual Value
	Real Property (1)	Public Utility (2)	Personal Property (3)	Total	
1994	\$ 138,467,790	\$ 18,978,910	\$ 36,280,876	\$ 193,727,576	\$ 506,141,829
1995	140,883,220	18,128,530	38,274,278	197,286,028	515,329,102
1996	160,498,130	17,953,540	38,959,463	217,411,133	572,392,092
1997	163,633,570	17,722,150	40,789,717	222,145,437	584,548,220
1998	167,482,600	18,006,170	43,894,496	229,383,266	602,323,046
1999	197,305,970	17,203,010	46,643,284	261,152,264	691,423,931
2000	197,229,670	15,795,920	52,337,876	265,363,466	699,780,935
2001	200,530,290	11,935,240	54,495,676	266,961,206	705,805,518
2002	210,543,600	11,159,790	53,104,795	274,808,185	826,360,194
2003	212,522,200	10,957,690	57,814,626	281,294,516	850,794,466

Source: Pickaway County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.
- (2) Assumes public utilities are assessed at 88% of estimated actual value.
- (3) The rate at which tangible personal property used in business is assessed for purposes of ad valorem property taxation decreased one percent each year from 35% in 1983 and prior years to 25% in 1993.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN TAX YEARS**

Tax Year	Overlapping Governments			Circleville City School District					
	Pickaway County (1)	City of Circleville	Township	Joint Vocational School	Voted (2) Millage	Inside Millage	Effective Rates		
							Total	Ag/Res	Other
1994	6.90	3.80	0.20	3.20	43.20	3.00	60.30	43.66	48.84
1995	6.90	3.80	0.20	3.20	43.20	3.00	60.30	43.58	48.79
1996	7.50	4.00	-	3.20	43.00	3.00	60.70	41.05	46.84
1997	7.50	4.00	-	3.20	43.00	3.00	60.70	40.99	46.85
1998	7.50	4.00	-	3.20	41.50	3.00	59.20	44.88	48.12
1999	7.80	4.00	-	3.20	41.50	3.00	59.50	40.61	45.85
2000	7.80	4.00	-	3.20	41.50	3.00	59.50	40.54	45.78
2001	7.80	4.00	-	3.20	41.50	3.00	59.50	40.54	45.77
2002	7.80	4.00	-	3.20	41.50	3.00	59.50	39.77	45.21
2003	7.80	4.00	-	3.20	41.50	3.00	59.50	39.78	43.26

Source: Pickaway County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

(1) County millage includes: County, Pickaway County MRDD, Paint Valley Mental and Commission on Aging.

(2) Voted millage includes: General Operating, Bond Retirement and Permanent Improvement

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

Calendar Year	Population (1)		Unemployment		District Average Income	Average Teacher Salary (2)
	City of Circleville	Percent of Growth	Pickaway County Percentage	State of Ohio Percentage		
1995	13,047	0.68%	3.60%	4.80%	27,443	38,004
1996	13,134	0.67%	3.90%	4.90%	28,760	39,499
1997	13,222	0.67%	3.60%	4.60%	29,924	39,577
1998	13,310	0.67%	3.40%	4.30%	31,164	42,540
1999	13,398	0.66%	3.30%	4.30%	31,164	43,520
2000	13,485	0.65%	3.10%	4.10%	42,633	43,455
2001	13,573	0.65%	3.60%	7.30%	26,903	46,927
2002	13,658	0.63%	2.50%	4.20%	28,322	49,199
2003	13,658	0.00%	5.90%	6.10%	27,308	49,199
2004	13,658	0.00%	4.30%	5.80%	26,834	47,775

