



**Auditor of State  
Betty Montgomery**



CHILLICOTHE CITY SCHOOL DISTRICT  
ROSS COUNTY

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CHILLICOTHE CITY SCHOOL DISTRICT  
ROSS COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Number	Federal C.F.D.A. Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed through Ohio Department of Education:</i>						
<i>Child Nutrition Cluster</i>						
Food Donation (See Note "B")	N/A	10.550	\$ -	\$ 142,296	\$ -	\$ 148,645
National School Breakfast Program	05-PU 2002 & 05-PU 2003	10.553	95,941	-	95,941	-
National School Lunch Program	LL-P1 2002 & LL-P1-2003	10.555	5,717	-	5,717	-
	LL-P4 2002 & LL-P4 2003	10.555	396,910	-	396,910	-
Total National School Lunch Program			<u>402,627</u>	<u>-</u>	<u>402,627</u>	<u>-</u>
Total <i>Child Nutrition Cluster</i>			498,568	142,296	498,568	148,645
Child and Adult Care Food Program	23-PU 2002 & 24-PU 2002	10.558	9,196	-	9,196	-
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>507,764</u>	<u>142,296</u>	<u>507,764</u>	<u>148,645</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed through the Ohio Department of Education:</i>						
Title I Grants to Local Education Agencies	C1-S1 2002	84.010	82,853	-	-	-
	C1-S1 2003	84.010	866,403	-	1,010,356	-
Total Title I Grants to Local Education Agencies			<u>949,256</u>	<u>-</u>	<u>1,010,356</u>	<u>-</u>
Special Education Grants to States	6B-SF 02	84.027	419,531	-	369,676	-
	6B-SF 03	84.027	3,835	-	48,562	-
	6B-SD 03	84.027	15,000	-	1,973	-
Total Special Education Grants to States			<u>438,366</u>	<u>-</u>	<u>420,211</u>	<u>-</u>
Safe and Drug Free Schools and Communities	DR-S1 2002	84.186	(139)	-	-	-
	DR-S1-2003	84.186	25,243	-	37,551	-
Total Safe and Drug Free Schools and Communities			<u>25,104</u>	<u>-</u>	<u>37,551</u>	<u>-</u>
Education for Homeless Children and Youth	HC-S1 2002	84.196	(9,972)	-	-	-
	HC-S12003	84.196	19,578	-	30,373	-
Total Education for Homeless Children and Youth			<u>9,606</u>	<u>-</u>	<u>30,373</u>	<u>-</u>
Even Start Grant	EV-S1 2002	84.213	117,599	-	125,970	-
	EV-S1 2003	84.213	109,938	-	96,680	-
Total Even Start Grant			<u>227,537</u>	<u>-</u>	<u>222,650</u>	<u>-</u>
Continuous Improvement	G2-S9 2001	84.276	-	-	27,058	-
Eisenhower Professional Development State Grants	MS-S1-2002	84.281	388	-	8,688	-
Innovative Educational Program Strategies	C2-S1 2002	84.298	2,870	-	9,165	-
	C2-S1 2003	84.298	22,230	-	21,656	-
Total Innovative Educational Program Strategies			<u>25,100</u>	<u>-</u>	<u>30,821</u>	<u>-</u>
Education Technology State Grant	TJ-S1 2003	84.318	28,549	-	26,499	-
Comprehensive School Reform Development Grant	RF-S2 2001	84.332	112,500	-	150,313	-
Class Size Reduction	CR-S1 2002	84.340	(15,932)	-	35,213	-
	CR-S1 2001	84.340	-	-	15,312	-
Total Class Size Reduction			<u>(15,932)</u>	<u>-</u>	<u>50,525</u>	<u>-</u>
Rural Education Grant	RU S1 2003	84.358	75,624	-	71,769	-
Improving Teacher Quality State Grants	TR-S1 2003	84.367	252,400	-	224,237	-
School Renovation Grants	AT S2 2002 & AT A3 2002	84.352	19,990	-	18,553	-
<b>Total Passed through Ohio Department of Education</b>			<u>2,148,488</u>	<u>-</u>	<u>2,329,604</u>	<u>-</u>
<i>Passed through the Ohio School Facilities Commission:</i>						
Emergency School Repair	N/A	84.352A	50,000	-	-	-
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>2,198,488</u>	<u>-</u>	<u>2,329,604</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
<i>Passed Through the Ohio Department of MRDD</i>						
Medical Assistance Program	316400384	93.778	83,254	-	83,254	-
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>						
<i>Passed Through the Ohio Emergency Management Agency</i>						
Public Assistance Grant Program	316400384	97.036	4,258	-	-	-
<b>Total Federal Financial Assistance Awards</b>			<u>\$ 2,789,506</u>	<u>\$ 142,296</u>	<u>\$ 2,920,622</u>	<u>\$ 148,645</u>

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

**CHILLICOTHE CITY SCHOOLS  
ROSS COUNTY**

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

**NOTE A--SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B—CHILD NUTRITION CLUSTER**

The nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

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 ELIMINATION OF CFDA #**

At the beginning of fiscal year 2003, Ohio Department of Education, (ODE) began to eliminate CFDA #84.340 and #84.281 and created CFDA #84.367. The District actually transferred \$38,254 as approved by ODE into CFDA #84.367; however the \$38,254 was offset by a \$22,322 receipt received during fiscal year 2003, which resulted in the negative receipt on the federal schedule for CFDA #84.340 (\$15,932).

**NOTE D- TRANSFERS DUE TO ODE ADMINISTRATIVE ACTION**

The District transferred between special cost centers during fiscal year 2003 for the following: CFDA #'s 84.186-\$139 and 84.196-\$9,972. 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 ODE project at a time, and eliminates refunds to ODE.



## **Auditor of State Betty Montgomery**

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

Chillicothe City School District  
Ross County  
235 Cherry Street  
Chillicothe, Ohio 45601

To the Board of Education:

We have audited the basic financial statements of the Chillicothe City School District, Ross County, Ohio, (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated February 2, 2004, wherein we noted the District implemented a new financial reporting model, as required by the provisions of *Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Compliance**

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

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a certain other matter involving the internal control over financial reporting that does not require inclusion in this report that we have reported to management of the District in separate letter dated February 2, 2004.

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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.

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

**Betty Montgomery**  
**Auditor of State**

February 2, 2004





## Auditor of State Betty Montgomery

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

Chillicothe City School District  
Ross County  
235 Cherry Street  
Chillicothe, Ohio 45601

To the Board of Education:

#### Compliance

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

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

In our opinion, 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, 2003.

#### Internal Control Over Compliance

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

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

### **Schedule of Federal Awards Receipts and Expenditures**

We have audited the basic financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Chillicothe City School District, Ross County, Ohio, as of and for the year ended June 30, 2003, and have issued our report thereon dated February 2, 2004, wherein we noted the District implemented a new financial reporting model, as required by the provisions of *Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*. 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**

February 2, 2004

**CHILLICOTHE CITY SCHOOL DISTRICT  
ROSS COUNTY**

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

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	<b>Unqualified</b>
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	<b>No</b>
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	<b>No</b>
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	<b>No</b>
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	<b>No</b>
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	<b>No</b>
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	<b>Unqualified</b>
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	<b>No</b>
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	<b>Nutrition Cluster :CFDA # 10.550, 10.553,10.555 Improving Teacher Quality State Grants: CFDA # 84.367</b>
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	<b>Type A: &gt; \$ 300,000 Type B: all others</b>
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	<b>Yes</b>

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

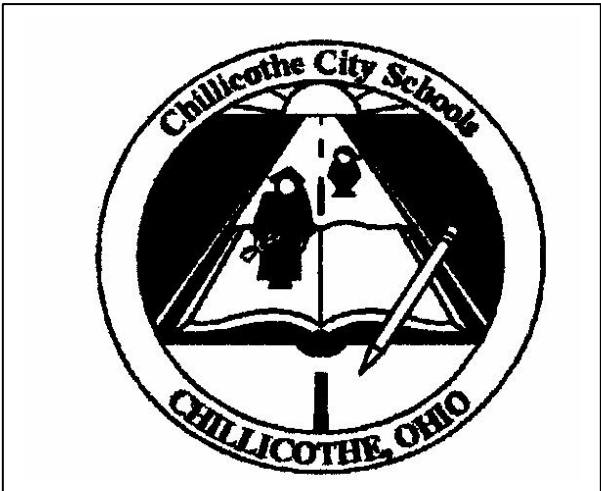
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COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2003

CHILLICOTHE CITY SCHOOL DISTRICT  
235 CHERRY STREET CHILLICOTHE, OHIO 45601



**CHILlicothe CITY SCHOOL DISTRICT**



**INTRODUCTORY SECTION**

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Chillicothe City School District  
 Chillicothe, Ohio  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2003

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# Chillicothe City Schools

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Chillicothe, Ohio 45601-2350  
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February 2, 2004

## **To the Board of Education and the Citizens of the Chillicothe City School District:**

As the Superintendent and Treasurer of the Chillicothe City School District (the District), we are pleased to submit to you the fifth Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR, for the fiscal year ended June 30, 2003, is prepared in accordance with generally accepted accounting principles (GAAP) accepted in the United States of America.

This CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes a table of contents, this transmittal letter, a list of principal officers, the District's organizational chart, a Certificate of Achievement for Excellence in Financial Reporting and a Certificate of Excellence in Financial Reporting. The financial section includes management's discussion and analysis, the basic financial statements and the combining and individual fund financial statements and schedules, as well as the independent accountants' report on the financial statements. The statistical section provides pertinent financial, economic and demographic information indicating historical trends.

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

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

## ***THE DISTRICT AND ITS FACILITIES***

Chillicothe is the county seat of Ross County with a population of approximately 22,550 residents. The city was the capital city of the Northwest Territory in 1787, then became Ohio's first capital in 1803. The name Chillicothe comes from the Shawnee Indians and means "hometown". Located 45 miles south of Columbus, Chillicothe is home for a branch campus of Ohio University and the Tecumseh outdoor drama production.

The Chillicothe City School District is one of seven school districts in Ross County. With 3,569 pupils, it has the largest enrollment in the county. It also is by far the smallest district in the county geographically, encompassing just 22 square miles. The District operates 10 school facilities, which includes one high school for grades 9-12, two middle schools for grades 6-8, six elementary schools for grades K-5, plus a central administration building which also houses a county-wide preschool program for approximately 100 pupils as well as a young five half-day kindergarten class. The School District also operates one maintenance building and one bus garage.

Slightly more than 34% of the District's student body qualify for free or reduced-priced lunches. McArthur and Hopewell Schools provide free lunches to more than 60% of their students. The District serves lunch to 81% of the student population daily. All 10 school facilities offer breakfast programs. However, only 16% of the student population participates in the program. Approximately 21% of the students in Chillicothe are participants of the Ohio Works First (OWF) program.

All of the District's schools are accredited by the North Central Association Commission. The North Central Association Commission on Schools challenges schools to be ready for all learners and to press them for excellence. North Central Commission on Schools is a dynamic school accreditation and evaluation organization that protects the public trust and is proactive in promoting a system of education that:

- Enhances student learning and the love of learning.
- Fosters healthy, creative, and innovative human beings.
- Prepares students to live and learn in an ever-changing and diverse world.
- Ensures successful school transitions for its learners through the provision of standards and evaluation services for schools.

The evaluation/improvement process that is required and nurtured by NCA brings teachers, administrators, staff, students, and parents together in the pursuit of common purpose of a quality educational program. The process is effective in preparing and implementing the required Continuous Improvement Plan.

***ORGANIZATION OF THE DISTRICT***

The Board of Education of the Chillicothe City School District (the Board) is a five-member body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars, and approves the annual appropriation resolution and tax budget. The current Board members, their terms, and years on the Board as of June 30, 2003 are:

<u>Board Member</u>	<u>Term</u>	<u>Years on Board</u>
Rev. J. Troy Gray	1/1/00 - 12/31/03	12 Years
Mr. Richard Vollmar	1/1/02 - 12/31/05	5 ½ Years
Mr. William Schmeider	1/1/00 - 12/31/03	3½ Years
Mr. Mark Gray	1/1/02 - 12/31/05	1½ Years
Mr. Randy Davies	1/1/02 - 12/31/05	1½ Years

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Dr. Dennis A. Leone was initially appointed as Superintendent effective September 2, 1997. In March 1999, the Board voted to extend Dr. Leone's contract through July, 2005.

The Treasurer is the chief financial officer of the District and is directly responsible to the Board for all financial operations, investments, custody of all District funds and assets and serves as Secretary to the Board. Mr. Stacy L. Overly was appointed Treasurer effective January 8, 1997. On October 21, 2002, the Board extended Mr. Overly's contract through the date of the organizational meeting in January, 2007.

***ECONOMIC CONDITION AND OUTLOOK***

The city's largest employer is the Mead Paper Company, which employs over 2,000 area residents. The Mead Company is the District's largest taxpayer and provides a foundation of stability for the District. In addition, a strong mix of commercial and residential property also provides further stability to the District's tax base. In 1996, Lowe's, Wal-Mart and Kmart all built stores within District boundaries which added to the District's revenue collections on both real estate and personal tangible collections beginning in fiscal 1998.

The District, along with many other public school systems in the state, continues to face a number of challenges in the future, since the primary source of its funds is property tax revenues. Ohio law limits the growth in real estate tax revenues by reducing mileage as assessed values increase following re-appraisals. Consequently, revenues generated from each levy remain relatively constant. As a result, the District must periodically seek additional funding from its taxpaying constituents. Statewide, voters have proved reluctant to increase their property taxes. The District's management is aware of this fact and is constantly looking for alternate sources of income, as well as searching for ways to provide a more efficient means of doing business while at the same time continuing to provide excellent educational services. Evidence of this is supported by the fact that the District operates over 40 grants generating over \$4 million in funding annually. These grants have provided funds to implement Entry-Year teacher programs, Family Literacy efforts, Service Learning, and prevention programs for drugs, alcohol and violence, as well as Professional Development grants which have increased the competency of staff and provided research based models for instructional change. Federal Remedial and Class Size Reduction grants also support increased individualized instruction to meet the needs of our students.

Although the District's current financial situation has been challenging, District management has been proactive in its response. The District approved plans over the summer of 2003 to institute a comprehensive budget reduction plan. Much of the plan was aimed at addressing the District's declining enrollment and as such included the closing of three buildings and associated staff reductions (among other items). District management worked hard to insure a majority of the reductions were accomplished through attrition. In addition, the plan was carefully crafted to preserve the fabric and foundation of the District's curricular and co-curricular offerings.

### ***EMPLOYEE RELATIONS***

The District has 396 employees of which 243 are certificated and 153 are classified. There are two organizations representing District employees. Certificated employees, including teachers and educational specialists, are represented for collective bargaining purposes by the Chillicothe Educational Association (CEA), an affiliate of the Ohio Education Association (OEA). Classified employees, including bus drivers, cooks, and clerical staff, are represented for collective bargaining purposes by the Ohio Association of Public School Employees (OAPSE) Local # 14, an affiliate of the American Federation of State, County, and Municipal Employees (AFSCME).

During the summer of 2001, the Board and CEA reached agreement on a new three-year contract effective August 1, 2001. Wage agreements for that period included a 5% pay increase the first year of the contract (August 2001 through July 2002), and a 3% increase each of the following two years (August 2002 through July 2003 and August 2003 through July 2004).

During the summer of 2001, the Board and OAPSE agreed to a new three-year contract beginning July 2001. The agreement included a 5% increase the first year of the contract (July 2001 through June 2002) and a 3% increase each of the remaining two years (July 2002 through June 2003 and July 2003 through June 2004).

### ***SERVICES PROVIDED***

The Chillicothe City Schools exist to provide an educational program which equips students to be lifelong learners and responsible citizens who can function and contribute to the world in which they live. Students attain competency in core subjects, develop positive self esteem, have an appreciation of the arts, and develop positive social relationships. The District strives to prepare students for a world of work driven by new technology. The District is a member of the North Central Association, which sets high standards of excellence for its members. In addition, Tiffin Elementary was awarded the Ohio Schools of Promise designation in 2001-02 and 2002-03 and received the National Blue Ribbon School award in the fall of 2003. Also, both Tiffin and Allen elementary received Excellent ratings on the 2003 Ohio Department of Education Report Card.

Residents of the Chillicothe City School District have the opportunity to enroll their children in a public preschool program that fosters learning through developmental literacy activities and prepares students with skills necessary to successfully enter kindergarten. The program includes four half-day sessions per week.

All children entering kindergarten are assessed to determine their developmental learning level. Results of assessments are used to make recommendations to parents regarding proper placement in kindergarten programs: all-day kindergarten or half-day early five's kindergarten. All of the District's elementary schools operate full-day kindergarten programs. Both kindergarten programs include readiness skills in mathematics, reading, and language arts. Handwriting, science, and social studies concepts are also an integral part of daily activities.

In the primary grades, K-2, attention is focused upon each child mastering the basic skills necessary for sustained progress in reading, written composition, math, writing, science, social studies, health and handwriting. Each child is also introduced to music, art, physical education, and computer technology. The District has two schools that receive Title I services.

Children in grades 3 through 5, the intermediate level, continue to build upon the basic core academic areas and expand their higher order thinking skills. Written composition, problem solving, critical thinking skills and analytical processes are stressed. Physical education, health, art, and music including band and strings are also an integral part of the intermediate elementary curriculum. Each elementary building has a library with a full-time librarian or aide. Students are scheduled weekly in the library to learn how to use the library efficiently, acquire research skills, and to borrow books.

In addition to extending basic academic knowledge, life skills of the everyday world are stressed at the two middle schools which house grades 6 through 8. Developing a positive self-image, a concern for good health, safety and physical activity, as well as opportunities to explore introductory Awareness programs help middle school students develop an awareness of interest, ability, and personality and how these characteristics affect job choices. Students gain a greater understanding of the diversity of careers available, develop exploratory and decision-making skills, and realize the need to prepare for an ever-changing work environment. Career guidance helps students develop an economic understanding: A person is both a worker earning income and a consumer disbursing income. All eighth-grade students participate in a shadowing day in a career of interest. This shadowing experience provides a sense of direction to prepare Individual Career Plans that guide students' course selections for their four-year high school experience. Staff members strive to help students develop the virtues of integrity, courage, discipline, and the pursuit of lifelong learning.

Chillicothe High School is a unique four-year comprehensive high school accredited by the North Central Association of Secondary Schools and Colleges and the Ohio Department of Education. Chillicothe High School requires 21 units of credits to graduate. The school offers an impressive list of curricula and co-curricular programs. Over 210 courses are available including 13 advanced placement courses. Students are eligible to take courses at the local Ohio University branch campus and receive both high school credit and college credit for said courses. Articulation agreements with Ohio University-Chillicothe and Lancaster branch campuses, as well as the Columbus State Community College allow students in the Tech Prep Program to enter these institutions with a stronger academic background and earn an enhanced associate degree or continue in baccalaureate programs. Students who want to enter the work force directly from high school can attend Pickaway-Ross Joint Vocational School or stay at Chillicothe High School and work with vocational instructors.

Chillicothe High School also has Distance Learning Programming available. These programs are designed to permit students from different school districts to receive classroom instruction through interactive video transmissions. The CHS drama productions, choirs, instrumental music groups, marching band, flag corps, and competition cheerleaders have received many state and national awards. The Language Arts' Broadcasting classes and Industrial Technology's Multimedia Communication classes produce a local news show five days per week, which is broadcast over the community's Cablevision station. The students, under the supervision of the language arts teacher and technology personnel, write the script and then deliver the show each evening. Special events are covered as well as newsworthy stories. Two local radio stations and the local newspaper, the Chillicothe Gazette, are in partnership with the school and provide news services to the student producers.

