



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

www.bhscpas.com

Athens City School District
Athens County

Single Audit

For the Year Ended June 30, 2011
Fiscal Year Audited Under GAGAS: 2011

bhs

Circleville

Ironton

Piketon

Wheelersburg

Worthington



Dave Yost • Auditor of State

Members of the 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, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

February 27, 2012

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Athens City School District
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For the Fiscal Year Ended June 30, 2011

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Athens City School District
Athens County

Schedule of Federal Awards Receipts and Expenditures
For the Year Ended June 30, 2011

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>				
School Breakfast Program	05PU	10.553	110,151	110,151
National School Lunch Program	LLP4	10.555	375,720	375,720
<i>Total Nutrition Cluster</i>			<u>485,871</u>	<u>485,871</u>
Total United States Department of Agriculture			<u>485,871</u>	<u>485,871</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	487,747	502,072
Special Education Grants to States - ARRA	3DJ0	84.391	314,219	298,330
Special Education Preschool Grants	PGS1	84.173	2,340	1,424
Special Education Preschool Grants - ARRA	3DL0	84.392	15,131	15,791
Total Special Education Cluster			<u>819,437</u>	<u>817,617</u>
<i>Title I Cluster:</i>				
Title I Grants to Local Education Agencies	C1S1	84.010	399,666	564,699
Title I Grants to Local Education Agencies - ARRA	3DK0	84.389	194,129	192,141
Total Title I Cluster			<u>593,795</u>	<u>756,840</u>
Safe and Drug Free Schools and Communities State Grants	DRS1	84.186	3,444	5,319
Twenty-First Century Community Learning Centers	T1S1	84.287	101,728	138,181
Education Technology State Grants	TJS1	84.318	4,606	6,808
English Language Acquisition Grant	T3S1	84.365	1,783	2,345
Improving Teacher Quality State Grant	TRS1	84.367	179,527	185,751
State Fiscal Stabilization Fund - Education State Grants - ARRA	GRF	84.394	624,189	1,013,539
Total United States Department of Education			<u>2,328,509</u>	<u>2,926,400</u>
Total Federal Financial Assistance			<u>\$ 2,814,380</u>	<u>\$ 3,412,271</u>

See Notes to the Schedule of Federal Awards Receipts and Expenditures.

Athens City School District

*Notes to the Schedule of Federal Awards Receipts and Expenditures
For the Fiscal Year Ended June 30, 2011*

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Members of the Board of Education
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 School District) as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 21, 2011 in which we noted that the School District adopted Governmental Accounting Standards Board Statement No. 54, and Statement No. 59. 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 the Comptroller General of the United States' *Governmental Auditing Standards*.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the School 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the School District's management in a separate letter dated December 21, 2011.

Members of the Board of Education

Athens City School District

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Page 2

We intend this report solely for the information and use of management, Members of the Board of Education, federal awarding agencies, pass-through entities, and others within the School District. We intend it for no one 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 21, 2011



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Report on Compliance with Requirements Applicable to Each Major Federal Program and On Internal Control Over Compliance Required by OMB Circular A-133

Members of the Board of Education
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 School District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could directly and materially affect each of Athens City School District's major federal programs for the year ended June 30, 2011. The summary of auditor's results section of the accompanying schedule of findings identifies the School District's major federal programs. The School District's management is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to each major federal program. Our responsibility is to express an opinion on the School 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 included in the Comptroller General of the United States' *Government Auditing Standards*; 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 reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School District's compliance with those requirements.

In our opinion, the Athens City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The School District's management 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 School District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School District's internal control over compliance.

Members of the Board of Education

Athens City School District

Report on Compliance with Requirements Applicable to Each Major Federal Program and On Internal Control Over Compliance Required by OMB Circular A-133

Page 2

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of 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 over compliance that might be deficiencies, 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 Receipts and Expenditures

We have also audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens City School District as of and for the year ended June 30, 2011, and have issued our report thereon dated December 21, 2011 wherein we noted that the School District adopted Governmental Accounting Standards Board Statement No. 54, and Statement No. 59. Our audit was performed to form opinions on the financial statements that collectively comprise the School District's basic financial statements taken as a whole. The accompanying schedule of federal awards receipts and expenditures provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report for the information and use of management, the Members of the Board of Education, others within the School District, federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.

December 21, 2011

ATHENS CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant internal control deficiencies 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):	Title I Cluster: Title I Grants to Local Education Agencies –CFDA# 84.010 Title I Grants to Local Education Agencies -ARRA, CFDA# 84.389 Special Education Cluster: Special Education Grants to States, CFDA #84.027 Special Education Preschool Grants, CFDA #84.173 Special Education Grants to States-ARRA, CFDA #84.391 Special Education – Preschool Grants-ARRA, CFDA#84.392

ATHENS CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)

1. SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

(d)(1)(vii)	Major Programs (list): (continued)	State Fiscal Stabilization Fund, Education State Grants- ARRA, CFDA #84.394
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,00 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Athens City School District

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .315 (b)
FOR THE YEAR ENDED JUNE 30, 2011

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2010-001	Matter Weakness – Adjustment for Taxes Receivable and Deferred Revenue.	Yes	



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Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Independent Accountants' Report on Applying Agreed-Upon Procedure

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

To the Board of Education:

Ohio Rev. Code Section 117.53 states “the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school.”

