

Athens City School District

Athens County, Ohio

Single Audit

July 1, 2007 Through June 30, 2008

Fiscal Year Audited Under GAGAS: 2008

BALESTRA, HARR & SCHERER, CPAs, Inc.

528 S. WEST STREET, P.O. Box 687
PIKETON, OHIO 45661

TELEPHONE (740) 289-4131

FAX (740) 289-3639

www.bhscpas.com



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Athens City School District, Athens County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 23, 2009

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**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

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Athens City School District
Athens County

Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2008

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
United States Department of Agriculture				
<i>Passed through Ohio Department of Education</i>				
<i>Nutrition Cluster:</i>				
National School Breakfast Program	05PU	10.553	\$ 101,871	\$ 101,871
School Lunch Program	LLP4	10.555	313,258	313,258
<i>Total Nutrition Cluster</i>			<u>415,129</u>	<u>415,129</u>
Total United States Department of Agriculture			<u>415,129</u>	<u>415,129</u>
United States Department of Education				
<i>Passed through Ohio Department of Education</i>				
<i>Special Education Cluster:</i>				
Special Education Grants to States	6BSF	84.027	598,994	658,439
Special Education Preschool Grants	PGS1	84.173	23,414	18,956
Total Special Education Cluster			<u>622,408</u>	<u>677,395</u>
Title I Grants to Local Education Agencies	C1S1	84.010	382,970	343,731
Safe and Drug Free Schools and Communities State Grants	DRS1	84.186	10,720	11,042
Twenty-First Century Community Learning Centers	T1S1	84.287	258,251	179,136
State Grants for Innovative Programs	C2S1	84.298	6,914	8,100
Education Technology State Grants	TJS1	84.318	414	-
English Language Acquisition Grant	T3S1	84.365	21,620	25,985
Improving Teacher Quality State Grant	TRS1	84.367	179,929	164,647
Total United States Department of Education			<u>1,483,226</u>	<u>1,410,036</u>
Total Federal Financial Assistance			<u>\$ 1,898,355</u>	<u>\$ 1,825,165</u>

N/A = Pass through entity number could not be located.
See Notes to the Schedule of Federal Awards Expenditures.

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE A- SIGNIFICANT ACCOUNTING POLICIES

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

BALESTRA, HARR & SCHERER, CPAs, INC.
528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens City School District, Athens County, Ohio (the District), as of and for the year ended June 30, 2008 and have issued our report thereon dated December 23, 2008 in which we indicate that the District implemented GASB Statements No. 50, No. 48 and No. 45. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial misstatement.

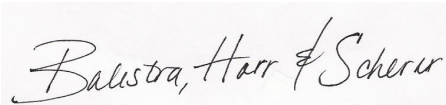
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weakness. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain noncompliance and other matters reported to the District in a separate report dated December 23, 2008.

This report is intended for the information and use of the 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 cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.
December 23, 2008

BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

Telephone (740) 289-4131

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Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

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

Compliance

We have audited the compliance of Athens City School District, Athens County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to 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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Internal Control Over Compliance (continued)

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Federal Awards Expenditures

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2008, and have issued our report thereon dated December 23, 2008 in which we indicate that the District implemented GASB Statements No. 50, No. 48 and No.45. 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 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 and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of 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.



Balestra, Harr & Scherer, CPAs, Inc.
December 23, 2008

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

1. SUMMARY OF AUDITOR' S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any significant internal control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any significant internal control deficiencies reported for major federal programs?	No
(d)(1)(iv)	Were there any material weaknesses reported for major federal programs?	No
(d)(1)(v)	Type of Major Program' s Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster: CFDA# 84.027 & 84.173 Title I Grants to Local Educational Agencies: CFDA# 84.010
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY**

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505
(CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	None
CFDA Title and Number	
Federal Award Number/Year	
Federal Agency	
Pass-Through Agency	

Athens CSD
Schedule of Prior Audit Findings
OMB Circular A-133 § .315(b)
For the Fiscal Year Ended June 30, 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2007-001	Material Weakness – Audit Adjustments	Yes	

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ending June 30, 2008



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ATHENS CITY SCHOOL DISTRICT

25 South Plains Road – The Plains, Ohio 45780

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

For the fiscal year ended
June 30, 2008

Board of Education

Catherine CordingleyPresident
Scott Nisley Vice-President
Jeffrey Dill, PhD Member
Roger Brown Member
Bruce Nottke Member

Superintendent of Schools

Carl D. Martin

Issued by the Treasurer's Office

Bryan M. Bunting, CGFM
Treasurer/CFO



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ATHENS CITY SCHOOL DISTRICT

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ATHENS CITY SCHOOL DISTRICT

www.athenscity.k12.oh.us

Carl D. Martin
Superintendent

Bryan M. Bunting CGFM
Treasurer



25 South Plains Road
The Plains, Ohio 45780

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

December 23, 2008

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

The Athens City School District (the District) is pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2008. This CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

Copies of this report will be widely distributed throughout the District. A copy will be sent to all school buildings, the Chamber of Commerce, the Athens County Public Library, financial institutions, other governmental agencies, and posted to the District web site. Electronic versions will be available to all other interested parties.

THE DISTRICT AND ITS FACILITIES

The District was established in the mid 1800's and was consolidated in 1964 with the Plains Local School District and the Chauncey Local School District. It is located in Athens County, and includes the City of Athens, the Village of Chauncey and portions of the Townships of Athens, Canaan, Dover, and Waterloo. Athens is the county seat of Athens County with a population of approximately 32,700 residents. The District is the 167th largest in the State of Ohio (among 614 school districts) in terms of enrollment.

Located 75 miles southeast of Columbus, Athens is home to Ohio University, the first university in the Northwest Territory founded in 1804. The University's main campus College Green is on the National Register of Historic Places and includes Cutler Hall, a National Historic Landmark, built in 1816. Each quarter, the University adds over 27,000 students to the City's population

The Athens City School District is one of five K-12 public school districts in Athens County. With 2,840 pupils (including preschool and open enrollment), it has the largest enrollment in the county but is geographically one of the smallest school districts in the county encompassing only 58 square miles. The District operates 7 educational facilities, a Maintenance facility, a Transportation/Bus Garage, and a central administration building that also houses the District's Technology department and Talented and Gifted program director.

School	Grade	Enrollment
Chauncey Elementary	PreK-6	206
East Elementary	K-6	279
Morrison Elementary	K-6	409
The Plains Elementary	PreK-6	371
West Elementary	PreK-6	302
Athens Middle School	7-8	417
Athens High School	9-12	856

The District provides preschool programs and all-day kindergarten classes. The District serves lunches to 41.2% of the student population daily. Approximately 33% of the District's student body qualify for free or reduced priced lunches. Chauncey and The Plains Elementary schools are identified as Title I buildings and provide free and reduced lunches to 57.0% of their combined student population. These two school facilities plus West Elementary, Morrison Elementary, and the Middle School also offer breakfast programs. In these five buildings, 41.5% are eligible for Free and Reduced, and 26.4% of the total student population participates in this program.

ORGANIZATION OF THE DISTRICT

The Board of Education of the Athens City School District (the Board) is a five-member body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars, and approves the annual appropriation resolution and tax budget. A list of the current Board members as of June 30, 2008 is included on page xiii.

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Carl D. Martin was initially employed as Superintendent effective February 1995. Mr. Martin retired effective December 31, 1998 but returned to the position in July 2000. Mr. Martin's contract extends through July 31, 2011.

The Treasurer is the chief financial officer of the District and is responsible directly to the Board for all financial operations, investments, custody of all District funds and assets and serves as secretary to the Board. Mr. Bryan M. Bunting was appointed Treasurer effective August 1, 1998. Mr. Bunting's contract extends through July 31, 2010.

ECONOMIC CONDITION AND OUTLOOK

The District's largest employer is Ohio University, which employs 4,831 total employees with more than 1,075 full-time and 750 part-time faculty employees who live in or around the District. In fact, four of the five largest employers in the county are government operations, Ohio University, Athens County, Hocking College, and the Athens City School District itself. The University has an enrollment of more than 24,000 students on their Athens campus. The University also provides land for taxable retail operations and has become the District's largest real estate taxpayer. This has provided a foundation of stability for the District. Ohio University's total net assets were more than \$529.5 million with total expenditures for the 2007 fiscal year in excess of \$529.1 million dollars. The University has an on-going facility plan which means each year they complete a number of construction and renovation projects. According to their June 30, 2007 financial report, the University have "cumulative costs associated with capital projects continuing after the fiscal year ended June 30, 2007" totaling approximately \$27.4 million. Their 2007 annual report also estimates that future capital commitments for which funding has been identified total more than \$70 million.

Athens County's largest private employers include Wal-Mart, O'Bleness Memorial Hospital, Kroger Co., Diagnostic Hybrids, and Health Recovery Services. New commercial operations continue to open in and around the area of the previous year growth. In 2007-2008, two new hotels and a restaurant opened as well as smaller commercial operations. The University Mall includes one major retail store, Elder-Beerman, but has signed leases with at least one other "big-box" store to open in 2009. The recently renovated Athens Mall includes Sears, AT&T, Goody's, and others in place or yet to open in 2009. These provide additional property tax revenue and employment to area residents. The City of Athens continues infrastructure upgrades including additional traffic lanes, water, sewer, and electric service that has and will continue to entice new business to the area. Areas of the City beyond this east corridor are now being explored for commercial development.

The District, along with many other public school systems in the state, relies heavily on local property tax as a primary source of funds. Ohio law limits the growth in real estate tax revenues by reducing millage as assessed values increase following re-appraisals. Consequently, revenues generated from each levy remain relatively constant. As a result, the District must periodically seek additional funding from its taxing constituents. While statewide, voters have proved reluctant to increase their property taxes, the Athens City School District has received positive support from its taxpayers on more than 89% of all tax levies and 100% of all bond issues since 1964. The average passage rate for those ballot issues was 58%. The District's management is very appreciative of this support but is constantly searching for ways to provide a more efficient means of doing business while at the same time continuing to provide excellent educational services. Evidence of this is supported by the fact the District operates more than 35 grants generating approximately \$3.7 million in funding. These grants have provided funds to implement entry-year teacher programs, school-to-work programs, and prevention programs for drugs, alcohol and violence, as well as Professional Development Grants that have increased the competency of staff and provided research based models for instructional change.

EMPLOYEE RELATIONS

The District has 412 employees (full and part time) of which 227 are certificated (including school psychologists and counselors), 166 are classified, and 19 administrative. Certificated employees, including teachers and educational specialists, are represented for collective bargaining purposes by the Athens Education Association (AEA), an affiliate of the Ohio Education Association (OEA). Classified employees, including bus drivers, food service, custodial, maintenance, and clerical staff, are represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846. Educational Aides are also represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846, but under a separate negotiated agreement.

In December 2006, the Board successfully concluded negotiations with the AEA on a three year agreement for wages and fringe benefits. Wage agreements reached for the three year period January 15, 2008 through January 15, 2011 included a 4.0% wage increase retroactive to January 1, 2008, a 3.5% increase effective January 2009, and a 3.0% increase effective January 2010.

During the summer of 2006, the Board successfully concluded negotiations with the ASFCME employees on a three-year agreement for wages and fringe benefits. Wage agreements for that bargaining unit for the three year period September 1, 2006 through August 31, 2009 included hourly wage increases of \$.35 effective September 2006, \$.35 in September 2007, and \$.40 in September 2008.

During the summer of 2007, the Board successfully concluded negotiations with the ASFCME educational aide employees on a three-year agreement for wages and fringe benefits. Wage agreements for that bargaining unit for the three year period September 1, 2007 through August 31, 2010, included hourly wage increases of \$.45 effective September 2007, and \$.40 effective September 2008 and September 2009.

SERVICES PROVIDED

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

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

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

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

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

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

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

The District's special education programs are broad and comprehensive. Approximately 17.4% of the student population has an Individualized Education Plan (IEP). A Talented and Gifted Program is available to qualified students. Programs and services are provided at the elementary, middle, and high school levels for gifted students. The District has developed a comprehensive gifted education plan. Special programs for the multiple disabled, cognitively disabled, emotionally disabled, orthopedically impaired, learning disabled, speech and/or hearing impaired, are provided for students who meet the requirements.

TECHNOLOGY

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

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

TEACHER PROFESSIONAL DEVELOPMENT

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

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

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

This is an ongoing activity in the District. Each curricular area is revised to insure that state-of-the-art practices and programs are available for students. The District closely follows the Ohio Department of Education's model curriculums and standards to achieve this goal. Additionally, the curriculum development process model mandates a data-driven professional development plan based on student performance, the integration of technology, and establishing student assessment procedures and practices. Any revisions and adoptions will use current local performance data obtained through competency and proficiency testing of students to determine curricular needs. Content of instruction and instructional practices is carefully examined and analyzed in light of the data generated. Particular emphasis has been given to differentiating professional development on a building and program basis while still addressing the needs of the District.

COMMUNITY, STAFF, AND STUDENT INVOLVEMENT

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

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

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

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

MAJOR INITIATIVES AND EVENTS - FISCAL YEAR 2008

Facility Management

The District completed and adopted a *Facility Master Plan* with the assistance of the Ohio School Facility Commission (OSFC) and other professionals in FY2004. A comprehensive review of all District roofs was completed in 2006 and identified buildings by section that need addressed. The report included a prioritized list of each roof/section. By the end of FY2008, nearly 90% of the roof projects identified in the report have been repaired or replaced. Additionally, other permanent improvements were made which included electrical upgrades, renovations to doors and windows, and additional security cameras.

Technology

The Information Technology (IT) Department starts with the continuation of the annual replacement plan which established a 5 year life cycle and a 5:1 ratio between students and computers. More than 125 new computers were installed during the summer of 2007 leading into FY2008. The District changed internet providers in FY2007 and eliminated the previous system which has an individual T-1 line serving each building routed through a third party. The new provider is a local Athens company that provides service through a series of radio signal towers providing service via a wireless system which will increase speed by more than 5 times and can create a single network throughout the entire District. The two-year contract was reviewed at the end of FY2008 and extended through FY2010. Renovations were completed at the end of FY2008 that converted an old school building into a modern technology center. The tech center houses the central network hardware, tech director, technicians, tech trainer and a new computer training center lab as well as office space for elementary counselors and the school nurse.

Report Cards

New Ohio law now calls for each Ohio District to receive a performance accountability rating based on 30 performance standards. Athens City Schools have met 20 of the 30 performance standards for the 2007-2008 school-year. Based on the State's current ranking system, this score places the District in the Effective category. The District also achieved a *Performance Index* of 93.2. This score is up from 90.7 in 2004-2005. The District will continue to work with staff to increase student performance and thus increase the number of standards met.

Comprehensive Annual Financial Report

The District prepared their ninth Comprehensive Annual Financial Report (CAFR) for fiscal year 2008. All reports prior to this year have received the Certificate of Achievement from the Government Finance Officers Association. We believe that our current report also conforms to the Certificate of Achievement program requirements.

Academic and Student Group Awards

Athens High School's class of 2008 had 4 students qualify as National Merit Scholars. There were also 4 students who were recognized as National Merit Finalists. Since 1984, one-hundred and eight (108) Athens High School graduates have been named National Merit Scholars and 150 more have earned commended status. Six of Athens High School class of 2008 graduates received recognition and scholarships from the J. Warren McClure Foundation.

Consolidated Local Plan

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

<u>Grant</u>	<u>Award Amount</u>	<u>Description of Grant</u>
Title I	\$406,568	This grant targets our 3 schools who demonstrate that they are serving an economically disadvantaged student population that exceeds 35% of the school's total student population.
Title II-A	\$174,022	Based on research findings that smaller class size is correlated to student success, the funds from this grant are ear-marked for class size reduction, especially in the primary grades.
Title II-D	\$4,106	Funds are designated for professional development of educational staff and the encouragement of technology and mathematics and science education.
Title III	\$10,918	This grant targets funds toward expanding and enhancement of English language and academic instruction programs to promote English as a second language (ESL).
Title IV	\$12,872	Focus for this grant is on cultivating a safe, drug-free climate within our schools, underscoring the educational mission to have students make good life decisions and feel safe in their environment.
Title V	\$6,914	<i>An Innovative Assistance Program</i> , funds from this have helped support new and creative educational applications.
Title VI-B	\$602,784	Funds are allocated to align systems of intervention and special education with scientifically based research curriculum, instruction and assessment and with the state's academic content standards. Provides tutoring and other focused supplemental supports for children.
21 st Century	\$196,969	Funding is designed to provide after school enrichment programs to students who are economically, socially, and/or educationally most at risk.
ECSE	\$17,402	Funding is designed to provide tutoring and other focused supplemental supports for children most at risk in reading and mathematics.
Total	<u><u>\$1,432,555</u></u>	

MAJOR INITIATIVES FOR THE FUTURE

Permanent Improvements

The District intends to continue with annual maintenance issues and improvement projects. The summer of 2008 entered the third phase of scheduled roof repairs in accordance with the comprehensive plan completed in FY2006. These will include electrical upgrades, roof repairs, renovations to doors and windows, and additional security cameras and equipment. One of the older unused buildings was razed and plans are in development for the possible construction of a maintenance/warehouse facility.

Curriculum Development and Meeting the Requirements of New State Standards

The District is nearing the end of the development of the proposed standards in each of the major discipline areas. Teachers from Athens City Schools sit on state development committees in language arts, social studies, science, fine arts, music, and foreign language. As State standards and courses of study have been finalized the District has revised the local courses of study accordingly. Content of instruction and instructional practices are carefully examined and analyzed in light of performance data generated from local evaluations, norm-referenced short cycle assessments, and State achievement and value added measures. All efforts are directed to increase student performance and become an *Excellent* category school district. To achieve that goal a District Continuous Improvement Plan serves as a decision-making tool.

Technology Upgrades

The Information Technology (IT) Department starts with the continuation of the annual replacement plan and the purchase of more than 125 new computers. With the new faster internet system in place for a full year, the IT department will focus on combining the District's eight individual LAN's into a single network for the entire District. There will also be research into use of Thin-Clients as a lower cost and more efficient alternative our annual purchase of computers.

FINANCIAL INFORMATION

Internal Controls

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

Federal and State Assistance

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

Budgetary Controls

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

Financial Condition

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

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

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

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

As a part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the District. This discussion is located in the financial section of this report following the audit opinion, and provides an assessment of the District finances for fiscal year 2008.

Debt Administration

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

At June 30, 2008, the District had outstanding bond issues of \$13,315,000. Under current State statutes, the District's general obligation bonded debt issuances are subject to a legal limitation based on 9% of the total value of real and personal property. At June 30, 2008, the District's legal limitation was slightly more than \$40.1 million placing District general obligation debt well below the legal limit.

Risk Management

The District continues to protect its assets through a comprehensive insurance program. A schedule of insurance in force at June 30, 2008 is included in the Notes to the Financial Statements Section of this report.

Cash Management

The District believes that appropriate cash management activities are integral to the District's overall financial well-being. Forecasting of receipts and expenditures, cash budgeting and on-going variance analysis allow prudent optimization of investment maturities and interest income. Total interest earned during the fiscal year 2008 was \$712,179.

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

Additionally in FY2008 the District began a program through its financial institutions whereby a electronic file is transmitted with each check run for payroll and accounts payable containing specific information regarding each transaction. The financial institutions use this file to verify each warrant presented for payment. If the warrant fails to exactly match the District file, the bank will refuse payment. This greatly reduces the District risk of fraudulent warrants clearing their accounts. It has also provided enhancements to District reconciliation process by eliminating encoding errors and providing electronic files for clearing of warrants.

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

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

During fiscal year 2008, the District purchased certificates of deposit, and U.S. Treasury and Agency/Instrumentality securities permitted by the Ohio Revised Code. It also used the State Treasurer's Star Ohio account for short-term investments. The District does not invest in derivative securities nor engage in leverage. It utilizes yield curve analysis and relative value approaches for investment selection. All investments are transacted competitively, using three bids/offers from eligible banks and dealer firms.

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

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent accountants. The Auditor of State conducted the District's audit from fiscal year 1999 to fiscal year 2003. In fiscal year 2004, the Auditor of State contracted the District's audit to a private independent public accounting firm for a three year period. A new three year contract was awarded by the Auditor of State beginning FY2008. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The independent auditor's report on the basic financial statements and combining statements and individual fund schedules is included in the financial section of this report.