The District's special education programs are broad and comprehensive. Approximately 12% of the student population has Individualized Education Plans. Special programs for the multi-handicapped, developmentally handicapped, learning disabled, and speech and hearing impaired are provided for students who meet the requirements. A Talented and Gifted program is available to qualified students from grade 2 through high school.

## ***MAJOR INITIATIVES AND EVENTS-FISCAL YEAR 2003***

### ***Continuous Improvement Plan (CIP)***

The District adopted a revised three-year school improvement plan in 2003 after studying data that showed the educational needs of the District. The No Child Left Behind (NCLB) federal legislation, as well as The Adequate Yearly Progress (AYP) piece of the NCLB legislation required additional data collection and analysis, which reinforced the educational needs identified. The District's safety plan and technology plan are incorporated in the Continuous Improvement Plan. The CIP serves as the District's decision-making document. The document also serves as a planning tool for teachers' continuing professional development.

### ***Emergency Roof Repair Grant***

On October 3, 2002, the District received approval for a special \$500,000 federal grant to repair Chillicothe High School's roof. Of Ohio's 611 school districts, 217 applied for the Federal Emergency Repair Program grant funds. All applications were processed and considered by the Ohio School Facilities Commission. Chillicothe was one of 87 school districts selected by the Commission to receive the grant. Work began on the project in the spring of 2003 and is currently very near completion. This grant allowed roof repairs to be completed on 80% of the high school building.

### ***Computerized Point of Sale (POS) System***

The Food Service Department implemented a computerized point of sale system within the District during the 2002-03 school year. The POS system offers many benefits to the District which include: complete confidentiality of students who qualify for free and reduced cost lunch benefits; smaller cafeteria lines as a result of reducing cash transactions; better parental control of the meals they choose for their children; eliminated the need for lunch tickets; automated accounting functions. These benefits have improved student participation in the school lunch program, as well as lead to improved efficiencies which have saved labor costs and freed up additional classroom time for instruction.

### ***Financial Planning***

Although the District has engaged in long-range financial forecasting for quite some time, recent legislation mandated this for all schools in the State. The requirement specified the format of the forecast, which has helped develop a consistency in reporting between districts. Each district must submit its five-year forecast at least annually to the Ohio Department of Education for monitoring purposes. In addition, the forecast serves as the basis for determining whether a district has the financial capacity to enter into significant contracts having multi-year implications. Chillicothe has been pro-active in this area by taking the approach of reviewing and updating (if warranted) its five-year forecast monthly. This process insures that the District's leadership is well-informed of its financial status before making any critical decisions. The process was of key importance this past year as the District's leadership took measures to reduce staff to align itself with lower enrollment levels. Since the reductions made were in advance of major financial difficulties, the District was able to preserve the fabric and content of its curricular and co-curricular programs.

### ***Curriculum Development***

Curriculum development is an ongoing activity in the District. On a rotating five-year cycle, each curricular area is reviewed and revisions are made to ensure that state-of-the-art practices and programs are available for students. The District closely follows the Ohio Department of Education's model curriculums. Additionally, the curriculum development process model mandates a Five-Year Professional Development plan, the integration of technology and multiculturalism, and student assessment practices accompanying the received curricula. During the 2001-02 school year, the Curriculum Director and staff reviewed and revised the District's Science scope and sequence. Revisions were based upon current performance indicators, as well as State and National model recommendations. The District has aligned all course offerings with the new State content standards in preparation for the State's new assessment program.

### ***Summer School***

Over 1,000 students enrolled in the District's 2003 summer school program. Courses in Physical Education and Health were offered for credit at the high school level. Remedial courses or repeat sessions for credit were offered to middle and high school students who had failed a course in the 2002-03 school year. Students who did not meet exit standards for the elementary grades had Specialized Summer Intervention Plans which were developed collaboratively by the teacher and the parent.



Proficiency preparation for students who had failed portions of the Fourth, Sixth, and Ninth Grade Proficiency tests was also provided to students during the summer. A special six-week proficiency intervention session was offered to grades 1 through 6. This program, funded by the Ohio Department of Education, extended student learning and required teachers to complete a special Summer Intervention Reading Institute. In addition, a three-week Jump Start Program was offered to students entering kindergarten and first grade.

### ***Even Start***

The District received an Even Start grant that provides funding for families who are working to obtain a GED and have children from the age of birth through eight. The Even Start program provides tutoring support for the adults, parenting classes, and literacy activities for the students. This year, a preschool program has been added to enrich learning opportunities prior to kindergarten.

### ***Accelerated Reader***

The District adopted the Accelerated Reader Program as a means of increasing reading interest, and achievement. SchoolNet and Title II Technology grant money, as well as the District's own technology budget have provided new computers for the District's buildings to help with the program. Students read books at their level and via a computer take a test to determine their level of comprehension. The test requires students to think at higher levels and also helps to assess vocabulary development. Students can see their growth and progress over the course of a year. Teachers can obtain daily or weekly assessments of each student's progress. The student's strengths and weaknesses provide the teacher with a direction for instruction.

### ***Distance Learning***

The District is part of a consortium that is producing new and innovative projects beyond classroom experiences via interactive video distance learning over mobile equipment. The project, sponsored by SchoolNet, provides teachers and students the opportunity to conduct career research via satellite and prepare meaningful projects to share with other classes over the distance learning network.

## ***MAJOR INITIATIVES FOR THE FUTURE***

### ***Bond / Permanent Improvement Levy***

The Board of Education voted in December to place a 6.97 mill combination Bond / Permanent Improvement Levy on the March 2, 2004 ballot. This issue represents the same issue that was placed before District voters in November 2003. Unfortunately that levy attempt was unsuccessful, but it only failed by a little over 100 votes. A total of approximately 6,500 votes were cast. Therefore, the Board and the community led campaign committee are very optimistic about the prospect of the levy in March. If approved 4.47 mills of the proposed 6.97 mill levy would be used to issue bonds in the amount of \$34 million. The proceeds would be used to construct a new high school and renovate the current high school to become a middle school. The remaining 2.5 mills would be dedicated to permanent improvements, and would be used to help the District maintain an updated bus fleet, keep technology current, maintain buildings, buy textbooks, as well as other equipment related purchases. Ultimately, the plan will help the District; (1) Adopt a master plan that will carry the District forward in a progressive, positive way for the next 30 years; (2) Preserve and enhance the quality of the District's curricular and co-curricular programs with facilities that will support them; and (3) Address the District's declining enrollment and ensure that tax dollars are being used wisely and efficiently.

### ***Technology Initiatives***

The District's main focus will be on ways to reduce the total cost of ownership of computers and associated systems within the District by implementing technology standards and replacing obsolete equipment. Plans for the future include a digital phone system, as well as a video server for classroom teacher use. Implementation of a digital phone system would eliminate the need for a large number of the standard telephone lines currently in use in the District, thus significantly reducing the cost associated with the lines. In addition, the District continued to demonstrate a commitment to its technology plan approved last year by maintaining a special technology line item in the budget to provide additional funding for technology initiatives.

### ***Chillicothe CSD Website***

The District continues to improve and refine its website (<http://www.chillicothe.k12.oh.us/>). The site is currently available and its content is growing. Currently, employees can access the site to obtain budgetary information, as well as various standardized employee forms. The form repository is being added to every day and the goal is to have all forms available in this manner in the not to distant future. In addition, the minutes of Board of Education meetings, the current financial forecast of the District and a tax millage calculator are all new additions to the site. Plans are underway to make a host of other general financial and special interest information available. Eventually, this will reduce paperwork within the District and insure reliable information is available to both the staff and public. The goal is increased communication and efficiencies District-wide.

### ***Literacy Projects***

The District is working on a Literacy Project supported by the State Department of Education and George Washington University to increase the literacy rate in our elementary buildings. The primary purpose of the literacy project is to support and monitor literacy rates and ensure that all children in the District have equal educational access. A proficiency coach, employed under a grant, will analyze building proficiency data and work with principals to implement strategies to increase performance. Quarterly assessments developed by teachers for grades K-8 parallel proficiency outcomes. Administrative leadership training as well as pacing charts for math, reading, and writing for the elementary teachers are also important part of the project.

## ***FINANCIAL INFORMATION***

### ***Internal Controls***

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

### ***Grants***

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

### ***Budgetary Controls***

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

### ***Financial Condition***

This is the first year the District has prepared financial statements in accordance with GASB Statement No. 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments." GASB 34 created new basic financial statements for reports as follows:

Government-wide financial statements. These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District reports no business-type activities.

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

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

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis for the District. This discussion is located in the financial section of this report following the audit opinion and provides an assessment of the District finances for fiscal year 2003 and the outlook for the future.

### ***Risk Management***

The District continues to protect its assets through a comprehensive insurance program. A schedule of insurance in force at June 30, 2003 is included in the Notes to the Basic Financial Statements Section of this report.

### ***Cash Management***

The District believes that appropriate cash management activities are integral to the District's overall financial well-being. Forecasting of receipts and expenditures, cash budgeting and on-going variance analysis allow prudent optimization of investment maturities and interest income. Total interest earned during the fiscal year 2003 was \$116,855.

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

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

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

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

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

## **OTHER INFORMATION**

### **Awards**

#### ***Certificate of Achievement***

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Chillicothe City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate of Achievement is valid for a period of one year only. We believe our current report will conform to the high standards required by the Certificate of Achievement program.

#### ***ASBO Certificate of Excellence***

The District also received the Association of School Business Officials International (ASBO) Certificate of Excellence on Financial Reporting award for the fiscal year ended June 30, 2002. This award certifies that the Comprehensive Annual Financial Report conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Receiving this award is recognition that a school system has met the highest standards of excellence in school financial reporting.

Chillicothe City School District staff members are proud of the fact that the GFOA and ASBO have awarded these certificates for the Comprehensive Annual Financial Report prepared by the District. It is the District's belief that the current report continues to conform to the standards set by the GFOA and ASBO and it will be submitted for review to determine its eligibility for a certificate.

### ***Independent Audit***

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

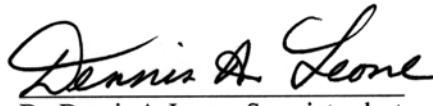
### ***Acknowledgements***

The preparation and publication of this Comprehensive Annual Financial Report on a timely basis could not have been possible without the cooperation of the entire Treasurer's Department. A special note of appreciation is extended to Balestra, Harr & Scherer Consulting, LLC for their aid in preparing this report.

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

Respectfully Submitted,

  
Stacy L. Overly, Treasurer

  
Dr. Dennis A. Leone, Superintendent

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chillicothe City School  
District, Ohio

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

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**CHILLICOTHE CITY SCHOOL DISTRICT**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2002

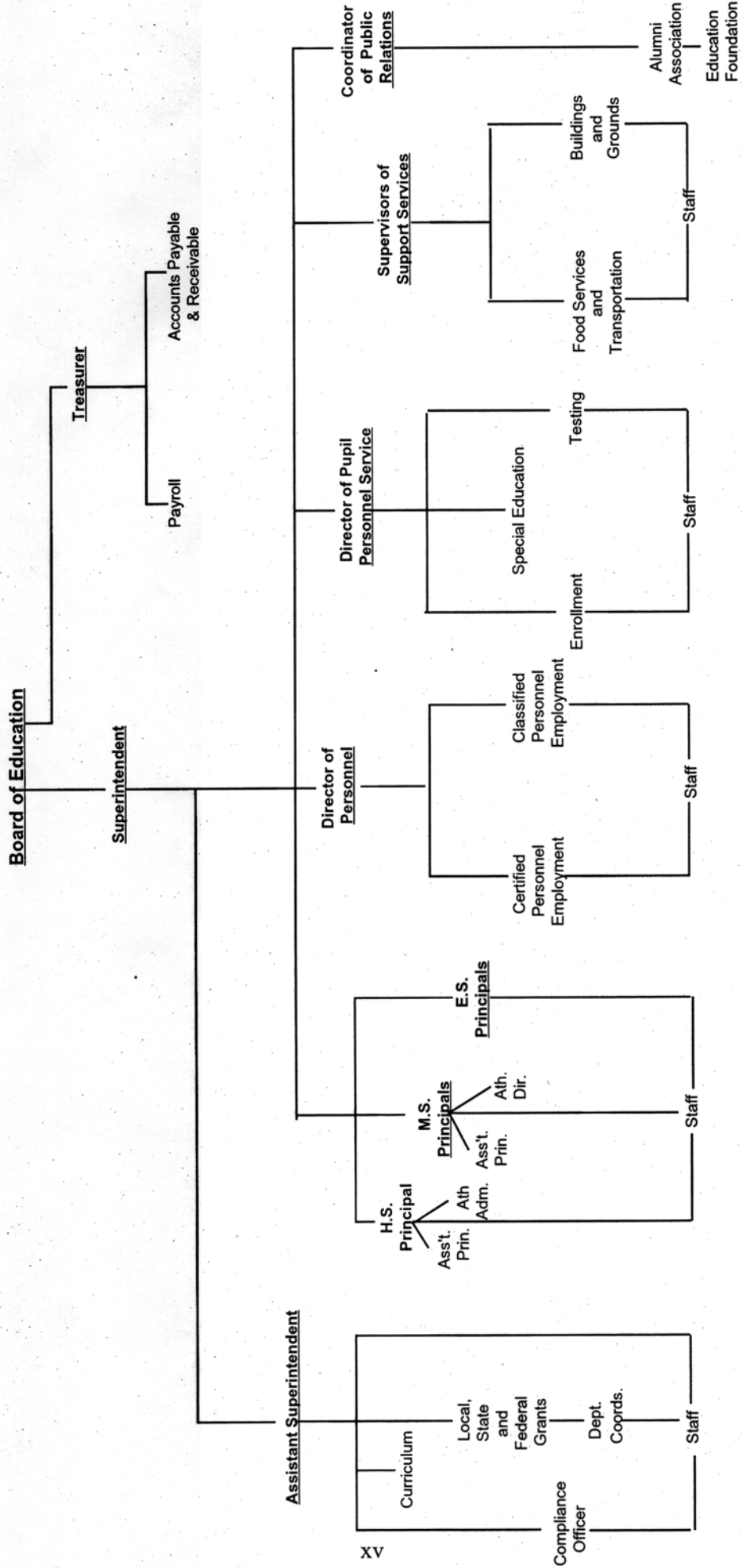
Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

*B. Huynh*  
President

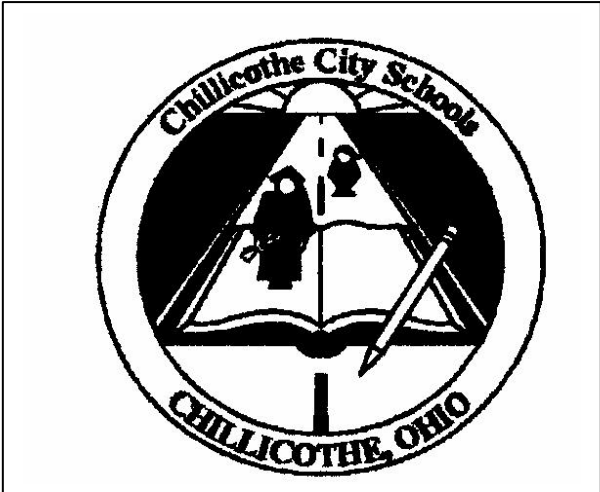
*Barbara W. Miller*  
Executive Director

# CHILLICOTHE CITY SCHOOLS Organizational Chart

File: CCA



**CHILLICOTHE CITY SCHOOL DISTRICT**



**FINANCIAL SECTION**





# Auditor of State Betty Montgomery

## INDEPENDENT ACCOUNTANTS' REPORT

Chillicothe City School District  
Ross County  
235 Cherry Street  
Chillicothe, Ohio 45601

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Chillicothe City School District, Ross County, Ohio, (the District) as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Chillicothe City School District, Ross County, Ohio, as of June 30, 2003, and the respective change in financial position, 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.

As described in Note 3, during the year ended June 30, 2003, the District implemented a new financial reporting model, as required by the provisions of *Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements— and Management's Discussion and Analysis— for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 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 applied certain limited procedures, consisting 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 and individual nonmajor fund statements and schedules and statistical tables are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and 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**

February 2, 2004

Chillicothe City School District  
Chillicothe, Ohio  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
unaudited

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Chillicothe City School District's (the District) discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ended June 30, 2003. 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 financial statements to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June, 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not available. Subsequent reports will include the comparative information.

**FINANCIAL HIGHLIGHTS**

- The District's assets exceeded its liabilities at June 30, 2003 by \$8,123,734.
- The District's net assets of governmental activities decreased \$1,081,662 which represents a 12 percent decrease from 2002.
- General revenues accounted for \$19,013,858 in revenue or 70 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$8,281,201 or 30 percent of total revenues of \$27,295,059.
- The District had \$28,376,721 in expenses related to governmental activities; only \$8,281,201 of these expenses was offset by program specific charges for services, grants, or contributions.

**USING THIS ANNUAL FINANCIAL REPORT**

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the Chillicothe City School District's financial situation as a whole and also give a detailed view of the District's financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Major 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 the amount of funds available for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column.

Chillicothe City School District  
Chillicothe, Ohio  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
unaudited

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**REPORTING THE DISTRICT AS A WHOLE**

The analysis of the District as a whole begins with the Statement of Net Assets and the Statement of Activities. These reports provide information that will help the reader to determine whether the District is financially improving or declining as a result of the year's financial activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes to those assets. This change informs the reader whether the District's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the user of these financial statements needs to take into account non-financial factors that also impact the District's financial well-being. Some of these factors include the District's tax base, current property tax laws in Ohio restricting revenue growth, the condition of capital assets, and required educational programs.

In the Statement of Net Assets and the Statement of Activities, the District has only one kind of activity.

- **Governmental Activities.** All of the District's programs and services are reported here including instruction, support services, operation and maintenance of capital assets, pupil transportation, and extracurricular activities.

**REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS**

**Fund Financial Statements**

The analysis of the District's funds begins on page 7. Fund financial statements provide detailed information about the District's major funds – not the District as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Treasurer with approval from the Board to help control, manage and report money received for a particular purpose or to show that the District is meeting legal responsibilities for use of grants. The Chillicothe City School District's only major fund is the General fund.

**Governmental Funds.** All 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 the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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unaudited

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**THE DISTRICT AS A WHOLE**

As stated previously, the Statement of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets for 2002 and 2003.

Table 1  
Net Assets

	2003	2002
Assets:		
Current Assets	\$15,907,932	\$16,057,358
Restricted Assets	293,071	305,262
Capital Assets, Net	9,287,440	10,172,186
Total Assets	25,488,443	26,534,806
Liabilities:		
Current and Other Liabilities	14,300,683	13,890,470
Long-Term Liabilities	3,064,026	3,438,940
Total Liabilities	17,364,709	17,329,410
Net Assets:		
Invested in Capital Assets, Net of Related Debt	7,515,912	8,272,186
Restricted	1,986,915	1,946,296
Unrestricted	(1,379,093)	(1,013,086)
Total Net Assets	\$8,123,734	\$9,205,396

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Table 2 shows the changes in net assets for the fiscal year ended June 30, 2003. Since this is the first year the District has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to fiscal year 2002 are not available.