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Athens City School District has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy at its meeting on May 20, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

Balestra, Harr & Scherer, CPAs, Inc.
December 21, 2011

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ending June 30, 2011



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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, 2011

Board of Education

Roger Brown.....President
Chris Gerig..... Vice-President
Jeffrey Dill, PhD Member
Scott Nisley..... 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



INTRODUCTORY SECTION

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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 21, 2011

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, 2011. 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 33,120 residents. The District is the 167th largest in the State of Ohio (among 612 school districts) in terms of enrollment.

Located 75 miles southeast of Columbus, Athens is home to Ohio University, the first university in the Northwest Territory founded in 1804. The University's main campus College Green is on the National Register of Historic Places and includes Cutler Hall, a National Historic Landmark, built in 1816. Each quarter, the University adds over 25,000 students to the City's population.

The Athens City School District is one of five K-12 public school districts in Athens County. With 2,809 pupils (including open enrollment), it has the largest enrollment in the county but is geographically one of the smallest school districts in the county encompassing only 89 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	188
East Elementary	PreK-6	313
Morrison Elementary	PreK-6	426
The Plains Elementary	PreK-6	351
West Elementary	PreK-6	301
Athens Middle School	7-8	433
Athens High School	9-12	797

The District provides preschool programs and all-day kindergarten classes. The District serves lunches to 43.5% of the student population daily. Approximately 38% 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 68% 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, 44% are eligible for Free and Reduced, and 27% 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, 2011 is included on page xii.

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, 2016.

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, 2015.

ECONOMIC CONDITION AND OUTLOOK

The District's largest employer is Ohio University, which employs more than 3,800 total employees with more than 1,000 full-time and 700 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 25,000 students. 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 \$737.0 million with total operating and non-operating expenses for the 2011 fiscal year in excess of \$593 million dollars. The University has an ongoing facility plan which means each year they complete a number of construction and renovation projects. Their 2011 annual report also estimates \$16.3 million in capital projects continuing after the end of their fiscal year and state a continuing of their capital campaign of more than \$400 million in future capital projects focusing on core academic initiatives.

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. Another hotel and restaurant opened in 2011 as well as smaller commercial operations. The University Mall added one more major retail store and has ongoing talks with at least one other "big-box" store. The recently renovated Athens Mall includes Sears, AT&T, and others in place or yet to open in 2012. 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 90% 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 40 grants generating approximately \$2.8 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 426 employees (full and part time) of which 232 are certificated (including school psychologists and counselors), 176 are classified, and 18 administrative. Certificated employees, including teachers and educational specialists, are represented for collective bargaining purposes by the Athens Education Association (AEA), an affiliate of the Ohio Education Association (OEA). Classified employees, including bus drivers, food service, custodial, maintenance, and clerical staff, are represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846. Educational Aides are also represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846, but under a separate negotiated agreement.

In December 2009, 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, 2011 through January 1, 2014 included a 1.25% wage increase retroactive to January 1, 2011, a 1.25% increase effective January 2012, and a 1.25% increase effective January 2013.

During the summer of 2009, 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, 2009 through August 31, 2010 included hourly wage increases of \$.85 effective September 2009, \$.30 in September 2010, and \$.30 in September 2011.

During the summer of 2010, 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, 2010 through August 31, 2013, included hourly wage increases of \$.45 effective September 2010, and \$.35 effective September 2011 and September 2012.

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. 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 15.5% 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 2011

Facility Management

The District completed the roof projects at West Elementary which concluded a multiple year plan to replace and repair all educational facility roofs. Doors and windows replacements were begun at East Elementary in FY2011 and slated to be finished over the summer of 2011. A tornado went through the District in September of 2010. Most damage was sustained at the High School football facility and school building itself. Immediate repair along with upgrades began within weeks of the storm and were at least 80% complete by June 30, 2011. The athletic booster seized the opportunity, and was successful, in getting donations and/or pledges to cover the cost of a synthetic turf football surface and resurfacing the track. Insurance is maintained at replacement cost coverage so all of the repairs were covered by insurance. 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 150 new computers were installed during the summer of 2011 leading into FY2012. The District's also entered into a three year agreement to upgrade its internal network and internet to fiber. This increased both the bandwidth speed and reliability.