GFOA Certificate Of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Athens City School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2007. This was the eighth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

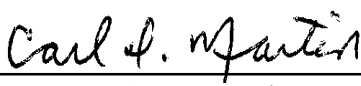
Acknowledgments

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

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



Bryan M. Bunting, Treasurer/CFO



Carl D. Martin, Superintendent

List of Principal Officers

BOARD OF EDUCATION

President	Catherine Cordingley	January 1, 2006 to December 31, 2009
Vice President	Scott Nisley	January 1, 2008 to December 31, 2011
Board Member	Jeffrey Dill, PhD	January 1, 2006 to December 31, 2009
Board Member	Roger Brown	January 1, 2008 to December 31, 2011
Board Member	Bruce Nottke	January 1, 2006 to December 31, 2009

CENTRAL OFFICE ADMINISTRATIVE STAFF

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

TREASURER'S OFFICE STAFF

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

CENTRAL OFFICE SUPPORT STAFF

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

BUILDING ADMINISTRATORS and SECRETARY

High School	Mike Meek Secretary – Brenda Hamilton
Middle School.....	Paul Grippa Secretary – Janet Lowes
Chauncey Elementary	David Ritter Secretary – Beth Lewis
East Elementary	Denny Boger Secretary – Linda Pierce
Morrison Elementary	John Gordon Secretary – Linda Bennett
The Plains Elementary	Vicki Chancey Secretary – Madelon Armstrong
West Elementary	Joan Linscott Secretary – Judy Deardorf

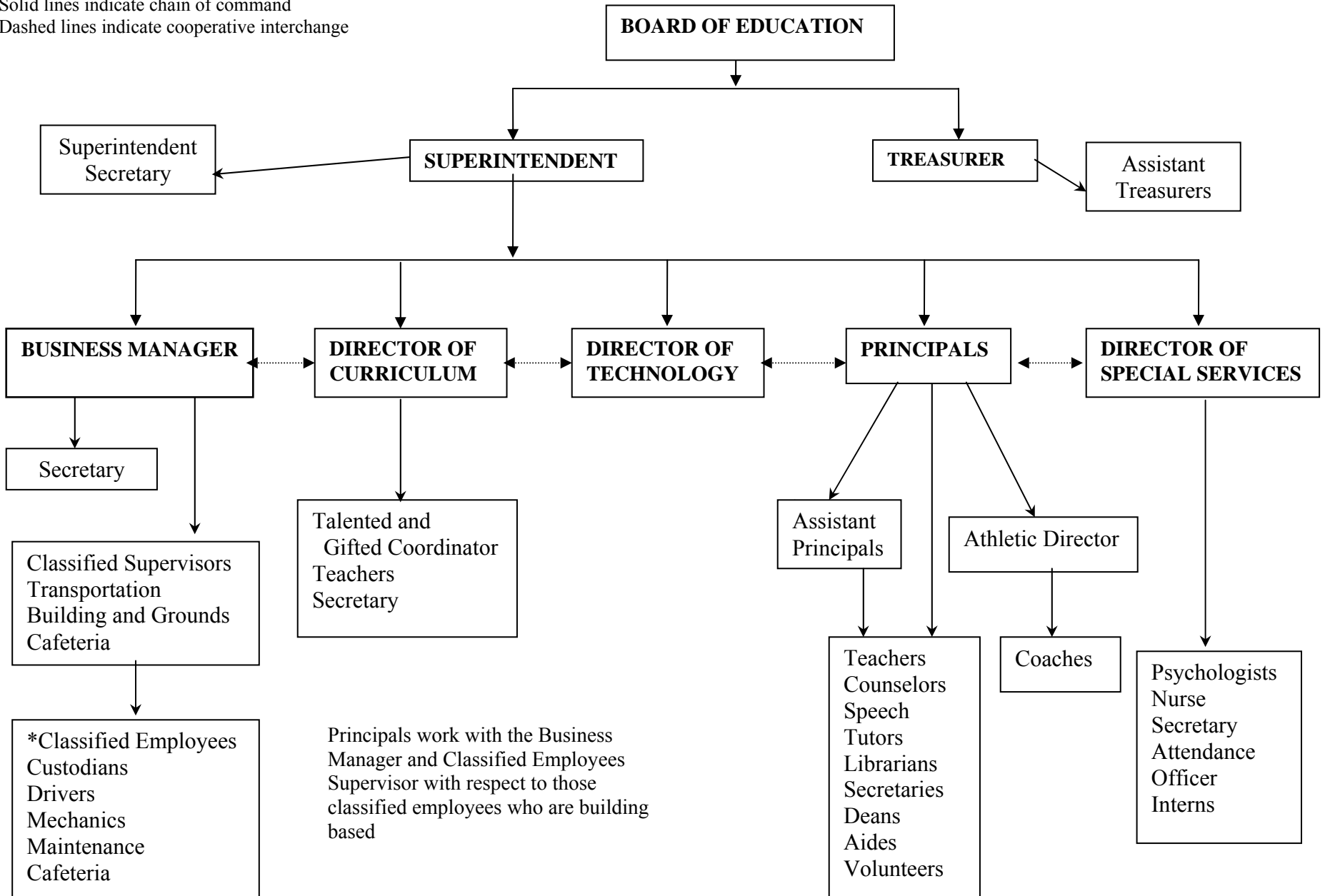
OTHER ADMINISTRATORS

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

ATHENS CITY SCHOOL DISTRICT ORGANIZATIONAL CHART
For the Year Ended June 30, 2008

Solid lines indicate chain of command
 Dashed lines indicate cooperative interchange

AX



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Athens City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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.



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens City School District (the District), Athens County, Ohio as of and for the year ended June 30, 2008, 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 Comptroller General of the United States' *Government Auditing Standards*. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

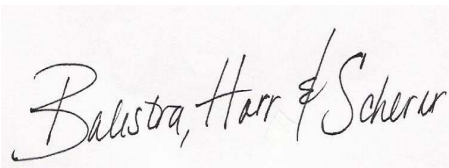
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2008, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

As described in Note 3, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 50, *Pension Disclosures – an amendment of GASB statements No. 25 and No. 27*, GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and GASB Statement No. 45, *Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions*.

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

Balestra, Harr & Scherer CPAs, Inc.
December 23, 2008

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(Unaudited)

The discussion and analysis of the Athens City School District's financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review our letter of transmittal, notes to the basic financial statements and the financial statements themselves to enhance their understanding of the School District's financial performance.

Financial Highlights

- ▶ The assets of Athens City School District exceeded its liabilities at June 30, 2008 by \$21.2 million. Of this amount, \$7.9 million may be used to meet the District's ongoing financial obligations. The remaining amount represents the difference between capital assets and related debt and net asset amounts restricted for specific purposes.
- ▶ In total, net assets of governmental activities increased by \$3.7 million, which represents an increase of 21.42% from 2007.
- ▶ General revenues accounted for \$27.7 million or 78.03% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7.8 million or 21.97% of total revenues of \$35.5 million.
- ▶ The District had \$31.8 million in expenses related to governmental activities; only \$7.8 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes and grants and entitlements) of \$27.7 million were adequate to cover the balance of governmental programs.
- ▶ The District recognizes three major governmental funds: the General Fund, the Bond Retirement Fund, and the Permanent Improvement Fund. In terms of dollars received and spent, the General Fund is significantly larger than all the other funds of the District combined. The General Fund had \$28.3 million in revenues and \$25.2 million in expenditures in fiscal year 2008.
- ▶ The District also recognizes the self-insurance fund activity as a governmental activity and a proprietary fund. The activity for fiscal year 2008 was \$4.8 million in revenue and \$4.9 million in expenses. Net assets at June 30, 2008 for the self-insurance fund decreased \$96,019.

Using this Annual Report

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

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

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(Unaudited)

Reporting the District as a Whole

Government-Wide Financial Statements

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(Unaudited)

Governmental Funds

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

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

Proprietary Fund

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(Unaudited)

Government-Wide Financial Analysis

Recall that the *Statement of Net Assets* provides the perspective of the District as a whole, showing assets, liabilities, and the difference between them (net assets). Table 1 provides a summary of the District's net assets for 2008 compared to fiscal year 2007:

Table 1
Net Assets

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Assets		
Current and Other Assets	\$40,059,572	\$33,882,157
Capital Assets, Net	21,307,963	21,517,778
Total Assets	<u>61,367,535</u>	<u>55,399,935</u>
Liabilities		
Long-Term Liabilities	16,368,015	16,981,564
Other Liabilities	23,759,930	20,925,406
Total Liabilities	<u>40,127,945</u>	<u>37,906,970</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	6,958,111	6,458,995
Restricted	6,328,804	5,944,796
Unrestricted	7,952,675	5,089,174
Total Net Assets	<u>\$21,239,590</u>	<u>\$17,492,965</u>

Current assets increased by \$6,177,415 from fiscal year 2007 due primarily to the net effects of increases in property taxes receivable, income taxes receivable and in cash and cash equivalents.

Capital assets decreased \$209,815 due to current year depreciation expense.

Current (other) liabilities increased \$2,834,524 primarily due to an increase in deferred revenue.

Long-term liabilities decreased by \$613,549 due to principal retirement on debt obligations.

The District's largest portion of net assets is unrestricted. This accounts for 37.44% of net assets. These net assets represent resources that may be used to meet the District's ongoing obligations to its students and creditors.

ATHENS CITY SCHOOL DISTRICT
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The District's next largest portion of net assets is related to amounts invested in capital assets, net of related debt. This accounts for 32.76% of net assets. The District used these capital assets to provide service to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities.

The District's smallest portion of net assets relate to restricted net assets. This accounts for 29.80% of net assets. The restricted net assets are subject to external restrictions on how they may be used.

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

Table 2 shows the changes in net assets for fiscal year 2008 compared to changes for fiscal year 2007.

Table 2
Changes in Net Assets

	<u>Governmental Activities</u>	
	2008	2007
<u>Revenues:</u>		
<i>Program Revenue:</i>		
Charges for Services and Sales	\$2,809,963	\$2,696,396
Operating Grants and Contributions	5,015,510	4,688,882
Capital Grants and Contributions	18,122	0
<i>General Revenue:</i>		
Property Taxes	15,789,028	16,186,466
Income Taxes	3,298,754	186,249
Unrestricted Grants and Entitlements	7,738,957	7,731,693
Gain on Sale of Capital Assets	14,932	0
Payments in Lieu of Taxes	148,701	554,421
Investment Earnings	712,179	698,487
Miscellaneous	49,963	78,658
Total Revenues	35,596,109	32,821,252

(Continued)

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(Unaudited)

Table 2
Changes in Net Assets

	<u>Governmental Activities</u>	
	2008	2007
<i>Expenses:</i>		
<i>Program Expenses:</i>		
<i>Instruction:</i>		
Regular	14,593,578	15,026,568
Special	3,223,201	3,498,510
Vocational	289,528	307,970
Other	295,882	18,611
<i>Support Services:</i>		
Pupil	1,085,787	1,269,746
Instructional Staff	1,744,564	1,741,938
Board of Education	114,815	100,408
Administration	1,890,289	1,869,748
Fiscal	661,973	852,201
Business	603,907	203,064
Operation and Maintenance of Plant	3,500,974	4,090,802
Pupil Transportation	1,654,666	2,158,755
Central	167,721	200,975
<i>Operation of Non-Instructional Services:</i>		
Food Service	843,310	929,162
Other	22,370	4,810
Extracurricular Activities	461,995	455,568
Interest and Fiscal Charges	694,924	769,066
<i>Total Expenses</i>	31,849,484	33,497,902
<i>Change in Net Assets</i>	3,746,625	(676,650)
Net Assets – Beginning of Year	17,492,965	18,169,615
Net Assets – End of Year	\$21,239,590	\$17,492,965

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(Unaudited)

The District had program revenue increases of \$458,317 and increases in general revenues of \$2,316,540. The increase in program revenue is due to an increase in operating grants and contributions. The general revenue increase is mostly due to increases in income taxes.

The total expenses for governmental activities decreased \$1,648,418 or 4.92% as a result of the District's budget cuts and monitoring of expenses.

Governmental Activities

Over the past several fiscal years, the District has remained in stable financial condition. This has been accomplished through strong voter support and good fiscal management. The District is heavily dependent on property taxes and, like most Ohio schools, is hampered by a lack of revenue growth. Property taxes made up 44.36% of the total revenue for governmental activities in fiscal year 2008.

The Ohio Legislature passed H.B. 920 (1976) and changed the way property taxes function in State. The overall revenue generated by a levy will not increase solely as a result of inflation. As an example, the District would receive from a home valued at \$100,000 and taxed at 1.0 mill, \$35.00 annually. If three years later the home were reappraised and the value increased to \$200,000 (and this increase in value is comparable to other property owners) the effective tax rate would become 0.5 mill and the District would still receive \$35.00 annually. This causes a district to regularly return to the voters to maintain a constant level of service. However, a district cannot drop below 20 effective mills for operating purposes. Once a district falls to the 20 mill minimum, the type of levy passed becomes more important since all levy types do not count toward the 20 mill minimum. Athens City Schools has had their operating levies reduced by a significant amount over time. The District is now at the 20 mill minimum for residential and agricultural property but slightly above the minimum for commercial and industrial property.

The District's 2.9 mill Permanent Improvement Levy is an important piece of the financial picture. It funds not only facility maintenance and upkeep issues but also provides the bulk of the District's technology needs and a large percentage of the State's set-aside requirements for both textbooks and instructional materials and capital improvements. The 5-year levy was first passed by District voters in 1991 and has been approved three times, the last time in May 2006 with a 66% approval.

The District has only one non-continuing levy for operational expenses. This is a 5-year, \$3.2 million dollar "Emergency Levy" which first passed in 2004 and was renewed in November 2008. An emergency levy differs from a traditional property tax levy in that it is passed for a specified dollar amount rather than a millage tax rate. Once the dollar amount is determined, the county auditor sets the millage tax rate each year that will generate that dollar amount in tax revenue. In 2004 the millage tax rate was 7.78 mills but has been estimated by the County Auditor to be below 7.0 mills upon renewal. An emergency levy also does not count toward the 20 mill minimum for schools.

The District allowed its only other non-continuing property tax levy, a 5-year-5.8 mills levy first passed in 1994 and replaced twice, to expire at the end of calendar year 2007. In November 2006 the voters passed a 1% Income Tax with the District promise to allow the 5.8 levy to expire. The new 1% income tax applies only to earned income of District residents and is estimated to bring in approximately \$2.9 million annually. Retirement, disability, and investment income are examples of income excluded from the tax. This reduces the burden on our senior citizens and others who may be less able to pay.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(Unaudited)

Instruction accounts for 57.78% of governmental activities program expenses. Support services expenses make up 35.87% of governmental activities program expenses. The Statement of Activities shows the cost of program services and charges for services and grants offsetting those services.

Table 3 shows, for governmental activities, the total cost of services and the net cost of services for fiscal year 2008 compared with fiscal year 2007. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2008	2007	2008	2007
<i>Program Expenses:</i>				
Instruction	\$18,402,189	\$18,851,659	\$12,896,628	\$13,881,721
Support Services	11,424,696	12,487,637	10,002,426	10,919,064
Operation of Non-Instructional Services	865,680	933,972	9,134	156,935
Extracurricular Activities	461,995	455,568	402,777	385,838
Interest and Fiscal Charges	694,924	674,345	694,924	674,345
Total Expenses	\$31,849,484	\$33,403,181	\$24,005,889	\$26,017,903

The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. (See Note 2 for discussion of significant accounting policies). All governmental funds had total revenues of \$35.6 million and expenditures of \$32.1 million.

Total governmental funds fund balances increased by \$3.6 million. The increase in fund balance for the year was most significant in the General Fund, which increased \$2,711,221, as a result of the increase in income tax revenue. The Bond Retirement fund had an increase of \$377,802 in fund balance due to revenues exceeding expenditures for the fiscal year. The fund balance in the Permanent Improvement Fund increased \$72,738 due to a decrease in expenditures for fiscal year 2008.

The District should remain stable in fiscal years 2009 through 2012. However, projections beyond fiscal year 2012 show the District may be unable to meet inflationary cost increases in the long-term without additional tax levies or a meaningful change in state funding of public schools as directed by the Ohio Supreme Court.

ATHENS CITY SCHOOL DISTRICT
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For the Fiscal Year Ended June 30, 2008
(Unaudited)

Budget Highlights - General Fund

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

During the course of fiscal year 2008, the District amended its General Fund budget several times. The District uses a modified site-based budget technique that is designed to control site budgets while providing building administrators and supervisors' flexibility for site management.

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

For the General Fund, the final budget basis revenue was \$27,462,154 representing a \$1,070,931 increase from the original budget estimates of \$26,391,223. The final budget reflected a 4.06% increase from the original budgeted amount. Most of this difference was due to the District's conservative budgeting for property tax revenue on the original budget. For the General Fund, the final budget basis expenditures were \$25,987,352 representing a decrease of \$877,175 from the original budget. The difference is the result of conservative estimates of expenditures on the original budget due to inflationary pressure for fuel and utilities during the beginning of the fiscal year.

Debt Administration and Capital Assets

Debt Administration

At June 30, 2008, the District had \$13.3 million in bonds outstanding with \$620,000 due within one year. Table 4 summarizes bonds outstanding for fiscal year 2008 compared to fiscal year 2007. More detailed information concerning the District's debt can be found in Note 15 of the notes to the basic financial statements.

Table 4
Outstanding Debt, Governmental Activities at Year End

Purpose	2008	2007
Facility Construction Bonds (Refunding)	\$8,950,000	\$9,080,000
Facility Renovation Bonds	4,365,000	4,830,000
Total	\$13,315,000	\$13,910,000

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
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(Unaudited)

Capital Assets

At the end of fiscal year 2008, the District had \$46.2 million invested in capital assets for its governmental activities. That total carries an accumulated depreciation of \$24.9 million. Table 5 shows fiscal year 2008 balances compared to fiscal year 2007. More detailed information concerning the District's capital assets can be found in Note 10 of the notes to the basic financial statements.

Table 5
Capital Assets & Accumulated Depreciation at Year End

	<u>Governmental Activities</u>	
	2008	2007
<i>Nondepreciable Capital Assets:</i>		
Land	\$1,519,380	\$1,519,380
<i>Depreciable Capital Assets:</i>		
Land Improvements	2,986,642	2,973,530
Buildings and Improvements	35,797,590	35,384,837
Furniture, Fixtures and Equipment	1,986,655	3,042,476
Vehicles	2,545,939	2,197,585
Library and Textbooks	1,399,405	1,399,405
<i>Total Capital Assets</i>	46,235,611	46,517,213
<i>Less Accumulated Depreciation:</i>		
Land Improvements	2,110,924	2,021,837
Buildings and Improvements	18,235,341	17,312,034
Furniture, Fixtures and Equipment	1,709,244	2,867,013
Vehicles	1,472,734	1,399,146
Library and Textbooks	1,399,405	1,399,405
<i>Total Accumulated Depreciation</i>	24,927,648	24,999,435
Capital Assets, Net	\$21,307,963	\$21,517,778

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(Unaudited)

Current Issues

Athens City School District is considered a mid-wealth district. It is financially stable, and has been over the past several years. As indicated in the preceding financial information, the District is heavily dependent on property taxes. Property tax revenue does not increase solely as a result of inflation. Therefore, in the long-term, the current program and staffing levels will be dependent on increased funding to meet inflation. Careful financial planning and the renewal of a \$3.2 million emergency levy in November of 2008 and passage of a 1% Income Tax in November of 2006 permitted the District to provide a quality education for our students.

- The Ohio Legislature biennial budget for 2006 and 2007 included several provisions impacting school funding beyond FY2007. The main result of that budget eliminated Ohio public schools ability to tax tangible personal property of business after calendar year 2008. The local tax revenue was reduced over four years by reducing the taxable value 25% a year. Ohio school districts are to be “held harmless” by receiving state funds to off-set the amount lost due to the decrease in value. This “hold harmless” is to be at 100% through 2011 and then it will begin to be phased down to zero in 2018. In calendar year 2004, the base year for determining the “hold harmless” amount, Athens City School District had a \$24 million tangible personal property valuation which generated approximately \$1.2 million tax dollars annually.
- Athens County is undergoing the six-year property tax reappraisal in 2008. Based on preliminary discussions with the County Auditor’s Office, the District’s average real estate property value will increase by 11% to 12% for residential property and 18% to 20% for commercial property. Typical residential reappraisal value increases have historically been between 18% and 20%. Property tax revenue has been adjusted to account for the slowdown in the economic and housing markets.
- A new biennial state budget will be passed in the spring of 2009 for the 2010 and 2011 fiscal years. Early indications are that the Ohio Department of Education will recommend several funding changes that could impact the District. Ohio’s Governor has stated every effort will be made to spare education from significant budget reductions. However, traditional annual increases are unlikely as of the date of this report. The District revenue projections reflect a flat funding level from the state over the next two fiscal years.

Athens City School District does not anticipate any meaningful growth or loss in revenue as a result of these changes in the short term. Based on these factors, the Board of Education and the administration of the District must maintain careful financial planning and prudent fiscal management in order to preserve the financial stability of the District, especially after FY2011 when the phase-out of the Tangible Personal Property Tax begins heading toward a reduction of more than \$1.2 million in local revenue.

Residential housing is experiencing smaller growth outside the City of Athens but within the Athens City School District. The homes being built in several subdivisions continue to be upscale in both style and price. There are still several projects being reviewed by the City of Athens which could add commercial development and construction of upscale apartments. Ohio University continues to work with private developers on student housing options off campus as an alternative to their dormitory and resident halls. These may be constructed as profit making ventures with the property remaining tax-exempt.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
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(Unaudited)

The City continues with improvements to streets and utilities which spawned development on the east side. New commercial enterprises such as a Wal-Mart Superstore, Ruby Tuesday's restaurant, a Staples office retailer, and Lowe's Hardware Superstore opened in 2004 and 2006. Two new major hotels were opened in late in 2007 and early 2008. Additionally, small commercial enterprises have opened during FY2008 and the renovations of the University Mall bring hope of a revival of that facility. One major "big-box" will be added to the mall in 2009 with other contracts possible as well. Most of the new construction falls within an area that is under a Tax Increment Financing (TIF) agreement between the City of Athens and the District. The District began receiving an "In Lieu of Tax" payment from the City that closely approximates the tax payment which would have been made by the commercial property owners. However, since the TIF area will be considered tax-exempt property, the property valuation will not be used by the State Department of Education when determining deduction from the District's funding amounts from FY2006 through the end of the 30 year TIF agreement.

H.B. 66 also changed the rules governing TIF agreements as they relate to school funding. Agreements entered into after January 1, 2007 will have to be reported to the Ohio Department of Education and any payments received by a school district will be deducted from their state funding as part of the charge-off. The District's TIF agreement with the City was approved prior to this deadline and is not subject to the reduction in State funding.