(1) 2000 is actual based on Census data

(2) Based on fiscal year as provided by the Ohio Department of Education EMIS data. Information for 2004 is calculated by District.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Average Daily Membership (2)	Assessed Value (3)	Gross Bonded Debt (4)	Less Debt Service Funds (5)	Net Bonded Debt	% of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt Per ADM
1995	11,666	2,372	\$ 193,727,576	\$ 3,600,000	\$1,152,586	\$2,447,414	1.26%	\$ 210	\$ 1,032
1996	11,666	2,369	197,286,028	3,325,000	1,288,350	2,036,650	1.03%	175	860
1997	11,666	2,352	217,411,133	3,050,000	1,424,093	1,625,907	0.75%	139	691
1998	11,666	2,441	222,145,437	2,775,000	1,952,772	822,228	0.37%	70	337
1999	11,666	2,458	229,383,266	2,500,000	2,177,442	322,558	0.14%	28	131
2000	13,485	2,304	261,152,264	2,225,000	2,521,622	-	0.00%	-	-
2001	13,485	2,279	265,363,466	1,950,000	2,374,988	-	0.00%	-	-
2002	13,485	2,362	266,961,206	1,675,000	2,060,140	-	0.00%	-	-
2003	13,485	2,264	274,808,185	1,400,000	1,737,568	-	0.00%	-	-
2004	13,485	2,259	281,294,516	1,120,000	1,394,072	-	0.00%	-	-

Sources:

- (1) County Auditor
- (2) School district records
- (3) County Auditor
- (4) General obligation debt outstanding at fiscal year-end (school district records)
- (5) Balance of general obligation bond retirement fund at fiscal year-end

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2004**

Voted Debt Margin:

Assessed Valuation (Tax Year 2003)	\$ 281,294,516
	<u> x .09</u>
Bonded Debt Limit - 9% of Assessed Value (1)	25,316,506
Debt Service Fund Equity	1,394,072
Amount of Debt Applicable to Debt Limit: Bonded Debt	<u>(1,120,000)</u>
Voted Debt Margin	<u><u>\$ 25,590,578</u></u>

Unvoted Debt Margin:

Bonded Debt Limit - .10% of Assessed Valuation (1)	281,295
Amount of Debt Applicable to Debt Limit	<u>-</u>
Unvoted Debt Margin	<u><u>\$ 281,295</u></u>

Source: Pickaway County Auditor and School District financial records.

(1) Ohio Bond Law sets a limit of 9% of assessed value for voted debt and 1/10 of 1% for unvoted debt.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2004

<u>Governmental Unit</u>	<u>Assessed Valuation</u>	<u>General Obligation Debt</u>	<u>Percent Applicable to School District</u>	<u>Amount Applicable to School District</u>
Direct:				
Circleville City School District	\$ 281,294,516	\$ 1,120,000	100.00%	\$ 1,120,000
Overlapping:				
City of Circleville	247,793,484	5,005,000	100.00%	5,005,000
Pickaway County	915,863,020	1,938,555	30.71%	595,330
Total Overlapping	<u>1,163,656,504</u>	<u>6,943,555</u>		<u>5,600,330</u>
		<u>\$ 8,063,555</u>		<u>\$ 6,720,330</u>

Source: Pickaway County Auditor

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**RATIO OF ANNUAL GENERAL OBLIGATION DEBT SERVICE
TO GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS**

Year	Debt Service on General Obligation Debt			General Fund Expenditures (1)	Debt Service as Percent of General Fund Expenditures
	Principal	Interest/ Fiscal Charges	Total		
1995	\$ 275,000	\$ 277,594	\$ 552,594	\$ 10,757,882	5.14%
1996	275,000	257,031	532,031	11,069,328	4.81%
1997	275,000	236,469	511,469	11,228,806	4.55%
1998	275,000	215,906	490,906	11,813,642	4.16%
1999	275,000	195,344	470,344	12,301,256	3.82%
2000	275,000	174,781	449,781	13,219,071	3.40%
2001	275,000	151,219	426,219	14,070,420	3.03%
2002	275,000	131,656	406,656	15,674,210	2.59%
2003	275,000	114,906	389,906	16,661,074	2.34%
2004	280,000	94,163	374,163	16,655,367	2.25%

Source: School district records

(1) Includes other financing uses

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**MAJOR TAXPAYERS
2003 TAX YEAR**