Report Cards

Ohio law now calls for each Ohio District to receive a performance accountability rating based on 26 performance indicators. Athens City Schools have met 22 of the 26 performance standards for the 2010-2011 school-year. Based on the State's current ranking system, this score places the District in the Excellent category. The District also achieved a *Performance Index* of 96.6. This score is up from 94.3 in 2009-2010. 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 twelfth Comprehensive Annual Financial Report (CAFR) for fiscal year 2011. 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 2011 had multiple students qualify as National Merit Scholars. There were also multiple students who were recognized as National Merit Finalists. Since 1984, more than 125 Athens High School graduates have been named National Merit Scholars and more than 155 have earned commended status. Six of Athens High School class of 2011 graduates received recognition and scholarships from the J. Warren McClure Athens Education 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	\$752,815	This grant targets our 2 schools who demonstrate that they are serving an economically disadvantaged student population that exceeds 20% of the school's total student population.
Title II-A	\$184,874	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	\$3,039	Funds are designated for professional development of educational staff and the encouragement of technology and mathematics and science education.
Title III	\$2,345	Funds are designated for non-English speaking students for the purpose of teaching them the English language to a level sufficient to function in English speaking classrooms.
Title IV	\$5,319	Focus for this grant is on cultivating a safe, drug-free climate within our schools, underscoring the educational mission to have students make good life decisions and feel safe in their environment.
Title VI-B	\$542,864	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	\$147,727	Funding is designed to provide after school enrichment programs to students who are economically, socially, and/or educationally most at risk.
ECSE	\$13,402	Funding is designed to provide tutoring and other focused supplemental supports for children most at risk in reading and mathematics.
Total	\$1,652,385	

MAJOR INITIATIVES FOR THE FUTURE

Permanent Improvements

The District intends to continue with annual maintenance issues and improvement projects in accordance with the Facility Master Plan completed in FY2010. Ongoing minor repairs and regular maintenance continues to be funded by the District Permanent Improvement Fund. The District is completing a formalized written Capital Plan for Board approval sometime in FY2012.

Curriculum Development and Meeting the Requirements of New State Standards

The District is entering into a transition from the Ohio Academic Standards that have been in place for the core academic areas since 2002 to newly revised standards which were adopted by the Ohio Board of Education in June 2010. Two of these areas, English language arts and mathematics, are the result of a multi-state initiative called the Common Core Standards, while the standards for social studies and science are an Ohio-specific revision. Full activation of these new academic standards was scheduled for March 2011 when model curricula was added to all four core areas. Teachers and administrators from Athens City School District have actively participated in the development of both the revised standards and of the model curricula. Full implementation of the revised standards will be complete when a projected new Ohio assessments system is put into place in the 2014-2015 academic year. As this transition is underway, the district continues to work toward increasing student performance outcomes and quality of district services through the highly structured continuous improvement model of the Ohio Improvement Process, the chief element in Ohio's Differentiated Accountability Model.

Technology Upgrades

The Information Technology (IT) Department will continue the annual replacement plan and the purchase plan. Computers plus servers, switches, and wiring upgrades are done each year. The IT department continues to work on combining into one District-wide network and pilot new technologies to lower cost and become more efficient. The District upgraded to a fiber backbone which increased bandwidth and allows for consolidation of both hardware and software. The District will look for more efficient and less costly applications to make use of the upgraded network speed. The first such process will be the cafeteria Point of Sale system followed by a computerized time clock system.

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.

Financial Condition

This is the tenth 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 2011.

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. A new three year contract was awarded by the Auditor of State beginning FY2011. 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, 2010. This was the tenth 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.

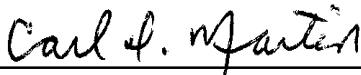
Acknowledgments

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	Roger Brown	January 1, 2010 to December 31, 2013
Vice President	Chris Gerig	January 1, 2008 to December 31, 2011
Board Member	Jeffrey Dill, PhD	January 1, 2010 to December 31, 2013
Board Member	Scott Nisley	January 1, 2008 to December 31, 2011
Board Member	Bruce Nottke	January 1, 2010 to December 31, 2013