Contacting the School District's Financial Management

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

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ATHENS CITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2008

	Governmental Activities
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<u>Assets:</u>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$16,864,113
Investments	498,415
Property Taxes Receivable	21,049,421
Income Taxes Receivable	1,123,503
Accounts Receivable	284
Intergovernmental Receivable	306,825
Prepaid Items	43,807
Inventory Held for Resale	11,214
Materials and Supplies Inventory	5,695
<i>Restricted Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	25,406
Deferred Charges	130,889
Nondepreciable Capital Assets	1,519,380
Depreciable Capital Assets, Net	19,788,583
	<hr/>
<i>Total Assets</i>	61,367,535
	<hr/>
<u>Liabilities:</u>	
Accounts Payable	341,831
Accrued Wages and Benefits	1,620,284
Contracts Payable	120,484
Intergovernmental Payable	813,538
Accrued Interest Payable	50,994
Claims Payable	380,209
Deferred Revenue	20,210,696
Matured Compensated Absences Payable	85,678
Early Retirement Incentive Payable	136,216
<i>Long-Term Liabilities:</i>	
Due within One Year	942,431
Due in More Than One Year	15,425,584
	<hr/>
<i>Total Liabilities</i>	40,127,945
	<hr/>
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	6,958,111
<i>Restricted for:</i>	
Capital Outlay	2,958,786
Debt Service	2,783,778
Other Purposes	586,240
Unrestricted	7,952,675
	<hr/>
<i>Total Net Assets</i>	\$21,239,590
	<hr/> <hr/>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<u>Governmental Activities:</u>					
<i>Instruction:</i>					
Regular	\$14,593,578	\$2,399,190	\$1,438,977	\$18,122	(\$10,737,289)
Special	3,223,201	0	1,462,338	0	(1,760,863)
Vocational	289,528	0	59,979	0	(229,549)
Other	295,882	0	126,955	0	(168,927)
<i>Support Services:</i>					
Pupil	1,085,787	7,996	108,089	0	(969,702)
Instructional Staff	1,744,564	395	538,356	0	(1,205,813)
Board of Education	114,815	0	0	0	(114,815)
Administration	1,890,289	0	31,135	0	(1,859,154)
Fiscal	661,973	0	0	0	(661,973)
Business	603,907	0	5,740	0	(598,167)
Operation and Maintenance of Plant	3,500,974	0	0	0	(3,500,974)
Pupil Transportation	1,654,666	0	669,750	0	(984,916)
Central	167,721	1,678	59,131	0	(106,912)
<i>Operation of Non-Instructional Services:</i>					
Food Services	843,310	342,785	513,761	0	13,236
Other	22,370	0	0	0	(22,370)
Extracurricular Activities	461,995	57,919	1,299	0	(402,777)
Interest and Fiscal Charges	694,924	0	0	0	(694,924)
Total Governmental Activities	\$31,849,484	\$2,809,963	\$5,015,510	\$18,122	(24,005,889)
 <u>General Revenues:</u>					
<i>Property Taxes Levied for:</i>					
General Purposes					13,084,533
Debt Service					1,513,731
Capital Outlay					1,190,764
<i>Income Taxes Levied for:</i>					
General Purposes					3,298,754
Grants and Entitlements not Restricted to Specific Programs					7,738,957
Gain on Sale of Capital Assets					14,932
Payments in Lieu of Taxes					148,701
Investment Earnings					712,179
Miscellaneous					49,963
Total General Revenues					27,752,514
Change in Net Assets					3,746,625
<i>Net Assets at Beginning of Year</i>					17,492,965
<i>Net Assets at End of Year</i>					\$21,239,590

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2008

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash, Cash Equivalents and Investments	\$6,126,868	\$2,617,761	\$3,056,077	\$1,076,081	\$12,876,787
Property Taxes Receivable	17,897,268	1,769,272	1,382,881	0	21,049,421
Income Taxes Receivable	1,123,503	0	0	0	1,123,503
Accounts Receivable	284	0	0	0	284
Intergovernmental Receivable	0	0	0	306,825	306,825
Interfund Receivable	109,741	0	0	0	109,741
Prepaid Items	43,807	0	0	0	43,807
Materials and Supplies Inventory	0	0	0	5,695	5,695
Inventory Held for Resale	0	0	0	11,214	11,214
<u>Restricted Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	25,406	0	0	0	25,406
Total Assets	\$25,326,877	\$4,387,033	\$4,438,958	\$1,399,815	\$35,552,683
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$190,837	\$0	\$60,478	\$90,516	\$341,831
Accrued Wages and Benefits	1,382,064	0	0	238,220	1,620,284
Contracts Payable	0	0	120,484	0	120,484
Intergovernmental Payable	721,665	0	0	91,873	813,538
Interfund Payable	0	0	0	109,741	109,741
Deferred Revenue	17,563,203	1,730,461	1,352,642	0	20,646,306
Early Retirement Incentive Payable	136,216	0	0	0	136,216
Matured Compensated Absences Payable	85,678	0	0	0	85,678
Total Liabilities	20,079,663	1,730,461	1,533,604	530,350	23,874,078
<u>Fund Balances:</u>					
Reserved for Encumbrances	0	0	209,535	83,380	292,915
Reserved for Property Taxes	334,065	38,811	30,239	0	403,115
Reserved for Budget Stabilization	10,928	0	0	0	10,928
Reserved for Bus Purchases	14,478	0	0	0	14,478
<u>Unreserved, Undesignated, Reported in:</u>					
General Fund	4,887,743	0	0	0	4,887,743
Special Revenue Funds	0	0	0	767,962	767,962
Debt Service Fund	0	2,617,761	0	0	2,617,761
Capital Projects Funds	0	0	2,665,580	18,123	2,683,703
Total Fund Balances	5,247,214	2,656,572	2,905,354	869,465	11,678,605
Total Liabilities and Fund Balances	\$25,326,877	\$4,387,033	\$4,438,958	\$1,399,815	\$35,552,683

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2008*

Total Governmental Funds Balances	\$11,678,605
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	21,307,963
Some of the District's receivables will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. These receivables consist of:	
Property taxes	435,610
Unamortized issuance costs represent deferred charges which do not provide current financial resources and are therefore not reported in the funds.	130,889
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:	
General obligation bonds	(13,315,000)
Accretion on bonds	(164,141)
Premium on bonds issued	(1,034,852)
Accrued interest on bonds	(50,994)
Compensated absences	<u>(1,854,022)</u>
Total liabilities that are not reported in the funds	(16,419,009)
An internal service fund is used by management to charge the costs of insurance activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	<u>4,105,532</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$21,239,590</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$13,159,976	\$1,513,731	\$1,190,764	\$0	\$15,864,471
Income Taxes	3,298,754	0	0	0	3,298,754
Intergovernmental	8,886,610	191,643	145,739	3,587,250	12,811,242
Interest	528,752	0	109,802	0	638,554
Tuition and Fees	2,300,030	0	0	86,257	2,386,287
Extracurricular Activities	0	0	0	80,891	80,891
Rent	5,277	0	0	0	5,277
Charges for Services	0	0	0	342,785	342,785
Payments in Lieu of Taxes	148,701	0	0	0	148,701
Contributions and Donations	0	0	0	20,716	20,716
Miscellaneous	24,500	0	0	20,186	44,686
Total Revenues	28,352,600	1,705,374	1,446,305	4,138,085	35,642,364
<u>Expenditures:</u>					
<i>Current:</i>					
<i>Instruction:</i>					
Regular	11,661,919	0	505,961	1,555,231	13,723,111
Special	2,469,527	0	9,669	747,964	3,227,160
Vocational	286,608	0	0	0	286,608
Other	154,997	0	0	139,883	294,880
<i>Support Services:</i>					
Pupil	994,912	0	0	135,391	1,130,303
Instructional Staff	1,141,770	0	18,789	575,210	1,735,769
Board of Education	112,752	0	0	862	113,614
Administration	1,760,626	0	690	30,707	1,792,023
Fiscal	528,708	51,235	67,519	0	647,462
Business	605,370	0	0	5,289	610,659
Operation and Maintenance of Plant	3,294,340	0	340,182	0	3,634,522
Pupil Transportation	1,712,712	0	107,755	97	1,820,564
Central	107,913	0	0	58,677	166,590
Operation of Non-Instructional Services	304	0	21,674	841,275	863,253
Extracurricular Activities	348,766	0	0	66,042	414,808
Capital Outlay	19,179	0	303,662	20,017	342,858
<i>Debt Service:</i>					
Principal Retirement	0	595,000	0	0	595,000
Interest and Fiscal Charges	0	681,337	0	0	681,337
Total Expenditures	25,200,403	1,327,572	1,375,901	4,176,645	32,080,521
Excess of Revenues Over (Under) Expenditures	3,152,197	377,802	70,404	(38,560)	3,561,843
<u>Other Financing Sources (Uses):</u>					
Transfer In	0	0	0	455,562	455,562
Proceeds from Sale of Capital Assets	1,875	0	0	0	1,875
Insurance Recoveries	12,711	0	2,334	0	15,045
Transfer Out	(455,562)	0	0	0	(455,562)
Total Other Financing Sources (Uses)	(440,976)	0	2,334	455,562	16,920
Net Change in Fund Balances	2,711,221	377,802	72,738	417,002	3,578,763
Fund Balances at Beginning of Year	2,535,993	2,278,770	2,832,616	452,463	8,099,842
Fund Balances at End of Year	\$5,247,214	\$2,656,572	\$2,905,354	\$869,465	\$11,678,605

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
June 30, 2008*

Net Change in Fund Balances - Total Governmental Funds		\$3,578,763
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets 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 Outlay	1,048,231	
Depreciation	<u>(1,256,058)</u>	
Total		(207,827)
 Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(1,988)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These revenues consist of:		
Property taxes	(75,443)	
Intergovernmental	<u>(59,369)</u>	
Total revenues not reported in the funds		(134,812)
 Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
		595,000
 In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		2,658
 Bond issuance costs are reported as expenditures in the governmental funds when due, but in the statement of activities these costs are accrued as deferred charges.		
		(7,699)
 Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Compensated absences	27,095	
Accretion on bonds	(69,420)	
Premium on bonds issued	<u>60,874</u>	
Total expenditures not reported in the funds		18,549
 An internal service fund is used by management to charge the costs of insurance to individual funds. The net revenue of the internal service fund is reported as governmental activities.		
		<u>(96,019)</u>
 <i>Change in Net Assets of Governmental Activities</i>		 <u><u>\$3,746,625</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$12,265,606	\$13,318,627	\$13,318,627	\$0
Income Taxes	2,195,068	2,278,119	2,278,119	0
Intergovernmental	8,856,513	8,886,610	8,886,610	0
Interest	527,149	496,408	520,923	24,515
Tuition and Fees	2,205,953	2,302,237	2,302,287	50
Rent	11,372	5,277	5,277	0
Payments in Lieu of Taxes	300,000	148,701	148,701	0
Miscellaneous	29,562	26,175	26,235	60
<i>Total Revenues</i>	26,391,223	27,462,154	27,486,779	24,625
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	12,634,173	12,165,550	12,167,297	(1,747)
Special	2,663,807	2,531,834	2,531,787	47
Vocational	327,573	298,721	298,721	0
Other	121,930	143,680	143,680	0
<i>Support Services:</i>				
Pupils	1,184,989	1,024,209	1,024,182	27
Instructional Staff	1,115,538	1,161,993	1,161,993	0
Board of Education	136,928	114,920	111,701	3,219
Administration	1,897,350	1,902,841	1,902,841	0
Fiscal	499,112	534,279	536,989	(2,710)
Business	583,883	619,999	617,889	2,110
Operation and Maintenance of Plant	3,411,267	3,279,163	3,279,163	0
Pupil Transportation	1,814,036	1,735,003	1,735,003	0
Central	121,835	109,505	109,396	109
Operation of Non-Instructional Services	0	304	304	0
Extracurricular Activities	347,106	348,540	348,540	0
Capital Outlay	5,000	16,811	16,811	0
<i>Total Expenditures</i>	26,864,527	25,987,352	25,986,297	1,055
<i>Excess of Revenues Over (Under) Expenditures</i>	(473,304)	1,474,802	1,500,482	25,680
<u>Other Financing Sources (Uses):</u>				
Proceeds from the Sale of Capital Assets	0	1,875	1,875	0
Insurance Recoveries	0	12,676	12,711	35
Transfers Out	0	(455,562)	(455,562)	0
Advances Out	0	(68,954)	(68,954)	0
<i>Total Other Financing Sources (Uses)</i>	0	(509,965)	(509,930)	35
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</i>	(473,304)	964,837	990,552	25,715
<i>Fund Balance at Beginning of Year</i>	4,872,316	4,872,316	4,872,316	0
Prior Year Encumbrances Appropriated	151,090	151,090	151,090	0
<i>Fund Balance at End of Year</i>	\$4,550,102	\$5,988,243	\$6,013,958	\$25,715

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Net Assets

Proprietary Fund

June 30, 2008

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Assets:</u>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	\$3,987,326
Investments	<u>498,415</u>
<i>Total Current Assets</i>	<u>4,485,741</u>
<u>Liabilities:</u>	
<i>Current Liabilities:</i>	
Claims Payable	<u>380,209</u>
<i>Total Current Liabilities</i>	<u>380,209</u>
<u>Net Assets:</u>	
Unrestricted	<u><u>\$4,105,532</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
*Statement of Revenues,
Expenses and Change in Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2008*

	Governmental Activities
	Internal Service
<u>Operating Revenues:</u>	
Charges for Services	\$4,802,636
<u>Operating Expenses:</u>	
Purchased Services	649,607
Claims	4,320,497
Other	2,176
<i>Total Operating Expenses</i>	4,972,280
<i>Operating Income</i>	(169,644)
<u>Nonoperating Revenue:</u>	
Interest	73,625
<i>Change in Net Assets</i>	(96,019)
<i>Net Assets at Beginning of Year</i>	4,201,551
<i>Net Assets at End of Year</i>	\$4,105,532

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Cash Flows

Proprietary Fund

For the Fiscal Year Ended June 30, 2008

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Services Provided	\$4,802,636
Cash Payments for Goods and Services	(649,607)
Cash Payments to Other Sources	(2,176)
Cash Payments for Claims	<u>(4,252,471)</u>
<i>Net Cash from Operating Activities</i>	<u>(101,618)</u>
<u>Cash Flows from Investing Activities:</u>	
Cash Received from Sale of Investments	1,007,596
Cash Received from Interest on Investment Activities	<u>73,625</u>
<i>Net Cash from Investing Activities</i>	<u>1,081,221</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	979,603
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>3,007,723</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$3,987,326</u></u>
 <u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash from Operating Activities:</u>	
Operating (Loss)	(\$169,644)
 <u>Adjustments to Reconcile Operating Income (Loss)</u>	
<u>to Net Cash from Operating Activities:</u>	
<i>Increase (Decrease) in Liabilities:</i>	
Claims Payable	<u>68,026</u>
Total Adjustments	<u>68,026</u>
<i>Net Cash from Operating Activities</i>	<u><u>(\$101,618)</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2008

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
<u>Assets:</u>		
Equity in Pooled Cash, Cash Equivalents and Investments	\$51,527	\$91,704
	<u> </u>	<u> </u>
<u>Liabilities:</u>		
Due to Students	0	91,704
	<u> </u>	<u> </u>
<u>Net Assets:</u>		
Unrestricted	\$51,527	\$0
	<u> </u>	<u> </u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Change in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2008

	<u>Private Purpose Trust</u>
<u>Additions:</u>	
Miscellaneous	\$27,808
<u>Deductions:</u>	
Payments in Accordance with Trust	<u>22,103</u>
<i>Change in Net Assets</i>	5,705
<i>Net Assets at Beginning of Year</i>	<u>45,822</u>
<i>Net Assets at End of Year</i>	<u><u>\$51,527</u></u>

See accompanying notes to the basic financial statements.

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ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Description of the School District

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

The District was established in the mid 1800's and in 1960 the District was consolidated with the portion of the Athens Local School District located in the City of Athens. The District was consolidated in 1964 with the Plains Local School District and the Chauncey Local School District. The District serves an area of approximately 58 square miles. It is located in Athens County, and includes the City of Athens and portions of the Village of Chauncey and the Townships of Athens, Canaan, Dover, and Waterloo. The District is the 167th largest in the State of Ohio (among 614 school districts) in terms of enrollment. It is staffed by 166 non-certificated employees, 227 certificated full-time teaching personnel and 19 administrative employees who provide services to 2,840 students and other community members. The District currently operates 7 instructional buildings, 1 administrative building, 1 maintenance facility and 1 garage.

Reporting Entity

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

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

The District is associated with four organizations, three of which are defined as jointly governed organizations and one as an insurance purchasing pool. These organizations are the Southeast Ohio Voluntary Education Cooperative, the Tri-County Career Center, the Coalition of Rural and Appalachian Schools and the Ohio School Boards Association Worker's Compensation Group Rating Plan. These organizations are presented in Notes 18 and 19 to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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

Governmental Funds

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

The following are the District's major governmental funds:

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

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

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

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

Proprietary Fund

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

Fiduciary Funds

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes and income taxes are recognized in the fiscal year for which the taxes are levied (See Notes 7 and 8). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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

Unearned/Deferred Revenue

Unearned/deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as unearned/deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned/deferred revenue.

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

Expenses/Expenditures

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

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

E. Cash, Cash Equivalents and Investments

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

During the fiscal year 2008, the District's investments were limited to the Federal Securities and State Treasury Asset Reserve of Ohio (STAROhio). Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investments the investment could be sold for on June 30, 2008.

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 2008 amounted to \$528,752, which includes \$325,722 assigned from other District funds.

For purpose of the statement of cash flows, the proprietary portion of equity in pooled cash, cash equivalents and investments is considered to be liquid because each fund's portion of the pool can be accessed without prior notice or penalty.

F. Inventory

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. Restricted assets in the General Fund include amounts restricted for bus purchases and amounts required by statute to be set-aside by the District to create a reserve for budget stabilization. See Note 17 for additional information regarding set-asides.

I. Capital Assets

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

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

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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

J. Interfund Balances

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

K. Compensated Absences

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

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

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

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

L. Accrued Liabilities and Long-Term Liabilities

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

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

M. Net Assets

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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

Net assets restricted for other purposes are primarily from federal and state grants reported in the Special Revenue Funds. Of the District's \$6,328,804 restricted net assets, none are restricted by enabling legislation.

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

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

O. Operating Revenues and Expenses

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

P. Interfund Transactions

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

Interfund transfers within the governmental activities are eliminated on the government-wide statements.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. For fiscal year 2008, the District reported no extraordinary or special items.

R. Estimates

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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

S. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2008.

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

NOTE 3- PRIOR PERIOD ADJUSTMENT AND NEW GASB PRONOUNCEMENTS

A. Prior Period Adjustment

During fiscal year 2008, it was determined that the District should be reporting a liability for the annual accretion amounts on the capital appreciation bonds that have been reported as a long-term liability by the District. A prior period adjustment has been made to increase the long-term liability as of June 30, 2007, which resulted in a decrease of net assets for the Governmental Activities.

	<u>Governmental Activities</u>
Net Assets at June 30, 2007	\$17,587,686
Increase Long-Term Liability	<u>(94,721)</u>
Adjusted Net Assets at June 30, 2007	<u><u>\$17,492,965</u></u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

NOTE 3- PRIOR PERIOD ADJUSTMENT AND NEW GASB PRONOUNCEMENTS - (Continued)

B. New GASB Pronouncements

For fiscal year 2008, the District implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB No. 50, "Pension Disclosures", an amendment of GASB Statements No. 25 and No. 27. The implementation of GASB Statement No. 45, 48 and 50 had some effect on the disclosure requirements, however, there was no effect on the prior period fund balances of the District.

NOTE 4 - ACCOUNTABILITY

The following fund had a deficit fund balance as of June 30, 2008 :

<i>Nonmajor Special Revenue Fund:</i>	
Food Service	\$18,389

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

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$2,711,221
<i>Adjustments:</i>	
Revenue Accruals	(960,860)
Expenditure Accruals	(869,967)
Encumbrances	179,112
Other Sources (Uses)	(68,954)
Budget Basis	<u><u>\$990,552</u></u>

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and GASB Statement No. 40, "Deposit and Investment Risk Disclosures."

At fiscal year end, the District had \$4,607 in undeposited cash on hand which is included on the balance sheet and statement of net assets of District as part of "Equity in Pooled Cash, Cash Equivalents and Investments."

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

As of June 30, 2008, all of the District's bank balance of \$5,475,949 was either covered by Federal Deposit Insurance or collateral was held by the pledging banks trust department not in the District's name.

Investments: As of June 30, 2008, the District had the following investments and maturities:

Investment Type	Fair Value	Less Than One Year	One to Five Years
STAROhio	\$6,851,320	\$6,851,320	\$0
Federal Home Loan Bank Bonds	646,483	246,483	400,000
Federal National Mortgage Association Notes	2,277,536	982,861	1,294,675
Federal Farm Credit Bank Discount Notes	1,640,986	0	1,640,986
Federal Home Loan Mortgage Corporation Notes	994,425	244,425	750,000
Totals	<u>\$12,410,750</u>	<u>\$8,325,089</u>	<u>\$4,085,661</u>

Interest Rate Risk: Interest rate risk is the risk, that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits its investments to those authorized by state statute in its investment policy. Standard and Poor's has assigned STAROhio a rating of "AAAm" and both the Federal Home Loan Bank Bonds and Federal Home Loan Mortgage Corporation Notes "AAA". Rating disclosure is not required for the U.S. Treasury Notes.

Custodial Credit Risk: For investments, custodial credit risk is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of its investments or collateral securities in the possession of an outside party. District policy provides that investments be held in the name of the District. All of the District's investments are held in the name of the District.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy minimizes concentration of credit risk by diversifying assets by issuer as necessary. The District's investments in STAROhio, Federal Home Loan Bank Bonds, Federal National Mortgage Association Notes, Federal Farm Credit Bank Discount Notes and Federal Home Loan Mortgage Corporation Notes were 55%, 5%, 19%, 13% and 8%, respectively, of the District's total investments.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 7 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31, of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31. Tangible personal property assessments are 6.25 percent for 2008 and zero for 2009 of true value for capital assets and 24 percent of true value for inventory.