Table 2  
 Change in Net Assets

	2003
Revenues	
Program Revenues:	
Charges for Services	\$2,195,250
Capital Grants and Contributions	500,000
Operating Grants and Contributions	5,585,951
Total Program Revenues	8,281,201
General Revenues:	
Property Taxes	11,974,340
Grants and Entitlements not Restricted to Specific Programs	6,733,797
Investment Earnings	116,855
Other	188,866
Total General Revenues	19,013,858
Total Revenues	27,295,059
Program Expenses	
Instruction	
Regular	12,163,589
Special	3,256,889
Vocational	9,408
Adult/Continuing	3,872
Other	169,954
Support Services	
Pupil	1,576,558
Instructional	1,966,112
Board Of Education	31,750
Administration	2,503,066
Business & Fiscal	672,017
Maintenance	2,510,074
Pupil Transportation	955,208
Central	143,477
Operation of Non-Instructional Services	1,733,371
Extracurricular Activities	579,848
Interest & Fiscal Charges	101,528
Total Expenses	28,376,721
Net Assets at Beginning of Year	9,205,396
Increase (Decrease) in Net Assets	(1,081,662)
Net Assets at End of Year	\$8,123,734

Chillicothe City School District  
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**Governmental Activities**

Property taxes comprised 60 percent of revenue for governmental activities of the Chillicothe City School District for fiscal year 2003 and represents the largest source of revenue. Since 1994, property tax revenue has increased 19.5%.

Grants and entitlements comprised 34 percent of revenue for governmental activities during 2003. Since 1994, grants and entitlements revenue has increased 8.7%.

As indicated by governmental program expenses, total instruction is emphasized. Total instruction comprised 49 percent of governmental program expenses with support services comprising 33 percent of governmental expenses. The Board of Education relies on taxes to support increased student achievement within the school district.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. Comparisons to 2002 have not been made since they are not available.

Table 3  
 Total and Net Cost of Program Services  
 Governmental Activities

	2003	
	Total Cost of Services	Net Cost of Services
Instruction	\$15,603,712	\$(11,583,688)
Support Services	10,358,262	(7,663,479)
Operation of Non-instructional Services	1,733,371	(284,416)
Extracurricular Activities	579,848	(462,409)
Interest and Fiscal Charges	101,528	(101,528)
Total Expenses	\$28,376,721	\$(20,095,520)

**THE DISTRICT'S FUNDS**

Information about the District's major governmental fund begins on page 12. This fund is accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$26,361,617 and expenditures and other financial uses of \$27,861,678. The net change in fund balance for the year was most significant in the General fund.

The fund balance of the General Fund decreased by \$1,018,130. Approximately \$448,000 of this decrease is related to self-insurance claims. The remainder of the decrease was primarily related to a drop in District enrollment and lower collections from personal tangible taxes paid by businesses.

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**General Fund Budgeting Highlights**

The District's budget is adopted on a fund basis. Before the budget is adopted, the Board of Education reviews the detailed work papers of each object within the General Fund and then adopts the budget on a fund basis.

During 2003, there were revisions to the General Fund budget. In part, the revision decreased appropriations in the amount of \$478,750 and estimated resources in the amount of \$204,154 to account for the aforementioned drop in funded student enrollment and lower personal tangible tax collections. The District's ending un-obligated cash balance was \$344,503 above the final budgeted amount.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2003, the District had \$9,287,440 invested in land, buildings, equipment, and vehicles. Table 4 shows the fiscal year 2003 balances compared to 2002.

Table 4  
 Capital Assets  
 (Net of Accumulated Depreciation)

	2003	2002
Land & Improvements	\$1,407,219	\$1,407,219
Buildings and Improvements	4,482,000	5,818,310
Furniture and Equipment	3,162,711	2,791,013
Vehicles	235,510	155,644
Totals	\$9,287,440	\$10,172,186

Changes in capital assets from the prior year resulted from additions, deletions and depreciation. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 9).



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**Debt**

At June 30, 2003, the District had \$1,765,000 in notes outstanding with \$140,000 due within one year. Table 5 summarizes the notes outstanding:

Table 5  
Outstanding Debt at Year End

Governmental Activities

	2003	2002
1999 General Obligation Notes	<u>\$1,765,000</u>	<u>\$1,900,000</u>

The General Obligation Notes were issued in 1999 in the amount of \$2,390,000. The voted general obligation notes were issued for the purpose of providing energy conservation measures for the School District, under the authority of Ohio Revised Code Sections 133.06(G) and 3313.372. The final payment is due in fiscal year 2013.

At June 30, 2003 the District's overall legal debt margin was \$43,067,373 with an unvoted debt margin of \$478,526.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Stacy Overly, Treasurer, Chillicothe City School District, 235 Cherry Street, Chillicothe, Ohio 45601.

# **Basic Financial Statements**

**Chillicothe City School District**  
**Statement of Net Assets**  
**as of June 30, 2003**

	<b>Governmental Activities</b>
<b>ASSETS:</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$2,733,303
Cash and Cash Equivalents with Fiscal Agents	7,625
Materials and Supplies Inventory	151,077
Accrued Interest Receivable	5,009
Accounts Receivable	61,895
Intergovernmental Receivable	849,849
Prepaid Items	3,913
Taxes Receivable	12,095,261
Noncurrent Assets:	
Restricted Assets:	
Equity in Pooled Cash and Cash Equivalents	293,071
Non-Depreciable Capital Assets	1,407,219
Depreciable Capital Assets, net	7,880,221
<i>Total Assets</i>	<b>\$25,488,443</b>
 <b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	\$75,568
Accrued Wages and Benefits	2,235,925
Intergovernmental Payable	676,806
Matured Bonds Payable	5,000
Matured Interest Payable	2,625
Accrued Interest Payable	6,528
Matured Compensated Absences Payable	32,754
Deferred Revenue	10,887,666
Claims Payable	330,514
Early Retirement Incentive Payable	47,297
Noncurrent Liabilities:	
Long-Term Liabilities:	
Due Within One Year	242,580
Due in More Than One Year	2,821,446
<i>Total Liabilities</i>	<b>17,364,709</b>
 <b>NET ASSETS:</b>	
Invested in Capital Assets, Net of Related Debt	7,515,912
Restricted for Debt Service	1
Restricted for Capital Projects	643,402
Restricted for Other Purposes	879,807
Restricted for Permanent Fund:	
Non-Expendable	450,000
Expendable	13,705
Unrestricted	(1,379,093)
<i>Total Net Assets</i>	<b>\$8,123,734</b>

The notes to the financial statements are an integral part of this statement.

**Chillicothe City School District**  
**Statement of Activities**  
For the Fiscal Year Ended June 30, 2003

	Program Revenues			Total
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
Governmental Activities:				
Instruction:				
Regular	\$12,163,589	\$713,198	\$1,706,400	(\$9,743,991)
Special	3,256,889	112,294	1,482,159	(1,662,436)
Vocational	9,408			(9,408)
Adult/Continuing	3,872			(3,872)
Other	169,954	5,973		(163,981)
Support Services:				
Pupils	1,576,558	66,456	461,774	(1,048,328)
Instructional Staff	1,966,112	138,434	560,757	(1,266,921)
Board of Education	31,750	1,195		(30,555)
Administration	2,503,066	134,873	198,362	(2,169,831)
Fiscal	542,084	29,865	13,519	(498,700)
Business	129,933	7,168		(122,765)
Operation and Maintenance of Plant	2,510,074	148,235	1,439	500,000
Pupil Transportation	955,208	58,536	354,092	(542,580)
Central	143,477	7,385	12,693	(123,399)
Operation of Non-Instructional Services	1,733,371	660,295	788,660	(284,416)
Extracurricular Activities	579,848	111,343	6,096	(462,409)
Interest and Fiscal Charges	101,528			(101,528)
<i>Total Governmental Activities</i>	<u>28,376,721</u>	<u>2,195,250</u>	<u>5,585,951</u>	<u>500,000</u>

<b>General Revenues:</b>	
Property Taxes Levied for:	
General Purposes	11,974,340
Grants and Entitlements not Restricted to Specific Programs	6,733,797
Investment Earnings	116,855
Miscellaneous	188,866
<i>Total General Revenues</i>	<u>19,013,858</u>
Change in Net Assets	(1,081,662)
<i>Net Assets Beginning of Year - (See Note 3)</i>	9,205,396
<i>Net Assets End of Year</i>	<u><u>\$8,123,734</u></u>

The notes to the financial statements are an integral part of this statement.

**Chillicothe City School District**  
**Balance Sheet**  
**Governmental Funds**  
**as of June 30, 2003**

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS:</b>			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$787,427	\$1,945,876	\$2,733,303
Cash and Cash Equivalents with Fiscal Agents	0	7,625	7,625
Materials and Supplies Inventory	108,914	42,163	151,077
Accrued Interest Receivable	4,270	739	5,009
Accounts Receivable	17,696	44,195	61,891
Interfund Receivable	17,671	0	17,671
Intergovernmental Receivable	0	849,849	849,849
Prepaid Items	3,913	0	3,913
Taxes Receivable	12,095,261	0	12,095,261
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	293,071	0	293,071
<i>Total Assets</i>	<u>\$13,328,223</u>	<u>\$2,890,447</u>	<u>\$16,218,670</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable	\$39,212	\$36,356	\$75,568
Accrued Wages and Benefits	1,776,637	459,288	2,235,925
Interfund Payable	0	17,671	17,671
Intergovernmental Payable	322,952	74,638	397,590
Matured Bonds Payable	0	5,000	5,000
Matured Interest Payable	0	2,625	2,625
Matured Compensated Absences Payable	24,846	7,908	32,754
Deferred Revenue	11,181,749	833,088	12,014,837
Early Retirement Incentive Payable	47,297	0	47,297
Claims Payable	330,514	0	330,514
<i>Total Liabilities</i>	<u>13,723,207</u>	<u>1,436,574</u>	<u>15,159,781</u>
Equity:			
<b>FUND BALANCES:</b>			
Reserved:			
Reserved for Encumbrances	231,711	226,431	458,142
Reserved for Property Taxes	927,039	0	927,039
Reserved for Budget Stabilization	274,592	0	274,592
Reserved for Bus Purchases	18,479	0	18,479
Reserved for Library Purposes	0	450,000	450,000
Unreserved, Undesignated, Reported in:			
General Fund	(1,846,805)	0	(1,846,805)
Special Revenue Funds	0	121,534	121,534
Debt Service Funds	0	1	1
Capital Projects Funds	0	642,202	642,202
Permanent Funds	0	13,705	13,705
<i>Total Fund Balances</i>	<u>(394,984)</u>	<u>1,453,873</u>	<u>1,058,889</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$13,328,223</u>	<u>\$2,890,447</u>	<u>\$16,218,670</u>

The notes to the financial statements are an integral part of this statement.

**Chillicothe City School District**  
**Reconciliation of Total Governmental Fund Balances to**  
*Net Assets of Governmental Activities*  
**June 30, 2003**

**Total Governmental Fund Balances** \$ 1,058,889

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 9,287,440

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Taxes	294,083	
Intergovernmental	833,092	
	833,092	

Total		1,127,175
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Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds (279,216)

Long-Term Liabilities, including bonds, capital lease obligations, long-term portion of compensated absences are not due and payable in the current period and therefore are not reported in the funds.

Accrued Interest Payable	(6,528)	
Compensated Absences	(1,299,026)	
Energy Conservation Notes	(1,765,000)	
	(3,070,554)	

Total		(3,070,554)
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**Net Assets of Governmental Activities** **\$ 8,123,734**

The notes to the financial statements are an integral part of this statement.

**Chillicothe City School District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2003**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>			
Property and Other Local Taxes	\$11,822,240	\$0	\$11,822,240
Intergovernmental	7,499,603	4,517,284	12,016,887
Interest	104,387	12,468	116,855
Tuition and Fees	1,145,171	210,063	1,355,234
Rent	7,839	0	7,839
Extracurricular Activities	0	106,853	106,853
Gifts and Donations	87	45,722	45,809
Customer Sales and Services	47,830	672,669	720,499
Miscellaneous	134,777	34,460	169,237
<i>Total Revenues</i>	<u>20,761,934</u>	<u>5,599,519</u>	<u>26,361,453</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	9,893,481	1,893,677	11,787,158
Special	2,130,767	1,135,348	3,266,115
Vocational	6,038	0	6,038
Other	106,646	0	106,646
<b>Support Services:</b>			
Pupils	1,118,835	463,029	1,581,864
Instructional Staff	1,165,270	742,139	1,907,409
Board of Education	25,561	0	25,561
Administration	2,165,525	218,106	2,383,631
Fiscal	658,211	4,083	662,294
Business	119,904	5,098	125,002
Operation and Maintenance of Plant	2,472,236	5,226	2,477,462
Pupil Transportation	1,068,610	1,142	1,069,752
Central	107,986	16,107	124,093
Operation of Non-Instructional Services	62,149	1,466,062	1,528,211
Extracurricular Activities	448,845	122,595	571,440
Capital Outlay		9,002	9,002
<b>Debt Service:</b>			
Principal	135,000	0	135,000
Interest	95,000	0	95,000
<i>Total Expenditures</i>	<u>21,780,064</u>	<u>6,081,614</u>	<u>27,861,678</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,018,130)</u>	<u>(482,095)</u>	<u>(1,500,225)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Proceeds from Sale of Fixed Assets	0	164	164
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>164</u>	<u>164</u>
<i>Net Change in Fund Balances</i>	(1,018,130)	(481,931)	(1,500,061)
<i>Fund Balance (Deficit) at Beginning of Year</i>	623,146	1,935,804	2,558,950
<i>Fund Balance (Deficit) at End of Year</i>	<u>(\$394,984)</u>	<u>\$1,453,873</u>	<u>\$1,058,889</u>

The notes to the financial statements are an integral part of this statement.

**Chillicothe City School District**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2003**

**Net Change in Fund Balances - Total Governmental Funds** \$ (1,500,061)

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

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

Capital Asset Additions	368,167	
Current Year Depreciation	(1,023,713)	
<b>Total</b>	<b>(655,546)</b>	(655,546)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of fixed assets.

Proceeds from Sale of Capital Assets	(164)	
Loss on Disposal of Capital Assets	(229,201)	
<b>Total</b>	<b>(229,365)</b>	(229,365)

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

Taxes	152,100	
Intergovernmental	757,054	
Customer Sales and Services	11,910	
Tuition and Fees	12,380	
<b>Total</b>	<b>933,444</b>	933,444

Repayment of bond principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities.

135,000

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

Decrease in Compensated Absences	239,914	
Increase in Interest Payable	(6,528)	
Decrease in Intergovernmental Payable	1,480	
<b>Total</b>	<b>234,866</b>	234,866

**Net Change in Net Assets of Governmental Activities** \$ (1,081,662)

The notes to the financial statements are an integral part of this statement.



**Chillicothe City School District**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
<b>General Fund</b>				
Total Revenues and Other Sources	\$20,992,381	\$20,788,227	\$20,418,465	(\$369,762)
Total Expenditures and Other Uses	<u>22,896,543</u>	<u>22,417,793</u>	<u>21,703,528</u>	<u>714,265</u>
Net Change in Fund Balance	(1,904,162)	(1,629,566)	(1,285,063)	344,503
Fund Balance, July 1	1,413,859	1,413,859	1,413,859	0
Prior Year Encumbrances Appropriated	<u>490,303</u>	<u>490,303</u>	<u>490,303</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$274,596</u></u>	<u><u>\$619,099</u></u>	<u><u>\$344,503</u></u>

The notes to the financial statements are an integral part of this statement.

**Chillicothe City School District**  
**Statement of Fiduciary Net Assets**  
*Agency Fund*  
*as of June 30, 2003*

	<b>Agency</b>
<b>ASSETS:</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$75,733
<i>Total Assets</i>	75,733
<b>LIABILITIES:</b>	
Current Liabilities:	
Undistributed Monies	12,380
Due to Students	63,353
<i>Total Liabilities</i>	\$75,733

The notes to the financial statements are an integral part of this statement.

*CHILlicothe CITY SCHOOL DISTRICT*  
*Notes to the Basic Financial Statements*  
*For the Fiscal year Ended June 30, 2003*

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**NOTE 1-DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

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

The School District was established in 1849 through the consideration of existing land areas and school districts. The School District serves an area of approximately 22 square miles. It is located in Ross County, and includes all of the Village of Massieville, the City of Chillicothe and a portion of Scioto Township. It is staffed by 153 non-certified employees, 243 certificated full-time teaching personnel and 17 administrative employees who provide services to 3,569 students and other community members. The School District currently operates nine instructional buildings, one administrative building, one maintenance building and one bus garage.

*Reporting Entity:*

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

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

The following entities which perform activities within the School District’s boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District.

- Parent Teacher Organizations
- Ross-Pike Educational Service District
- City of Chillicothe

The following activities are included within the reporting entity:

*Bishop Flaget Parochial School*-Within the School District boundaries, the Bishop Flaget Parochial School, a school that provides classes for kindergarten through eighth grade, is operated through the Columbus Catholic Diocese. Current State legislation provides funding to this parochial school. Monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. The activity of these State monies is reflected in a special revenue fund for financial reporting purposes.

*CHILLICOTHE CITY SCHOOL DISTRICT*

*Notes to the Basic Financial Statements*

*For the Fiscal year Ended June 30, 2003*

**NOTE 1-DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY** (Continued)

The School District is associated with four organizations, three of which are defined as jointly governed organizations, and one as an insurance purchasing pool. These organizations are the South Central Ohio Computer Association, Pickaway-Ross Career and Technology Center, Great Seal Education Network of Tomorrow, and the Ohio School Boards Association Worker's Compensation Group Rating Plan. These organizations are presented in Notes 16 and 17 to the basic financial statements.

**NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to accounting policies generally accepted in the United States of America (GAAP) as applied to governmental units prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

**A. Basis of Presentation-Fund Accounting**

*Fund Accounting*

The School District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific School District's functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

*Governmental Funds*

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose 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 is the School District's major governmental fund:

General Fund

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

The other governmental funds of the School District account for grants and other resources, debt service, and capital projects, whose use is restricted to a particular purpose.

*Fiduciary Funds*

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. The School District's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

*CHILLICOTHE CITY SCHOOL DISTRICT*  
*Notes to the Basic Financial Statements*  
*For the Fiscal year Ended June 30, 2003*

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

*Basis of Presentation*

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

*Government-wide Financial Statements*

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

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

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

*Measurement Focus*

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets.

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

*CHILLICOTHE CITY SCHOOL DISTRICT*  
*Notes to the Basic Financial Statements*  
*For the Fiscal year Ended June 30, 2003*

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

*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. The fund financial statements are prepared using either the modified accrual basis of accounting for governmental funds or the accrual basis of accounting for fiduciary funds. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

*Revenues – Exchange and 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. "Measurable" means the amount of the transaction can be determined, and "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 School District, available means expected to be received within 60 days of year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditures requirements, in which the resources are provided to the School 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 year-end: property taxes available as an advance, investment earnings, tuition, grants, and fees.

*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, except for (1) principal and interest on general long-term debt and capital lease obligations, which is recorded when due and (2) the costs of accumulated unpaid vacation, personal leave and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

*CHILLICOTHE CITY SCHOOL DISTRICT*  
*Notes to the Basic Financial Statements*  
*For the Fiscal year Ended June 30, 2003*

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

*Tax Budget:*

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

By no later than January 20, the Board-adopted budget is filled with the Ross County Budget Commission for rate determination.

*Estimated Resources:*

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

*Appropriations:*

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, 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 the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, supplemental appropriations were legally enacted; however, none of these amendments were significant.

Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

*CHILLICOTHE CITY SCHOOL DISTRICT*  
*Notes to the Basic Financial Statements*  
*For the Fiscal year Ended June 30, 2003*

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

*Encumbrances:*

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

*Lapsing of Appropriations:*

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

**D. Cash and Cash Equivalents**

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. The School District utilized a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the financial statements as "Cash and Cash Equivalents with Fiscal Agents".

During fiscal year 2003, investments were limited to STAROhio, U.S. Government Securities, and certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2003. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2003.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2003 amounted to \$104,387. The Special Revenue Funds and the Permanent Fund earned interest revenue of \$1,868 and \$10,600, respectively.

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 School District are considered to be cash equivalents.