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 Moss

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 Bennett

BUILDING ADMINISTRATORS and SECRETARY

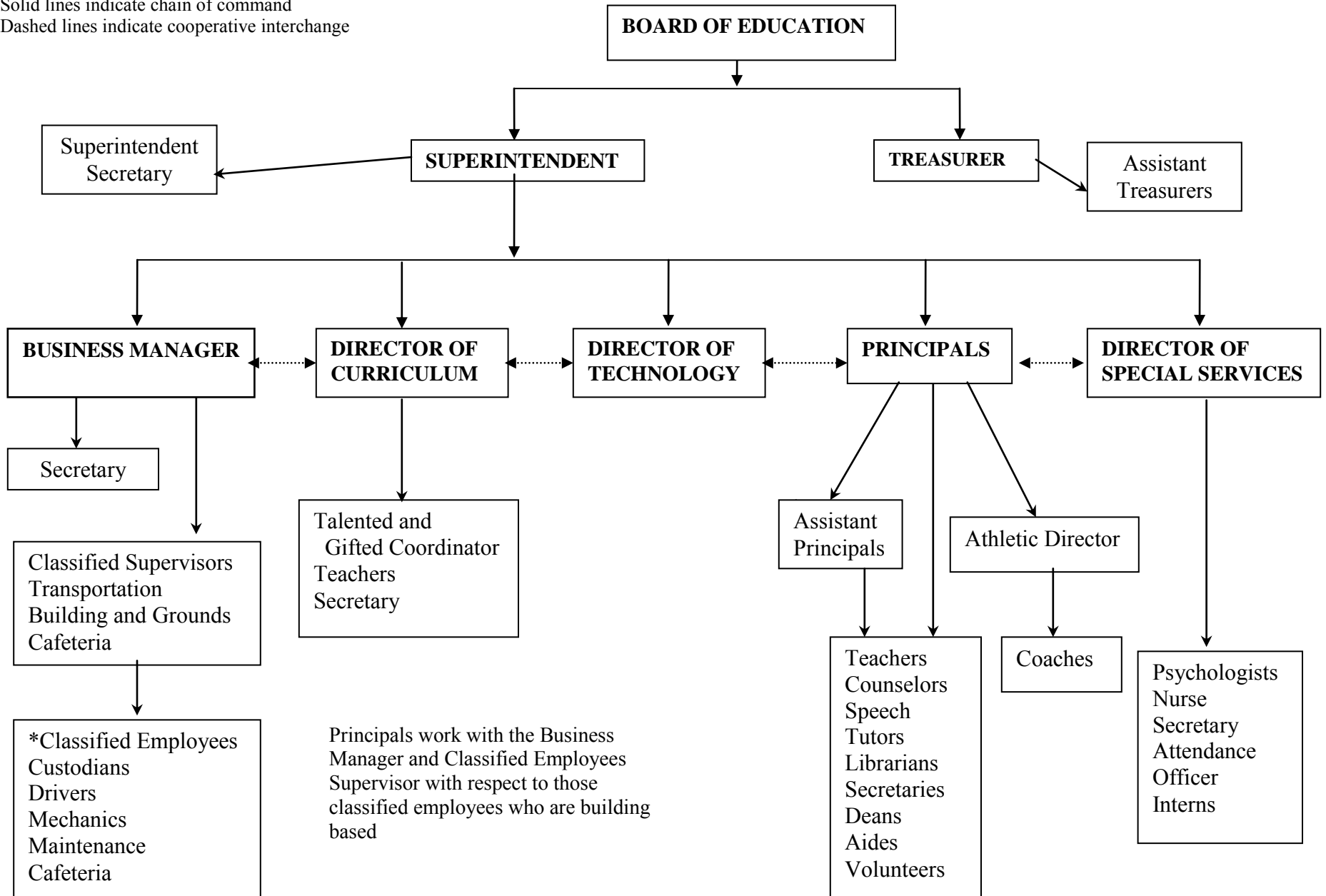
High School	Mike Meek Secretary – Brenda Hamilton
Middle School.....	Paul Grippa Secretary – Janet Lowes
Chauncey Elementary	Peggy Williams Secretary – Amy Carder
East Elementary	Denny Boger Secretary – Linda Pierce
Morrison Elementary	John Gordon Secretary – Tammy Kolbe
The Plains Elementary	Heather Skinner Secretary – Madelon Armstrong
West Elementary.....	Joan Linscott Secretary – Judy Deardorf

OTHER ADMINISTRATORS

Maintenance Supervisor.....	Larry Douglas
Transportation Supervisor.....	Sharon Ervin
Food Service Supervisor	Tammy Dicken

ATHENS CITY SCHOOL DISTRICT ORGANIZATIONAL CHART
For the Year Ended June 30, 2011

Solid lines indicate chain of command
 Dashed lines indicate cooperative interchange



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, 2010

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



President

Executive Director

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ATHENS CITY SCHOOL DISTRICT



FINANCIAL SECTION

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Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

www.bhscpas.com

Independent Auditor's Report

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens City School District, Athens County, Ohio (the School District), as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School 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 reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.


In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens City School District, Athens County, Ohio, as of June 30, 2011, and the respective changes in financial position and where applicable, cash flows, thereof, and the 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 21, 2011 on our consideration of the School District's internal control over financial reporting and 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.

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section information provide additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion or any other assurance on them.

As described in Note 3, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASB Statement No. 59, *Financial Instruments Omnibus*.

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 21, 2011

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(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, 2011. 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, 2011 by \$25.0 million. Of this amount, \$9.6 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 \$1.3 million, which represents an increase of 5.3 % from 2010.
- ▶ General revenues accounted for \$25.1 million or 69.1 % of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$11.2 million or 30.9 % of total revenues of \$36.3 million.
- ▶ The District had \$35.9 million in expenses related to governmental activities; only \$11.2 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 \$25.1 million and net assets carried over from prior year 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 \$29.4 million in revenues and \$28.9 million in expenditures in fiscal year 2011.
- ▶ The District also recognizes the self-insurance fund activity as a governmental activity and a proprietary fund. The activity for fiscal year 2011 was \$5.8 million in revenue and \$5.7 million in expenses. Net assets at June 30, 2011 for the self-insurance fund increased \$106,431.