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

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

The District receives property taxes from Athens County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008 are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 7 - PROPERTY TAXES -(Continued)

Accrued property taxes receivable represents the June 2008 personal property tax settlement, delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which become measurable as of June 30, 2008. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The total amount available as an advance at June 30, 2008 was \$403,115 and is recognized as revenue. Of this total amount, \$334,065 was available to the General Fund, \$38,811 was available to the Bond Retirement Fund, and \$30,239 was available to the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second- Half Collections		2008 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$400,182,710	90.13%	\$408,820,500	91.74%
Public Utility Personal	25,945,580	5.84%	20,940,180	4.70%
Tangible Personal Property	17,890,464	4.03%	15,874,254	3.56%
Total Assessed Value	<u>\$444,018,754</u>	<u>100.00%</u>	<u>\$445,634,934</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$66.00		\$66.00	

NOTE 8 - SCHOOL INCOME TAXES

The District currently benefits from a 1.00% income tax, which is assessed on earned income only for all residents of the District. The District apportions all the proceeds to the General Fund. During fiscal year 2008, the District received \$3,298,754 from the school income tax.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 9 - RECEIVABLES

Receivables at June 30, 2008 consisted of property taxes, accounts (student fees), interfund, interest, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	
<hr/>	
<i>Nonmajor Special Revenue Funds:</i>	
Food Service	\$68,954
Other State Support	1
Title VI-B	102,185
Title I	103,247
Other Federal Support	32,438
Total Nonmajor Special Revenue Funds	<hr/> 306,825 <hr/>
Total Intergovernmental Receivables	<hr/> <u>\$306,825</u> <hr/>

ATHENS CITY SCHOOL DISTRICT*Notes to the Basic Financial Statements**For the Fiscal Year Ended June 30, 2008***NOTE 10 - CAPITAL ASSETS**

Capital asset governmental activity for the fiscal year ended June 30, 2008 was as follows:

<u>Asset Category</u>	<u>Balance at July 1, 2007</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at June 30, 2008</u>
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,519,380	\$0	\$0	\$1,519,380
Total Nondepreciable Capital Assets	1,519,380	0	0	1,519,380
<i>Depreciable Capital Assets:</i>				
Land Improvements	2,973,530	13,112	0	2,986,642
Buildings and Improvements	35,384,837	412,753	0	35,797,590
Furniture, Fixtures and Equipment	3,042,476	168,702	(1,224,523)	1,986,655
Vehicles	2,197,585	453,664	(105,310)	2,545,939
Library and Textbooks	1,399,405	0	0	1,399,405
Total Depreciable Capital Assets	44,997,833	1,048,231	(1,329,833)	44,716,231
Total Capital Assets	46,517,213	1,048,231	(1,329,833)	46,235,611
<i>Accumulated Depreciation:</i>				
Land Improvements	(2,021,837)	(89,087)	0	(2,110,924)
Buildings and Improvements	(17,312,034)	(923,307)	0	(18,235,341)
Furniture, Fixtures and Equipment	(2,867,013)	(64,766)	1,222,535	(1,709,244)
Vehicles	(1,399,146)	(178,898)	105,310	(1,472,734)
Library and Textbooks	(1,399,405)	0	0	(1,399,405)
Total Accumulated Depreciation	(24,999,435)	(1,256,058)	1,327,845	(24,927,648)
Total Net Capital Assets	<u>\$21,517,778</u>	<u>(\$207,827)</u>	<u>(\$1,988)</u>	<u>\$21,307,963</u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 10 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follow:

<i>Instruction:</i>	
Regular	\$984,706
Special	2,945
Vocational	332
<i>Support Services:</i>	
Instructional Staff	2,213
Board of Education	1,116
Administration	7,638
Fiscal	78
Operation and Maintenance	21,396
Pupil Transportation	183,877
Central	258
Operation of Non-Instructional Services	6,937
Extracurricular Activities	44,562
	<hr/>
Total Depreciation Expense	<u><u>\$1,256,058</u></u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2008, the District contracted with Reed and Baur Insurance Agency of Athens, Ohio for liability insurance, property insurance, fleet and inland marine insurance through the Indiana Insurance and Mathews Insurance for boiler and machinery insurance. Coverages provided are as follows:

Building and Contents - replacement cost (90% co-insurance)	\$67,432,443
Boiler and Machinery (\$1000 deductible)	10,000,000
Automobile Liability (\$500 deductible for collision and comprehensive)	2,000,000
Uninsured Motorists (\$500 deductible for collision and comprehensive) Each Accident	100,000
General Liability:	
Per Occurrence (per location)	2,000,000
Aggregate Limit (per location)	3,000,000

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

For fiscal year 2008, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (the "Plan"), an insurance purchasing pool (Note 19). The intent of the Plan is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Plan. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria. The firm Gates McDonald & Co. provides administrative, cost control and actuarial services to the Plan.

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 11 - RISK MANAGEMENT - (Continued)

The claims liability of \$380,209 reported at June 30, 2008 is based on an estimate provided by the third party administrators and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2007	\$159,150	\$4,083,660	\$3,930,627	\$312,183
2008	312,183	4,320,497	4,252,471	380,209

NOTE 12 - DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

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

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2008, 9.82 percent of the annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007, and 2006 were \$436,638, \$624,559, and \$500,721, respectively; 54.70 percent has been contributed for fiscal year 2008 and 100 percent for the fiscal years 2007 and 2006. \$197,790 representing the unpaid contribution for fiscal year 2008, is recorded as a liability in the financial statements.

State Teachers Retirement System

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2008, 2007, and 2006 were \$1,706,662, \$1,804,224 and \$1,644,728, respectively; 84.88 percent has been contributed for fiscal year 2008 and 100 percent for the fiscal years 2007 and 2006. \$258,020 representing the unpaid contribution for fiscal year 2008, is recorded as a liability in the financial statements.

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, 2008, no members of the Board of Education have elected Social Security.

NOTE 13 - POSTEMPLOYMENT BENEFITS

Plan Description - Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or the combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums.

The State Teachers Retirement Board has statutory authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

STRS Ohio issues a stand-alone financial report that includes financial information for the health care plan. Interested parties can view the most recent *Comprehensive Annual Financial Report* at www.strsoh.org or obtain a copy by calling (888)227-7877.

Funding Policy - Under Ohio law, funding for postemployment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2008, 2007 and 2006. The 14 percent contribution is the maximum rate allowed under Ohio law.

All STRS benefit recipients pay a portion of the health care cost in the form of a monthly premium. The Districts' contributions allocated to fund postemployment health care benefits for the years ended June 30, 2008, 2007, and 2006 were \$131,282, \$127,374, and \$126,522 respectively; 100 percent has been contributed for years 2008, 2007, and 2006.

STRS pays health care benefits from the Health Care Stabilization Fund. The balance in the Fund was \$4.1 billion at June 30, 2007 (the latest information year available). For the year ended June 30, 2007, net health care costs paid by STRS were \$265,558,000 and STRS had 122,934 eligible benefit recipients.

Health Care Plan - Ohio law authorizes SERS Ohio to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code (ORC) postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administrated in accordance with Internal Revenue Code 401(h). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. At June 30, 2008, the health care allocation was 4.18 percent. The actuarially required contributions (ARC), as of December 31, 2007, annual valuation was 11.50 percent of covered payroll. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. Athens City School District's contributions for the years ended June 30, 2008, 2007, 2006 were \$269,291, \$219,466, and \$220,404, respectively.

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2008, the minimum compensation level was established at \$35,800.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Forms and Publications*.

NOTE 14 - EMPLOYEE BENEFITS

Compensated Absences

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

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

Dental, Vision, and Life Insurance

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

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

Retirement Incentive

On January 16, 1999, the District Board of Education approved a Retirement Incentive Program. Participation is open to members of the Athens Education Association the year in which the member first attains thirty years of service credit with the STRS. Such members must retire at the end of the first year of eligibility (June 30) in order to receive the retirement incentive. The Board has elected to make the retirement incentive a lump sum payment of \$20,000 for full-time employees and a prorated amount for part-time employees. Members who do not retire in the first year of eligibility will not receive the retirement incentive. The retirement incentive program is a part of the negotiated union contract. As of June 30, 2008, there was a \$136,216 retirement incentive recorded as a fund liability by the District.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 15 - LONG-TERM LIABILITIES

The changes in the District's long-term liabilities during fiscal year 2008 were as follows:

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Principal Outstanding at July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Principal Outstanding at June 30, 2008</u>	<u>Amount Due in One Year</u>
<u>Governmental Activities:</u>							
Renovation Bonds	2000	6.01%	\$4,830,000	\$0	\$465,000	\$4,365,000	\$490,000
Refunding Bonds							
Term Bonds	2005	4.24%	8,940,000	0	130,000	8,810,000	130,000
Capital Appreciation Bonds			140,000	0	0	140,000	0
Accretion on Capital Appreciation Bonds			94,721	69,420	0	164,141	0
Issuance Premium on Bonds			1,095,726	0	60,874	1,034,852	60,874
Compensated Absences			1,881,117	752,727	779,822	1,854,022	261,557
Total Governmental Activities Long-Term Liabilities			<u>\$16,981,564</u>	<u>\$822,147</u>	<u>\$1,435,696</u>	<u>\$16,368,015</u>	<u>\$942,431</u>

Renovations General Obligation Bonds - In 2000, Athens City School District issued voted general obligation bonds in the amount of \$16,400,000 for the purpose of renovating the Middle School, High School and smaller projects at several other facilities. The bonds were issued for a twenty-four year period with final maturity at December 1, 2017. The proceeds from the sale of these bonds were recorded in the Building Fund. These bonds are retired through the Bond Retirement Fund using tax revenues.

Refunding General Obligation Bonds - The 1993 Series Refunding General Obligation Bonds were issued for the purpose of providing the funds necessary to advance refund \$3,305,000 of School Improvement Bonds, Series 1990 that were originally issued for \$5,000,000. The proceeds of the refunding were deposited in an irrevocable trust with Bank One Trust Company to provide for all future debt service payments. The payment to the escrow agent resulted in an in-substance defeasance of the 1990 Series bonds. As a result, the liability for the 1990 Series bonds was removed as a liability of the District. During fiscal year 2001, the defeased 1990 series bonds in the amount of \$3,305,000 were fully retired by the escrow agent. The 1990 series bonds were issued for the purpose of constructing, furnishing and equipping a new elementary school and other buildings and facilities for school purposes. During fiscal year 2005, the District issued \$2,335,000 of general obligation bonds for the current refunding of \$2,355,000 of the 1993 series bonds. The refunding bonds are retired through the Bond Retirement Fund using tax revenues.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 15 - LONG-TERM LIABILITIES - (Continued)

Principal and interest requirements to retire renovation bonds and 2000 renovation bonds outstanding at June 30, 2008, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$490,000	\$257,817	\$747,817
2010	515,000	230,805	745,805
2011	545,000	202,049	747,049
2012	0	187,198	187,198
2013	0	187,198	187,198
2014-2017	2,815,000	388,858	3,203,858
Total	<u>\$4,365,000</u>	<u>\$1,453,925</u>	<u>\$5,818,925</u>

Refunding General Obligation Bonds - During fiscal year 2005, the District issued \$3,305,000 of general obligation bonds for the current refunding of \$9,305,000 of the 2000 series bonds. The \$1,217,474 premium on the issuance of the refunding bonds is netted against this new debt and will be amortized over the life of this new debt, which has the same remaining life of the refunded debt of 20 years with a final maturity of December 1, 2024. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in an economic gain of \$554,389 and a reduction of \$856,312 in future debt service payments. The refunding bonds are retired through the Bond Retirement Fund using tax revenues.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 15 - LONG-TERM LIABILITIES - (Continued)

The term bonds maturing on December 1, 2024 (fiscal year 2025) are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed plus accrued interest to the date of redemption, on December 1, in the fiscal years and respective principal amounts as follows:

Fiscal Year Ended	Amount
2009	\$130,000
2010	135,000
2011	140,000
2012	685,000
2013	0
2014	105,000
2015	110,000
2016	115,000
2017	120,000
2018	0
2019	905,000
2020	940,000
2021	1,000,000
2022	1,030,000
2023	1,080,000
2024	1,130,000
2025	1,185,000
	<u>\$8,810,000</u>

Term bonds maturing on or after December 1, 2015, are subject to optional redemption, in whole or in part on any date at the option of the issuer on or after December 1, 2005, as follows:

Redemption Dates (Date Inclusive)	Redemption Prices
December 1, 2005 through November 30, 2015	101%
December 1, 2015 and thereafter	100%

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 15 - LONG-TERM LIABILITIES - (Continued)

The capital appreciation bonds are not subject to a mandatory sinking fund or optional redemption prior to stated maturity. The capital appreciation bonds will mature in fiscal years 2013 and 2018. The maturity amount of the bonds is \$1,620,000. For fiscal year 2008, \$69,420 was accreted on the capital appreciation bonds.

Principal and interest requirements to retire the 2005 refunding bonds outstanding at June 30, 2008, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Term Bonds</u>	<u>Capital Appreciation Bonds</u>	<u>Interest</u>	<u>Total</u>
2009	\$130,000	\$0	\$391,872	\$521,872
2010	135,000	0	387,897	522,897
2011	140,000	0	383,422	523,422
2012	685,000	0	368,985	1,053,985
2013	0	715,000	971,996	1,686,996
2014-2018	450,000	905,000	2,599,128	3,954,128
2019-2023	4,955,000	0	1,167,814	6,122,814
2024-2025	2,315,000	0	106,816	2,421,816
Total	<u>\$8,810,000</u>	<u>\$1,620,000</u>	<u>\$6,377,930</u>	<u>\$16,807,930</u>

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

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

The District's overall legal debt margin was \$29,409,906 with an unvoted debt margin of \$445,635 at June 30, 2008.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

NOTE 16 - INTERFUND ACTIVITY

As of June 30, 2008, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$109,741	\$0
<i>Nonmajor Special Revenue Funds:</i>		
Food Service	0	68,954
Title VI-B	0	15,649
Title I	0	10,385
Other Federal Support	0	14,753
Total Nonmajor Special Revenue Funds	<u>0</u>	<u>109,741</u>
Total	<u><u>\$109,741</u></u>	<u><u>\$109,741</u></u>

All balances are scheduled to be collected in the subsequent year. All balances resulted from the time between the dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balance of \$109,741 due to the General Fund from the funds listed is a result of advances made to these funds by the General Fund, that were not repaid as of June 30, 2008.

	<u>Transfers To</u>
<u>Transfers From</u>	<u>Nonmajor Special Revenue</u>
General	\$455,562

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, and (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

NOTE 17 - STATUTORY SET-ASIDES

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2008:

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-Aside Balance as of July 1, 2007	\$0	\$0	\$10,928	\$10,928
Current Year Set-Aside Requirement	449,362	449,362	0	898,724
Qualifying Disbursements	<u>(732,687)</u>	<u>(1,808,553)</u>	<u>0</u>	<u>(2,541,240)</u>
Total	<u>(283,325)</u>	<u>(1,359,191)</u>	<u>10,928</u>	<u>(1,631,588)</u>
Set-Aside Balance as of June 30, 2008	<u>\$0</u>	<u>\$0</u>	<u>\$10,928</u>	
Total Restricted Assets				<u>\$0</u>

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

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS

Southeast Ohio Voluntary Education Cooperative (SEOVEC)

Southeast Ohio Voluntary Education Cooperative, is a jointly governed organization created as a regional council of governments pursuant to State statutes. SEOVEC has 35 participants consisting of 26 school districts and 9 county boards of education. SEOVEC provides financial accounting services, educational management information, and cooperative purchasing services to member districts. Each member district pays a fee annually for services provided by SEOVEC. SEOVEC is governed by a governing board which is selected by the member districts. Each district has one vote in all matters, and each member district's control over budgeting and financing of SEOVEC is limited to its voting authority and any representation it may have on the governing board. SEOVEC operates with its own Treasurer. The continued existence of SEOVEC is not dependent on the District's continued participation and no equity interest exists. SEOVEC has no outstanding debt. Financial statements for SEOVEC can be obtained from the Southeast Ohio Voluntary Education Cooperative, 221 North Columbus Road, Athens, Ohio 45701. The District made payments of \$44,601 to SEOVEC in fiscal year 2008.

Tri-County Career Center

The Tri-County Career Center is a jointly governed organization providing vocational services to its eight member Districts. The Center is governed by a board of education comprised of eleven members appointed by the participating schools. The board controls the financial activity of the Center and reports to the Ohio Department of Education and the Auditor of State of Ohio. The continued existence of the Center is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2008, the District made no contributions to the Center. Financial information can be obtained from the Tri-County Career Center, 15676 State Route 691, Nelsonville, Ohio 45764.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization including over 100 school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of fourteen members. The board members are composed of one superintendent from each county elected by the school districts within that county. The Council provides various inservice for school district administrative personnel; gathers of data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Council is not dependent on the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for the Council. The District made no significant payments for membership in fiscal year 2008.

NOTE 19 - INSURANCE PURCHASING POOL

Ohio School Boards Association Worker's Compensation Group Rating Plan

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

NOTE 20 - CONTINGENCIES

Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2008.

Litigation

The District is party to legal proceedings. The District is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the District.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

ATHENS CITY SCHOOL DISTRICT
Description of Funds

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

Food Service

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

Uniform School Supplies

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

Other Local Support

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

Termination Benefits

A fund used to account for monies accumulated for paying termination benefits.

District Managed Student Activities

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

Poverty Based Aid

A fund used to account for monies received for poverty based assistance as part of the state foundation system.

Ohio Reads

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

ATHENS CITY SCHOOL DISTRICT
Description of Funds

Nonmajor Special Revenue Funds (Continued)

Other State Support

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

Title VI-B

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

Title I

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

Other Federal Support

A fund used to account for monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. This federal funding includes: Title III Grant, Title V Grant, Drug Free Schools Grant, EHA Preschool Grant for the Handicapped, Title II-A Grant, 21st Century Grant, Title VI-R Grant, Title II-D Grant, Early Learning Initiative Grant, and other miscellaneous federal grants.

CAPITAL PROJECTS FUNDS

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

Nonmajor Capital Projects Funds

Building

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

School Net Plus

A fund used to account for the receipts and expenditures related to providing wiring to all classrooms for a computer workstation and the related technology.

ATHENS CITY SCHOOL DISTRICT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash, Cash Equivalents and Investments	\$1,056,508	\$19,573	\$1,076,081
Intergovernmental Receivable	306,825	0	306,825
Materials and Supplies Inventory	5,695	0	5,695
Inventory Held for Resale	11,214	0	11,214
<i>Total Assets</i>	<u>\$1,380,242</u>	<u>\$19,573</u>	<u>\$1,399,815</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$90,516	\$0	\$90,516
Accrued Wages and Benefits	238,220	0	238,220
Intergovernmental Payable	91,873	0	91,873
Interfund Payable	109,741	0	109,741
<i>Total Liabilities</i>	<u>530,350</u>	<u>0</u>	<u>530,350</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	81,930	1,450	83,380
<i>Unreserved, Undesignated, Reported in:</i>			
Special Revenue Funds	767,962	0	767,962
Capital Projects Funds	0	18,123	18,123
<i>Total Fund Balances</i>	<u>849,892</u>	<u>19,573</u>	<u>869,465</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,380,242</u>	<u>\$19,573</u>	<u>\$1,399,815</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Intergovernmental	\$3,569,128	\$18,122	\$3,587,250
Tuition and Fees	86,257	0	86,257
Extracurricular Activities	80,891	0	80,891
Charges for Services	342,785	0	342,785
Contributions and Donations	20,716	0	20,716
Miscellaneous	20,186	0	20,186
<i>Total Revenues</i>	<u>4,119,963</u>	<u>18,122</u>	<u>4,138,085</u>
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	1,555,231	0	1,555,231
Special	747,964	0	747,964
Other	139,883	0	139,883
<i>Support Services:</i>			
Pupil	135,391	0	135,391
Instructional Staff	575,210	0	575,210
Board of Education	862	0	862
Administration	30,707	0	30,707
Business	5,289	0	5,289
Pupil Transportation	97	0	97
Central	58,677	0	58,677
Operation of Non-Instructional Services	841,275	0	841,275
Extracurricular Activities	66,042	0	66,042
Capital Outlay	0	20,017	20,017
<i>Total Expenditures</i>	<u>4,156,628</u>	<u>20,017</u>	<u>4,176,645</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(36,665)</u>	<u>(1,895)</u>	<u>(38,560)</u>
<u>Other Financing Sources:</u>			
Transfers In	455,562	0	455,562
<i>Total Other Financing Sources</i>	<u>455,562</u>	<u>0</u>	<u>455,562</u>
<i>Net Change in Fund Balances</i>	418,897	(1,895)	417,002
<i>Fund Balances at Beginning of Year</i>	<u>430,995</u>	<u>21,468</u>	<u>452,463</u>
<i>Fund Balances at End of Year</i>	<u><u>\$849,892</u></u>	<u><u>\$19,573</u></u>	<u><u>\$869,465</u></u>

ATHENS CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

	Food Service	Uniform School Supplies	Other Local Support	Termination Benefits	District Managed Activities
<u>Assets:</u>					
Equity In Pooled Cash, Cash Equivalents and Investments	\$11,349	\$27,017	\$116,807	\$300,000	\$45,444
Intergovernmental Receivable	68,954	0	0	0	0
Materials and Supplies Inventory	5,695	0	0	0	0
Inventory Held for Resale	11,214	0	0	0	0
<i>Total Assets</i>	<u>\$97,212</u>	<u>\$27,017</u>	<u>\$116,807</u>	<u>\$300,000</u>	<u>\$45,444</u>
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$0	\$229	\$4,255	\$0	\$930
Accrued Wages and Benefits	30,353	0	2,924	0	0
Intergovernmental Payable	16,294	0	4,398	0	0
Interfund Payable	68,954	0	0	0	0
<i>Total Liabilities</i>	<u>115,601</u>	<u>229</u>	<u>11,577</u>	<u>0</u>	<u>930</u>
<u>Fund Balances:</u>					
Reserved for Encumbrances	4,808	990	510	0	1,184
<i>Unreserved, Undesignated, Reported in:</i>					
Special Revenue Funds	(23,197)	25,798	104,720	300,000	43,330
<i>Total Fund Balances</i>	<u>(18,389)</u>	<u>26,788</u>	<u>105,230</u>	<u>300,000</u>	<u>44,514</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$97,212</u>	<u>\$27,017</u>	<u>\$116,807</u>	<u>\$300,000</u>	<u>\$45,444</u>

Poverty Based Aid	Ohio Reads	Other State Support	Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$334,836	\$0	\$117,277	\$0	\$0	\$103,778	\$1,056,508
0	0	1	102,185	103,247	32,438	306,825
0	0	0	0	0	0	5,695
0	0	0	0	0	0	11,214
<u>\$334,836</u>	<u>\$0</u>	<u>\$117,278</u>	<u>\$102,185</u>	<u>\$103,247</u>	<u>\$136,216</u>	<u>\$1,380,242</u>
\$0	\$0	0	\$0	\$0	\$85,102	\$90,516
101,979	0	4,639	49,710	31,378	17,237	238,220
39,152	0	1,423	15,656	9,528	5,422	91,873
0	0	0	15,649	10,385	14,753	109,741
<u>141,131</u>	<u>0</u>	<u>6,062</u>	<u>81,015</u>	<u>51,291</u>	<u>122,514</u>	<u>530,350</u>
12,021	0	33,438	6,984	4,808	17,187	81,930
<u>181,684</u>	<u>0</u>	<u>77,778</u>	<u>14,186</u>	<u>47,148</u>	<u>(3,485)</u>	<u>767,962</u>
<u>193,705</u>	<u>0</u>	<u>111,216</u>	<u>21,170</u>	<u>51,956</u>	<u>13,702</u>	<u>849,892</u>
<u>\$334,836</u>	<u>\$0</u>	<u>\$117,278</u>	<u>\$102,185</u>	<u>\$103,247</u>	<u>\$136,216</u>	<u>\$1,380,242</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2008