*CHILLICOTHE CITY SCHOOL DISTRICT*  
*Notes to the Basic Financial Statements*  
*For the Fiscal year Ended June 30, 2003*

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

**E. Inventory**

Inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. Inventory in governmental funds consist of expendable supplies held for consumption and food held for resale. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed.

**F. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid item is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

**G. Capital Assets and Depreciation**

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$500. The School 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.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10-25 years
Building and Improvements	10-50 years
Furniture and Equipment	5-20 years
Vehicles	7-15 years

**H. Interfund Assets/Liabilities**

Short-term interfund loans are classified as "interfund receivables" and "interfund payables". These amounts are eliminated in the governmental activities column of the statement of net assets.

*CHILLICOTHE CITY SCHOOL DISTRICT*  
*Notes to the Basic Financial Statements*  
*For the Fiscal year Ended June 30, 2003*

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

**I. Compensated Absences**

Vacation and personal leave benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate its employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

**J. Accrued Liabilities and Long-Term Obligations**

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

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

**K. Interfund Transactions**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one 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. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

**L. Restricted Assets**

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues restricted for the purchase of buses, and amounts set-aside by the School District for the creation of a reserve for budget stabilization. A corresponding fund balance reserve has also been established for each of these amounts. See Note 18 for additional information regarding set-asides.

*CHILLICOTHE CITY SCHOOL DISTRICT*  
*Notes to the Basic Financial Statements*  
*For the Fiscal year Ended June 30, 2003*

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

**M. Net Assets**

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

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

**N. Fund Balance Reserves**

The School 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, school bus purchases, budget stabilization, library purposes, and property taxes.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money set-aside in accordance with State statute to protect against cyclical changes in revenues and expenditures. A reserve for budget stabilization is no longer required by State Statute and any balance remaining in the previously required budget reserve can be used with certain restrictions, at the discretion of the Board of Education.

**O. Estimates**

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

**NOTE 3-CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE**

For the fiscal year 2003, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No.34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus", GASB Statement No.38, "Certain Financial Statement Note Disclosures", and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Government Fund Financial Statements." GASB Statement No. 34 creates new basic financial statements for reporting on the School District's financial activities. The financial statements now include government-wide financial statements prepared on accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The implement of these Statements requires certain adjustments be recorded to the June 30, 2003, fund balances of major and nonmajor funds of the School District as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

*CHILLICOTHE CITY SCHOOL DISTRICT*  
*Notes to the Basic Financial Statements*  
*For the Fiscal year Ended June 30, 2003*

**NOTE 3-CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE** (Continued)

	General	Non-Major	Total
Fund Balances, June 30, 2002	\$524,083	\$1,966,582	\$2,490,665
Restatement Amount	99,063	(30,778)	68,285
Restated Fund Balances, July 1, 2002	\$623,146	\$1,935,804	\$2,558,950
Adjustments necessary to comply with GASB 34			6,646,446
Governmental Activities Net Assets June 30, 2002			\$9,205,396

**NOTE 4-ACCOUNTABILITY**

At June 30, 2003, the General Fund, Uniform Schools, Disadvantaged Pupil Impact Act, Title I, Title VI, Drug Free, Title VI-R Special Revenue Funds had deficit fund balances of \$394,984, \$9,246, \$179,231, \$102,652, \$935, \$4,415, and \$10,725 respectively, which were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

At June 30, 2003, the following fund had a cash basis deficit fund balance: Title VI in the amount of \$2,673.

*CHILLICOTHE CITY SCHOOL DISTRICT  
Notes to the Basic Financial Statements  
For the Fiscal year Ended June 30, 2003*

**NOTE 5-BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – (Non-GAAP Budgetary Basis) 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 GAAP basis are that:

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

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis for the general fund.

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	(\$1,018,130)
Revenue Accruals	(343,469)
Expenditure Accruals	347,109
Encumbrances	<u>(270,573)</u>
Budget Basis	<u>(\$1,285,063)</u>

**NOTE 6-DEPOSITS AND INVESTMENTS**

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

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

Inactive deposits are public deposits that the Board 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 in 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 time certificates of deposit maturing not more than one year from the date of deposit, or by savings accounts, including passbook accounts.

*CHILLICOTHE CITY SCHOOL DISTRICT*  
*Notes to the Basic Financial Statements*  
*For the Fiscal year Ended June 30, 2003*

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**NOTE 6-DEPOSITS AND INVESTMENTS** (Continued)

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States.
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond 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) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

*CHILLICOTHE CITY SCHOOL DISTRICT  
Notes to the Basic Financial Statements  
For the Fiscal year Ended June 30, 2003*

**NOTE 6-DEPOSITS AND INVESTMENTS** (Continued)

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."*

Deposits: At fiscal year end, the carrying amount of the School District's deposits was \$1,922,892 and the bank balance was \$2,002,117. Of the bank balance:

1. \$207,625 was covered by federal depository insurance; and
2. \$1,794,492 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

	<u>Category 2</u>	<u>Unclassified</u>	<u>Fair Value/ Carrying Value</u>
STAR Ohio	\$0	\$511,476	\$511,476
U.S. Government Securities	<u>599,631</u>	<u>0</u>	<u>599,631</u>
Totals	<u>\$ 599,631</u>	<u>\$ 511,476</u>	<u>\$1,111,107</u>

The classification of cash and cash equivalents and investments on the combined 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."*

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

	<u>Cash and Cash Equivalents/ Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$3,033,999	\$0
Investments:		
STAR Ohio	(511,476)	511,476
U. S. Government Securities	<u>(599,631)</u>	<u>599,631</u>
<i>GASB Statement No. 3</i>	<u>\$1,922,892</u>	<u>\$1,111,107</u>

*CHILLICOTHE CITY SCHOOL DISTRICT  
Notes to the Basic Financial Statements  
For the Fiscal year Ended June 30, 2003*

**NOTE 7-PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School 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 located in the School District. Property tax revenue received during the calendar 2003 for real and public utility property taxes represents collections of calendar 2002 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) are for calendar 2002 taxes.

2003 real property taxes are levied after April 1, 2003, on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

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

2003 tangible personal property taxes are levied after April 1, 2002, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are twenty-five percent of true value.

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, 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.

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

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

	<u>2002 Second-Half Collections</u>		<u>2003 First-Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and other Real Estate	\$322,526,210	66.57%	\$324,741,110	67.86%
Public Utility	26,393,230	5.45%	28,059,280	5.86%
Tangible Personal Property	<u>135,568,200</u>	<u>27.98%</u>	<u>125,725,980</u>	<u>26.28%</u>
Total Assessed Value	<u>\$ 484,487,640</u>	<u>100.00%</u>	<u>\$478,526,370</u>	<u>100.00%</u>
Tax Rate per \$1,000 of Assessed valuation		\$37.70		\$37.70

The School District receives property taxes from Ross County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.



*CHILLICOTHE CITY SCHOOL DISTRICT*  
*Notes to the Basic Financial Statements*  
*For the Fiscal year Ended June 30, 2003*

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**NOTE 7-PROPERTY TAXES** (Continued)

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2003. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2003, was \$927,039 in the General Fund.

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.

**NOTE 8-RECEIVABLES**

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

A summary of the principal items of intergovernmental receivables is as follows:

<i>Special Revenue Funds:</i>	
Title VI-B Grant	\$ 2,533
Title I Grant	316,344
Title VI-Innovation Grant	5,352
Federal Emergency Repair	450,000
Drug Free Schools Grant	5,907
Title VI-R Class Size Grant	<u>69,713</u>
<i>Total Special Revenue Funds:</i>	<u>\$849,849</u>
Total Intergovernmental Receivables	<u>\$849,849</u>

*CHILLICOTHE CITY SCHOOL DISTRICT*  
*Notes to the Basic Financial Statements*  
*For the Fiscal year Ended June 30, 2003*

**NOTE 9-CAPITAL ASSETS**

Capital assets activity of the fiscal year ended June 30, 2003, was as follows:

	Ending Balance 6/30/02	Additions	Deletions	Ending Balance 6/30/03
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$1,407,219	\$0	\$0	\$1,407,219
Total Capital Assets, Not Being Depreciated	1,407,219	0	0	1,407,219
Capital Assets Being Depreciated				
Building & Improvements	15,971,776	8,408	(811,716)	15,168,468
Furniture and Equipment	5,627,186	244,219	(7,970)	5,863,435
Vehicles	968,484	115,540	0	1,084,024
Total Capital Assets, Being Depreciated	22,567,446	368,167	(819,686)	22,115,927
Less Accumulated Depreciation:				
Buildings and Improvements	(10,153,466)	(533,002)	0	(10,686,468)
Furniture and Equipment	(2,836,173)	(455,037)	590,486	(2,700,724)
Vehicles	(812,840)	(35,674)	0	(848,514)
Total Accumulated Depreciation	(13,802,479)	(1,023,713)	590,486	(14,235,706)
Total Capital Assets Being Depreciated, Net	8,764,967	(655,546)	(229,200)	7,880,221
Governmental Activities Capital Assets, Net	\$10,172,186	\$(655,546)	\$(229,200)	\$9,287,440

\*Depreciation expense was charged to the governmental functions as follows:

Instruction:	
Regular	\$223,772
Special	38,178
Vocational	1,089
Other	28,188
Support Services:	
Pupil	6,367
Instructional Staff	34,606
Administration	13,669
Business & Fiscal	17,777
Operation & Maintenance of Plant	351,662
Pupil Transportation	43,735
Other	20,982
Non-Instructional Services	235,270
Extracurricular Activities	8,418
Total Depreciation Expense	\$1,023,713

*CHILLICOTHE CITY SCHOOL DISTRICT*  
*Notes to the Basic Financial Statements*  
*For the Fiscal year Ended June 30, 2003*

**NOTE 10-RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2003, the School District contracted with Nationwide Agribusiness Insurance for liability, property, fleet, inland marine, and boiler and machinery insurance. Coverages provided are as follows:

<i>Liability Insurance:</i>	
Education Umbrella Policy (Fleet and Liability)	
Aggregate Limit	\$2,000,000
Each Occurrence Limit	2,000,000
Education Liability (Employee):	
General Aggregate Limit	5,000,000
Each Occurrence Limit	1,000,000
Employer Liability:	
Bodily Injury	1,000,000
Auto Liability:	
Per Accident Liability	2,000,000
<i>Property Insurance:</i>	
Building and Contents (\$250 Deductible)	65,670,600
Extension Endorsement, EDP (\$250 Deductible)	2,012,336
Inland Marine-Musical Instruments (\$250 Deductible)	191,000
The building and contents coverage is provided on a blanket, agreed value, special and replacement cost basis.	
<i>Boiler Insurance:</i>	
Equipment Breakdown Limit (Applies to All Locations)	
Property Damage-(\$500 Deductible)	14,862,100
<i>Fleet Insurance:</i>	
Combined Single Limit-Each Accident	2,000,000
Medical Payments-Per Person (Including Extended Medical)	5,000
Non-Ownership-Each Accident	2,000,000
Primary Non-Owned Liability-Each Accident	2,000,000
Uninsured and Underinsured Motorist	
Bodily Injury-Combined Single Limit-Each Accident	2,000,000
Property Damage-Each Accident (\$250 Deductible)	7,500
Inland Marine-Tractors/Mowers/Gator (\$100 Deductible)	110,623

Settled claims have not exceeded this commercial coverage in any of the past three years.

For fiscal year 2003, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium is applied to all school districts in the GRP. 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 the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

Medical/surgical and dental insurance is offered to employees through a self-insurance plan accounted for within the General Fund. Klais and Company, Inc., the School District's third party administrator, informs the School District of claim payments needed each week, who in turn pays the claims on the School District's behalf.

*CHILLICOTHE CITY SCHOOL DISTRICT  
Notes to the Basic Financial Statements  
For the Fiscal year Ended June 30, 2003*

**NOTE 10-RISK MANAGEMENT** (Continued)

An administrative charge is paid monthly to Klais and Company, Inc. The claims liability of \$330,514 reported in the General Fund at June 30, 2003 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", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the fiscal year follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2002	\$453,188	\$1,999,137	\$2,108,174	\$344,151
2003	344,151	2,746,356	2,759,993	330,514

**NOTE 11-DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The School 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 Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$269,493, \$218,273, and \$144,759, respectively; 53 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. \$125,805 represents the unpaid contribution for fiscal year 2003 and is recorded as a liability within the respective funds.

**B. State Teachers Retirement System**

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090.

*CHILLICOTHE CITY SCHOOL DISTRICT*  
*Notes to the Basic Financial Statements*  
*For the Fiscal year Ended June 30, 2003*

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**NOTE 11-DEFINED BENEFIT PENSION PLANS** (Continued)

New members have a choice of three retirement plans, a Defined Benefits (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 of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Of the School District's contribution, 13 percent was the portion used to fund pension obligations for 2003. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$1,701,123, \$1,137,974, and \$732,123, respectively; 84 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. \$266,611 represents the unpaid contribution for fiscal year 2003 and is recorded as a liability within the respective funds.

**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 System/State Teachers Retirement System. As of June 30, 2003, three members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**NOTE 12-POSTEMPLOYMENT BENEFITS**

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

*CHILLICOTHE CITY SCHOOL DISTRICT*  
*Notes to the Basic Financial Statements*  
*For the Fiscal year Ended June 30, 2003*

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**NOTE 12-POSTEMPLOYMENT BENEFITS** (Continued)

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS 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 percent of covered payroll. For fiscal year 2003, the STRS Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$125,702 for fiscal year 2003.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3,011 billion at June 30, 2002. For the year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000 and STRS had 105,300 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For fiscal year 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial serviced credit. For fiscal year 2003, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2003 fiscal year equaled \$403,490.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care at June 30, 2002, were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 million. SERS has approximately 50,000 participants currently receiving health care benefits.

**NOTE 13-EMPLOYEE BENEFITS**

**A. Compensated Absences**

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 275 days for administrators, 265 days for certified personnel, and 255 days for classified personnel. Upon retirement, payment is made for 28 percent of accrued, but unused sick leave credit to a maximum of 70 days for administrators, and 57.96 days for certificated employees. Payment to classified employees is 40 percent of accrued, but unused sick leave credit to a maximum of 68.8 days.

**B. Life and Accident Insurance**

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Ohio National Life Insurance Company.

*CHILLICOTHE CITY SCHOOL DISTRICT  
Notes to the Basic Financial Statements  
For the Fiscal year Ended June 30, 2003*

**NOTE 13-EMPLOYEE BENEFITS** (Continued)

**C. Deferred Compensation**

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency.

**D. Retirement Incentive**

The School District has a Retirement Incentive program. Participation is open to certified employees and administrators who have at least ten years of consecutive service with the Chillicothe City School District and have at least thirty years of service credit in one of the state Retirement Systems. The employee must submit a written notice of retirement by June 1, with the effective date of retirement no later than August 1. The incentive payment is a percentage of the employee’s final salary (excluding supplemental contracts) based on total service credit as follows:

<u>Years of Service</u>	<u>Percent of Final Salary</u>
30 years	40%
31 years	25%
32 years	20%
33 years	15%
34 years	10%
35 years	0%

Upon proof of retirement, an employee may choose to receive the retirement incentive payment within 120 days after the effective date of retirement, or may elect to receive this payment on January 15 of the following calendar year. Retirement incentive payments made are classified as liabilities in the fund financial statements only to the extent they are due payment during the current year. Any payments made are classified as “Retirement Incentive Payable” in the Statement of Net Assets.

**E. Attendance Bonus for Classified Employees**

Absences from work are counted from July 1 through June 30<sup>th</sup> each year. Classified employees may be eligible for an “Attendance Bonus” for not using days for sick, personal, or leave without pay. This is payable the following July of the fiscal year. For fiscal year 2003, no employees were eligible to take advantage of this benefit.

**NOTE 14-LONG-TERM OBLIGATIONS**

The changes in the School District’s long-term obligations during fiscal year 2003 were as follows:

	<u>Outstanding</u> <u>6/30/02</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding</u> <u>6/30/03</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<b><u>Governmental Long-Term Obligations</u></b>					
Energy Conservation Note – 5%	1,900,000	0	135,000	1,765,000	140,000
Compensated Absences	1,538,940	0	239,914	1,299,026	102,580
Total Governmental Long-Term Obligations	<u>\$3,438,940</u>	<u>\$ 0</u>	<u>\$374,914</u>	<u>\$3,064,026</u>	<u>\$242,580</u>

*CHILLICOTHE CITY SCHOOL DISTRICT  
Notes to the Basic Financial Statements  
For the Fiscal year Ended June 30, 2003*

**NOTE 14-LONG-TERM OBLIGATIONS** (Continued)

In fiscal year 1999, the School District issued \$2,390,000 in unvoted general obligation notes for the purpose of providing energy conservation measures for the School District, under the authority of Ohio Revised Code Sections 133.06(G) and 3313.372. The notes were issued for a 15-year period with a final maturity date of 2013. These notes will be retired from the General Fund.

Compensated absences payable will be paid from the funds in which the employees were paid.

The School District's overall legal debt margin was \$43,067,373, the energy conservation debt margin was \$2,541,737, and the unvoted debt margin was \$478,526 at June 30, 2003.

Principal and interest requirements to retire general obligation debt at June 30, 2003 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	140,000	88,250	228,250
2005	150,000	81,250	231,250
2006	155,000	73,750	228,750
2007	165,000	66,000	231,000
2008	170,000	57,750	227,750
2009-2013	<u>985,000</u>	<u>152,000</u>	<u>1,137,000</u>
Totals	<u>\$1,765,000</u>	<u>\$519,250</u>	<u>\$2,284,250</u>

**NOTE 15-INTERFUND ACTIVITY**

As of June 30, 2003, receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund Type/Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payables</u>
General Fund	\$17,671	\$0
<i>Special Revenue Funds:</i>		
Uniform School Supplies	<u>0</u>	<u>17,671</u>
<i>Total Special Revenue Funds</i>	<u>0</u>	<u>17,671</u>
Total All Funds	<u>\$17,671</u>	<u>\$17,671</u>

**NOTE 16-JOINTLY GOVERNED ORGANIZATIONS**

*South Central Ohio Computer Association*-The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross, Jackson, Vinton and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each of the participating counties, two school treasurers, and one representative from the fiscal agent. The School District paid SCOCA \$74,272 for services provided during the year. Financial information can be obtained from their fiscal agent, the Vern Riffe Career Technology Center, Tonya Cooper, who serves as Treasurer, at P. O. Box 577, 175 Beaver Creek Rd., Piketon, Ohio 45661.



*CHILlicothe City School District*

*Notes to the Basic Financial Statements*

*For the Fiscal year Ended June 30, 2003*

**NOTE 16-JOINTLY GOVERNED ORGANIZATIONS** (Continued)

*Pickaway-Ross Career and Technology Center*-The Pickaway-Ross Career and Technology Center a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of eleven representatives from the various elected City and County Boards within the Pickaway and Ross Counties. To obtain financial information write to the Pickaway-Ross County Joint Vocational School, Ben Van Horn, who serves as Treasurer, at 895 Crouse Chapel Road, Chillicothe, Ohio 45601.

*Great Seal Education Network of Tomorrow*-The Great Seal Education Network of Tomorrow is a regional council of governments (the "Council") consisting of twelve city, local, and joint vocational school districts, two educational service centers and the Ohio University-Chillicothe Campus for the purpose of promoting the use of advanced telecommunications and technology to provide enhanced educational opportunities to the communities of Ross and Pickaway Counties. The Council is operated under the direction of a Board of Directors consisting of one representative (the superintendent or another person appointed by the board of education) of each of the members, each of which possess its own budgeting and taxing authority. To obtain financial information, write to the Ohio University-Chillicothe Campus, who acts as fiscal agent, at 571 West Fifth Street, Chillicothe, Ohio 45601.