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, 2011
(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, 2011
(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 only fiduciary fund is an agency fund. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. 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, 2011
(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 2011 compared to fiscal year 2010:

Table 1
Net Assets

	<u>Governmental Activities</u>	
	2011	Restated 2010
Assets		
Current and Other Assets	\$38,725,032	\$37,137,886
Capital Assets, Net	20,998,718	20,158,211
Total Assets	<u>59,723,750</u>	<u>57,296,097</u>
Liabilities		
Long-Term Liabilities	14,478,822	14,923,725
Other Liabilities	20,228,151	18,608,190
Total Liabilities	<u>34,706,973</u>	<u>33,531,915</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	8,786,488	7,315,598
Restricted	6,361,391	7,002,331
Unrestricted	9,868,898	9,446,253
Total Net Assets	<u><u>\$25,016,777</u></u>	<u><u>\$23,764,182</u></u>

Current assets increased by \$1,587,146 from fiscal year 2011 due primarily to the net effects of increases in property taxes receivable and intergovernmental receivable.

Capital assets increased \$840,507 due to construction in progress.

Current (other) liabilities increased \$1,619,961 primarily due to an increase in unearned revenue related to property taxes receivable.

Long-term liabilities decreased by \$444,903 due to principal retirement on debt obligations.

The District's largest portion of net assets is unrestricted. This accounts for 39.45% 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
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)

The District's next largest portion of net assets is related to amounts invested in capital assets, net of related debt. This accounts for 35.12% 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 is restricted net assets. This accounts for 25.43% 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 2011 compared to changes for fiscal year 2010.

Table 2
Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>Restated 2010</u>
<u>Revenues:</u>		
<i>Program Revenue:</i>		
Charges for Services and Sales	\$2,911,603	\$3,144,587
Operating Grants and Contributions	8,095,233	7,441,736
Capital Grants and Contributions	225,000	0
<i>General Revenue:</i>		
Property Taxes	15,005,347	15,384,638
Income Taxes	3,260,583	3,378,878
Unrestricted Grants and Entitlements	6,105,678	6,181,952
Payments in Lieu of Taxes	317,647	165,468
Investment Earnings	177,670	217,871
Miscellaneous	198,597	157,916
Total Revenues	36,297,358	36,073,046

(Continued)

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

Table 2
Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>Restated 2010</u>
<u>Expenses:</u>		
<i>Program Expenses:</i>		
<i>Instruction:</i>		
Regular	16,821,330	16,382,027
Special	3,563,124	3,685,796
Vocational	508,534	419,445
Student Intervention Services	133,738	148,213
<i>Support Services:</i>		
Pupil	1,419,013	1,520,110
Instructional Staff	2,583,514	2,479,736
Board of Education	123,282	164,636
Administration	1,794,241	1,938,680
Fiscal	664,616	702,340
Business	548,213	602,219
Operation and Maintenance of Plant	3,427,110	3,798,711
Pupil Transportation	1,887,563	1,923,397
Central	124,258	203,103
<i>Operation of Non-Instructional Services:</i>		
Food Service	823,199	849,165
Other	33,650	5,398
Extracurricular Activities	617,610	475,833
Interest and Fiscal Charges	819,837	678,788
<i>Total Expenses</i>	<u>35,892,832</u>	<u>35,977,597</u>
Change in Net Assets Before Extraordinary Item	404,526	95,449
Extraordinary Item	<u>848,069</u>	<u>0</u>
<i>Change in Net Assets</i>	1,252,595	95,449
Net Assets – Beginning of Year	<u>23,764,182</u>	<u>23,668,733</u>
Net Assets – End of Year	<u>\$25,016,777</u>	<u>\$23,764,182</u>

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
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The District had program revenue increases of \$645,513 and decreases in general revenues of \$421,201. The increase in program revenue is the result of additional grants received. The general revenue decrease is primarily due to decreases in property taxes and income taxes received.

The total expenses for governmental activities decreased \$84,765 or 0.24% primarily as a result of the District's budget reduction in an attempt to control spending.

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 41.34% of the total revenue for governmental activities in fiscal year 2011.

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.

In November 2006 the voters passed a 1% Income Tax with the District promise to allow the 5.8 levy to expire. The 1% income tax applies only to earned income of District residents and collected approximately \$3.3 million in fiscal year 2011. The 1% income tax was renewed for another four year period in May 2010 with a 55% approval. 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
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Instruction accounts for 58.58% of governmental activities program expenses. Support services expenses make up 35.03% 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 2011 compared with fiscal year 2010. 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	
	2011	2010	2011	2010
<i>Program Expenses:</i>				
Instruction	\$21,026,726	\$20,635,481	\$12,694,369	\$13,114,853
Support Services	12,571,810	13,332,932	10,741,664	11,097,074
Operation of Non-Instructional Services	856,849	854,563	119,152	108,851
Extracurricular Activities	617,610	475,833	285,974	391,708
Interest and Fiscal Charges	819,837	678,788	819,837	678,788
Total Expenses	<u>\$35,892,832</u>	<u>\$35,977,597</u>	<u>\$24,660,996</u>	<u>\$25,391,274</u>

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 and other financing sources of \$37.3 million and expenditures and other financing uses of \$37.6 million.