	Food Service	Uniform School Supplies	Other Local Support	Termination Benefits	District Managed Activities
<u>Revenues:</u>					
Intergovernmental	\$444,805	\$0	\$41,235	\$0	\$0
Tuition and Fees	0	71,417	14,840	0	0
Extracurricular Activities	0	0	22,972	0	57,919
Charges for Services	342,785	0	0	0	0
Contributions and Donations	2	0	19,415	0	1,299
Miscellaneous	14,094	0	0	0	6,092
Total Revenues	801,686	71,417	98,462	0	65,310
<u>Expenditures:</u>					
<i>Current:</i>					
<i>Instruction:</i>					
Regular	0	55,480	70,074	0	0
Special	0	0	0	0	3,300
Other	0	0	0	0	0
<i>Support Services:</i>					
Pupil	0	6,739	7,783	0	0
Instructional Staff	0	0	11,487	0	0
Board of Education	0	0	862	0	0
Administration	0	0	877	0	0
Business	0	0	0	0	0
Pupil Transportation	0	0	97	0	0
Central	0	0	38,050	0	0
Operation of Non-Instructional Services	840,808	0	467	0	0
Extracurricular Activities	0	0	0	0	66,042
Total Expenditures	840,808	62,219	129,697	0	69,342
Excess of Revenues Over (Under) Expenditures	(39,122)	9,198	(31,235)	0	(4,032)
<u>Other Financing Sources:</u>					
Transfers In	155,562	0	0	300,000	0
Total Other Financing Sources (Uses)	155,562	0	0	300,000	0
Net Change in Fund Balances	116,440	9,198	(31,235)	300,000	(4,032)
Fund Balances (Deficits) at Beginning of Year	(134,829)	17,590	136,465	0	48,546
Fund Balances (Deficits) at End of Year	(\$18,389)	\$26,788	\$105,230	\$300,000	\$44,514

Poverty Based Aid	Ohio Reads	Other State Support	Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$1,309,153	\$18,000	\$265,447	\$589,230	\$397,491	\$503,767	\$3,569,128
0	0	0	0	0	0	86,257
0	0	0	0	0	0	80,891
0	0	0	0	0	0	342,785
0	0	0	0	0	0	20,716
0	0	0	0	0	0	20,186
<u>1,309,153</u>	<u>18,000</u>	<u>265,447</u>	<u>589,230</u>	<u>397,491</u>	<u>503,767</u>	<u>4,119,963</u>
1,008,694	582	70,110	0	0	350,291	1,555,231
0	0	0	481,237	263,427	0	747,964
0	0	139,883	0	0	0	139,883
56,978	0	0	50,016	3,880	9,995	135,391
373,421	0	21,698	98,775	27,228	42,601	575,210
0	0	0	0	0	0	862
0	0	0	0	29,830	0	30,707
0	0	0	0	0	5,289	5,289
0	0	0	0	0	0	97
0	0	13,970	0	0	6,657	58,677
0	0	0	0	0	0	841,275
0	0	0	0	0	0	66,042
<u>1,439,093</u>	<u>582</u>	<u>245,661</u>	<u>630,028</u>	<u>324,365</u>	<u>414,833</u>	<u>4,156,628</u>
(129,940)	17,418	19,786	(40,798)	73,126	88,934	(36,665)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>455,562</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>455,562</u>
(129,940)	17,418	19,786	(40,798)	73,126	88,934	418,897
323,645	(17,418)	91,430	61,968	(21,170)	(75,232)	430,995
<u>\$193,705</u>	<u>\$0</u>	<u>\$111,216</u>	<u>\$21,170</u>	<u>\$51,956</u>	<u>\$13,702</u>	<u>\$849,892</u>

ATHENS CITY SCHOOL DISTRICT

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2008

	<u>Building</u>	<u>SchoolNet Plus</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	<u>\$1,451</u>	<u>\$18,122</u>	<u>\$19,573</u>
<i>Liabilities</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	1,450	0	1,450
<i>Unreserved, Undesignated, Reported in:</i>			
Capital Projects Funds	<u>1</u>	<u>18,122</u>	<u>18,123</u>
<i>Total Fund Balances</i>	<u>1,451</u>	<u>18,122</u>	<u>19,573</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,451</u>	<u>\$18,122</u>	<u>\$19,573</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2008

	Building	SchoolNet Plus	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>			
Intergovernmental	0	18,122	18,122
<i>Total Revenues</i>	0	18,122	18,122
<u>Expenditures:</u>			
Capital Outlay	20,017	0	20,017
<i>Total Expenditures</i>	20,017	0	20,017
<i>Net Change in Fund Balances</i>	(20,017)	18,122	(1,895)
<i>Fund Balances at Beginning of Year</i>	21,468	0	21,468
<i>Fund Balances at End of Year</i>	<u>\$1,451</u>	<u>\$18,122</u>	<u>\$19,573</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$12,265,606	\$13,318,627	\$13,318,627	\$0
Income Taxes	2,195,068	2,278,119	2,278,119	0
Intergovernmental	8,856,513	8,886,610	8,886,610	0
Interest	527,149	496,408	520,923	24,515
Tuition and Fees	2,205,953	2,302,237	2,302,287	50
Rent	11,372	5,277	5,277	0
Payment in Lieu of Taxes	300,000	148,701	148,701	0
Miscellaneous	29,562	26,175	26,235	60
Total Revenues	26,391,223	27,462,154	27,486,779	24,625
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Salaries	8,307,130	8,046,462	8,048,497	(2,035)
Fringe Benefits	3,077,250	2,808,219	2,808,219	0
Purchased Services	1,121,969	1,192,351	1,192,077	274
Materials and Supplies	119,716	112,001	111,987	14
Other	5,600	5,586	5,586	0
Capital Outlay	2,508	931	931	0
Total Regular Instruction	12,634,173	12,165,550	12,167,297	(1,747)
<i>Special</i>				
Salaries	1,869,432	1,782,730	1,782,730	0
Fringe Benefits	687,799	608,318	608,318	0
Purchased Services	83,560	112,971	112,971	0
Materials and Supplies	17,016	16,809	16,762	47
Capital Outlay	6,000	11,006	11,006	0
Total Special Instruction	2,663,807	2,531,834	2,531,787	47
<i>Vocational</i>				
Salaries	225,039	182,671	182,671	0
Fringe Benefits	66,165	62,242	62,242	0
Purchased Services	1,500	442	442	0
Materials and Supplies	26,664	29,766	29,766	0
Capital Outlay	8,205	23,600	23,600	0
Total Vocational Instruction	327,573	298,721	298,721	0
<i>Other</i>				
Salaries	119,936	104,544	104,544	0
Fringe Benefits	1,994	39,136	39,136	0
Total Other Instruction	121,930	143,680	143,680	0
Total Instruction	15,747,483	15,139,785	15,141,485	(1,700)
<i>Support Services:</i>				
<i>Pupils</i>				
Salaries	752,396	679,840	679,840	0
Fringe Benefits	241,144	232,250	232,250	0
Purchased Services	57,011	33,291	33,264	27
Materials and Supplies	9,438	11,046	11,046	0
Other	125,000	67,782	67,782	0
Total Pupils	1,184,989	1,024,209	1,024,182	27

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Instructional Staff				
Salaries	621,692	679,556	679,556	0
Fringe Benefits	471,114	468,403	468,403	0
Purchased Services	10,232	4,053	4,053	0
Materials and Supplies	12,500	7,832	7,832	0
Capital Outlay	0	2,149	2,149	0
Total Instructional Staff	<u>1,115,538</u>	<u>1,161,993</u>	<u>1,161,993</u>	<u>0</u>
Board of Education				
Salaries	5,046	8,875	8,875	0
Fringe Benefits	687	1,474	1,474	0
Purchased Services	110,500	80,530	77,311	3,219
Materials and Supplies	3,000	0	0	0
Other	16,195	24,041	24,041	0
Capital Outlay	1,500	0	0	0
Total Board of Education	<u>136,928</u>	<u>114,920</u>	<u>111,701</u>	<u>3,219</u>
Administration				
Salaries	1,218,289	1,292,139	1,292,139	0
Fringe Benefits	622,054	582,703	582,703	0
Purchased Services	39,399	20,754	20,754	0
Materials and Supplies	9,608	5,291	5,291	0
Other	5,000	1,084	1,084	0
Capital Outlay	3,000	870	870	0
Total Administration	<u>1,897,350</u>	<u>1,902,841</u>	<u>1,902,841</u>	<u>0</u>
Fiscal				
Salaries	276,157	308,815	308,815	0
Fringe Benefits	128,394	126,850	126,850	0
Purchased Services	38,066	51,508	54,218	(2,710)
Materials and Supplies	9,000	8,317	8,317	0
Other	36,500	35,230	35,230	0
Capital Outlay	10,995	3,559	3,559	0
Total Fiscal	<u>499,112</u>	<u>534,279</u>	<u>536,989</u>	<u>(2,710)</u>
Business				
Salaries	128,008	133,930	133,930	0
Fringe Benefits	51,611	49,786	49,786	0
Purchased Services	6,200	5,471	3,361	2,110
Materials and Supplies	1,064	687	687	0
Other	395,000	430,125	430,125	0
Capital Outlay	2,000	0	0	0
Total Business	<u>583,883</u>	<u>619,999</u>	<u>617,889</u>	<u>2,110</u>
Operation and Maintenance of Plant				
Salaries	1,324,255	1,311,906	1,311,906	0
Fringe Benefits	726,729	676,311	676,311	0
Purchased Services	957,600	951,400	951,400	0
Materials and Supplies	357,683	314,091	314,091	0
Other	45,000	25,455	25,455	0
Total Operation and Maintenance of Plant	<u>3,411,267</u>	<u>3,279,163</u>	<u>3,279,163</u>	<u>0</u>

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Pupil Transportation				
Salaries	683,131	661,551	661,551	0
Fringe Benefits	702,919	601,426	601,426	0
Purchased Services	13,486	33,018	33,018	0
Materials and Supplies	394,500	381,924	381,924	0
Other	20,000	17,927	17,927	0
Capital Outlay	0	39,157	39,157	0
Total Pupil Transportation	<u>1,814,036</u>	<u>1,735,003</u>	<u>1,735,003</u>	<u>0</u>
Central				
Salaries	66,833	65,031	65,031	0
Fringe Benefits	30,137	22,933	22,933	0
Purchased Services	13,200	17,325	17,216	109
Materials and Supplies	6,365	3,141	3,141	0
Capital Outlay	5,300	1,075	1,075	0
Total Central	<u>121,835</u>	<u>109,505</u>	<u>109,396</u>	<u>109</u>
Total Support Services	<u>10,764,938</u>	<u>10,481,912</u>	<u>10,479,157</u>	<u>2,755</u>
<i>Operation of Non-Instructional Services:</i>				
Food Service Operations				
Salaries	0	300	300	0
Fringe Benefits	0	4	4	0
Total Food Service Operations	<u>0</u>	<u>304</u>	<u>304</u>	<u>0</u>
Total Operation of Non-Instructional Services	<u>0</u>	<u>304</u>	<u>304</u>	<u>0</u>
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Salaries	103,828	58,281	58,281	0
Fringe Benefits	24,687	12,751	12,751	0
Total Academic Oriented Activities	<u>128,515</u>	<u>71,032</u>	<u>71,032</u>	<u>0</u>
Sport Oriented Activities				
Salaries	180,739	215,610	215,610	0
Fringe Benefits	28,602	52,648	52,648	0
Purchased Services	9,250	9,250	9,250	0
Total Sport Oriented Activities	<u>218,591</u>	<u>277,508</u>	<u>277,508</u>	<u>0</u>
Total Extracurricular Activities	<u>347,106</u>	<u>348,540</u>	<u>348,540</u>	<u>0</u>
<i>Capital Outlay:</i>				
Building Improvement Services				
Purchased Services	5,000	16,811	16,811	0
Total Building Improvement Services	<u>5,000</u>	<u>16,811</u>	<u>16,811</u>	<u>0</u>
Total Capital Outlay	<u>5,000</u>	<u>16,811</u>	<u>16,811</u>	<u>0</u>
Total Expenditures	<u>26,864,527</u>	<u>25,987,352</u>	<u>25,986,297</u>	<u>1,055</u>
Excess of Revenues Over (Under) Expenditures	(473,304)	1,474,802	1,500,482	25,680
<i>Other Financing Sources:</i>				
Proceeds from Sale of Capital Assets	0	1,875	1,875	0
Insurance Recoveries	0	12,676	12,711	35
Transfers Out	0	(455,562)	(455,562)	0
Advances Out	0	(68,954)	(68,954)	0
Total Other Financing Sources	<u>0</u>	<u>(509,965)</u>	<u>(509,930)</u>	<u>35</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(473,304)	964,837	990,552	25,715
Fund Balance at Beginning of Year	4,872,316	4,872,316	4,872,316	0
Prior Year Encumbrances Appropriated	<u>151,090</u>	<u>151,090</u>	<u>151,090</u>	<u>0</u>
Fund Balance at End of Year	<u>\$4,550,102</u>	<u>\$5,988,243</u>	<u>\$6,013,958</u>	<u>\$25,715</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
Bond Retirement Debt Service Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$1,499,318	\$1,529,149	\$1,529,149	\$0
Intergovernmental	179,455	191,643	191,643	0
Total Revenues	<u>1,678,773</u>	<u>1,720,792</u>	<u>1,720,792</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Support Services:</i>				
Fiscal				
Other	40,000	51,235	51,235	0
<i>Debt Service:</i>				
Principal Retirement	595,000	595,000	595,000	0
Interest and Fiscal Charges	679,020	681,337	681,337	0
Total Expenditures	<u>1,314,020</u>	<u>1,327,572</u>	<u>1,327,572</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	364,753	393,220	393,220	0
Fund Balance at Beginning of Year	<u>2,224,542</u>	<u>2,224,542</u>	<u>2,224,542</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,589,295</u></u>	<u><u>\$2,617,762</u></u>	<u><u>\$2,617,762</u></u>	<u><u>\$0</u></u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$1,076,279	\$1,199,336	\$1,199,336	\$0
Intergovernmental	142,929	145,739	145,739	0
Interest	100,432	103,831	109,802	5,971
Total Revenues	1,319,640	1,448,906	1,454,877	5,971
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Materials and Supplies	17,908	251,088	251,088	0
Capital Outlay	258,081	258,405	258,406	(1)
Total Regular	275,989	509,493	509,494	(1)
<i>Special</i>				
Capital Outlay	0	14,559	14,559	0
Total Special	0	14,559	14,559	0
Total Instruction	275,989	524,052	524,053	(1)
<i>Support Services:</i>				
<i>Instructional Staff</i>				
Materials and Supplies	18,536	17,675	17,675	0
Capital Outlay	3,049	2,193	2,193	0
Total Instructional Staff	21,585	19,868	19,868	0
<i>Administration</i>				
Capital Outlay	4,689	921	921	0
<i>Fiscal</i>				
Purchased Services	5,000	1,731	1,731	0
Other	28,000	55,950	55,950	0
Capital Outlay	0	9,838	9,838	0
Total Fiscal	33,000	67,519	67,519	0
<i>Operation and Maintenance of Plant</i>				
Purchased Services	359,500	247,285	259,999	(12,714)
Materials and Supplies	0	14,793	14,793	0
Capital Outlay	41,507	66,311	66,311	0
Total Operation and Maintenance of Plant	401,007	328,389	341,103	(12,714)
<i>Pupil Transportation</i>				
Capital Outlay	150,000	107,755	107,755	0
Total Pupil Transportation	0	107,755	107,755	0
Total Support Services	460,281	524,452	537,166	(12,714)
<i>Operation of Non-Instructional Services:</i>				
<i>Food Service Operation</i>				
Materials and Supplies	4,000	3,285	3,285	0
Capital Outlay	21,000	18,389	18,389	0
Total Operation of Non-Instructional Services	25,000	21,674	21,674	0

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Capital Outlay:</i>				
Site Improvement Services				
Purchased Services	5,000	0	0	0
Architecture and Engineering Services				
Purchased Services	25,000	34,154	34,154	0
Building Improvement Services				
Purchased Services	344,000	439,329	439,329	0
Capital Outlay	328,000	324,388	324,388	0
Total Building Improvement Services	672,000	763,717	763,717	0
Total Capital Outlay	702,000	797,871	797,871	0
Total Expenditures	1,463,270	1,868,049	1,880,764	(12,715)
Excess of Revenues Over (Under) Expenditures	(143,630)	(419,143)	(425,887)	(6,744)
<i><u>Other Financing Sources:</u></i>				
Insurance Recoveries	1,894	2,334	2,334	0
Total Other Financing Sources	1,894	2,334	2,334	0
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	(141,736)	(416,809)	(423,553)	(6,744)
Fund Balance at Beginning of Year	2,742,390	2,742,390	2,742,390	0
Prior Year Encumbrances Appropriated	346,744	346,744	346,744	0
Fund Balance at End of Year	<u>\$2,947,398</u>	<u>\$2,672,325</u>	<u>\$2,665,581</u>	<u>(\$6,744)</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)*
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$435,416	\$434,559	\$434,559	\$0
Charges for Services	336,857	342,785	342,785	0
Contributions and Donations	0	2	2	0
Miscellaneous	15,628	14,094	14,094	0
<i>Total Revenues</i>	787,901	791,440	791,440	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Salaries	274,971	262,968	262,968	0
Fringe Benefits	246,587	204,280	204,280	0
Purchased Services	8,662	6,196	6,196	0
Materials and Supplies	391,550	379,727	379,727	0
Other	0	1,357	1,357	0
Community Services:				
Other	9,600	6,611	6,611	0
Total Operation of Non-Instructional Services	931,370	861,139	861,139	0
<i>Total Expenditures</i>	931,370	861,139	861,139	0
Excess of Revenues Over (Under) Expenditures	(143,469)	(69,699)	(69,699)	0
<u>Other Financing Sources:</u>				
Advances In	0	68,954	68,954	0
Transfers In	0	155,562	155,562	0
<i>Total Other Financing Source</i>	0	224,516	224,516	0
Excess of Revenues and Other Financing Sources Over Over (Under) Expenditures	(143,469)	154,817	154,817	0
Fund Balance at Beginning of Year	(152,232)	(152,232)	(152,232)	0
Prior Year Encumbrances Appropriated	3,963	3,963	3,963	0
Fund Balance at End of Year	(\$291,738)	\$6,548	\$6,548	\$0

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)*
Uniform School Supplies Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Tuition and Fees	\$65,347	\$71,219	\$71,417	\$198
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Materials and Supplies	68,061	56,892	56,249	643
Other	0	1,058	1,058	0
Total Regular	68,061	57,950	57,307	643
<i>Support Services:</i>				
<i>Pupils</i>				
Materials and Supplies	126	7,321	6,739	582
<i>Total Expenditures</i>	68,187	65,271	64,046	1,225
Excess of Revenues Over (Under) Expenditures	(2,840)	5,948	7,371	1,423
Fund Balance at Beginning of Year	16,810	16,810	16,810	0
Prior Year Encumbrances Appropriated	1,615	1,615	1,615	0
Fund Balance at End of Year	\$15,585	\$24,373	\$25,796	\$1,423