**NOTE 17-INSURANCE PURCHASING POOL**

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

**NOTE 18-SET-ASIDE CALCULATIONS AND FUND RESERVES**

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The School District is no longer required to set-aside money for budget stabilization and any balance remaining in the previously required budget reserve can be used with certain restrictions at the discretion of the Board of Education.

The following cash basis information describes the change in the year-end set-aside amounts for textbooks and instructional materials, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

	Textbooks	Capital Acquisition	Budget Stabilization	Bus Purchase
Set Aside/Reserve Balance as of June 30, 2002	\$0	\$0	\$274,592	\$30,670
Current Year Set Aside/Reserve Requirement	494,885	494,885	0	18,479
Prior Year Carryover	(738,034)	(89,954)	0	0
Qualifying Disbursements	(515,953)	(630,021)	0	(30,670)
Set-Aside/Reserve Balance Carried Forward to FY04	(759,102)	(225,090)	274,592	18,479
Set-Aside/Reserve Balance at June 30, 2003	\$0	\$0	\$274,592	\$18,479

*CHILLICOTHE CITY SCHOOL DISTRICT  
Notes to the Basic Financial Statements  
For the Fiscal year Ended June 30, 2003*

**NOTE 19-CONTINGENCIES**

**Grants**

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

**NOTE 20-SCHOOL FUNDING COURT DECISION**

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

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

**NOTE 21-SUBSEQUENT EVENT**

On December 6, 2003, the Ohio Department of Education (the Department) presented a report to the school board that confirmed the Treasurer's projected deficit for Fiscal year 2004, to be approximately \$1.3 million. This was despite the closure of three schools and elimination of 45 positions at the end of fiscal year 2003. The Department placed the District in Fiscal Caution on December 10<sup>th</sup> and instructed the Board to prepare a plan to erase the projected deficit within 60 days.

On January 26, 2004 the District Board approved a budget deficit reduction plan that included the following:

Description	Amount of Savings
Updated State Aid Calculation (Higher enrollment resulting in additional aid)	\$ 252,718
Elimination of two positions, restructuring one position, and replacing a retiring teacher with a lower paid teacher.	69,648
Elimination of 5 winter and spring 2004 supplemental contracts	11,426
Reduction of Purchases for Supplies and Materials	100,000
Capital Outlay Reductions (No bus purchase)	60,000
Utilization of Budgetary Reserve	274,592
Sale of Central Elementary School	525,000
Reduction of General Fund Professional Development fees	11,050
Elimination of Spring Field Trips	6,812
Administrative Reassignments for remainder of FY 2004	47,500
Total	\$ 1,358,746

The revised five year forecast after consideration of the above budget cuts forecasts a general fund balance of \$168,605 as of June 30, 2004. In addition to the above plan, the District has placed a permanent improvement levy of two and one half mills and a bond issuance levy of four and forty-seven hundredths mills for each one dollar of valuation on the May 2004 ballot.

**COMBINING AND  
INDIVIDUAL FUND  
FINANCIAL  
STATEMENTS AND  
SCHEDULES**

**Chillicothe City School District  
Fund Descriptions**

**Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes. The following are descriptions of the School District's nonmajor special revenue funds:

*Nonmajor Special Revenue Funds*

*Food Service Fund*

A fund to account for all transactions related to the provision of food service operations for the School District.

*Uniform School Supplies*

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

*Rotary*

A fund to account for multi-district handicap programs.

*Public School Support*

A fund provided to account for specific local revenue sources, other than taxes or expendable trusts (i.e., profits from vending machines, sales of pictures, etc.), that are restricted to expenditures for specific purposes approved by the Board. Such expenditures may include curricular and extracurricular related purchases.

*Other Local Grants*

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

*Venture Capital*

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

*District Managed Student Activities*

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

*Auxiliary Services*

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

*Peer Assistance*

A fund used to account for monies which provide for the development of a comprehensive peer assistance program.

**Chillicothe City School District**  
**Fund Descriptions**

*Nonmajor Special Revenue Funds (Continued)*

*Education Management Information Systems*

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

*Truancy Prevention*

A fund to account for monies which provide for the development of truancy prevention programs.

*Public School Preschool*

A fund to assist school districts in paying the cost of preschool programs for three and four year olds.

*Disadvantaged Pupil Impact Aid*

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

*OneNet Network*

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

*School Net Training*

A fund to account for grant monies to be used for the provision of hardware, software, telecommunication services, and staff development to support educational uses of technology in the classroom.

*Ohio Reads*

A fund used to account for monies received from the State of Ohio for the purpose of implementing community involvement with students in the elementary grades to supplement and enhance the reading proficiency of students.

*Summer Intervention Regional Professional Development Grant*

A fund used to account for summer intervention services.

*Local Report Card Grant*

To account for monies provided as technical assistance to school districts that are declared to be in a state of academic watch or academic emergenc to develop their continuous improvement plansand support the statewide network of school improvement that demonstrates the capacity to invent or adapt school improvement models.

*Miscellaneous State Grants*

A fund used to account for various restricted monies received from State agencies which are not classified elsewhere.

*Dwight D. Eisenhower Grant*

Provision of funds for strengthening instruction in science, mathematics, modern foreign languages, English, the arts and computer learning. These funds are also used for staff development and the purchase of material and supplies.

**Chillicothe City School District  
Fund Descriptions**

*Nonmajor Special Revenue Funds (Continued)*

*Title VI-B Fund*

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

*Title I*

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

*Title VI*

A fund to account for federal funds which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

*Federal Emergency Repair*

A fund to account for federal funds used to support a roofing project.

*Drug-Free Schools Grant*

A fund to provide monies 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.

*Goals 2000*

To account for monies to support a broad range of education improvement goals.

*Title VI-R Class Size Reduction*

To help schools improve student achievement by adding additional teachers in grades 1-3.

*Miscellaneous Federal Grants*

A fund used to account for monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

**Chillicothe City School District  
Fund Descriptions**

*Nonmajor Debt Service Fund*

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

*Bond Retirement Fund*

To account for property taxes that had been collected for the payment of general obligation bonded debt.

*Nonmajor Capital Project Funds*

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

*Permanent Improvement*

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

*Disability Access Project*

A fund used to account for Federal money used to improve facilities to comply with the American Disabilities Act guidelines.

*SchoolNet*

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

*Interactive Video Distance Learning*

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

*Nonmajor Permanent Fund*

The Permanent Fund is used to account for resources that that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

*Alumni Library*

To account for monies which have been set aside to earn interest used by the Alumni Library.

**Chillicothe City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds (by fund type)*  
*June 30, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$839,507	\$1	\$643,402	\$462,966	\$1,945,876
Cash and Cash Equivalents with Fiscal Agents	0	7,625	0	0	7,625
Materials and Supplies Inventory	42,163	0	0	0	42,163
Accounts Receivable	44,195	0	0	0	44,195
Accrued Interest Receivable	0	0	0	739	739
Intergovernmental Receivable	849,849	0	0	0	849,849
<i>Total Assets</i>	<u>1,775,714</u>	<u>7,626</u>	<u>643,402</u>	<u>463,705</u>	<u>2,890,447</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities</b>					
Accounts Payable	36,356	0	0	0	36,356
Accrued Wages and Benefits	459,288	0	0	0	459,288
Interfund Payable	17,671	0	0	0	17,671
Intergovernmental Payable	74,638	0	0	0	74,638
Matured Compensated Absences Payable	7,908	0	0	0	7,908
Deferred Revenue	833,088	0	0	0	833,088
Matured Bonds Payable	0	5,000	0	0	5,000
Matured Interest Payable	0	2,625	0	0	2,625
<i>Total Liabilities</i>	<u>1,428,949</u>	<u>7,625</u>	<u>0</u>	<u>0</u>	<u>1,436,574</u>
<b>Fund Balances:</b>					
Reserved for Encumbrances	225,231	0	1,200	0	226,431
Reserved for Library Purposes	0	0	0	450,000	450,000
Undesignated - Reported in:					
Special Revenue	121,534	0	0	0	121,534
Debt Service	0	1	0	0	1
Capital Project	0	0	642,202	0	642,202
Permanent	0	0	0	13,705	13,705
<i>Total Fund Balances</i>	<u>346,765</u>	<u>1</u>	<u>643,402</u>	<u>463,705</u>	<u>1,453,873</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,775,714</u>	<u>\$7,626</u>	<u>\$643,402</u>	<u>\$463,705</u>	<u>\$2,890,447</u>



**Chillicothe City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Intergovernmental	\$4,462,647	\$0	\$54,637	\$0	\$4,517,284
Interest	1,868	0	0	10,600	12,468
Tuition and Fees	210,063	0	0	0	210,063
Extracurricular Activities	106,853	0	0	0	106,853
Gifts and Donations	45,722	0	0	0	45,722
Customer Sales and Services	672,669	0	0	0	672,669
Miscellaneous	34,460	0	0	0	34,460
<i>Total Revenues</i>	<u>5,534,282</u>	<u>0</u>	<u>54,637</u>	<u>10,600</u>	<u>5,599,519</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	1,840,260	0	53,417	0	1,893,677
Special	1,135,348	0	0	0	1,135,348
Support Services:					
Pupil	463,029	0	0	0	463,029
Instructional Staff	739,417	0	2,710	12	742,139
Administration	218,106	0	0	0	218,106
Business	0	0	5,098	0	5,098
Fiscal	4,083	0	0	0	4,083
Operation and Maintenance of Plant	5,226	0	0	0	5,226
Pupil Transportation	1,142	0	0	0	1,142
Central	16,107	0	0	0	16,107
Operation of Non-Instructional Services	1,466,062	0	0	0	1,466,062
Extracurricular Activities	122,595	0	0	0	122,595
Capital Outlay	8,414	0	588	0	9,002
<i>Total Expenditures</i>	<u>6,019,789</u>	<u>0</u>	<u>61,813</u>	<u>12</u>	<u>6,081,614</u>
Excess of Revenues Over/(Under) Expenditures	(485,507)	0	(7,176)	10,588	(482,095)
<b>Other Financing Sources:</b>					
Proceeds from Sale of Fixed Assets	164	0	0	0	164
<i>Total Other Financing Sources</i>	<u>164</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>164</u>
<i>Net Change in Fund Balances</i>	(485,343)	0	(7,176)	10,588	(481,931)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>832,108</u>	<u>1</u>	<u>650,578</u>	<u>453,117</u>	<u>1,935,804</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$346,765</u>	<u>\$1</u>	<u>\$643,402</u>	<u>\$463,705</u>	<u>\$1,453,873</u>

**Chillicothe City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2003*

	Food Service	Uniform School Supply	Rotary	Public School Support
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$183,109	\$7,966	\$296	\$109,602
Materials and Supplies Inventory	42,163	0	0	0
Accounts Receivable	232	12,316	0	31,647
Intergovernmental Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$225,504</u>	<u>\$20,282</u>	<u>\$296</u>	<u>\$141,249</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities</b>				
Accounts Payable	\$1,717	\$0	\$0	\$3,219
Accrued Wages and Benefits	73,694	0	0	3,794
Interfund Payable	0	17,671	0	0
Intergovernmental Payable	12,906	0	0	2,476
Matured Compensated Absences Payable	3,360	0	0	0
Deferred Revenue	219	11,857	0	23,696
<i>Total Liabilities</i>	<u>91,896</u>	<u>29,528</u>	<u>0</u>	<u>33,185</u>
<b>Fund Balances:</b>				
Reserved for Encumbrances	33,176	0	0	2,899
Unreserved, undesignated	100,432	(9,246)	296	105,165
<i>Total Fund Balances</i>	<u>133,608</u>	<u>(9,246)</u>	<u>296</u>	<u>108,064</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$225,504</u>	<u>\$20,282</u>	<u>\$296</u>	<u>\$141,249</u>

<u>Other Grants</u>	<u>District Managed Activities</u>	<u>Auxilliary Service</u>	<u>Education Management Services</u>	<u>Truancy Prevention</u>	<u>Public School Preschool</u>
\$42,311	\$27,304	\$153,854	\$42,287	\$751	\$30,395
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$42,311</u>	<u>\$27,304</u>	<u>\$153,854</u>	<u>\$42,287</u>	<u>\$751</u>	<u>\$30,395</u>
\$0	\$16	\$23,856	\$0	\$0	\$0
4,068	204	0	0	0	20,065
0	0	0	0	0	0
49	84	0	0	0	3,103
0	0	0	0	0	0
0	0	0	0	0	0
<u>4,117</u>	<u>304</u>	<u>23,856</u>	<u>0</u>	<u>0</u>	<u>23,168</u>
29	730	128,952	0	0	1,283
<u>38,165</u>	<u>26,270</u>	<u>1,046</u>	<u>42,287</u>	<u>751</u>	<u>5,944</u>
<u>38,194</u>	<u>27,000</u>	<u>129,998</u>	<u>42,287</u>	<u>751</u>	<u>7,227</u>
<u>\$42,311</u>	<u>\$27,304</u>	<u>\$153,854</u>	<u>\$42,287</u>	<u>\$751</u>	<u>\$30,395</u>

(Continued)

**Chillicothe City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2003*

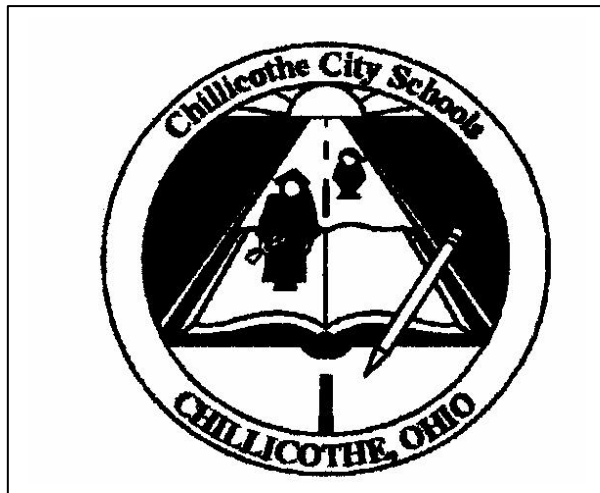
	Disadvantaged Pupil Impact Aid	OneNet Network	Schoolnet Training	Ohio Reads Volunteer School
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$27,840	\$2,723	\$12,105
Materials and Supplies Inventory	0	0	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	0
<i>Total Assets</i>	\$0	\$27,840	\$2,723	\$12,105
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$400	\$3,014
Accrued Wages and Benefits	156,342	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	22,889	0	0	0
Matured Compensated Absences Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	179,231	0	400	3,014
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	14,341	0	9,022
Unreserved, undesignated	(179,231)	13,499	2,323	69
<i>Total Fund Balances</i>	(179,231)	27,840	2,323	9,091
<i>Total Liabilities and Fund Balances</i>	\$0	\$27,840	\$2,723	\$12,105

<u>Summer Intervention Regional</u>	<u>Miscellaneous State Grant</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Federal Emergency Repair</u>
\$465	\$6,374	\$62,881	\$38,861	\$574	\$50,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	2,533	316,344	5,352	450,000
<u>\$465</u>	<u>\$6,374</u>	<u>\$65,414</u>	<u>\$355,205</u>	<u>\$5,926</u>	<u>\$500,000</u>
\$0	\$474	\$0	\$1,260	\$0	\$0
0	1,861	41,130	114,926	1,121	0
0	0	0	0	0	0
0	411	5,309	20,779	388	0
0	0	0	4,548	0	0
0	0	0	316,344	5,352	400,000
<u>0</u>	<u>2,746</u>	<u>46,439</u>	<u>457,857</u>	<u>6,861</u>	<u>400,000</u>
0	2,168	416	22,419	3,246	0
465	1,460	18,559	(125,071)	(4,181)	100,000
<u>465</u>	<u>3,628</u>	<u>18,975</u>	<u>(102,652)</u>	<u>(935)</u>	<u>100,000</u>
<u>\$465</u>	<u>\$6,374</u>	<u>\$65,414</u>	<u>\$355,205</u>	<u>\$5,926</u>	<u>\$500,000</u>

(Continued)

**Chillicothe City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2003*

	Drug Free School	Title VI-R	Miscellaneous Federal Grant	Total Nonmajor Special Revenue Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$54	\$28,163	\$11,592	\$839,507
Materials and Supplies Inventory	0	0	0	42,163
Accounts Receivable	0	0	0	44,195
Intergovernmental Receivable	5,907	69,713	0	849,849
<i>Total Assets</i>	<b>\$5,961</b>	<b>\$97,876</b>	<b>\$11,592</b>	<b>\$1,775,714</b>
 <b>Liabilities and Fund Balances:</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$2,175	\$225	\$36,356
Accrued Wages and Benefits	3,452	32,032	6,599	459,288
Interfund Payable	0	0	0	17,671
Intergovernmental Payable	1,017	4,681	546	74,638
Matured Compensated Absences Payable	0	0	0	7,908
Deferred Revenue	5,907	69,713	0	833,088
<i>Total Liabilities</i>	10,376	108,601	7,370	1,428,949
 <b>Fund Balances:</b>				
Reserved for Encumbrances	55	5,056	1,439	225,231
Unreserved, undesignated	(4,470)	(15,781)	2,783	121,534
<i>Total Fund Balances</i>	(4,415)	(10,725)	4,222	346,765
<i>Total Liabilities and Fund Balances</i>	<b>\$5,961</b>	<b>\$97,876</b>	<b>\$11,592</b>	<b>\$1,775,714</b>



**Chillicothe City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2003*

	Food Service	Uniform School Supplies	Rotary
<b>Revenues:</b>			
Intergovernmental	\$535,906	\$0	0
Interest	1,868	0	0
Tuition and Fees	13	52,422	0
Extracurricular Activities	0	0	0
Gifts and Donations	0	0	0
Customer Sales and Services	640,938	0	0
Miscellaneous	9,789	0	0
<i>Total Revenues</i>	<u>1,188,514</u>	<u>52,422</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	0	72,577	0
Special	0	0	0
Support Services:			
Pupil	0	0	0
Instructional Staff	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	1,276,729	0	0
Extracurricular Activities	0	0	0
Capital Outlay	0	0	0
<i>Total Expenditures</i>	<u>1,276,729</u>	<u>72,577</u>	<u>0</u>
Excess of Revenues Over/(Under) Expenditures	(88,215)	(20,155)	0
<b>Other Financing Sources:</b>			
Proceeds from Sale of Fixed Assets	0	0	0
<i>Total Other Financing Sources</i>	0	0	0
<i>Net Change in Fund Balances</i>	(88,215)	(20,155)	0
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>221,823</u>	<u>10,909</u>	<u>296</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$133,608</u></u>	<u><u>(\$9,246)</u></u>	<u><u>\$296</u></u>



<u>Public School Support</u>	<u>Other Grants</u>	<u>Venture Capital</u>	<u>District Managed Activities</u>	<u>Auxilliary Services</u>	<u>Peer Assistance</u>
\$45,333	\$59,110	\$0	\$0	\$213,722	\$0
0	0	0	0	0	0
156,263	0	0	1,365	0	0
23,591	0	0	83,262	0	0
39,293	502	0	5,927	0	0
31,731	0	0	0	0	0
7,960	0	0	16,572	0	0
<u>304,171</u>	<u>59,612</u>	<u>0</u>	<u>107,126</u>	<u>213,722</u>	<u>0</u>
150,767	31,706	0	0	0	0
0	8,215	0	0	0	0
6,152	0	0	0	0	0
107,982	33,942	21,210	0	0	3,220
8,190	0	0	0	0	0
0	0	0	0	0	0
5,226	0	0	0	0	0
0	0	0	0	0	0
270	5,603	0	0	0	0
27,414	0	0	0	156,549	0
714	0	0	121,881	0	0
414	8,000	0	0	0	0
<u>307,129</u>	<u>87,466</u>	<u>21,210</u>	<u>121,881</u>	<u>156,549</u>	<u>3,220</u>
(2,958)	(27,854)	(21,210)	(14,755)	57,173	(3,220)
0	0	0	164	0	0
0	0	0	164	0	0
(2,958)	(27,854)	(21,210)	(14,591)	57,173	(3,220)
<u>111,022</u>	<u>66,048</u>	<u>21,210</u>	<u>41,591</u>	<u>72,825</u>	<u>3,220</u>
<u>\$108,064</u>	<u>\$38,194</u>	<u>\$0</u>	<u>\$27,000</u>	<u>\$129,998</u>	<u>\$0</u>