Total governmental funds fund balances decreased by \$0.3 million. The decrease in fund balance for the year was most significant in the Other Governmental Funds, which decreased \$825,234, as a result of a decrease in the Storm Damage Replacement Fund. The Bond Retirement Fund had an increase of \$73,453 in fund balance due to revenues exceeding expenditures for the fiscal year. The fund balance in the General Fund increased \$381,587 due to the District's monitoring of expenditures, which resulted in decreased expenditures and maintaining spending levels below revenues for the year. The Permanent Improvement Fund increased \$52,945 primarily as the result of the receipt of insurance recoveries during the year.

The District should remain stable in fiscal years 2012 through 2014. However, projections beyond fiscal year 2014 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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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 2011, 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 \$29,408,880 representing a \$3,904,971 increase from the original budget estimates of \$25,503,909. The final budget reflected a 15.31% increase from the original budgeted amount. Most of this difference was due to the District's conservative budgeting for tuition and fees and intergovernmental revenue on the original budget. For the General Fund, the final budget basis expenditures were \$28,862,865 representing a decrease of \$1,972,513 from the original budget. The difference is the result of the District's monitoring and cost cutting decisions that allowed reduction to regular instruction, special instruction and operation and maintenance of plant.

Debt Administration and Capital Assets

Debt Administration

At June 30, 2011, the District had \$11.4 million in bonds outstanding with \$685,000 due within one year. Table 4 summarizes bonds outstanding for fiscal year 2011 compared to fiscal year 2010. 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	2011	2010
Facility Construction Bonds (Refunding)	\$8,545,000	\$8,685,000
Facility Renovation Bonds	2,815,000	3,360,000
Total	\$11,360,000	\$12,045,000

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
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Capital Assets

At the end of fiscal year 2011, the District had \$49.3 million invested in capital assets for its governmental activities. That total carries an accumulated depreciation of \$28.3 million. Table 5 shows fiscal year 2011 balances compared to fiscal year 2010. 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>	
	2011	2010
<i>Nondepreciable Capital Assets:</i>		
Land	\$1,519,380	\$1,519,380
Construction in Progress	892,641	0
<i>Depreciable Capital Assets:</i>		
Land Improvements	3,227,381	3,024,661
Buildings and Improvements	37,074,183	36,631,398
Furniture, Fixtures and Equipment	2,550,860	2,125,057
Vehicles	2,629,395	2,724,651
Library and Textbooks	1,399,405	1,399,405
<i>Total Capital Assets</i>	49,293,245	47,424,552
<i>Less Accumulated Depreciation:</i>		
Land Improvements	(2,365,330)	(2,283,716)
Buildings and Improvements	(20,963,767)	(20,037,229)
Furniture, Fixtures and Equipment	(1,911,088)	(1,831,294)
Vehicles	(1,654,937)	(1,714,697)
Library and Textbooks	(1,399,405)	(1,399,405)
<i>Total Accumulated Depreciation</i>	(28,294,527)	(27,266,341)
Capital Assets, Net	\$20,998,718	\$20,158,211

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(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 renewal of a 1% Income Tax in May of 2010 permitted the District to provide a quality education for our students.

The Ohio Legislature biennial budget for 2012 and 2013 included what they called a "Bridge" funding method. It was called that because it is intended to be a bridge to a completely new funding formula sometime in 2013 or 2014. This would be the second major redesign of school funding in Ohio since fiscal year 2010. The Bridge method is using a true per pupil amount that is calculated based on the actual amount a district received in fiscal year 2011, minus the federal stabilization funds used in the previous state budget to fill the major gap in state aid due to the economy. This amount is further reduced by a statewide average amount per student which is then adjusted based on an individual district's valuation per pupil compared to the state median. This new funding amount per pupil is then multiplied by the district resident student count done each October. The Bridge does have a guarantee included so no district can fall below their fiscal year 2011 funding minus the federal stabilization aid. Athens City School District lost \$535,171 in state aid for fiscal year 2012 and projects to lose an additional \$402,201 in fiscal year 2013.

The State Legislature also accelerated the phase-out of "hold harmless" provision of the state funding the revenue lost due to the elimination of local tax on tangible personal property. Each district will lose their direct "hold harmless" payment up to a maximum of 2% of their fiscal year 2010 Five-Year Forecast Total Revenue. Athens City School District loses \$534,271 in both fiscal year 2012 and fiscal year 2013. Current state law would freeze any remaining direct payments at the fiscal year 2013 level.