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)
 Termination Benefits Special Revenue Fund
 For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	200,000	200,000	0	200,000
Total Regular Instruction	<u>200,000</u>	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Special				
Salaries	100,000	100,000	0	100,000
Total Special Instruction	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>100,000</u>
<i>Total Expenditures</i>	<u>300,000</u>	<u>300,000</u>	<u>0</u>	<u>300,000</u>
Excess of Revenues Over (Under) Expenditures	(300,000)	(300,000)	0	300,000
<u>Other Financing Sources:</u>				
Transfers In	300,000	300,000	300,000	0
<i>Total Other Financing Sources</i>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	0	0	300,000	300,000
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$300,000</u></u>	<u><u>\$300,000</u></u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other Local Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$0	\$44,230	\$41,235	(\$2,995)
Tuition and Fees	9,326	17,340	14,840	(2,500)
Extracurricular Activities	25,946	22,972	22,972	0
Contributions and Donations	5,865	18,350	19,415	1,065
<i>Total Revenues</i>	<u>41,137</u>	<u>102,892</u>	<u>98,462</u>	<u>(4,430)</u>
Expenditures:				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Purchased Services	12,200	18,181	23,699	(5,518)
Materials and Supplies	31,712	25,274	24,479	795
Other	8,400	2,343	1,343	1,000
Capital Outlay	26,222	31,783	28,852	2,931
Total Regular Instruction	<u>78,534</u>	<u>77,581</u>	<u>78,373</u>	<u>(792)</u>
<i>Support Services:</i>				
Pupils				
Salaries	0	972	972	0
Fringe Benefits	0	150	150	0
Purchased Services	1,586	3,362	2,842	520
Materials and Supplies	0	2,045	2,045	0
Other	0	1,610	1,563	47
Capital Outlay	0	208	208	0
Total Pupils	<u>1,586</u>	<u>8,347</u>	<u>7,780</u>	<u>567</u>
Instructional Staff				
Purchased Services	15,325	27,871	11,757	16,114
Total Instructional Staff	<u>15,325</u>	<u>27,871</u>	<u>11,757</u>	<u>16,114</u>
Board of Education				
Purchased Services	1,000	1,000	862	138
Total Board of Education	<u>1,000</u>	<u>1,000</u>	<u>862</u>	<u>138</u>
Administration				
Materials and Supplies	8,000	877	877	0
Capital Outlay	5,294	0	0	0
Total Administration	<u>13,294</u>	<u>877</u>	<u>877</u>	<u>0</u>
Total Support Services	<u>31,205</u>	<u>38,095</u>	<u>21,276</u>	<u>16,819</u>
Pupil Transportation				
Purchased Services	0	150	97	53
Total Pupil Transportation	<u>0</u>	<u>150</u>	<u>97</u>	<u>53</u>
Central				
Salaries	20,000	20,000	26,016	(6,016)
Fringe Benefits	3,050	3,050	3,987	(937)
Purchased Services	0	20,000	20,000	0
Total Central	<u>23,050</u>	<u>43,050</u>	<u>50,003</u>	<u>(6,953)</u>
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Salaries	0	377	377	0
Fringe Benefits	0	90	90	0
Total Non-Instructional Services	<u>0</u>	<u>467</u>	<u>467</u>	<u>0</u>
<i>Total Expenditures</i>	<u>132,789</u>	<u>159,343</u>	<u>150,216</u>	<u>9,127</u>
Excess of Revenues Over (Under) Expenditures	(91,652)	(56,451)	(51,754)	4,697
Fund Balance at Beginning of Year	137,165	137,165	137,165	0
Prior Year Encumbrances Appropriated	<u>30,452</u>	<u>30,452</u>	<u>30,452</u>	<u>0</u>
Fund Balance at End of Year	<u>\$75,965</u>	<u>\$111,166</u>	<u>\$115,863</u>	<u>\$4,697</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
District Managed Student Activities Special Revenue Fund
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Extracurricular Activities	\$17,350	\$57,787	\$57,919	\$132
Contributions and Donations	1,100	1,299	1,299	0
Miscellaneous	0	6,092	6,092	0
<i>Total Revenues</i>	<u>18,450</u>	<u>65,178</u>	<u>65,310</u>	<u>132</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Special</i>				
Purchased Services	0	3,300	3,300	0
<i>Extracurricular Activities:</i>				
<i>Academic Oriented Activities</i>				
Purchased Services	1,600	450	450	0
Materials and Supplies	2,000	2,851	2,851	0
Other	732	386	386	0
Capital Outlay	1,700	0	0	0
<i>Total Academic Oriented Extracurricular Activities</i>	<u>6,032</u>	<u>3,687</u>	<u>3,687</u>	<u>0</u>
<i>Sport Oriented Activities</i>				
Purchased Services	12,000	37,643	35,680	1,963
Materials and Supplies	11,304	28,289	28,289	0
Other	5,147	8,134	6,877	1,257
Capital Outlay	15,000	237	237	0
<i>Total Sport Oriented Extracurricular Activities</i>	<u>43,451</u>	<u>74,303</u>	<u>71,083</u>	<u>3,220</u>
<i>Total Extracurricular Activities</i>	<u>49,483</u>	<u>77,990</u>	<u>74,770</u>	<u>3,220</u>
<i>Total Expenditures</i>	<u>49,483</u>	<u>81,290</u>	<u>78,070</u>	<u>3,220</u>
Excess of Revenues Over (Under) Expenditures	(31,033)	(16,112)	(12,760)	3,352
Fund Balance at Beginning of Year	54,556	54,556	54,556	0
Prior Year Encumbrances Appropriated	<u>1,534</u>	<u>1,534</u>	<u>1,534</u>	<u>0</u>
Fund Balance at End of Year	<u>\$25,057</u>	<u>\$39,978</u>	<u>\$43,330</u>	<u>\$3,352</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)*
Poverty Based Aid Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$1,352,600	\$1,352,600	\$1,309,153	(\$43,447)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	0	1,546,668	743,382	803,286
Fringe Benefits	12,332	110,379	296,527	(186,148)
Total Regular Instruction	12,332	1,657,047	1,039,909	617,138
<i>Support Services:</i>				
Pupils				0
Salaries	0	3,284	31,571	(28,287)
Fringe Benefits	0	3,880	25,690	(21,810)
Total Pupils	0	7,164	57,261	(50,097)
Instructional Staff				
Salaries	0	39,607	196,296	(156,689)
Fringe Benefits	0	32,288	179,737	(147,449)
Total Instructional Staff	0	71,895	376,033	(304,138)
Total Support Services	0	79,059	433,294	(354,235)
<i>Total Expenditures</i>	12,332	1,736,106	1,473,203	262,903
Excess of Revenues Over (Under) Expenditures	1,340,268	(383,506)	(164,050)	219,456
Fund Balance at Beginning of Year	474,530	474,530	474,530	0
Prior Year Encumbrances Appropriated	12,336	12,336	12,336	0
Fund Balance at End of Year	\$1,827,134	\$103,360	\$322,816	\$219,456

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
Ohio Reads Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$18,000	\$18,000	\$18,000	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	111	111	0	111
Fringe Benefits	89	17	0	17
Purchased Services	124	124	0	124
Materials and Supplies	198	198	0	198
Other	191	191	641	(450)
Total Regular Instruction	713	641	641	0
<i>Total Expenditures</i>	713	641	641	0
Excess of Revenues Over (Under) Expenditures	17,287	17,359	17,359	0
Fund Balance at Beginning of Year	(17,545)	(17,545)	(17,545)	0
Prior Year Encumbrances Appropriated	186	186	186	0
Fund Balance at End of Year	(\$72)	\$0	\$0	\$0

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other State Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$25,513	\$338,943	\$285,210	(53,733)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	8,571	38,929	40,306	(1,377)
Fringe Benefits	4,900	14,984	25,509	(10,525)
Purchased Services	40	2,644	2,644	0
Materials and Supplies	310	6,757	4,998	1,759
Other	1,337	0	0	0
Capital Outlay	1,276	8,726	0	8,726
Total Regular Instruction	16,434	72,040	73,457	(1,417)
Other				
Purchased Services	183,129	238,230	172,108	66,122
Total Other Instruction	183,129	238,230	172,108	66,122
<i>Support Services:</i>				
Instructional Staff				
Salaries	4,856	7,501	0	7,501
Fringe Benefits	4,648	8,792	0	8,792
Purchased Services	91	36,843	23,799	13,044
Materials and Supplies	300	2,300	814	1,486
Capital Outlay	0	2,000	1,764	236
Total Instructional Staff	9,895	57,436	26,377	31,059
Pupil Transportation				
Purchased Services	0	234	0	234
Central				
Purchased Services	0	15,858	13,970	1,888
Total Expenditures	209,458	383,798	285,912	97,886
Excess of Revenues Over (Under) Expenditures	(183,945)	(44,855)	(702)	44,153
Fund Balance at Beginning of Year	83,431	83,431	83,431	0
Prior Year Encumbrances Appropriated	1,111	1,111	1,111	0
Fund Balance at End of Year	(\$99,403)	\$39,687	\$83,840	\$44,153

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Title VI-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$81,389	\$684,173	\$568,434	(\$115,739)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Special</i>				
Salaries	82,214	351,627	334,265	17,362
Fringe Benefits	29,553	157,598	145,520	12,078
Purchased Services	9,354	17,784	17,784	0
Capital Outlay	14,410	14,020	14,020	0
Total Special Instruction	135,531	541,029	511,589	29,440
<i>Support Services:</i>				
<i>Pupils</i>				
Salaries	5,868	116,864	40,721	76,143
Fringe Benefits	1,175	64,757	11,036	53,721
Total Pupils	7,043	181,621	51,757	129,864
<i>Instructional Staff</i>				
Salaries	4,307	14,295	54,102	(39,807)
Fringe Benefits	7,995	11,589	43,354	(31,765)
Purchased Services	872	10,000	4,608	5,392
Total Instructional Staff	13,174	35,884	102,064	(66,180)
<i>Total Expenditures</i>	155,748	758,534	665,410	93,124
Excess of Revenues Over (Under) Expenditures	(74,359)	(74,361)	(96,976)	(22,615)
Fund Balance at Beginning of Year	55,071	55,071	55,071	0
Prior Year Encumbrances Appropriated	19,287	19,287	19,287	0
Fund Balance at End of Year	(\$1)	(\$3)	(\$22,618)	(\$22,615)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$502,981	\$502,981	\$382,970	(\$120,011)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Special</i>				
Salaries	18,859	249,329	214,265	35,064
Fringe Benefits	19,519	121,096	72,789	48,307
Total Special Instruction	<u>38,378</u>	<u>370,425</u>	<u>287,054</u>	<u>83,371</u>
<i>Support Services:</i>				
<i>Pupils</i>				
Purchased Services	0	4,010	3,880	130
Materials and Supplies	4,402	0	0	0
Total Pupils	<u>4,402</u>	<u>4,010</u>	<u>3,880</u>	<u>130</u>
<i>Instructional Staff</i>				
Salaries	(72)	22,767	19,557	3,210
Fringe Benefits	1,496	7,094	8,040	(946)
Purchased Services	6,905	0	0	0
Total Instructional Staff	<u>8,329</u>	<u>29,861</u>	<u>27,597</u>	<u>2,264</u>
<i>Administration</i>				
Salaries	485	24,088	20,792	3,296
Fringe Benefits	809	11,671	9,214	2,457
Total Administration	<u>1,294</u>	<u>35,759</u>	<u>30,006</u>	<u>5,753</u>
Total Support Services	<u>14,025</u>	<u>69,630</u>	<u>61,483</u>	<u>8,147</u>
<i>Total Expenditures</i>	<u>52,403</u>	<u>440,055</u>	<u>348,537</u>	<u>91,518</u>
Excess of Revenues Over (Under) Expenditures	450,578	62,926	34,433	(28,493)
Fund Balance at Beginning of Year	(54,637)	(54,637)	(54,637)	0
Prior Year Encumbrances Appropriated	<u>5,012</u>	<u>5,012</u>	<u>5,012</u>	<u>0</u>
Fund Balance at End of Year	<u>\$400,953</u>	<u>\$13,301</u>	<u>(\$15,192)</u>	<u>(\$28,493)</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other Federal Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$292,894	\$742,807	\$577,723	(\$165,084)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	43,374	172,484	154,494	17,990
Fringe Benefits	(23,743)	24,417	36,915	(12,498)
Purchased Services	60,011	287,879	287,879	0
Materials and Supplies	811	6,272	4,347	1,925
Total Regular Instruction	<u>80,453</u>	<u>491,052</u>	<u>483,635</u>	<u>7,417</u>
Special				
Capital Outlay	0	2,602	0	2,602
Total Special Instruction	<u>0</u>	<u>2,602</u>	<u>0</u>	<u>2,602</u>
Total Instruction	<u>80,453</u>	<u>493,654</u>	<u>483,635</u>	<u>10,019</u>
<i>Support Services:</i>				
Pupils				
Purchased Services	671	10,282	10,282	0
Total Pupils	<u>671</u>	<u>10,282</u>	<u>10,282</u>	<u>0</u>
Instructional Staff				
Salaries	6,498	18,541	37,152	(18,611)
Fringe Benefits	(476)	6,525	7,292	(767)
Purchased Services	511	2,149	1,261	888
Materials and Supplies	278	228	0	228
Total Instructional Staff	<u>6,811</u>	<u>27,443</u>	<u>45,705</u>	<u>(18,262)</u>
Business				
Purchased Services	0	5,289	5,289	0
Central				
Other	6,658	6,657	6,657	0
Total Central	<u>6,658</u>	<u>6,657</u>	<u>6,657</u>	<u>0</u>
Total Support Services	<u>14,140</u>	<u>49,671</u>	<u>67,933</u>	<u>(18,262)</u>
Total Expenditures	<u>94,593</u>	<u>543,325</u>	<u>551,568</u>	<u>(8,243)</u>
Excess of Revenues Over (Under) Expenditures	198,301	199,482	26,155	(173,327)
Fund Balance at Beginning of Year	(108,908)	(108,908)	(108,908)	0
Prior Year Encumbrances Appropriated	69,264	69,264	69,264	0
Fund Balance at End of Year	<u>\$158,657</u>	<u>\$159,838</u>	<u>(\$13,489)</u>	<u>(\$173,327)</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
Building Capital Projects Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
<i>Capital Outlay:</i>				
Building Improvement Services				
Capital Outlay	<u>0</u>	<u>21,467</u>	<u>21,467</u>	<u>0</u>
<i>Total Expenditures</i>	<u>0</u>	<u>21,467</u>	<u>21,467</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	0	(21,467)	(21,467)	0
Fund Balance at Beginning of Year	<u>21,467</u>	<u>21,467</u>	<u>21,467</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$21,467</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
SchoolNet Plus Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$18,122	\$18,122	\$0
<u>Expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	0	18,122	18,122	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$18,122</u></u>	<u><u>\$18,122</u></u>	<u><u>\$0</u></u>

ATHENS CITY SCHOOL DISTRICT
Description of Funds

INTERNAL SERVICE FUND

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

Employee Benefits Self-Insurance

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

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenses, and
Changes in Fund Equity - Budget and Actual (Budget Basis)
Employee Benefits Self-Insurance Internal Service Fund
For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$5,195,036	\$4,802,636	\$4,802,636	\$0
<i>Total Revenues</i>	5,195,036	4,802,636	4,802,636	0
<u>Expenses:</u>				
Operating Expenses				
Purchased Services	24,000	21,731	3,696	18,035
Claims	5,000,000	5,030,000	4,898,381	131,619
Other	42,500	2,500	2,176	324
<i>Total Expenses</i>	5,066,500	5,054,231	4,904,253	149,978
Operating Income (Loss)	128,536	(251,595)	(101,617)	149,978
<u>Non-Operating Revenues:</u>				
Interest	78,613	73,625	73,625	0
<i>Total Non-Operating Revenues</i>	78,613	73,625	73,625	0
Excess of Revenues Over (Under) Expenses	207,149	(177,970)	(27,992)	149,978
Fund Equity at Beginning of Year	4,513,733	4,513,733	4,513,733	0
Fund Equity at End of Year	\$4,720,882	\$4,335,763	\$4,485,741	\$149,978

ATHENS CITY SCHOOL DISTRICT
Description of Funds

FIDUCIARY FUNDS

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

Private Purpose Trust Fund

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

Unclaimed Monies

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

Agency Fund

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

Student Managed Activities

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

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
Unclaimed Monies Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Miscellaneous	\$0	\$0	\$27,808	\$27,808
<i>Total Revenues</i>	0	0	27,808	27,808
<u>Expenditures:</u>				
Payment in Accordance with Trust Agreements	0	22,103	22,103	0
<i>Total Expenditures</i>	0	22,103	22,103	0
Excess of Revenues Over (Under) Expenditures	0	(22,103)	5,705	27,808
Fund Balance at Beginning of Year	45,822	45,822	45,822	0
Fund Balance at End of Year	\$45,822	\$23,719	\$51,527	\$27,808

ATHENS CITY SCHOOL DISTRICT
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2008

	<u>July 1, 2007</u> Balance	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2008</u> Balance
<u>Student Activity Fund</u>				
<u>Assets:</u>				
Equity Pooled in Cash and Cash Equivalents	\$76,182	\$129,985	\$114,463	\$91,704
<u>Liabilities:</u>				
Due to Students	\$76,182	\$129,985	\$114,463	\$91,704

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Statistical Section

This part of the School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	95 - 101
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax (and the income tax).	102 - 110
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	111 - 114
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	115 - 117
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	118 - 121

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that fiscal year.

ATHENS CITY SCHOOL DISTRICT

Net Assets by Component

Last Seven Fiscal Years

June 30, 2008

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Invested in Capital Assets, Net of Related Debt	\$8,409,636	\$7,324,505	\$6,553,026	\$5,156,884	\$7,101,713	\$6,458,995	\$6,958,111
Restricted for:							
Capital Projects	3,743,476	3,495,507	3,640,336	3,634,799	3,439,769	2,887,943	2,958,786
Debt Service	2,195,489	2,432,745	3,749,539	3,049,491	2,076,548	2,464,074	2,783,778
Other Purposes	526,828	610,453	571,302	723,608	663,460	592,779	586,240
Unrestricted (Deficit)	<u>7,271,101</u>	<u>5,725,156</u>	<u>4,569,634</u>	<u>4,906,623</u>	<u>4,888,125</u>	<u>5,089,174</u>	<u>7,952,675</u>
Total Net Assets	<u>\$22,146,530</u>	<u>\$19,588,366</u>	<u>\$19,083,837</u>	<u>\$17,471,405</u>	<u>\$18,169,615</u>	<u>\$17,492,965</u>	<u>\$21,239,590</u>

ATHENS CITY SCHOOL DISTRICT
Changes in Net Assets of Governmental Activities
Last Seven Fiscal Years
June 30, 2008

	2002	2003	2004	2005	2006	2007	2008
Expenses							
Regular Instruction	\$11,572,314	\$13,358,975	\$13,564,316	\$13,662,796	\$14,178,578	\$15,026,568	\$14,593,578
Special Instruction	2,957,157	3,293,884	3,344,419	3,540,251	3,393,969	3,498,510	3,223,201
Vocational Instruction	344,768	404,661	401,449	399,059	256,282	307,970	289,528
Other Instruction	0	0	0	7,068	10,221	18,611	295,882
Pupil Support	1,032,824	1,119,257	1,160,088	1,486,340	1,315,904	1,269,746	1,085,787
Instructional Staff Support	1,095,832	1,349,741	1,437,682	1,537,961	1,635,083	1,741,938	1,744,564
Board of Education	116,184	101,298	120,421	102,567	116,190	100,408	114,815
Administration	1,489,063	1,596,823	1,817,458	1,877,535	1,841,002	1,869,748	1,890,289
Fiscal	695,109	697,172	717,844	743,760	909,318	852,201	661,973
Business	137,296	147,822	161,459	157,231	166,720	203,064	603,907
Operation and Maintenance of Plant	3,154,576	3,488,661	3,319,257	3,062,608	3,756,393	4,090,802	3,500,974
Pupil Transportation	1,483,104	1,719,696	1,719,827	1,898,101	1,722,528	2,158,755	1,654,666
Central	141,277	155,459	137,756	160,082	195,915	200,975	167,721
Operation of Food Services	919,570	775,953	786,109	794,515	834,670	929,162	843,310
Other Non-Instructional Services	483,935	86,389	2,284	1,834	13,077	4,810	22,370
Extracurricular Activities	422,720	440,005	459,851	455,234	500,172	455,568	461,995
Interest and Fiscal Charges	1,393,441	1,376,510	1,417,716	2,282,367	625,872	769,066	694,924
Total Expenses	27,439,170	30,112,306	30,567,936	32,169,309	31,471,894	33,497,902	31,849,484
Program Revenues							
Charges for Services							
Regular Instruction	69,568	60,693	66,599	96,889	2,269,227	2,287,936	2,399,190
Special Instruction	174,290	141,015	1,965,444	2,042,278	0	0	0
Pupil Support	0	0	0	0	57	749	7,996
Instructional Staff Support	0	0	0	6,178	8,059	499	395
Administration Support	0	0	0	2,058	4,001	5,427	0
Pupil Transportation	9,200	12,915	0	0	0	0	0
Central	0	0	0	0	0	0	1,678
Operation and Maintenance of Plant	0	290,035	0	0	0	335,176	0
Operation of Food Service	292,962	0	319,825	315,983	350,560	0	342,785
Extracurricular Activities	73,075	97,664	87,401	100,120	88,675	66,609	57,919
Operating Grants and Contributions							
Regular Instruction	143,241	199,718	2,308,489	960,597	215,458	1,165,862	1,438,977
Special Instruction	565,705	590,832	1,343,634	1,841,012	1,443,815	1,465,936	1,462,338
Vocational Instruction	0	0	0	38,639	38,995	50,204	59,979
Other Instruction	0	0	0	0	0	0	126,955
Pupil Support	0	0	119,363	575,623	53,537	158,187	108,089
Instructional Staff Support	63,892	57,579	8,722	405,881	57,415	668,021	538,356
Administration	99,830	0	190,181	67,209	50,428	15,834	31,135
Fiscal	0	65,647	0	2,958	0	0	0
Business	0	0	0	0	0	0	5,740
Operation and Maintenance of Plant	0	0	167,108	0	0	0	0
Pupil Transportation	0	0	629,950	629,863	670,745	653,958	669,750
Central	35,392	35,386	41,263	44,328	35,163	65,898	59,131
Operation of Food Service	287,411	348,626	381,511	426,992	446,030	441,861	513,761
Extracurricular Activities	4,160	1,702	393	12,940	16,094	3,121	1,299
Capital Grants and Contributions							
Regular Instruction	9,000	42,384	0	81,624	0	0	18,122
Vocational Instruction	0	44,408	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	21,281	0	0	0
Pupil Transportation	0	0	0	26,602	0	0	0
Total Program Revenues	1,827,726	1,988,604	7,629,883	7,699,055	5,748,259	7,385,278	7,843,595
Net Expense	(\$25,611,444)	(\$28,123,702)	(\$22,938,053)	(\$24,470,254)	(\$25,723,635)	(\$26,112,624)	(\$24,005,889)

(continued)

ATHENS CITY SCHOOL DISTRICT
Changes in Net Assets of Governmental Activities (continued)
Last Seven Fiscal Years
June 30, 2008

	2002	2003	2004	2005	2006	2007	2008
General Revenues							
Property Taxes Levied for:							
General Purposes	\$9,798,612	\$9,912,789	\$10,490,268	\$12,036,724	\$14,127,682	\$13,629,210	\$13,084,533
Debt Service	1,949,691	2,126,839	2,373,389	1,778,189	1,443,662	1,484,806	1,513,731
Capital Outlay	827,863	900,739	952,625	909,036	963,223	1,072,450	1,190,764
Income Taxes	0	0	0	0	0	186,249	3,298,754
Grants and Entitlements not							
Restricted to Specific Programs	10,606,940	10,136,396	8,292,211	7,619,010	8,775,371	7,731,693	7,738,957
Payments in Lieu of Taxes	0	0	19,629	153,841	123,188	554,421	148,701
Gain on Sale of Capital Assets	14,896	30,800	0	0	0	0	14,932
Tuition and Fees	1,460,118	1,602,753	0	0	0	0	0
Unrestricted Contributions	6,102	9,676	4,491	0	0	0	0
Investment Earnings	331,695	712,396	195,455	237,517	423,812	698,487	712,179
Miscellaneous	179,594	133,150	106,456	123,505	63,054	78,658	49,963
Total General Revenues	25,175,511	25,565,538	22,434,524	22,857,822	25,919,992	25,435,974	27,752,514
Extraordinary Item							
Stock Received from Demutualization	7,528,879	0	0	0	0	0	0
Change in Net Assets	\$7,092,946	(\$2,558,164)	(\$503,529)	(\$1,612,432)	\$196,357	(\$676,650)	\$3,746,625

Note: The extraordinary item during fiscal year 2002 is the result of the sale of Anthem Insurance Company stock. The Company converted from a mutual insurance company to a stock insurance company, and a policy holder the District was entitled to receive Anthem stock as compensation which was in turn sold for the revenue recorded by the District.