(Continued)

**Chillicothe City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2003*

	Education Management Information	Truancy Prevention	Public School Preschool	Disadvantaged Pupil Impact Aid	OneNet Network
<b>Revenues:</b>					
Intergovernmental	\$13,519	\$1,231	\$240,130	\$1,171,057	\$31,500
Interest	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Gifts and Donations	0	0	0	0	0
Customer Sales and Services	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>13,519</u>	<u>1,231</u>	<u>240,130</u>	<u>1,171,057</u>	<u>31,500</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	0	0	114,342	1,061,800	0
Special	0	4,833	0	0	0
Support Services:					
Pupil	0	0	21,272	111,042	0
Instructional Staff	0	0	53,719	5,007	0
Administration	0	0	24,727	0	0
Fiscal	4,083	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	5,370
Extracurricular Activities	0	0	0	0	0
Capital Outlay	0	0	0	0	0
<i>Total Expenditures</i>	<u>4,083</u>	<u>4,833</u>	<u>214,060</u>	<u>1,177,849</u>	<u>5,370</u>
Excess of Revenues Over/(Under) Expenditures	9,436	(3,602)	26,070	(6,792)	26,130
<b>Other Financing Sources:</b>					
Proceeds from Sale of Fixed Assets	0	0	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	9,436	(3,602)	26,070	(6,792)	26,130
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>32,851</u>	<u>4,353</u>	<u>(18,843)</u>	<u>(172,439)</u>	<u>1,710</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$42,287</u></u>	<u><u>\$751</u></u>	<u><u>\$7,227</u></u>	<u><u>(\$179,231)</u></u>	<u><u>\$27,840</u></u>

<u>Schoolnet Training</u>	<u>Ohio Reads Volunteer School</u>	<u>Summer Intervention Regional</u>	<u>Local Report Card</u>
\$4,600	\$132,000	\$0	\$0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>4,600</u>	<u>132,000</u>	<u>0</u>	<u>0</u>
1,989	111,043	20	155
0	10,670	0	0
0	0	0	0
0	16,034	0	0
6,930	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>8,919</u>	<u>137,747</u>	<u>20</u>	<u>155</u>
(4,319)	(5,747)	(20)	(155)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(4,319)	(5,747)	(20)	(155)
<u>6,642</u>	<u>14,838</u>	<u>485</u>	<u>155</u>
<u>\$2,323</u>	<u>\$9,091</u>	<u>\$465</u>	<u>\$0</u>

(Continued)

**Chillicothe City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2003*

	Miscellaneous State Grants	Eisenhower Grant	Title VI-B	Title I
<b>Revenues:</b>				
Intergovernmental	\$70,195	\$388	\$438,504	\$997,102
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Customer Sales and Services	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>70,195</u>	<u>388</u>	<u>438,504</u>	<u>997,102</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	6,071	0	0	0
Special	0	0	148,165	944,912
Support Services:				
Pupil	0	0	251,063	7,524
Instructional Staff	77,083	8,665	5,435	275,932
Administration	0	0	28,928	149,331
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	1,142
Central	0	0	0	10,234
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>83,154</u>	<u>8,665</u>	<u>433,591</u>	<u>1,389,075</u>
Excess of Revenues Over/(Under) Expenditures	(12,959)	(8,277)	4,913	(391,973)
<b>Other Financing Sources:</b>				
Proceeds from Sale of Fixed Assets	0	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(12,959)	(8,277)	4,913	(391,973)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>16,587</u>	<u>8,277</u>	<u>14,062</u>	<u>289,321</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$3,628</u></u>	<u><u>\$0</u></u>	<u><u>\$18,975</u></u>	<u><u>(\$102,652)</u></u>

<u>Title VI</u>	<u>Federal Emergency Repair</u>	<u>Drug Free School</u>	<u>Goals 2000</u>	<u>Title VI-R</u>
\$25,100	\$100,000	\$24,752	\$0	\$230,078
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	139	0	0
<u>25,100</u>	<u>100,000</u>	<u>24,891</u>	<u>0</u>	<u>230,078</u>
0	0	0	0	216,470
0	0	0	0	0
29,246	0	36,730	0	0
456	0	0	26,425	71,984
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>29,702</u>	<u>0</u>	<u>36,730</u>	<u>26,425</u>	<u>288,454</u>
(4,602)	100,000	(11,839)	(26,425)	(58,376)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(4,602)	100,000	(11,839)	(26,425)	(58,376)
<u>3,667</u>	<u>0</u>	<u>7,424</u>	<u>26,425</u>	<u>47,651</u>
<u>(\$935)</u>	<u>\$100,000</u>	<u>(\$4,415)</u>	<u>\$0</u>	<u>(\$10,725)</u>

(Continued)

**Chillicothe City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2003*

	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>		
Intergovernmental	\$128,420	\$4,462,647
Interest	0	1,868
Tuition and Fees	0	210,063
Extracurricular Activities	0	106,853
Gifts and Donations	0	45,722
Customer Sales and Services	0	672,669
Miscellaneous	0	34,460
	<u>128,420</u>	<u>5,534,282</u>
<b>Expenditures:</b>		
Current:		
Instruction:		
Regular	73,320	1,840,260
Special	18,553	1,135,348
Support Services:		
Pupil	0	463,029
Instructional Staff	32,323	739,417
Administration	0	218,106
Fiscal	0	4,083
Operation and Maintenance of Plant	0	5,226
Pupil Transportation	0	1,142
Central	0	16,107
Operation of Non-Instructional Services	0	1,466,062
Extracurricular Activities	0	122,595
Capital Outlay	0	8,414
	<u>124,196</u>	<u>6,019,789</u>
Excess of Revenues Over/(Under) Expenditures	4,224	(485,507)
<b>Other Financing Sources:</b>		
Proceeds from Sale of Fixed Assets	0	164
	<u>0</u>	<u>164</u>
<b>Net Change in Fund Balances</b>	4,224	(485,343)
<b>Fund Balances (Deficit) at Beginning of Year</b>	<u>(2)</u>	<u>832,108</u>
<b>Fund Balances (Deficit) at End of Year</b>	<u>\$4,222</u>	<u>\$346,765</u>

**Chillicothe City School District**  
*Balance Sheet*  
*Nonmajor Debt Service Fund*  
*June 30, 2003*

	<u>Bond Retirement</u>
<b><i>Assets:</i></b>	
Equity in Pooled Cash and Cash Equivalents	\$1
Cash and Cash Equivalents with Fiscal Agents	<u>7,625</u>
<i>Total Assets</i>	<u><u>\$7,626</u></u>
<b><i>Liabilities and Fund Balance:</i></b>	
Matured Bonds Payable	\$5,000
Matured Interest Payable	<u>2,625</u>
<i>Total Liabilities</i>	<u>7,625</u>
<b><i>Fund Balance:</i></b>	
Unreserved, undesignated	<u>1</u>
<i>Total Fund Balance</i>	<u>1</u>
 <i>Total Liabilities and Fund Balance</i>	 <u><u>\$7,626</u></u>

**Chillicothe City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balance*  
*Nonmajor Debt Service Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Bond Retirement
<b><i>Revenues:</i></b>	
Property Taxes	\$0
Intergovernmental	0
<i>Total Revenues</i>	0
<b><i>Expenditures:</i></b>	
Current:	
Debt Service:	
Principal Retirement	0
Interest and Fiscal Charges	0
<i>Total Expenditures</i>	0
<i>Net Change in Fund Balance</i>	0
<i>Fund Balance at Beginning of Year</i>	1
<i>Fund Balance at End of Year</i>	\$1



**Chillicothe City School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Project Funds*  
*June 30, 2003*

	<u>Permanent Improvement</u>	<u>Schoolnet</u>	<u>Interactive Video Distance Learning</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$635,509</u>	<u>\$633</u>	<u>\$7,260</u>	<u>\$643,402</u>
<i>Total Assets</i>	<u><u>\$635,509</u></u>	<u><u>\$633</u></u>	<u><u>\$7,260</u></u>	<u><u>\$643,402</u></u>
 <b>Liabilities and Fund Balances:</b>				
<b>Fund Balances:</b>				
Reserved for Encumbrances	\$0	\$0	\$1,200	\$1,200
Unreserved, undesignated	<u>635,509</u>	<u>633</u>	<u>6,060</u>	<u>642,202</u>
<i>Total Fund Balances</i>	<u>635,509</u>	<u>633</u>	<u>7,260</u>	<u>643,402</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$635,509</u></u>	<u><u>\$633</u></u>	<u><u>\$7,260</u></u>	<u><u>\$643,402</u></u>

**Chillicothe City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Project Funds*  
*For the Fiscal Year Ended June 30, 2003*

	Permanent Improvement	Disability Access Project	Schoolnet	Interactive Video Distance Learning	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>					
Intergovernmental	\$0	\$588	\$54,049	\$0	\$54,637
<i>Total Revenues</i>	<u>0</u>	<u>588</u>	<u>54,049</u>	<u>0</u>	<u>54,637</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	0	0	53,417	0	53,417
Support Services:					
Instructional Staff	0	0	0	2,710	2,710
Business	0	0	0	5,098	5,098
Capital Outlay	0	588	0	0	588
<i>Total Expenditures</i>	<u>0</u>	<u>588</u>	<u>53,417</u>	<u>7,808</u>	<u>61,813</u>
<i>Net Change in Fund Balances</i>	0	0	632	(7,808)	(7,176)
<i>Fund Balances at Beginning of Year</i>	<u>635,509</u>	<u>0</u>	<u>1</u>	<u>15,068</u>	<u>650,578</u>
<i>Fund Balances at End of Year</i>	<u><u>\$635,509</u></u>	<u><u>\$0</u></u>	<u><u>\$633</u></u>	<u><u>\$7,260</u></u>	<u><u>\$643,402</u></u>

**Chillicothe City School District**  
*Balance Sheet*  
*Nonmajor Permanent Fund*  
*June 30, 2003*

	<u>Alumni Library</u>
<b><i>Assets:</i></b>	
Equity in Pooled Cash and Cash Equivalents	\$462,966
Accrued Interest Receivable	<u>739</u>
<i>Total Assets</i>	<u><u>\$463,705</u></u>
<b><i>Liabilities and Fund Balance:</i></b>	
<b><i>Fund Balance:</i></b>	
Reserved for Library Purposes	450,000
Undesignated - Reported in Permanent Fund	<u>13,705</u>
<i>Total Fund Balance</i>	<u><u>463,705</u></u>
 <i>Total Liabilities and Fund Balance</i>	 <u><u>\$463,705</u></u>

**Chillicothe City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balance*  
*Nonmajor Permanent Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Alumni Library</u>
<b><i>Revenues:</i></b>	
Interest	<u>\$10,600</u>
<i>Total Revenues</i>	<u>10,600</u>
<b><i>Expenditures:</i></b>	
Current:	
Support Services:	
Instructional Staff	<u>12</u>
<i>Total Expenditures</i>	<u>12</u>
<i>Net Change in Fund Balance</i>	10,588
<i>Fund Balance at Beginning of Year</i>	<u>453,117</u>
<i>Fund Balance at End of Year</i>	<u><u>\$463,705</u></u>

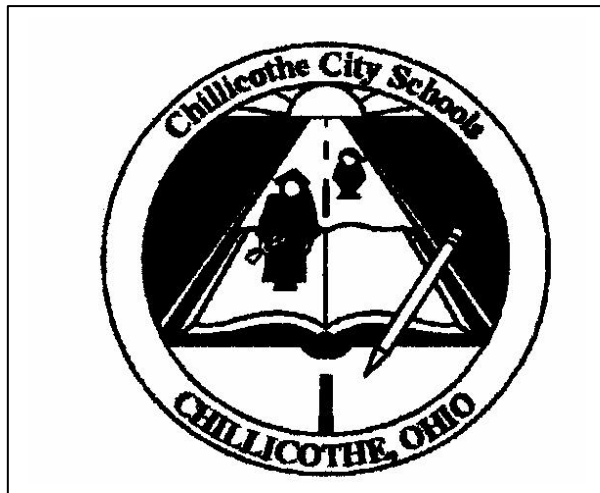
**Chillicothe City School District**

**Statement of Changes in  
Assets and Liabilities  
Agency Fund**

Year Ended June 30, 2003

	<u>Balance 07/01/02</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 06/30/03</u>
<b>DISTRICT AGENCY FUND</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$1,322</u>	<u>\$11,058</u>	<u>\$0</u>	<u>\$12,380</u>
Total Assets	<u>1,322</u>	<u>11,058</u>	<u>0</u>	<u>12,380</u>
<b>Liabilities</b>				
Undistributed Monies	<u>1,322</u>	<u>11,058</u>	<u>0</u>	<u>12,380</u>
Total Liabilities	<u>\$1,322</u>	<u>\$11,058</u>	<u>\$0</u>	<u>\$12,380</u>
<b>STUDENT MANAGED ACTIVITIES</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$73,626	\$10,273	\$20,546	\$63,353
Accounts Receivable	<u>953</u>	<u>0</u>	<u>953</u>	<u>0</u>
Total Assets	<u>\$74,579</u>	<u>\$10,273</u>	<u>\$21,499</u>	<u>\$63,353</u>
<b>Liabilities</b>				
Accounts Payable	1,924	0	1,924	0
Due to Students	<u>72,655</u>	<u>178,884</u>	<u>188,186</u>	<u>63,353</u>
Total Liabilities	<u>\$74,579</u>	<u>\$178,884</u>	<u>\$190,110</u>	<u>\$63,353</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$74,948	\$21,331	\$20,546	\$75,733
Accounts Receivable	<u>953</u>	<u>0</u>	<u>953</u>	<u>0</u>
Total Assets	<u>\$75,901</u>	<u>\$21,331</u>	<u>\$21,499</u>	<u>\$75,733</u>
<b>Liabilities</b>				
Accounts Payable	1,924	0	1,924	0
Undistributed Monies	1,322	11,058	0	12,380
Due to Students	<u>72,655</u>	<u>178,884</u>	<u>188,186</u>	<u>63,353</u>
Total Liabilities	<u>\$75,901</u>	<u>\$189,942</u>	<u>\$190,110</u>	<u>\$75,733</u>

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



**Chillicothe City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
<b>General Fund</b>				
Total Revenues and Other Sources	\$20,992,381	\$20,788,227	\$20,418,465	(\$369,762)
Total Expenditures and Other Uses	22,896,543	22,417,793	21,703,528	714,265
Net Change in Fund Balance	(1,904,162)	(1,629,566)	(1,285,063)	344,503
Fund Balance, July 1	1,413,859	1,413,859	1,413,859	0
Prior Year Encumbrances Appropriated	490,303	490,303	490,303	0
Fund Balance, June 30	\$0	\$274,596	\$619,099	\$344,503



**Chillicothe City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Food Service</b>				
Total Revenues and Other Sources	\$1,248,150	\$1,248,150	\$1,193,248	(\$54,902)
Total Expenditures and Other Uses	<u>1,497,075</u>	<u>1,497,075</u>	<u>1,293,959</u>	<u>203,116</u>
Net Change in Fund Balance	(248,925)	(248,925)	(100,711)	148,214
Fund Balance, July 1	244,539	244,539	244,539	0
Prior Year Encumbrances Appropriated	<u>4,386</u>	<u>4,386</u>	<u>4,386</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$148,214</u></u>	<u><u>\$148,214</u></u>
<b>Uniform School Supplies</b>				
Total Revenues and Other Sources	\$83,467	\$80,911	\$70,655	(\$10,256)
Total Expenditures and Other Uses	<u>93,308</u>	<u>90,752</u>	<u>72,528</u>	<u>18,224</u>
Net Change in Fund Balance	(9,841)	(9,841)	(1,873)	7,968
Fund Balance, July 1	4,144	4,144	4,144	0
Prior Year Encumbrances Appropriated	<u>5,697</u>	<u>5,697</u>	<u>5,697</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$7,968</u></u>	<u><u>\$7,968</u></u>
<b>Rotary Fund</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>298</u>	<u>298</u>	<u>0</u>	<u>298</u>
Net Change in Fund Balance	(298)	(298)	0	298
Fund Balance, July 1	<u>298</u>	<u>298</u>	<u>298</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$298</u></u>	<u><u>\$298</u></u>

(Continued)

**Chillicothe City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
<b>Public School Support</b>				
Total Revenues and Other Sources	\$283,571	\$359,663	\$305,304	(\$54,359)
Total Expenditures and Other Uses	391,991	468,084	309,786	158,298
Net Change in Fund Balance	(108,420)	(108,421)	(4,482)	103,939
Fund Balance, July 1	97,225	97,225	97,225	0
Prior Year Encumbrances Appropriated	11,196	11,196	11,196	0
Fund Balance, June 30	\$1	\$0	\$103,939	\$103,939
<b>Other Grants Fund</b>				
Total Revenues and Other Sources	\$11,439	\$89,505	\$72,873	(\$16,632)
Total Expenditures and Other Uses	68,403	146,469	87,561	58,908
Net Change in Fund Balance	(56,964)	(56,964)	(14,688)	42,276
Fund Balance, July 1	56,609	56,609	56,609	0
Prior Year Encumbrances Appropriated	355	355	355	0
Fund Balance, June 30	\$0	\$0	\$42,276	\$42,276
<b>Venture Capital</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	29,851	29,851	29,851	0
Net Change in Fund Balance	(29,851)	(29,851)	(29,851)	0
Fund Balance, July 1	11,982	11,982	11,982	0
Prior Year Encumbrances Appropriated	17,869	17,869	17,869	0
Fund Balance, June 30	\$0	\$0	\$0	\$0

**Chillicothe City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>District Managed Activities</b>				
Total Revenues and Other Sources	\$134,628	\$135,528	\$107,789	(\$27,739)
Total Expenditures and Other Uses	<u>176,003</u>	<u>176,903</u>	<u>122,604</u>	<u>54,299</u>
Net Change in Fund Balance	(41,375)	(41,375)	(14,815)	26,560
Fund Balance, July 1	25,681	25,681	25,681	0
Prior Year Encumbrances Appropriated	<u>15,694</u>	<u>15,694</u>	<u>15,694</u>	<u>0</u>
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$26,560</u>	<u>\$26,560</u>
<b>Auxiliary Service</b>				
Total Revenues and Other Sources	\$213,457	\$213,722	\$213,722	\$0
Total Expenditures and Other Uses	<u>286,279</u>	<u>286,544</u>	<u>285,502</u>	<u>1,042</u>
Net Change in Fund Balance	(72,822)	(72,822)	(71,780)	1,042
Fund Balance, July 1	69,380	69,380	69,380	0
Prior Year Encumbrances Appropriated	<u>3,442</u>	<u>3,442</u>	<u>3,442</u>	<u>0</u>
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$1,042</u>	<u>\$1,042</u>
<b>Peer Assistance</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>3,220</u>	<u>3,220</u>	<u>3,220</u>	<u>0</u>
Net Change in Fund Balance	(3,220)	(3,220)	(3,220)	0
Fund Balance, July 1	65	65	65	0
Prior Year Encumbrances Appropriated	<u>3,155</u>	<u>3,155</u>	<u>3,155</u>	<u>0</u>
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(Continued)