Athens County underwent the six-year property tax reappraisal in tax year 2008 and is undergoing the triennial update for 2011. Preliminary data from the County Auditor's Office indicates no increase or decrease in overall property values. It is unlikely there will be any significant change in local tax revenue for at least the next three years.

Athens City School District revenue projections reflect these reductions for fiscal year 2012 and over the next five years forecasted. The Board of Education is in the process of preparing budget reduction plans. More than \$500,000 was reduced from the budget for fiscal year 2012. A goal of an additional \$1 million has been set for reductions in fiscal year 2013. The Superintendent established a Finance Committee to review all options for reductions during the fall of fiscal year 2012 and will report recommendations to the Board in early calendar year 2012. The Board of Education and the administration of the District will maintain careful financial planning and prudent fiscal management in order to preserve the financial stability of the District.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)

Part of the District's financial planning includes a constant watch on the sales ratios for residential housing. Knowing the trend of home sales versus the value used by the county for tax purposes gives an ongoing picture of both new construction for current tax revenue estimates and a more precise picture of what the next property re-appraisal will be for forecasting future tax revenue. Through the months at the middle to end of calendar year 2011, the District is starting to see home sales exceed the value currently on the county tax abstracts. The average home value in the Athens City School District is still above \$100,000 which means we may still see minor growth and slight increased tax revenue while others will not be so fortunate. While new construction has slowed, the homes being built in several subdivisions continue to be upscale in both style and price. 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.

The City continues with improvements to streets and utilities which spawned development on the east side. New commercial enterprises have slowed, but remodeling of existing businesses and new tenants in formerly vacant spaces have begun to show up. Additionally, small commercial enterprises have opened during 2011 and the renovations of the University Mall, now called the Market on East State, bring hope of a revival of that facility.

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, 2011

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$18,522,904
Investments	1,874,199
Property Taxes Receivable	16,298,699
Payment in Lieu of Taxes Receivable	200,548
Income Taxes Receivable	1,119,104
Intergovernmental Receivable	584,070
Inventory Held for Resale	11,875
Materials and Supplies Inventory	5,842
Deferred Charges	107,791
Nondepreciable Capital Assets	2,412,021
Depreciable Capital Assets, Net	18,586,697
	<hr/>
<i>Total Assets</i>	59,723,750
<u>Liabilities:</u>	
Accounts Payable	145,789
Accrued Wages and Benefits	3,052,219
Contracts Payable	570,068
Intergovernmental Payable	968,415
Accrued Interest Payable	42,228
Claims Payable	486,474
Unearned Revenue	14,812,705
Matured Compensated Absences Payable	150,253
<i>Long-Term Liabilities:</i>	
Due within One Year	944,322
Due in More Than One Year	13,534,500
	<hr/>
<i>Total Liabilities</i>	34,706,973
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	8,786,488
<i>Restricted for:</i>	
Capital Outlay	3,065,004
Debt Service	3,081,065
Other Purposes	215,322
Unrestricted	9,868,898
	<hr/>
<i>Total Net Assets</i>	\$25,016,777

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2011

	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	\$16,821,330	\$2,570,188	\$3,470,501	\$0	(\$10,780,641)
Special	3,563,124	0	2,235,658	0	(1,327,466)
Vocational	508,534	0	56,010	0	(452,524)
Student Intervention Services	133,738	0	0	0	(133,738)
<i>Support Services:</i>					
Pupil	1,419,013	0	71,976	0	(1,347,037)
Instructional Staff	2,583,514	0	315,404	0	(2,268,110)
Board of Education	123,282	0	0	0	(123,282)
Administration	1,794,241	0	279,671	0	(1,514,570)
Fiscal	664,616	0	4,941	0	(659,675)
Business	548,213	0	0	0	(548,213)
Operation and Maintenance of Plant	3,427,110	0	364,594	0	(3,062,516)
Pupil Transportation	1,887,563	0	762,255	0	(1,125,308)
Central	124,258	0	31,305	0	(92,953)
<i>Operation of Non-Instructional Services:</i>					
Food Services	823,199	250,086	487,611	0	(85,502)
Other	33,650	0	0	0	(33,650)
Extracurricular Activities	617,610	91,329	15,307	225,000	(285,974)
Interest and Fiscal Charges	819,837	0	0	0	(819,837)
Total Governmental Activities	\$35,892,832	\$2,911,603	\$8,095,233	\$225,000	(24,660,996)
 <u>General Revenues:</u>					
<i>Property Taxes Levied for:</i>					
General Purposes					12,674,696
Debt Service					1,191,370
Capital Outlay					1,139,281
<i>Income Taxes Levied for:</i>					
General Purposes					3,260,583
Grants and Entitlements not Restricted to Specific Programs					6,105,678
Payments in Lieu of Taxes					317,647
Investment Earnings					177,670
Miscellaneous					198,597
Total General Revenues					25,065,522
Changes in Net Assets Before Extraordinary Item					404,526
 <u>Extraordinary Item:</u>					
Gain on Insurance Recovery					848,069
Change in Net Assets					1,252,595
<i>Net Assets at Beginning of Year, As Restated (See Note 3)</i>					23,764,182
<i>Net Assets at End of Year</i>					\$25,016,777