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ATHENS CITY SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$1,070,338	\$799,129	\$872,361	\$872,806	\$746,596	\$741,014	\$723,265	\$548,472	\$564,388	\$359,471
Unreserved	(23,261)	1,230,842	1,851,436	2,061,070	1,450,522	2,145,784	1,414,789	1,811,035	1,971,605	4,887,743
<i>Total General Fund</i>	<u>1,047,077</u>	<u>2,029,971</u>	<u>2,723,797</u>	<u>2,933,876</u>	<u>2,197,118</u>	<u>2,886,798</u>	<u>2,138,054</u>	<u>2,359,507</u>	<u>2,535,993</u>	<u>5,247,214</u>
All Other Governmental Funds										
Reserved	272,502	1,833,622	3,888,332	986,290	426,708	639,481	310,220	202,777	444,678	361,965
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	349,204	331,690	638,981	522,921	591,004	137,146	148,680	(32,868)	424,466	767,962
Debt Service Funds	681,493	1,638,676	1,567,837	2,049,083	2,638,685	3,561,264	3,268,766	1,869,720	2,224,541	2,617,761
Capital Projects Funds	400,222	13,919,617	2,077,519	2,921,291	3,207,265	3,172,261	3,519,659	3,335,944	2,470,164	2,683,703
<i>Total All Other Governmental Funds</i>	<u>1,703,421</u>	<u>17,723,605</u>	<u>8,172,669</u>	<u>6,479,585</u>	<u>6,863,662</u>	<u>7,510,152</u>	<u>7,247,325</u>	<u>5,375,573</u>	<u>5,563,849</u>	<u>6,431,391</u>
<i>Total Governmental Funds</i>	<u>\$2,750,498</u>	<u>\$19,753,576</u>	<u>\$10,896,466</u>	<u>\$9,413,461</u>	<u>\$9,060,780</u>	<u>\$10,396,950</u>	<u>\$9,385,379</u>	<u>\$7,735,080</u>	<u>\$8,099,842</u>	<u>\$11,678,605</u>

ATHENS CITY SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Property Taxes	\$10,331,646	\$11,477,352	\$12,284,150	\$12,568,005	\$12,844,780	\$13,743,291	\$14,575,215	\$16,407,865	\$16,390,961	\$15,864,471
Income Taxes	0	0	0	0	0	0	0	0	186,249	3,298,754
Intergovernmental	10,655,851	9,996,725	11,800,676	12,305,056	11,400,721	13,104,365	12,510,583	11,823,440	12,845,511	12,811,242
Interest	200,068	868,367	1,415,796	331,695	397,426	184,687	201,111	364,738	623,972	638,554
Tuition and Fees	273,082	873,132	1,037,603	1,701,216	1,816,751	2,032,043	2,120,912	2,252,515	2,267,998	2,386,287
Extracurricular Activities	141,626	129,924	121,089	113,665	123,742	116,288	126,611	117,504	93,222	80,891
Contributions and Donations	14,314	17,189	15,240	30,262	21,378	22,784	42,051	36,711	20,687	20,716
Charges for Services	0	0	0	292,962	290,035	319,825	315,983	350,560	335,176	342,785
Rentals	17,285	7,585	3,588	11,105	11,590	12,888	8,914	6,572	11,259	5,277
Payments in Lieu of Taxes	0	0	0	0	0	19,629	153,841	123,188	554,421	148,701
Miscellaneous	84,928	161,581	147,810	139,859	106,221	64,682	114,591	56,482	67,399	44,686
Total Revenues	21,718,800	23,531,855	26,825,952	27,493,825	27,012,644	29,620,482	30,169,812	31,539,575	33,396,855	35,642,364
Expenditures										
Current:										
Instruction:										
Regular	8,912,257	8,614,364	9,806,160	10,651,944	10,769,274	11,218,814	12,700,867	13,212,771	13,821,226	13,723,111
Special	2,708,434	2,621,727	3,230,941	2,953,117	3,048,914	3,042,025	3,536,609	3,415,176	3,451,568	3,227,160
Vocational	325,737	313,166	358,621	343,891	381,196	367,322	381,780	274,446	326,679	286,608
Other	20,171	13,103	1,702	0	0	0	7,068	10,221	18,703	294,880
Support Services:										
Pupil	1,014,860	885,572	1,027,245	1,032,612	1,058,231	1,071,610	1,454,743	1,328,110	1,286,663	1,130,303
Instructional Staff	638,561	626,901	861,034	1,000,600	1,147,170	1,313,184	1,541,978	1,621,563	1,718,141	1,735,769
Board of Education	67,657	51,116	97,760	116,622	100,901	120,422	101,844	115,304	100,604	113,614
Administration	1,554,968	1,318,456	1,502,434	1,497,980	1,446,894	1,672,606	1,797,209	1,851,320	1,910,091	1,792,023
Fiscal	557,871	560,218	616,589	657,001	640,797	687,824	755,936	872,955	882,676	647,462
Business	876	105,617	110,840	138,004	142,610	148,554	163,604	168,877	177,577	610,659
Operation and Maintenance of Plant	2,117,342	2,273,582	2,402,812	2,645,547	2,654,639	2,943,676	3,209,712	3,755,493	4,086,165	3,634,522
Pupil Transportation	1,292,922	1,281,289	1,253,025	1,363,065	1,385,216	1,397,670	1,826,419	1,869,536	1,997,719	1,820,564
Central	6,386	127,912	130,865	127,306	149,992	130,060	163,914	196,460	205,314	166,590
Operation of Non-Instructional Services	1,840	0	0	892,808	799,724	752,722	804,615	836,516	911,829	863,253
Extracurricular Activities	373,334	342,570	326,935	382,501	388,006	407,551	425,927	463,628	432,825	414,808
Capital Outlay	724,965	2,574,029	11,923,859	5,074,462	1,833,136	1,032,287	16,873	182,330	432,596	342,858
Debt Service:										
Principal Retirement	700,000	545,000	820,000	455,460	447,947	2,979,118	987,448	2,285,000	565,000	595,000
Interest and Fiscal Charges	225,900	549,155	1,198,863	1,395,507	1,382,244	1,420,490	2,368,324	730,168	706,717	681,337
Issuance Costs	0	0	0	0	0	0	153,987	0	0	0
Total Expenditures	21,244,081	22,803,777	35,669,685	30,728,427	27,776,891	30,705,935	32,398,857	33,189,874	33,032,093	32,080,521

ATHENS CITY SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<i>Excess of Revenues Over (Under) Expenditures</i>	474,719	728,078	(8,843,733)	(3,234,602)	(764,247)	(1,085,453)	(2,229,045)	(1,650,299)	364,762	3,561,843
Other Financing Sources (Uses)										
Sale of Capital Assets	0	0	9,749	14,896	35,122	0	0	0	0	0
Proceeds from Sale of Bonds	0	16,400,000	0	0	0	0	0	0	0	1,875
Insurance Recoveries	0	0	0	0	0	0	0	0	0	15,045
Refunding Bonds Issued	0	0	0	0	0	0	9,305,000	0	0	0
Proceeds of Refunding Bonds	0	0	0	0	0	2,335,000	0	0	0	0
Payment to Refund Bond Escrow Agent	0	0	0	0	0	0	(9,305,000)	0	0	0
Premium on Debt Issuance	0	0	0	0	0	0	1,217,474	0	0	0
Premium on Bonds Issued	0	0	0	0	0	86,623	0	0	0	0
Transfers In	38,032	0	490,541	201,000	243,754	0	24,643	84,137	0	455,562
Transfers Out	(258,280)	(125,000)	(637,541)	(201,000)	(243,754)	0	(24,643)	(84,137)	0	(455,562)
<i>Total Other Financing Sources (Uses)</i>	(220,248)	16,275,000	(137,251)	14,896	35,122	2,421,623	1,217,474	0	0	16,920
Extraordinary Item:										
Stock Received from Demutualization	0	0	0	1,882,220	0	0	0	0	0	0
<i>Net Change in Fund Balances</i>	\$254,471	\$17,003,078	(\$8,980,984)	(\$1,337,486)	(\$729,125)	\$1,336,170	(\$1,011,571)	(\$1,650,299)	\$364,762	\$3,578,763
Ratio of Debt Service as a Percentage of Noncapital Expenditures	4.51%	5.41%	8.50%	7.22%	7.05%	14.83%	10.84%	9.13%	3.90%	4.02%

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

Collection Year	Real Property			Tangible Personal Property				Total			Weighted Average Tax Rate
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value	Ratio	
	Residential/Agricultural	Commercial/Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
1999	\$171,607,090	\$79,771,740	\$718,225,229	\$29,537,640	\$33,565,500	\$21,348,845	\$118,150,560	\$302,265,315	\$869,941,289	34.75%	32.52
2000	197,290,880	88,446,750	816,393,229	26,617,680	30,247,364	22,056,469	106,470,720	334,411,779	953,111,312	35.09%	31.15
2001	202,022,610	89,144,900	831,907,171	26,776,310	30,427,625	23,500,232	107,105,240	341,444,052	969,440,036	35.22%	31.21
2002	206,187,250	89,452,380	844,684,657	22,391,140	25,444,477	23,319,149	89,564,560	341,349,919	959,693,694	35.57%	30.83
2003	254,203,450	103,097,810	1,020,860,743	22,930,390	26,057,261	23,566,052	91,721,560	403,797,702	1,138,639,564	35.46%	27.58
2004	255,866,250	106,636,680	1,035,722,657	23,265,910	26,438,534	24,843,744	93,063,640	410,612,584	1,155,224,831	35.54%	27.67
2005	258,942,540	104,487,470	1,038,371,457	24,169,380	27,465,205	25,073,212	96,677,520	412,672,602	1,162,514,182	35.50%	35.56
2006	282,989,230	116,333,170	1,140,921,143	26,766,620	30,416,614	25,034,896	107,066,480	451,123,916	1,278,404,236	35.29%	33.88
2007	287,026,650	113,156,060	1,143,379,171	25,945,580	29,483,614	17,890,464	103,782,320	444,018,754	1,276,645,105	34.78%	31.06
2008	292,080,470	116,740,030	1,168,058,571	20,940,180	23,795,659	15,874,254	83,760,720	445,634,934	1,275,614,951	34.93%	30.77

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The Weighted Average Tax Rate represents operational levies only.

Source: Ohio Department of Taxation

ATHENS CITY SCHOOL DISTRICT

*Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years*

Athens Township (A01)

Collection Year	Athens City School District	Athens County	Tri-County Joint Career Center	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1999	59.70	18.55	3.30	8.20	89.75	55.544992	59.433921
2000	64.60	18.55	3.30	8.20	94.65	55.755979	61.208002
2001	64.60	18.55	3.30	8.20	94.65	56.710329	62.119860
2002	64.60	18.55	3.30	8.20	94.65	58.173659	63.584096
2003	64.60	18.80	3.30	8.20	94.90	53.861848	61.423461
2004	64.60	18.80	3.30	8.20	94.90	53.903483	61.317746
2005	69.78	18.80	3.30	6.70	98.58	59.412205	66.927683
2006	69.49	20.30	3.30	6.70	99.79	59.300197	66.459368
2007	69.52	20.30	3.30	6.70	99.82	59.925045	68.110019
2008	63.76	20.30	3.30	6.70	94.06	59.042369	63.206268

Athens Township - City of Athens (A02)

Collection Year	Athens City School District	Athens County	Tri-County Joint Career Center	City of Athens	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1999	59.70	18.55	3.30	2.60	0.30	84.45	52.741033	56.602678
2000	64.60	18.55	3.30	2.60	0.30	89.35	53.255867	58.542443
2001	64.60	18.55	3.30	2.60	0.30	89.35	54.213092	59.454460
2002	64.60	18.55	3.30	2.60	0.30	89.35	55.679583	60.921219
2003	64.60	18.80	3.30	2.60	0.30	89.60	50.691695	57.778373
2004	64.60	18.80	3.30	2.60	0.30	89.60	50.728681	57.692136
2005	69.78	18.80	3.30	2.60	0.30	94.78	55.820893	63.224987
2006	69.49	20.30	3.30	2.60	0.30	95.99	55.975578	62.956533
2007	69.52	20.30	3.30	2.60	0.30	96.02	56.618703	64.566010
2008	63.76	20.30	3.30	2.60	0.03	89.99	55.737092	59.662899

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

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

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

ATHENS CITY SCHOOL DISTRICT

*Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years*

Athens Township - The Plains Fire District (A04)

Collection Year	Athens City School District	Athens County	Tri-County Joint Career Center	The Plains Fire District	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1999	59.70	18.55	3.30	4.50	8.20	94.25	60.309732	64.653918
2000	64.60	18.55	3.30	4.00	8.20	98.65	59.956295	65.887433
2001	64.60	18.55	3.30	4.00	8.20	98.65	60.888887	66.798762
2002	64.60	18.55	3.30	4.00	8.20	98.65	62.347988	68.247927
2003	64.60	18.80	3.30	4.00	8.20	98.90	56.877365	64.994188
2004	64.60	18.80	3.30	4.00	8.20	98.90	56.924643	64.885480
2005	69.78	18.80	3.30	3.50	6.70	102.08	62.036397	70.044686
2006	69.49	20.30	3.30	3.50	6.70	103.29	61.768504	69.346896
2007	69.52	20.30	3.30	3.50	6.70	103.32	62.578241	71.384284
2008	63.76	20.30	3.30	3.50	6.70	97.56	61.696082	66.481027

Canaan Township (E02)

Collection Year	Athens City School District	Athens County	Tri-County Joint Career Center	Canaan Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1999	59.70	18.55	3.30	6.60	88.15	55.815175	59.933068
2000	64.60	18.55	3.30	6.60	93.05	56.115695	61.676778
2001	64.60	18.55	3.30	6.60	93.05	57.067981	62.693727
2002	64.60	18.55	3.30	6.60	93.05	59.305377	64.594136
2003	64.60	18.80	3.30	6.60	93.30	53.877320	61.329580
2004	64.60	18.80	3.30	6.60	93.30	53.923556	61.169246
2005	69.78	18.80	3.30	7.60	99.48	60.012848	67.924987
2006	69.49	20.30	3.30	7.60	100.69	59.834813	66.981209
2007	69.52	20.30	3.30	7.60	100.72	61.052371	69.266010
2008	63.76	20.30	3.30	7.60	94.96	60.359554	64.359217

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

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

ATHENS CITY SCHOOL DISTRICT

*Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years*

Canaan Township - City of Athens (E03)

Collection Year	Athens City School District	Athens County	Tri-County Joint Career Center	City of Athens	Canaan Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1999	59.70	18.55	3.30	2.40	4.70	88.65	56.315175	60.433068
2000	64.60	18.55	3.30	2.40	4.70	93.55	56.615695	62.176778
2001	64.60	18.55	3.30	2.40	4.70	93.55	57.567981	63.193727
2002	64.60	18.55	3.30	2.40	4.70	93.55	59.805715	65.094136
2003	64.60	18.80	3.30	2.40	4.70	93.80	54.377320	61.829580
2004	64.60	18.80	3.30	2.40	4.70	93.80	54.423556	61.669246
2005	69.78	18.80	3.30	2.40	5.70	99.98	60.512848	68.429870
2006	69.49	20.30	3.30	2.40	5.70	101.19	60.334813	67.481209
2007	69.52	20.30	3.30	2.40	5.70	101.22	61.552371	69.766010
2008	63.76	20.30	3.30	2.40	5.70	95.46	60.859554	64.859217

Dover Township (G01)

Collection Year	Athens City School District	Athens County	Tri-County Joint Career Center	Dover Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
1999	59.70	18.55	3.30	8.70	90.25	57.762736	61.652130
2000	64.60	18.55	3.30	8.70	95.15	57.722326	63.406713
2001	64.60	18.55	3.30	8.70	95.15	59.728240	65.070822
2002	64.60	18.55	3.30	8.70	95.15	61.175868	66.538118
2003	64.60	18.80	3.30	11.20	97.90	57.607682	65.217816
2004	64.60	18.80	3.30	11.20	97.90	57.929292	65.347525
2005	69.78	18.80	3.30	11.20	103.08	63.024514	73.114369
2006	69.49	20.30	3.30	11.20	104.29	62.618758	69.999672
2007	69.52	20.30	3.30	8.70	101.82	61.330527	69.520334
2008	63.76	20.30	3.30	8.70	96.06	60.447246	64.617237

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- N02 Waterloo Township

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

ATHENS CITY SCHOOL DISTRICT

*Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years*

Dover Township - Village of Chauncey (G02)

Collection Year	Athens City School District	Athens County	Tri-County Joint Career Center	Village of Chauncey	Dover Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
1999	59.70	18.55	3.30	7.90	3.30	92.75	59.657580	63.815493
2000	64.60	18.55	3.30	7.90	3.30	97.65	59.919503	65.574419
2001	64.60	18.55	3.30	7.90	3.30	97.65	62.354574	67.656663
2002	64.60	18.55	3.30	7.90	3.30	97.65	63.813636	69.132517
2003	64.60	18.80	3.30	7.90	5.80	100.40	59.382383	67.451832
2004	64.60	18.80	3.30	7.90	5.80	100.40	59.817088	67.581528
2005	69.78	18.80	3.30	7.90	5.80	105.58	64.916072	73.114369
2006	69.49	20.30	3.30	2.90	5.80	101.79	60.859320	68.058353
2007	69.52	20.30	3.30	7.90	3.30	104.32	64.567213	72.579015
2008	63.76	20.30	3.30	7.90	3.30	98.56	63.684866	67.675909

Waterloo Township (N02)

Collection Year	Athens City School District	Athens County	Tri-County Joint Career Center	Waterloo Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
1999	59.70	18.55	3.30	9.90	91.45	58.871122	62.404502
2000	64.60	18.55	3.30	9.90	96.35	58.978506	64.117153
2001	64.60	18.55	3.30	9.90	96.35	60.165682	65.327257
2002	64.60	18.55	3.30	9.90	96.35	61.579783	66.794016
2003	64.60	18.80	3.30	9.90	96.60	55.708064	63.386606
2004	64.60	18.80	3.30	9.90	96.60	55.744979	63.300369
2005	69.78	18.80	3.30	9.90	101.78	60.842498	68.854259
2006	69.49	20.30	3.30	9.90	102.99	60.408076	68.133558
2007	69.52	20.30	3.30	9.90	103.02	61.054314	69.743035
2008	63.76	20.30	3.30	9.90	97.26	60.496486	65.031093

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

ATHENS CITY SCHOOL DISTRICT
Property Tax Levies and Collections (1)
Last Ten Years

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Current Tax Levy
1998	\$10,706,049	\$10,296,314	96.17%	\$551,518	\$10,847,832	101.32%	\$672,549	6.28%
1999	11,028,914	10,641,196	96.48%	421,432	11,062,678	100.31%	565,254	5.13%
2000	12,690,846	12,315,346	97.04%	420,680	12,736,026	100.36%	571,684	4.50%
2001	13,089,931	12,297,066	93.94%	166,803	12,463,869	95.22%	609,497	4.66%
2002	13,654,139	11,713,239	85.79%	415,260	12,128,499	88.83%	718,292	5.26%
2003	15,102,050	14,583,677	96.57%	522,417	15,106,094	100.03%	822,474	5.45%
2004	15,381,743	13,285,612	86.37%	205,609	13,491,221	87.71%	747,497	4.86%
2005	15,485,990	14,943,670	96.50%	367,375	15,311,045	98.87%	922,442	5.96%
2006	16,254,562	15,427,198	94.91%	478,391	15,905,589	97.85%	1,271,415	7.82%
2007	16,974,868	16,536,257	97.42%	692,636	17,228,893	101.50%	974,960	5.74%

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2008 information cannot be presented because all collections have not been made by June 30, 2008.
- (3) The County does not identify delinquent tax collections by tax year.

ATHENS CITY SCHOOL DISTRICT

Principal Taxpayers

Real Estate Tax

2008 and 2000 (1)

Name of Taxpayer	Type of Business	Collection Year 2008	
		Assessed Value	Percent of Real Property Assessed Value
Ohio University	Retail Sales	\$7,514,590	1.84%
AAC Athens LLC	Apartments	4,560,250	1.12%
Sheltering Arms Hospital	Hospital	3,208,850	0.78%
Inn-Ohio of Athens, Inc.	Motel	2,048,820	0.50%
McCoady Properties Ltd.	Various	1,947,470	0.48%
City of Athens	Various	1,713,800	0.42%
TS Tech North America Inc.	Manufacturing	1,674,170	0.41%
Southeast Development Co. 2	Apartments	1,523,970	0.37%
Hickory Creek of Athens, Inc.	Nursing Home	1,502,480	0.37%
Southeast Ohio Management Company	Retail Sales	1,470,000	0.36%
Total		\$27,164,400	6.64%
Total Assessed Valuation		\$408,820,500	

Name of Taxpayer	Type of Business	Collection Year 2000 (1)	
		Assessed Value	Percent of Real Property Assessed Value
Ohio University	Retail Sales	\$5,845,170	2.05%
University Mall Associates	Retail Sales	4,444,910	1.56%
AAC Athens LLC	Apartments	3,779,450	1.32%
Inn-Ohio of Athens, Inc.	Motel	1,812,330	0.63%
City of Athens	Various	1,575,760	0.55%
Bromley Athens LLC Ltd	Apartments	1,418,570	0.50%
Southeast Development Co. 2	Apartments	1,286,810	0.45%
Hickory Creek of Athens, Inc.	Nursing Home	1,261,790	0.44%
Diversified Properties	Grocery Store	1,132,260	0.40%
TS Trim Industries Inc.	Automotive Parts Mfg.	992,100	0.35%
Total		\$23,549,150	8.24%
Total Assessed Valuation		\$285,737,630	

(1) The amounts presented represent the assessed values upon which 2008 and 2000 collections were based. Data prior to 2000 was not available.