**Chillicothe City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>			Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Education Management Information</b>				
Total Revenues and Other Sources	\$12,000	\$12,000	\$13,519	\$1,519
Total Expenditures and Other Uses	<u>44,852</u>	<u>44,852</u>	<u>4,083</u>	<u>40,769</u>
Net Change in Fund Balance	(32,852)	(32,852)	9,436	42,288
Fund Balance, July 1	<u>32,852</u>	<u>32,852</u>	<u>32,852</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$42,288</u></u>	<u><u>\$42,288</u></u>
<b>Truancy Prevention</b>				
Total Revenues and Other Sources	\$6,000	\$10,800	\$5,584	(\$5,216)
Total Expenditures and Other Uses	<u>6,000</u>	<u>10,800</u>	<u>4,833</u>	<u>5,967</u>
Net Change in Fund Balance	0	0	751	751
Fund Balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$751</u></u>	<u><u>\$751</u></u>
<b>Public School Preschool</b>				
Total Revenues and Other Sources	\$242,719	\$240,130	\$240,130	\$0
Total Expenditures and Other Uses	<u>257,288</u>	<u>254,698</u>	<u>225,586</u>	<u>29,112</u>
Net Change in Fund Balance	(14,569)	(14,568)	14,544	29,112
Fund Balance, July 1	14,425	14,425	14,425	0
Prior Year Encumbrances Appropriated	<u>144</u>	<u>144</u>	<u>144</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$1</u></u>	<u><u>\$29,113</u></u>	<u><u>\$29,112</u></u>

**Chillicothe City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Disadvantaged Pupil Impact Aid</b>				
Total Revenues and Other Sources	\$1,294,863	\$1,294,863	\$1,171,060	(\$123,803)
Total Expenditures and Other Uses	<u>1,294,863</u>	<u>1,294,863</u>	<u>1,171,060</u>	<u>123,803</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
 <b>OneNet Network</b>				
Total Revenues and Other Sources	\$0	\$31,500	\$31,500	\$0
Total Expenditures and Other Uses	<u>14,170</u>	<u>45,670</u>	<u>32,171</u>	<u>13,499</u>
Net Change in Fund Balance	(14,170)	(14,170)	(671)	13,499
Fund Balance, July 1	12,460	12,460	12,460	0
Prior Year Encumbrances Appropriated	<u>1,710</u>	<u>1,710</u>	<u>1,710</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$13,499</u></u>	<u><u>\$13,499</u></u>
 <b>Schoolnet Training</b>				
Total Revenues and Other Sources	\$0	\$4,600	\$4,600	\$0
Total Expenditures and Other Uses	<u>6,642</u>	<u>11,242</u>	<u>8,919</u>	<u>2,323</u>
Net Change in Fund Balance	(6,642)	(6,642)	(4,319)	2,323
Fund Balance, July 1	<u>6,642</u>	<u>6,642</u>	<u>6,642</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$2,323</u></u>	<u><u>\$2,323</u></u>

(Continued)

**Chillicothe City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Ohio Reads Volunteer School</b>				
Total Revenues and Other Sources	\$15,000	\$132,000	\$132,000	\$0
Total Expenditures and Other Uses	<u>30,648</u>	<u>147,648</u>	<u>147,579</u>	<u>69</u>
Net Change in Fund Balance	(15,648)	(15,648)	(15,579)	69
Fund Balance, July 1	1	1	1	0
Prior Year Encumbrances Appropriated	<u>15,648</u>	<u>15,648</u>	<u>15,648</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$1</u></u>	<u><u>\$1</u></u>	<u><u>\$70</u></u>	<u><u>\$69</u></u>
<b>Summer Intervention Regional</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>485</u>	<u>485</u>	<u>20</u>	<u>465</u>
Net Change in Fund Balance	(485)	(485)	(20)	465
Fund Balance, July 1	<u>485</u>	<u>485</u>	<u>485</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$465</u></u>	<u><u>\$465</u></u>
<b>Local Report Card</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>155</u>	<u>155</u>	<u>155</u>	<u>0</u>
Net Change in Fund Balance	(155)	(155)	(155)	0
Fund Balance, July 1	<u>155</u>	<u>155</u>	<u>155</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Chillicothe City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Miscellaneous State Grant</b>				
Total Revenues and Other Sources	\$25,000	\$70,195	\$70,195	\$0
Total Expenditures and Other Uses	<u>44,186</u>	<u>89,381</u>	<u>85,649</u>	<u>3,732</u>
Net Change in Fund Balance	(19,186)	(19,186)	(15,454)	3,732
Fund Balance, July 1	4,825	4,825	4,825	0
Prior Year Encumbrances Appropriated	<u>14,361</u>	<u>14,361</u>	<u>14,361</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$3,732</u></u>	<u><u>\$3,732</u></u>
<b>Eisenhower Grant</b>				
Total Revenues and Other Sources	\$1,354	\$1,354	\$388	(\$966)
Total Expenditures and Other Uses	<u>9,655</u>	<u>9,655</u>	<u>8,689</u>	<u>966</u>
Net Change in Fund Balance	(8,301)	(8,301)	(8,301)	0
Fund Balance, July 1	8,278	8,278	8,278	0
Prior Year Encumbrances Appropriated	<u>23</u>	<u>23</u>	<u>23</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<b>Title VI-B</b>				
Total Revenues and Other Sources	\$424,459	\$475,899	\$438,366	(\$37,533)
Total Expenditures and Other Uses	<u>469,186</u>	<u>520,626</u>	<u>420,628</u>	<u>99,998</u>
Net Change in Fund Balance	(44,727)	(44,727)	17,738	62,465
Fund Balance, July 1	44,608	44,608	44,608	0
Prior Year Encumbrances Appropriated	<u>119</u>	<u>119</u>	<u>119</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$62,465</u></u>	<u><u>\$62,465</u></u>

(Continued)

**Chillicothe City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Title I</b>				
Total Revenues and Other Sources	\$1,694,013	\$1,851,658	\$1,308,871	(\$542,787)
Total Expenditures and Other Uses	<u>1,837,701</u>	<u>1,995,346</u>	<u>1,437,376</u>	<u>557,970</u>
Net Change in Fund Balance	(143,688)	(143,688)	(128,505)	15,183
Fund Balance, July 1	134,882	134,882	134,882	0
Prior Year Encumbrances Appropriated	<u>8,806</u>	<u>8,806</u>	<u>8,806</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$15,183</u></u>	<u><u>\$15,183</u></u>
<b>Title VI</b>				
Total Revenues and Other Sources	\$30,462	\$30,452	\$25,100	(\$5,352)
Total Expenditures and Other Uses	<u>36,757</u>	<u>36,747</u>	<u>34,068</u>	<u>2,679</u>
Net Change in Fund Balance	(6,295)	(6,295)	(8,968)	(2,673)
Fund Balance, July 1	4,054	4,054	4,054	0
Prior Year Encumbrances Appropriated	<u>2,241</u>	<u>2,241</u>	<u>2,241</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>(\$2,673)</u></u>	<u><u>(\$2,673)</u></u>
<b>Federal Emergency Repair</b>				
Total Revenues and Other Sources	\$0	\$64,608	\$50,000	(\$14,608)
Total Expenditures and Other Uses	<u>0</u>	<u>64,608</u>	<u>0</u>	<u>64,608</u>
Net Change in Fund Balance	0	0	50,000	50,000
Fund Balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$50,000</u></u>	<u><u>\$50,000</u></u>



**Chillicothe City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Drug Free School</b>				
Total Revenues and Other Sources	\$30,752	\$31,011	\$25,243	(\$5,768)
Total Expenditures and Other Uses	<u>43,111</u>	<u>43,370</u>	<u>37,599</u>	<u>5,771</u>
Net Change in Fund Balance	(12,359)	(12,359)	(12,356)	3
Fund Balance, July 1	<u>12,359</u>	<u>12,359</u>	<u>12,359</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$3</u></u>	<u><u>\$3</u></u>
<b>Goals 2000</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>27,058</u>	<u>27,058</u>	<u>27,058</u>	<u>0</u>
Net Change in Fund Balance	(27,058)	(27,058)	(27,058)	0
Fund Balance, July 1	<u>27,058</u>	<u>27,058</u>	<u>27,058</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<b>Title VI-R</b>				
Total Revenues and Other Sources	\$306,242	\$344,435	\$252,400	(\$92,035)
Total Expenditures and Other Uses	<u>356,767</u>	<u>394,960</u>	<u>281,993</u>	<u>112,967</u>
Net Change in Fund Balance	(50,525)	(50,525)	(29,593)	20,932
Fund Balance, July 1	<u>50,525</u>	<u>50,525</u>	<u>50,525</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$20,932</u></u>	<u><u>\$20,932</u></u>

(Continued)

**Chillicothe City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Miscellaneous Federal Grant</b>				
Total Revenues and Other Sources	\$123,769	\$148,084	\$128,420	(\$19,664)
Total Expenditures and Other Uses	<u>123,769</u>	<u>148,084</u>	<u>118,483</u>	<u>29,601</u>
Net Change in Fund Balance	0	0	9,937	9,937
Fund Balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$9,937</u></u>	<u><u>\$9,937</u></u>

**Chillicothe City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2003**

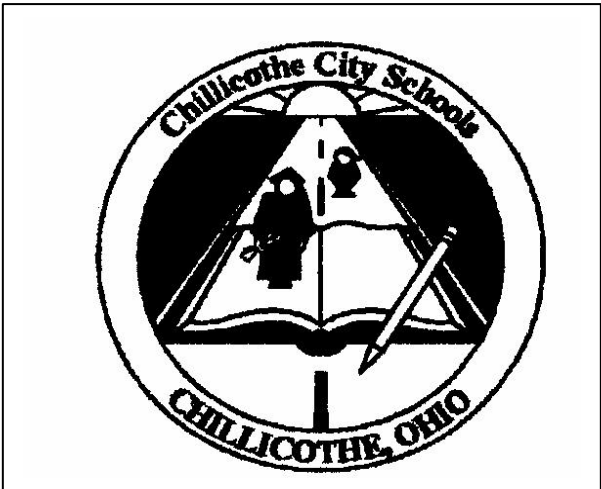
	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget: Positive (Negative)
<b>Permanent Improvement</b>				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>635,510</u>	<u>635,510</u>	<u>0</u>	<u>635,510</u>
Net Change in Fund Balance	(635,510)	(635,510)	0	635,510
Fund Balance, July 1	<u>635,510</u>	<u>635,510</u>	<u>635,510</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$635,510</u></u>	<u><u>\$635,510</u></u>
<b>Disability Access Project</b>				
Total Revenues and Other Sources	\$560	\$1,148	\$1,148	\$0
Total Expenditures and Other Uses	<u>0</u>	<u>588</u>	<u>588</u>	<u>0</u>
Net Change in Fund Balance	560	560	560	0
Fund Balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$560</u></u>	<u><u>\$560</u></u>	<u><u>\$560</u></u>	<u><u>\$0</u></u>
<b>Schoolnet</b>				
Total Revenues and Other Sources	\$54,049	\$54,049	\$54,049	\$0
Total Expenditures and Other Uses	<u>54,049</u>	<u>54,049</u>	<u>53,417</u>	<u>632</u>
Net Change in Fund Balance	0	0	632	632
Fund Balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$632</u></u>	<u><u>\$632</u></u>

(Continued)

**Chillicothe City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Interactive Video Distance Learning</b>				
Total Revenues and Other Sources	\$1,712	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>16,780</u>	<u>15,068</u>	<u>9,008</u>	<u>6,060</u>
Net Change in Fund Balance	(15,068)	(15,068)	(9,008)	6,060
Fund Balance, July 1	<u>15,068</u>	<u>15,068</u>	<u>15,068</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$6,060</u></u>	<u><u>\$6,060</u></u>
<b>Federal Emergency Repair Grant</b>				
Total Revenues and Other Sources	\$0	\$500,000	\$0	(\$500,000)
Total Expenditures and Other Uses	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>500,000</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<b>Alumni Library</b>				
Total Revenues and Other Sources	\$13,000	\$13,000	\$9,861	(\$3,139)
Total Expenditures and Other Uses	<u>16,117</u>	<u>16,117</u>	<u>12</u>	<u>16,105</u>
Net Change in Fund Balance	(3,117)	(3,117)	9,849	12,966
Fund Balance, July 1	<u>453,117</u>	<u>453,117</u>	<u>453,117</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$450,000</u></u>	<u><u>\$450,000</u></u>	<u><u>\$462,966</u></u>	<u><u>\$12,966</u></u>

**CHILlicothe CITY SCHOOL DISTRICT**



**STATISTICAL SECTION**

Table 1

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

	2003 (a)	2002 (a)	2001 (a)	2000 (a)	1999 (a)	1998 (a)	1997 (a)	1996 (a)	1995 (b)	1994 (b)
Instruction										
Regular	\$9,893,481	\$9,791,469	\$9,364,157	\$9,355,070	\$8,683,842	\$8,730,724	\$8,236,049	\$8,032,520	\$8,299,193	\$8,455,699
Special	2,130,767	1,876,206	1,635,156	1,651,951	1,528,399	1,363,107	1,203,637	1,157,711	1,091,560	1,032,703
Vocational	6,038	7,564	5,388	3,414	5,111	5,876	7,192	15,200	508,074	476,594
Adult/Continuing	0	0	0	97,517	0	2,868	2,078	2,057	2,045	2,135
Other Instruction	106,646	83,229	86,561	0	70,928	92,667	60,818	57,377	61,297	129,380
<b>Total Instruction</b>	<b>12,136,932</b>	<b>11,758,468</b>	<b>11,091,262</b>	<b>11,107,952</b>	<b>10,288,280</b>	<b>10,195,242</b>	<b>9,509,774</b>	<b>9,264,865</b>	<b>9,962,169</b>	<b>10,096,511</b>
Support Services										
Pupils	1,118,835	1,185,000	1,157,849	1,129,923	1,089,152	902,351	773,619	823,389	1,026,181	943,142
Instructional Staff	1,165,270	1,197,481	1,180,112	1,104,212	993,070	1,056,206	1,237,503	1,061,207	1,199,559	735,420
Board of Education	25,561	83,146	37,325	55,409	43,399	76,794	43,639	56,204	30,083	90,749
Administration	2,165,525	1,987,982	1,751,445	1,589,981	1,672,713	1,753,473	1,733,707	1,674,349	1,542,462	1,519,301
Fiscal	658,211	582,039	620,365	628,101	635,402	624,127	681,111	491,736	461,915	548,565
Business	119,904	102,420	107,821	95,117	178,512	178,025	189,069	170,978	178,503	181,344
Operation of Maintenance of Plant	2,472,236	2,338,691	2,292,309	2,192,161	2,151,676	2,092,128	2,210,763	2,091,286	2,111,448	2,165,274
Pupil Transportation	1,068,610	788,834	739,880	860,794	725,528	720,777	656,062	591,031	577,691	627,878
Central	107,986	87,296	77,047	64,509	12,215	14,693	49,997	47,827	49,785	406,988
<b>Total Support Services</b>	<b>8,902,138</b>	<b>8,352,889</b>	<b>7,964,153</b>	<b>7,720,207</b>	<b>7,501,667</b>	<b>7,418,574</b>	<b>7,575,470</b>	<b>7,008,007</b>	<b>7,177,627</b>	<b>7,218,661</b>
Operation of Non-Instructional Services	62,149	2,704	2,832	3,022	2,937	4,989	90	86	0	0
Extracurricular Activities	448,845	443,540	465,985	473,277	470,919	436,096	393,822	348,939	330,040	309,816
Capital Outlay (1)	0	0	0	10,458	80,542	576,631	16,933	104,330	0	0
Debt Service	230,000	400,802	377,251	378,002	367,066	135,700	23,201	15,688	0	0
<b>Total Expenditures</b>	<b>\$21,780,064</b>	<b>\$20,958,403</b>	<b>\$19,901,483</b>	<b>\$19,692,918</b>	<b>\$18,711,411</b>	<b>\$18,767,232</b>	<b>\$17,519,290</b>	<b>\$16,741,915</b>	<b>\$17,469,836</b>	<b>\$17,624,988</b>

Source: School District Financial Records

(1) Prior to 1996, all capital outlay expenditures are reported as functional expenditures.

(a) GAAP Basis Data

(b) Cash Basis Data

Table 2

**CHILLICOTHE CITY SCHOOL DISTRICT**  
*Summary of Revenues by Source - General Fund*  
*Last Ten Fiscal Years*

	2003 (a)	2002 (a)	2001 (a)	2000 (a)	1999 (a)	1998 (a)	1997 (a)	1996 (a)	1995 (b)	1994 (b)
Property Taxes	\$11,822,240	\$11,998,995	\$11,697,219	\$11,865,714	\$11,828,886	\$11,651,603	\$10,410,206	\$10,786,772	\$10,320,957	\$9,891,296
Intergovernmental	7,499,603	7,372,898	6,371,835	5,885,056	5,938,062	6,220,287	5,911,426	6,114,171	6,785,068	6,900,135
Interest	104,387	167,258	458,909	472,984	606,400	544,981	542,943	547,839	462,479	299,092
Tuition and Fees	1,145,171	1,053,363	867,339	607,564	475,860	73,112	30,563	24,288	17,838	19,467
Rent (1)	7,839	0	0	7,258	5,442	4,495	8,260	8,065	0	0
Gifts and Donations (1)	87	25	15	1,037	9,475	1,125	789	3,912	0	0
Customer Services (1)	47,830	56,194	94,537	85,615	72,369	96,259	40,375	77,107	0	0
Miscellaneous	134,777	90,210	158,289	62,356	88,911	178,197	33,377	48,343	70,330	46,748
<b>Total Revenues</b>	<b>\$20,761,934</b>	<b>\$20,738,943</b>	<b>\$19,648,143</b>	<b>\$18,987,584</b>	<b>\$19,025,405</b>	<b>\$18,770,059</b>	<b>\$16,977,939</b>	<b>\$17,610,497</b>	<b>\$17,656,672</b>	<b>\$17,156,738</b>

Source: School District Financial Records

⌘ (1) Prior to 1996, Rent, Gifts and Donations, and Customer Service Revenues are included in other revenue categories.

(a) GAAP Basis Data

(b) Cash Basis Data

Table 3

**CHILLICOTHE CITY SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
*Last Ten Years*

Collection Years	Current Tax Levied (1)	Current Taxes Collected (1)	Percent of		Delinquent Tax Collections	Total Tax Collections (1)	Total Tax Collections to Taxes Levied	Outstanding Delinquent Taxes	Percent Of Delinquent Taxes to Current Levied
			Current Levy Collected	Delinquent Tax Collections					
1994	\$11,345,692	\$11,154,472	98.31%	\$245,191	\$11,399,663	100.48%	\$469,553	4.14%	
1995	11,600,156	11,469,912	98.88%	212,790	11,682,702	100.71%	404,972	3.49%	
1996	11,904,465	11,690,690	98.20%	181,111	11,871,801	99.73%	430,370	3.62%	
1997	12,325,308	12,083,548	98.04%	201,321	12,284,869	99.67%	501,418	4.07%	
1998	12,166,414	11,949,768	98.22%	280,378	12,230,146	100.52%	474,602	3.90%	
1999	13,067,744	12,889,906	98.64%	175,828	13,065,734	99.98%	527,391	4.04%	
2000	12,684,857	12,494,811	98.50%	208,017	12,702,828	100.14%	475,812	3.75%	
2001	12,632,642	12,456,295	98.60%	272,722	12,729,017	100.76%	517,708	4.10%	
2002	12,547,558	12,226,466	97.44%	186,907	12,413,373	98.93%	457,488	3.65%	
2003	13,077,318	12,841,127	98.19%	242,376	13,083,503	100.05%	554,731	4.24%	

Note: The information above is for real estate, public utilities and tangible personal property collections and levies.

Source: Office of the County Auditor, Ross County, Ohio - Data is presented on a calendar year basis.

(1) Includes Homestead/Rollback on real estate and reimbursement on personal property taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.