Personal Property

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Thomson Multimedia Inc.	\$ 27,927,700	9.93%
GE Lighting	4,295,460	1.53%
Praxair Inc.	1,326,240	0.47%
Health Care Logistics	1,268,440	0.45%
Wal Mart Stores East	1,141,010	0.41%
Coughlin Automotive of Circleville	769,060	0.27%
LDM Technologies Inc.	653,700	0.23%
Coughlin Ford of Circleville	646,850	0.23%
Harden Chevrolet	555,070	0.20%
Circleville Ohio	525,210	0.19%
Kroger Co.	518,240	0.18%
Total	\$39,626,980	14.09%

Real Property

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Consumer Electronics	\$ 8,006,520	2.85%
GE Lighting Inc.	2,586,070	0.92%
KR Circleville Inc.	2,192,040	0.78%
BV Circleville LLC	1,631,170	0.58%
Kroger Co.	1,346,660	0.48%
Coughlin Properties	1,330,000	0.47%
Pickaway Manor	1,127,450	0.40%
Circleville Limited	1,031,860	0.37%
Circleville Investment Corp.	972,740	0.35%
WEC 99J-55 LLC	942,790	0.34%
Total	\$21,167,300	7.52%

Source: Pickaway County Auditor

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

ATTENDANCE DATA
LAST TEN SCHOOL YEARS

School Year Ended	Graduation Rate	Enrollment	Average Daily Attendance	% Increase (Decrease) in ADM from Prior Year	Attendance as % of Average Daily Membership
1995	59.25%	2,549	2,372	-0.40%	93.06%
1996	75.90%	2,543	2,369	-0.11%	93.16%
1997	75.96%	2,499	2,352	-0.71%	94.12%
1998	71.90%	2,583	2,441	3.77%	94.50%
1999	68.80%	2,552	2,458	0.68%	96.32%
2000	75.30%	2,469	2,304	-6.27%	93.32%
2001	79.20%	2,445	2,279	-1.08%	93.21%
2002	80.80%	2,518	2,362	3.65%	93.80%
2003	90.10%	2,536	2,264	-4.15%	89.27%
2004	86.20%	2,451	2,259	-0.38%	94.10%

Source: EMIS District Summary Report

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHOOL DISTRICT EMPLOYEES
(FULL AND PART-TIME)
AS OF JUNE 30, 2004

I. Certificated Staff by Training and Experience

Years of Experience	B.A.	B.A. 150	M.A.	M.A. + 25	Total
0 - 5	7	13	8	1	29
6 - 10	9	8	8	0	25
11 - 15	1	10	18	5	34
16 - 20	1	4	5	5	15
21 - 25	0	1	10	10	21
26 - 30	3	4	6	11	24
31+	0	6	7	7	20
TOTAL	<u>21</u>	<u>46</u>	<u>62</u>	<u>39</u>	<u>168</u>

II. Classified Staff

Secretaries/Accounting Clerks	19
Custodian/Maintenance	17
Bus Drivers	9
Bus Mechanics	2
Educational Aides	22
Library Aides	4
Cafeteria Workers	21
Technology	3
Total Classified Staff	<u>97</u>

III. Administrators & Supervisors

Superintendent	1
Treasurer	1
Assistant Superintendent	1
Principals	6
Assistant Principals	2
Directors	2
Supervisors	2
Total	<u>15</u>

Total School Employees 280

Source: School District Personnel Records

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF PROPERTY AND CASUALTY INSURANCE
AS OF JUNE 30, 2004**

Company Policy Number	Policy Period	Coverage	Limits of Coverage	Deductible	Annual Premium
Ohio School Plan OH4000237-P01-9	05/01/04 to 05/01/05	Building & Content	\$ 39,738,983	\$ 5,000	\$ 30,114
Ohio School Plan OH4000237-P02-L	05/01/04 to 05/01/05	General Liability Each Occurance Aggregate	- 1,000,000 3,000,000	2,500	17,322
Ohio School Plan OH4000237-P02-A	05/01/04 to 05/01/05	Fleet Excess Auto Liability	1,000,000 3,000,000	Comprehensive: Buses Autos Collision: Buses Autos	19,233 1,000 250 1,000 500

Source: School District Records

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**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

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 13, 2005**