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

ATHENS CITY SCHOOL DISTRICT

Principal Taxpayers

Tangible Personal Property Tax

2008 and 2000 (1)

Name of Taxpayer	Type of Business	Collection Year 2008	
		Assessed Value	Percent of Tangible Personal Property Assessed Value
Wal Mart Stores East LP	Retail Sales	\$534,880	3.37%
Verizon North, Inc.	Communications	457,393	2.88%
Don Wood Automotive, Inc.	Automobiles Sales & Service	235,080	1.48%
Lowes Home Centers Inc.	Retail Sales	183,660	1.16%
Taylor Motors	Automobiles Sales & Service	124,328	0.78%
Alltel Communications of Ohio	Communications	97,110	0.61%
T Mobile Central LLC	Communications	96,618	0.61%
Diagnostic Hybrids Inc.	Bio-Tech	83,420	0.53%
Kroger Company	Grocery	81,210	0.51%
University Cinema of Athens LLC	Theater	78,103	0.49%
Total		\$1,971,802	12.42%
Total Assessed Valuation		\$15,874,254	

Name of Taxpayer	Type of Business	Collection Year 2000 (1)	
		Assessed Value	Percent of Tangible Personal Property Assessed Value
TS Trim Industries Inc.	Automotive Parts Mfg.	\$1,981,410	8.98%
Don Wood Fors-Lincoln-Mercury Inc.	Automobiles Sales & Service	1,360,120	6.17%
Athens Mold & Machine Inc.	Machine Shop	570,030	2.58%
K Mart Corp.	Retail	562,380	2.55%
Taylor Motors	Automobiles Sales & Service	452,820	2.05%
Ames Merchandising Inc.	Retail	436,830	1.98%
Kroger Company	Grocery	411,790	1.87%
J C Penny Company Inc.	Retail	383,330	1.74%
Elder Beerman Stores Corp.	Retail	374,330	1.70%
On Call Medical Associates	Medical	345,512	1.57%
Total		\$6,878,552	31.19%
Total Assessed Valuation		\$22,056,469	

(1) The amounts presented represent the assessed values upon which 2008 and 2000 collections were based. Data prior to 2000 was not available.

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

ATHENS CITY SCHOOL DISTRICT

Principal Taxpayers

Public Utilities Tax

2008 and 2000 (1)

Name of Taxpayer	Type of Business	Collection Year 2008	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Columbus Southern Power	Electricity	\$15,026,210	71.76%
Tennessee Gas Pipeline Co.	Natural Gas	2,520,570	12.04%
Texas Eastern Transmission	Natural Gas	1,393,940	6.66%
Columbia Gas of Ohio Inc.	Natural Gas	1,034,460	4.94%
Columbia Gas Transmission	Natural Gas	457,860	2.19%
Norfolk Southern	Transportations	337,930	1.61%
Ohio Power Co.	Electricity	138,740	0.66%
Buckeye Rural Electric	Electricity	28,830	0.14%
Southeastern Natural Gas Co.	Natural Gas	1,420	0.01%
Buckeye Power Inc.	Electricity	220	0.00%
Total		<u>\$20,940,180</u>	<u>100.00%</u>
Total Assessed Valuation		<u>\$20,940,180</u>	

Name of Taxpayer	Type of Business	Collection Year 2000 (1)	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Columbus Southern Power	Electricity	\$13,178,670	49.51%
GTE North Inc.	Communications	5,833,320	21.92%
Columbia Gas of Ohio Inc.	Natural Gas	3,017,180	11.34%
Texas Eastern Transmission	Natural Gas	1,093,390	4.11%
Tennessee Gas Pipeline Co.	Natural Gas	866,570	3.26%
Ohio Telephone & Telegraph	Communications	792,050	2.98%
Consolidated Rail Corp.	Transportation	704,880	2.65%
Columbia Gas Transmission	Natural Gas	403,180	1.51%
Orange County Cellular	Communications	145,330	0.55%
Ohio Power Company	Electricity	131,250	0.49%
Total		<u>\$26,165,820</u>	<u>98.32%</u>
Total Assessed Valuation		<u>\$26,617,680</u>	

(1) The amounts presented represent the assessed values upon which 2008 and 2000 collections were based. Data prior to 2000 was not available.

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

ATHENS CITY SCHOOL DISTRICT
*Ratio of Debt
to Assessed Value and Debt per Capita
Last Ten Fiscal Years*

Fiscal Year	Population (1)		Assessed Value of Taxable Property (2)	General Bonded Debt			General Debt				
				General Bonded Debt Outstanding	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita	General Bonded Debt Outstanding	HB 264 Debt	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita
1999	32,721	(a)	\$302,265,315	\$3,289,973	1.09%	\$100.55	\$3,289,973	\$165,000	\$3,454,973	1.14%	\$105.59
2000	32,721	(a)	334,411,779	19,319,973	5.78%	590.45	19,319,973	175,000	19,494,973	5.83%	595.79
2001	32,596	(b)	341,444,052	18,684,973	5.47%	573.23	18,684,973	185,000	18,869,973	5.53%	578.90
2002	32,596	(b)	341,349,919	18,424,513	5.40%	565.24	18,424,513	195,000	18,619,513	5.45%	571.22
2003	33,790	(b)	403,797,702	18,176,566	4.50%	537.93	18,176,566	200,000	18,376,566	4.55%	543.85
2004	33,790	(b)	410,612,584	17,747,449	4.32%	525.23	17,747,449	215,000	17,962,449	4.37%	531.59
2005	33,790	(b)	412,672,602	16,620,000	4.03%	491.86	16,620,000	0	16,620,000	4.03%	491.86
2006	33,790	(b)	451,123,916	14,335,000	3.18%	424.24	14,335,000	0	14,335,000	3.18%	424.24
2007	33,790	(b)	444,018,754	13,910,000	3.13%	411.66	13,910,000	0	13,910,000	3.13%	411.66
2008	33,790	(b)	445,634,934	13,315,000	2.99%	394.05	13,315,000	0	13,315,000	2.99%	394.05

Sources: (1) U.S. Bureau of Census, Census of Population
(a) 1990 Federal Census
(b) 2000 Federal Census

(2) Ohio Department of Taxation - Collection Year

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

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio Service to General Fund Expenditures (Percentage)
1999	\$535,000	\$173,801	\$708,801	\$18,198,269	3.89%
2000	370,000	153,582	523,582	17,422,381	3.01%
2001	635,000	1,099,065	1,734,065	19,179,237	9.04%
2002	260,460	1,370,137	1,630,598	20,314,792	8.03%
2003	247,947	1,366,651	1,614,598	20,831,388	7.75%
2004	409,118	1,363,380	1,772,498	21,451,979	8.26%
2005	1,272,552	1,019,733	2,292,285	23,740,736	9.66%
2006	2,285,000	730,168	3,015,168	24,670,213	12.22%
2007	565,000	706,717	1,271,717	25,630,290	4.96%
2008	595,000	681,337	1,276,337	25,200,403	5.06%

Source: School District Fund Financial Statements

ATHENS CITY SCHOOL DISTRICT
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2008*

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding (1)</u>	<u>Percentage Applicable To School District</u>	<u>Amount Applicable To School District</u>
<u>Direct Debt:</u>			
Athens City School District	\$13,175,000	100%	\$13,175,000
<u>Overlapping Debt:</u>			
Athens County	1,826,638	54% (2)	\$988,394
City of Athens	6,235,000	99% (3)	<u>6,183,873</u>
Total Direct and Overlapping Debt			<u><u>\$20,347,267</u></u>

Source: Ohio Municipal Advisory Council

- (1) Includes all general obligation bonded debt, not general obligation notes.
- (2) Percentage of County's valuation within the School District compared to the total valuation of the County.
- (3) Percentage of City's valuation within the School District compared to the total valuation of the City.

ATHENS CITY SCHOOL DISTRICT
Computation of Legal Debt Margin
Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Tax Valuation	<u>\$302,265,315</u>	<u>\$334,411,779</u>	<u>\$341,444,052</u>	<u>\$341,349,919</u>	<u>\$403,797,702</u>	<u>\$410,612,584</u>	<u>\$412,672,602</u>	<u>\$451,123,916</u>	<u>\$444,018,754</u>	<u>\$445,634,934</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>\$27,203,878</u>	<u>\$30,097,060</u>	<u>\$30,729,965</u>	<u>\$30,721,493</u>	<u>\$36,341,793</u>	<u>\$36,955,133</u>	<u>\$37,140,534</u>	<u>\$40,601,152</u>	<u>\$39,961,688</u>	<u>\$40,107,144</u>
Amount of Debt Applicable to Debt Limit										
General Obligation Bonds	3,289,973	19,319,973	18,684,973	18,424,513	18,176,566	17,747,449	16,620,000	14,335,000	13,910,000	13,315,000
Less Amount Available in Debt Service	<u>(721,757)</u>	<u>(1,707,620)</u>	<u>(1,654,485)</u>	<u>(2,152,841)</u>	<u>(2,638,685)</u>	<u>(3,561,263)</u>	<u>(3,268,767)</u>	<u>(1,869,721)</u>	<u>(2,224,541)</u>	<u>(2,617,762)</u>
Amount of Debt Subject to Limit	<u>2,568,216</u>	<u>17,612,353</u>	<u>17,030,488</u>	<u>16,271,672</u>	<u>15,537,881</u>	<u>14,186,186</u>	<u>13,351,233</u>	<u>12,465,279</u>	<u>11,685,459</u>	<u>10,697,238</u>
Legal Debt Margin	<u>\$24,635,662</u>	<u>\$12,484,707</u>	<u>\$13,699,477</u>	<u>\$14,449,821</u>	<u>\$20,803,912</u>	<u>\$22,768,947</u>	<u>\$23,789,301</u>	<u>\$28,135,873</u>	<u>\$28,276,229</u>	<u>\$29,409,906</u>
Legal Debt Margin as a Percentage of the Debt Limit	90.56%	41.48%	44.58%	47.03%	57.25%	61.61%	64.05%	69.30%	70.76%	73.33%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$302,265	\$334,412	\$341,444	\$341,350	\$403,798	\$410,613	\$412,673	\$451,124	\$444,019	\$445,635
Amount of Debt Subject to Limit	<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>
Unvoted Legal Debt Margin	<u>\$302,265</u>	<u>\$334,412</u>	<u>\$341,444</u>	<u>\$341,350</u>	<u>\$403,798</u>	<u>\$410,613</u>	<u>\$412,673</u>	<u>\$451,124</u>	<u>\$444,019</u>	<u>\$445,635</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Ohio Department of Taxation and School District Financial Records

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

Note: The amount of debt presented as subject to the limit should be the balances used to compute the margin as specified by statute, i.e. the gross balances, not amounts that are net of premiums or discounts. On deep discount or capital appreciation bonds, this would be the original issue amount.

Note: The definition of tax valuation for the purpose of calculating the debt margin was modified by H.B. 530, effective 3/30/06, to exclude tangible personal property used in business, telephone or telegraph property, interchange telecommunications company property, or personal property owned or leased by a railroad company and used in railroad operations.

ATHENS CITY SCHOOL DISTRICT

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Unemployment Rate (2)</u>	<u>Personal Income (3)</u>	<u>Per Capital Personal Income</u>
1998	32,721	4.90%	\$346,564,759	\$10,592
1999	32,721	4.90%	361,112,962	11,036
2000	32,596	5.30%	384,268,026	11,789
2001	32,596	4.80%	385,379,159	11,823
2002	32,596	5.80%	403,778,171	12,387
2003	33,790	6.10%	383,046,787	11,336
2004	33,790	6.30%	400,624,424	11,856
2005	33,790	6.00%	422,654,278	12,508
2006	33,790	6.40%	441,950,195	13,079
2007	33,790	6.70%	n/a	n/a

Sources:

(1) Ohio Municipal Advisory Council

(2) U.S. Department of Labor. Data is for Athens County.
Statistic is not available by school district.

(3) Ohio Department of Taxation

Note:

The 2007 Personal Income information was not available

ATHENS CITY SCHOOL DISTRICT

Principal Employers

Current Year and Nine Years Ago

Employer	Nature of Business	2008			1999		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Ohio University	Education	4,023	1	14.02%	Data Not Available		
Athens County Government	Government	611	2	2.13%			
O'Bleness Memorial Hospital	Health Care	470	3	1.64%			
Athens City School District	Education	433	4	1.51%			
Wal-Mart	Retail	428	5	1.49%			
Athens City Government	Government	255	6	0.89%			
Health Recovery Services	Health Care	175	7	0.61%			
Diagnostic Hybrids, Inc.	Manufacturing	145	8	0.51%			
Athens Messenger	Newspaper	115	9	0.40%			
Kroger Company	Retail	102	10	0.36%			
Total		<u>6,757</u>		<u>23.72%</u>	<u> </u>		<u> </u>
Total Employment within the School District		<u>28,700</u>			<u> </u>		

Source: Athens Area Chamber of Commerce

ATHENS CITY SCHOOL DISTRICT

Personal Income

Last Ten Years

<u>Calendar Year (1)</u>	<u>Number of Income Tax Returns</u>	<u>Number of Personal Exemptions</u>	<u>Total Federal Adjusted Gross Income</u>	<u>Average Federal Adjusted Gross Income</u>	<u>Rank Among Ohio Schools (2)</u>
1997	9,081	16,602	\$331,615,642	\$36,518	186
1998	9,408	17,286	346,564,759	36,837	237
1999	9,585	17,414	361,112,962	37,675	248
2000	9,883	17,816	384,268,026	38,882	246
2001	10,103	18,025	385,379,159	38,145	268
2002	10,195	18,355	403,778,171	39,606	227
2003	9,987	17,924	383,046,787	38,355	283
2004	10,021	17,876	400,624,424	39,978	294
2005	9,991	17,872	422,654,278	42,304	267
2006	9,990	17,703	441,950,195	44,239	267

Source: Ohio Department of Taxation

(1) The 2007 Income Tax information was not available.

(2) 614 Total Ohio Public K-12 School Districts

ATHENS CITY SCHOOL DISTRICT
School District Employees by Function/Program
Last Nine Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008
Teaching Staff:									
Elementary (K-6) Classroom Teachers	115.60	112.10	108.80	108.80	107.80	94.00	92.00	92.00	94.20
Secondary (7-12) Classroom Teachers	81.20	81.20	81.50	82.50	81.50	80.50	79.50	79.50	75.50
Special /Vocational Education Teachers	34.00	35.50	39.00	39.00	40.00	51.90	51.90	52.10	47.20
Pupil Support Services:									
Secretarial/Office Support Staff	21.50	22.50	22.50	22.50	21.50	21.00	21.00	21.00	21.50
Guidance/Counselors	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00
Librarians/Audio Visual	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Psychologists	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Nurses	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Educational Aides	49.50	55.50	60.50	63.50	65.60	69.00	69.00	69.00	64.00
Administrators/Supervisors:									
Elementary (K-6)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Secondary (7-12)	4.00	4.00	4.00	3.00	4.00	4.00	4.00	4.00	4.00
Central/Districtwide	9.00	9.00	9.00	9.00	9.00	10.00	10.00	9.00	10.00
Operation of Plant:									
Custodians	24.50	24.50	24.50	24.50	25.50	25.00	25.00	26.00	26.50
Maintenance	6.00	6.00	6.00	5.00	5.00	4.00	4.00	4.00	4.00
Pupil Transportation:									
Bus Drivers	29.00	30.00	28.00	29.50	29.50	30.00	30.00	33.00	31.00
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Food Service Program:									
Elementary (K-6)	15.00	15.00	15.00	15.00	12.20	12.00	12.00	9.50	9.50
Secondary (7-12)	6.50	6.50	6.50	6.50	6.50	6.50	6.50	7.40	7.40
Total	412.80	418.80	421.30	424.80	424.10	423.90	420.90	423.50	411.80

Method: Using 1.0 for each full-time employee and an appropriate fraction for each part-time and seasonal employee. The count is performed on September 1 of each year.

Source: Ohio Department of Education and Athens City School District Financial Records.

Information prior to 2000 is not available in this format.

ATHENS CITY SCHOOL DISTRICT
Operating Statistics & Cost to Educate A Graduate
Last Twelve Fiscal Years

Fiscal Year	Grade	Number Of Graduates (1)	Average Daily Membership (ADM) (2)	ADM Percentage Change	Cost per Pupil (3)		Teaching Staff	Pupil/Teacher Ratio (4)	% of Students Qualifying for Free or Reduced Lunch Program
					District Average	State Average			
1996	Kindergarten	204	2,850	0.46%	\$5,230	\$5,328	219.8	n/a	n/a
1997	1st Grade	225	2,793	-2.00%	5,889	5,557	222.6	19.1	n/a
1998	2nd Grade	242	2,705	-3.15%	6,116	5,673	218.6	18.5	n/a
1999	3rd Grade	234	2,966	9.65%	6,681	6,642	221.8	17.8	n/a
2000	4th Grade	235	2,823	-4.82%	6,972	7,057	230.8	17.1	n/a
2001	5th Grade	235	2,757	-2.34%	7,832	7,591	228.8	16.9	n/a
2002	6th Grade	233	2,544	-7.73%	8,608	8,073	229.3	15.9	n/a
2003	7th Grade	209	2,481	-2.48%	8,713	8,441	230.3	14.3	n/a
2004	8th Grade	205	2,482	0.04%	8,999	8,768	229.3	15.3	36%
2005	9th Grade	194	2,408	-2.98%	9,617	9,048	226.4	15.8	35%
2006	10th Grade	204	2,423	0.61%	10,337	9,356	223.4	15.9	34%
2007	11th Grade	214	2,430	0.30%	10,295	9,586	223.6	16.0	33%
2008	12th Grade	220	2,423	-0.29%	10,757	9,939	216.9	16.5	33%
					<u>\$106,046</u>	<u>\$101,059</u>			

(1) Athens High School Guidance Department

(2) Ohio Department of Education Final Fiscal-Year-End SF3 Report. This number does not include Open Enrollment student from other districts.

(3) Ohio Department of Education "District School Report Card"

(4) Ohio Department of Education Interactive Data Web Site

ATHENS CITY SCHOOL DISTRICT

Miscellaneous Statistics

June 30, 2008

Year of Establishment	Established in the Mid 1800's Consolodated with The Plains and Chauncey School Districts in 1964
Form of Government	Locally-elected five member Board
Number of Employees:	
Certificated	226.9
Non-Certificated	165.9
Administrative	19.0
Area - square miles	58 Square Miles
State Funded Average Daily Membership	2,423
Cost per Pupil	\$10,757
Average Number of Years Teaching Experience	13.3 Years
Percentage of Teaching Staff Holding a Master's Degree	73.4% Master or Higher

<u>Building</u>	<u>Grades Level</u>	<u>Enrollment (1)</u>	<u>Capacity (2)</u>	<u>Percentage of Capacity</u>	<u>Number of Regular Teachers (3)</u>	<u>Pupil/ Teacher Ratio (4)</u>	<u>Year Building Completed</u>	<u>Date of Additions</u>
Athens High School	9 - 12	856	1200	71.33%	49.5	17.3 :1	1968	2002
Athens Middle School	7 & 8	417	675	61.78%	28	14.9 :1	1923	1936, 1956 1973, 2002
Chauncey Elementary	PS - 6	206	500	41.20%	16.4	12.6 :1	1964	1978
East Elementary	K - 6	279	600	46.50%	16	17.4 :1	1956	1980
Morrison Elementary	K - 6	409	650	62.92%	20.8	19.7 :1	1979	-
The Plains Elementary	PS - 6	371	650	57.08%	24	15.5 :1	1990	-
West Elementary	PS - 6	<u>302</u>	<u>400</u>	75.50%	<u>17</u>	17.8 :1	1956	1978
District Totals		2,840	4,675	60.75%	171.7	16.5 :1		

- (1) Total Enrollment - All Students including Special Education - as of June 30th
- (2) Based on Ohio School Facility Commission standard class size of 25 students
- (3) Includes Regular Classroom Teachers, Counselors, and Special Education Teachers
- (4) Building Average with exclusions listed above

ATHENS CITY SCHOOL DISTRICT

Standardized Test Results

June 30, 2008

	<u>Athens High School</u>	<u>State Mean</u>	<u>National Mean</u>
<u>S.A.T.</u>			
Critical Reading	570	534	502
Mathematics	553	544	515
Writing	543	521	494
<u>A.C.T.</u>			
English	23.6	21.1	20.6
Mathematics	23.8	21.5	21.0
Reading	24.1	22.1	21.4
Science	22.8	21.7	20.8
Composite	23.7	21.7	21.1

Ohio Public School Report Card Data:

	<u>Athens City Schools</u>	<u>Similar Districts *</u>	<u>State Average</u>
<u>3rd Grade Achievement Test</u>			
Reading	74.6	85.1	77.4
Mathematics	76.1	86.0	79.3
<u>4th Grade Achievement Test</u>			
Reading	82.7	88.6	81.1
Mathematics	69.0	82.6	74.6
Writing	71.6	88.1	81.7
<u>5th Grade Achievement Test</u>			
Reading	76.0	81.7	72.7
Mathematics	63.1	70.9	61.8
Science	67.9	76.4	66.4
Social Studies	67.3	75.2	64.8
<u>6th Grade Achievement Test</u>			
Reading	80.7	85.7	79.7
Mathematics	78.1	85.0	76.6
<u>7th Grade Achievement Test</u>			
Reading	79.8	84.1	77.3
Mathematics	67.6	77.2	68.8
Writing	80.3	90.3	85.7
<u>8th Grade Achievement Test</u>			
Reading	82.2	86.5	79.4
Mathematics	67.8	82.2	72.8
Science	69.5	72.8	62.2
Social Studies	57.2	64.4	53.5
<u>10th Grade Ohio Graduation Test</u>			
Reading	82.7	89.5	85.2
Writing	85.0	86.1	79.0
Mathematics	83.6	89.0	85.2
Science	82.2	80.7	72.8
Social Studies	82.7	84.0	78.4
<u>11th Grade Ohio Graduation Test</u>			
Reading	93.2	95.1	91.9
Writing	91.1	93.0	88.2
Mathematics	94.3	95.3	93.0
Science	87.0	90.5	83.6
Social Studies	90.1	91.9	86.5
<u>Attendance Rate (All Grades)</u>	94.8	95.2	94.2
<u>Graduation Rate</u>	99.1	95.2	86.9

* Determined by the Ohio Dept. of Education based on demographic, socioeconomic, and geographic factors.



Mary Taylor, CPA
Auditor of State

ATHENS CITY SCHOOL DISTRICT

ATHENS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 5, 2009**