Table 4

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

Collection Years	Real Property			Personal Property			Public Utility			Total		
	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value
1994	35%	\$206,913,940	\$591,182,686	25%	\$110,588,710	\$442,354,840	88%	\$29,048,990	\$33,010,216	88%	\$346,551,640	\$1,066,547,742
1995	35%	209,036,130	597,246,086	25%	117,831,469	471,325,876	88%	29,535,150	33,562,670	88%	356,402,749	1,102,134,632
1996	35%	245,488,730	701,396,371	25%	120,842,390	483,369,560	88%	28,382,770	32,253,148	88%	394,713,890	1,217,019,079
1997	35%	249,142,990	711,837,114	25%	123,131,670	492,526,680	88%	27,824,440	31,618,682	88%	400,099,100	1,235,982,476
1998	35%	253,203,920	723,439,771	25%	135,195,900	540,783,600	88%	28,225,730	32,074,693	88%	416,625,550	1,296,298,065
1999	35%	283,825,300	810,929,429	25%	129,782,920	519,131,680	88%	29,991,920	34,081,727	88%	443,600,140	1,364,142,836
2000	35%	285,593,080	815,980,229	25%	133,870,322	535,481,288	88%	28,519,710	32,408,761	88%	447,983,112	1,383,870,278
2001	35%	287,143,700	820,410,571	25%	138,865,100	555,460,400	88%	30,062,090	34,161,466	88%	456,070,890	1,410,032,437
2002	35%	322,526,210	921,503,457	25%	135,568,200	542,272,800	88%	26,393,230	29,992,307	88%	484,487,640	1,493,768,564
2003	35%	324,741,110	927,831,743	25%	125,725,980	502,903,920	88%	28,059,280	31,885,545	88%	478,526,370	1,462,621,208

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

Table 5-A

**CHILLICOTHE CITY SCHOOL DISTRICT**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years**  
**Scioto Township (#240)**  
**(per \$1,000 of Assessed Valuation)**

Calendar Year	Chillicothe City School District	Ross County	Pickaway-Ross Joint Vocational School		Scioto Township	Total Rate	Total Residential/Agriculture Effective Rate		Total Commercial/Industrial Effective Rate	
			3.20	3.20			5.50	\$56.30	\$43,190,780	\$43,212,389
1994	\$38.20	\$9.40	\$3.20	\$5.50	\$56.30	\$43,190,780	\$43,212,389			
1995	38.40	9.40	3.20	5.50	56.50	43,309,129	43,245,444			
1996	38.40	10.90	3.20	5.50	58.00	40,568,385	42,635,527			
1997	38.10	9.40	3.20	5.50	56.20	38,743,310	41,148,480			
1998	37.90	9.40	3.20	5.50	56.00	38,438,979	41,375,275			
1999	37.80	9.40	3.20	5.50	55.90	34,448,716	40,649,165			
2000	37.74	9.40	3.20	5.50	55.84	34,326,336	40,536,121			
2001	37.70	9.40	3.20	5.50	55.80	34,230,760	40,544,731			
2002	37.70	9.40	3.20	5.50	55.80	32,654,803	37,885,521			
2003	37.70	9.40	3.20	5.50	55.80	33,814,766	38,582,284			

Note: The Chillicothe City School District consists of two taxing Districts:  
 - Scioto Township - Chillicothe City School District #240  
 - Scioto Township - Chillicothe City School District - City of Chillicothe #270

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

Table 5-B

**CHILLICOTHE CITY SCHOOL DISTRICT**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Years**  
**Scioto Township - City of Chillicothe (#270)**  
**(per \$1,000 of Assessed Valuation)**

Calendar Year	Chillicothe City School District	City Of Chillicothe	Ross County	Pickaway-Ross Joint Vocational School Township		Total Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1994	\$38.20	3.20	\$9.40	\$3.20	\$0.60	\$54.60	\$42.544844	\$42.4440840
1995	38.40	3.20	9.40	3.20	0.60	54.80	42.664796	42.537624
1996	38.40	3.20	10.90	3.20	0.60	56.30	39.408810	41.554979
1997	38.10	3.20	9.40	3.20	0.60	54.50	37.587836	39.879800
1998	37.90	3.20	9.40	3.20	0.60	54.30	37.284261	39.944173
1999	37.80	3.20	9.40	3.20	0.60	54.20	33.625485	39.311116
2000	37.74	3.20	9.40	3.20	0.60	54.14	33.503698	39.193128
2001	37.70	3.20	9.40	3.20	0.60	54.10	33.408985	39.208522
2002	37.70	3.20	9.40	3.20	0.60	54.10	32.081234	36.848467
2003	37.70	3.20	9.40	3.20	0.60	54.10	33.240705	37.572032

Note: The Chillicothe City School District consists of two taxing Districts:  
 - Scioto Township - Chillicothe City School District #240  
 - Scioto Township - Chillicothe City School District - City of Chillicothe #270

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

Table 6

**CHILlicothe CITY SCHOOL DISTRICT**  
**Principal Property Taxpayers**  
**2002 Tax Year**

	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
<b><u>Public Utilities</u></b>		
(1) Columbus Southern Power	\$10,328,360	2.16%
(2) Chillicothe Telephone	6,973,820	1.46%
(3) Horizon Personal Communication	6,899,010	1.44%
(4) Columbia Gas of Ohio, Inc.	1,273,780	0.27%
(5) Norfolk Southern Combined Railroad Subsidiaries	646,930	0.14%
<b><u>Real Estate</u></b>		
(1) Mead Corporation	26,727,800	5.59%
(2) DDR Ohio Opportunity II LLC	3,475,760	0.73%
(3) Chillicothe Mall Inc.	3,312,040	0.69%
(4) Central Center LTD	2,668,370	0.56%
(5) Real Estate Finance Trust	2,259,030	0.47%
(6) RG Chillicothe Associates LTD	1,602,880	0.33%
(7) Rodney Winegardner	1,554,530	0.32%
(8) Zane Plaza LLC	1,533,410	0.32%
(9) Western View Apartments	1,411,180	0.29%
(10) Shawnee Group LTD Partnership	1,225,000	0.26%
<b><u>Tangible Personal Property</u></b>		
(1) Mead Corporation	86,061,680	17.98%
(2) BLC Corporation	1,954,030	0.41%
(3) Lowe's Companies Inc.	1,599,800	0.33%
(4) Kmart Corp.	1,477,590	0.31%
(5) Wal-Mart Stores East Inc.	1,357,830	0.28%
(6) Frontier Operating Partners	1,302,310	0.27%
(7) QNP Holding Inc.	1,146,210	0.24%
(8) Ricart	1,004,140	0.21%
(9) Bancorp Leasing & Financial	992,750	0.21%
(10) Union Spring & Mfg Corporation	946,060	0.21%
ALL OTHERS	<u>308,792,070</u>	<u>64.53%</u>
TOTAL ASSESSED VALUATION	<u><u>\$478,526,370</u></u>	<u><u>100.00%</u></u>

Note: Tax collections for fiscal year 2003 are based on assessed values from 2002 tax year.

Source: Office of the County Auditor  
 Ross County, Ohio

**Table 7**

**CHILLICOTHE CITY SCHOOL DISTRICT**  
**Legal Debt Margin**  
**June 30, 2003**

Total assessed valuation		\$478,526,370
Overall debt limitation - 9.0% of assessed valuation (1)		<u>43,067,373</u>
Gross indebtedness authorized by the School Board	<u>\$1,765,000</u>	
Less debt outside limitation:	<u>1,765,000</u>	
Debt within 9.0% limitation	0	
Less amount available in debt service fund	<u>0</u>	
Net debt within 9.0% limitation		<u>0</u>
Legal debt margin within 9.0% limitation		<u><u>\$43,067,373</u></u>
<hr style="border: 1px solid black;"/>		
Energy Conservation Debt Limit - .90% of assessed value (1)		\$4,306,737
Net debt within .90% limitation		<u>(1,765,000)</u>
Energy Conservation Debt Margin		<u><u>\$2,541,737</u></u>
<hr style="border: 1px solid black;"/>		
Unvoted debt limitation - .10% of assessed valuation (1)		\$478,526
Net debt within .10% limitation		<u>0</u>
Legal debt margin within .10% limitation		<u><u>\$478,526</u></u>

(1) Ohio Bond Law sets a limit of 9% for voted debt, .90% for energy conservation measures and .10% for unvoted debt.

Table 8

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

<b>Fiscal Year</b>	<b>Estimated Population (1)</b>	<b>Assessed Value</b>		<b>General Bonded Debt (3)</b>		<b>Less Debt Service (3)</b>	<b>Net Bonded Debt</b>	<b>Ratio Bonded Debt To Assessed Value</b>		<b>Net Bonded Debt Per Capita</b>
		<b>Real &amp; Personal Property (2)</b>		<b>Bonded Debt (3)</b>				<b>Debt To Assessed Value</b>	<b>Debt Per Capita</b>	
1994 (b)	22,176	\$346,551,640		\$1,742,000		\$882,672	\$859,328	0.25%	\$39	
1995 (b)	22,176	356,402,749		1,366,000		790,241	575,759	0.16%	26	
1996 (a)	22,176	394,713,890		990,000		171,641	818,359	0.21%	37	
1997 (a)	22,176	400,099,100		614,000		0	614,000	0.15%	28	
1998 (a)	22,176	416,625,550		463,000		0	463,000	0.11%	21	
1999 (a)	22,726	443,600,140		312,000		0	312,000	0.07%	14	
2000 (a)	22,550	447,983,112		161,000		0	161,000	0.04%	7	
2001 (a)	22,550	456,070,890		0		0	0	0.00%	0	
2002 (a)	22,550	484,487,640		0		0	0	0.00%	0	
2003 (a)	21,796	478,526,370		0		0	0	0.00%	0	

Sources:

- (1) Office of the City Auditor, Chillicothe, Ohio
- (2) Office of the County Auditor, Ross County, Ohio
- (3) Includes all general obligation bonded debt and bond anticipation notes supported by property taxes. Energy conservation notes are excluded.

(a) GAAP Basis Data

(b) Cash Basis Data

**Table 9**

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

<b>Fiscal Year</b>	<b>Principal (1)</b>	<b>Interest (1)</b>	<b>Total Debt Service</b>	<b>Total General Fund Expenditures</b>	<b>Percent of Debt Service to General Fund Expenditures</b>
1994 (b)	\$1,443,000	\$77,031	\$1,520,031	\$17,624,988	8.62%
1995 (b)	1,292,000	58,233	1,350,233	17,469,836	7.73%
1996 (a)	1,141,000	56,924	1,197,924	16,741,915	7.16%
1997 (a)	990,000	36,430	1,026,430	17,519,290	5.86%
1998 (a)	614,000	26,095	640,095	18,767,232	3.41%
1999 (a)	463,000	20,372	483,372	18,711,411	2.58%
2000 (a)	312,000	9,421	321,421	19,692,918	1.63%
2001 (a)	161,000	7,197	168,197	19,901,483	0.85%
2002 (a)	0	0	0	20,958,403	0.00%
2003 (a)	0	0	0	21,780,064	0.00%

Source: School District Financial Records

(1) Includes principal and interest for all general obligation bonded debt and bond anticipation notes supported by property taxes. Energy conservation notes are excluded.

(a) GAAP Basis Data

(b) Cash Basis Data

Table 10

**CHILLICOTHE CITY SCHOOL DISTRICT**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2003**

	<u>General Obligation Debt (1)</u>	<u>Percent Overlapping</u>	<u>Applicable To Chillicothe City School District</u>
<b>Direct Debt:</b>			
Chillicothe City School District	\$1,765,000	100.00%	\$1,765,000
<b>Overlapping Debt:</b>			
Ross County	15,310,000	46.29%	7,086,999
City of Chillicothe	2,570,000	93.99%	<u>2,415,543</u>
Subtotal - Overlapping Debt			<u>9,502,542</u>
Total Direct and Overlapping Debt			<u><u>\$11,267,542</u></u>

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

(1) General obligation debt includes general obligation bonds, bond anticipation notes and energy conservation notes.



Table 11

**CHILlicothe CITY SCHOOL DISTRICT**  
**New Construction, Property Value and Bank Deposits**  
**Last Ten Fiscal Years**

Year	Residential		Commercial		Total Value New Construction	Assessed Value Property Values (2)			Total	Bank Deposits (3)
	Number of Permits (1)	Value (2)	Number of Permits (1)	Value (2)		Real Property	Tangible Personal	Public Utility Personal		
1994	26	\$1,298,950	112	\$797,990	\$2,096,940	\$206,913,940	\$110,588,710	\$29,048,990	\$346,551,640	\$155,241,000
1995	41	1,145,700	121	590,190	1,735,890	209,036,130	117,831,469	29,535,150	356,402,749	156,118,000
1996	25	2,805,670	119	2,681,680	5,487,350	245,488,730	120,842,390	28,382,770	394,713,890	165,364,000
1997	18	1,881,030	119	3,454,220	5,335,250	249,142,990	123,131,670	27,824,440	400,099,100	172,794,000
1998	20	1,359,320	109	2,959,150	4,318,470	253,203,920	135,195,900	28,225,730	416,625,550	185,378,000
1999	14	1,482,980	94	2,245,760	3,728,740	283,825,300	129,782,920	29,991,920	443,600,140	198,526,000
2000	27	1,941,810	152	1,299,930	3,241,740	285,593,080	133,870,322	28,519,710	447,983,112	208,502,000
2001	38	1,150,330	258	1,352,980	2,503,310	287,143,700	138,865,100	30,062,090	456,070,890	219,907,000
2002	12	1,226,570	194	759,300	1,985,870	322,526,210	135,568,200	26,393,230	484,487,640	238,186,000
2003	28	1,914,750	237	736,350	2,651,100	324,741,110	125,725,980	28,059,280	478,526,370	254,517,000

Note: Public Utility Real Estate values are included in Real Property Values

Sources:

- (1) Office of the City Building Department, Chillicothe, Ohio
- (2) Office of the County Auditor, Ross County, Ohio
- (3) Federal Reserve Bank of Cleveland

**Table 12**

**CHILLICOTHE CITY SCHOOL DISTRICT**  
**Cost to Educate a 2002 Graduate**

<u>School Year Ended</u>	<u>Grade</u>	<u>Chillicothe Annual Per Pupil Cost</u>	<u>State Average</u>
1990	Kindergarten	\$1,767	\$2,080
1991	1st	3,667	4,373
1992	2nd	3,482	4,619
1993	3rd	4,728	4,815
1994	4th	5,292	5,010
1995	5th	5,171	5,151
1996	6th	5,324	5,328
1997	7th	5,781	5,939
1998	8th	6,136	6,232
1999	9th	6,101	6,642
2000	10th	6,510	7,057
2001	11th	6,560	7,602
2002	12th	7,200	8,073
Total Cost		<u>\$67,719</u>	<u>\$72,921</u>

Note: Annual per pupil cost for all years except Kindergarten where the amount is one-half of the annual per pupil cost.

Source: State of Ohio Department of Education - Total Current Expenditures Per Pupil - All Funds

**Table 13**

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

<i>School Year Ended</i>	<i>Number of Graduates</i>	<i>Enrollment</i>	<i>Percentage Enrollment Increase (Decrease)</i>
1994	270	3,993	(1.25%)
1995	273	3,924	(1.76%)
1996	272	3,870	(1.40%)
1997	280	3,727	(3.84%)
1998	263	3,714	(0.35%)
1999	267	3,758	1.17%
2000	253	3,683	(2.04%)
2001	263	3,753	1.87%
2002	280	3,680	(1.98)%
2003	260	3,569	(3.11)%

Source: State of Ohio Department of Education - EMIS

Table 14

**CHILLICOTHE CITY SCHOOL DISTRICT**  
**Staffing Statistics - Full Time Equivalents (FTE)**

	<u>1998-99</u> <i>Actual</i>	<u>1999-00</u> <i>Actual</i>	<u>2000-01</u> <i>Actual</i>	<u>2001-02</u> <i>Actual</i>	<u>2002-03</u> <i>Actual</i>	<u>2003-04</u> <i>Estimate</i>
Professional Staff:						
Teaching Staff:						
Elementary	83.3	86.3	87.3	89.3	80.0	75.9
Middle	44.6	44.6	39.4	39.2	39.1	30.2
High	51.6	52.1	47.3	46.4	40.8	42.3
Chapter I	16.0	16.0	14.5	17.5	15.5	12.8
Other Funds	7.5	10.0	13.1	8.0	11.5	10.5
Administrators:						
District	17.0	17.0	15.4	17.1	16.6	13.6
Auxiliary Positions:						
Psychologists	2.0	2.0	2.0	2.0	2.0	2.0
Nurses	2.0	2.0	2.0	2.0	2.0	2.0
Special Education	27.8	28.8	27.3	29.8	28.3	25.3
Librarians / Audio Visual	4.0	4.0	4.0	3.0	3.0	3.0
Guidance	6.0	6.0	6.0	6.5	5.6	4.0
Total Professional Staff	261.8	268.8	258.3	260.8	244.4	221.6
Support Staff:						
Secretarial	22.5	23.0	24.0	23.2	24.1	22.1
Aides / Monitors	28.7	27.6	27.6	34.1	20.7	17.2
Technical	8.4	9.4	9.4	9.4	8.0	7.5
Custodial	28.5	28.5	25.5	27.5	25.5	20.5
Maintenance	9.0	9.0	9.0	9.0	8.0	8.0
Transportation	20.5	20.5	21.5	22.5	22.5	21.0
Lunchroom	27.4	28.9	28.9	28.9	29.5	26.4
Chapter I	3.1	2.5	2.5	1.5	3.0	1.5
Support Staff - Other Funds	9.4	7.0	7.0	8.8	10.8	9.8
Total Support Staff	157.4	156.4	155.4	164.9	152.1	134.0
Total District Staffing	419.2	425.2	413.7	425.7	396.5	355.6

Source: School District Records

Table 15

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

	1998-99	1999-00	2000-01	2001-02	2002-03
4th Grade Proficiency Tests:					
Citizenship	79	71	64	71	74
Mathematics	57	62	71	71	68
Reading	65	68	60	70	82
Writing	70	77	79	77	83
Science	59	55	64	73	74
6th Grade Proficiency Tests:					
Citizenship	79	75	64	65	67
Mathematics	54	57	53	53	43
Reading	55	52	57	47	63
Writing	86	88	79	84	86
Science	47	55	59	56	64
9th Grade Proficiency Tests:					
Citizenship	82	82	75	76	84
Mathematics	71	71	62	61	77
Reading	91	88	83	86	88
Writing	95	89	83	78	87
Science	77	80	71	66	74
10th Grade Proficiency Tests:					
Citizenship	89	84	84	85	84
Mathematics	81	72	72	73	72
Reading	95	91	89	90	90
Writing	96	92	89	89	86
Science	88	82	81	78	77
ACT Scores (Composite Averages)					
Chillicothe	21.4	21.6	21.4	21.4	23.1
State	21.4	21.4	21.4	21.4	22.4
National	21.0	21.0	21.0	20.8	21.8
SAT Scores (Averages)					
Chillicothe					
Verbal	547	561	565	565	562
Mathematics	563	560	572	566	556
State					
Verbal	534	533	534	533	536
Mathematics	538	539	539	540	541
National					
Verbal	505	505	506	504	507
Mathematics	511	514	514	516	519

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

(a) Grade 9 Proficiency Tests - 8th & 9th Grade Students.

(b) Grade 10 Proficiency - - Includes Scores of 8th, 9th & 10th Grade Students on Grade 9 Proficiency.

(c) 2000-01, 2001-02 & 2002-03 data have been adjusted to include all students in the percentage proficient for the district. In prior years, some students with disabilities were exempted from the accountability calculations.

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**CHILLICOTHE CITY SCHOOL DISTRICT**

**ROSS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 16, 2004**