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2011

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash, Cash Equivalents and Investments	\$9,608,182	\$2,989,213	\$3,084,484	\$262,202	\$15,944,081
Property Taxes Receivable	13,736,474	1,284,312	1,277,913	0	16,298,699
Payment in Lieu of Taxes Receivable	200,548	0	0	0	200,548
Income Taxes Receivable	1,119,104	0	0	0	1,119,104
Intergovernmental Receivable	0	0	0	584,070	584,070
Interfund Receivable	370,761	0	0	0	370,761
Materials and Supplies Inventory	0	0	0	5,842	5,842
Inventory Held for Resale	0	0	0	11,875	11,875
<i>Total Assets</i>	<u>\$25,035,069</u>	<u>\$4,273,525</u>	<u>\$4,362,397</u>	<u>\$863,989</u>	<u>\$34,534,980</u>
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$24,964	\$0	\$115,823	\$5,002	\$145,789
Accrued Wages and Benefits	2,834,458	0	0	217,761	3,052,219
Contracts Payable	0	0	30,991	539,077	570,068
Intergovernmental Payable	861,927	0	0	106,488	968,415
Interfund Payable	0	0	0	370,761	370,761
Deferred Revenue	13,066,612	1,202,421	1,200,143	226,035	15,695,211
Matured Compensated Absences Payable	127,901	0	0	22,352	150,253
<i>Total Liabilities</i>	<u>16,915,862</u>	<u>1,202,421</u>	<u>1,346,957</u>	<u>1,487,476</u>	<u>20,952,716</u>
<u>Fund Balances:</u>					
Nonspendable	0	0	0	5,842	5,842
Restricted	0	3,071,104	3,015,440	247,083	6,333,627
Assigned	262,310	0	0	0	262,310
Unassigned	7,856,897	0	0	(876,412)	6,980,485
<i>Total Fund Balances</i>	<u>8,119,207</u>	<u>3,071,104</u>	<u>3,015,440</u>	<u>(623,487)</u>	<u>13,582,264</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$25,035,069</u>	<u>\$4,273,525</u>	<u>\$4,362,397</u>	<u>\$863,989</u>	<u>\$34,534,980</u>

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, 2011*

Total Governmental Funds Balances		\$13,582,264
 <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.		20,998,718
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	656,471	
Intergovernmental	226,035	
Total	882,506	882,506
Unamortized issuance costs represent deferred charges which do not provide current financial resources and are therefore not reported in the funds.		107,791
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	(11,360,000)	
Accretion on bonds	(660,482)	
Premium on bonds issued	(852,230)	
Accrued interest on bonds	(42,228)	
Compensated absences	(1,606,110)	
Total liabilities that are not reported in the funds	(14,521,050)	(14,521,050)
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.		3,966,548
<i>Net Assets of Governmental Activities</i>		\$25,016,777

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, 2011

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$12,711,374	\$1,194,821	\$1,142,558	\$0	\$15,048,753
Income Taxes	3,260,583	0	0	0	3,260,583
Intergovernmental	10,271,463	169,664	301,040	3,224,750	13,966,917
Interest	116,060	0	28,476	0	144,536
Tuition and Fees	2,570,188	0	0	0	2,570,188
Extracurricular Activities	19,745	0	0	71,584	91,329
Rent	7,005	0	0	0	7,005
Charges for Services	0	0	0	250,086	250,086
Payments in Lieu of Taxes	317,647	0	0	0	317,647
Contributions and Donations	2,307	0	225,000	7,959	235,266
Miscellaneous	118,210	9,694	9,375	52,006	189,285
<i>Total Revenues</i>	<u>29,394,582</u>	<u>1,374,179</u>	<u>1,706,449</u>	<u>3,606,385</u>	<u>36,081,595</u>
<u>Expenditures:</u>					
<i>Current:</i>					
<i>Instruction:</i>					
Regular	13,980,840	0	390,415	1,147,587	15,518,842
Special	2,224,840	0	1,295	1,331,438	3,557,573
Vocational	506,924	0	0	0	506,924
Student Intervention Services	133,998	0	0	0	133,998
<i>Support Services:</i>					
Pupil	1,311,805	0	8,668	104,941	1,425,414
Instructional Staff	2,274,086	0	12,184	301,452	2,587,722
Board of Education	122,156	0	0	600	122,756
Administration	1,769,396	0	1,838	37,072	1,808,306
Fiscal	582,909	30,105	49,955	318	663,287
Business	544,321	0	0	0	544,321
Operation and Maintenance of Plant	3,358,017	0	164,578	27,033	3,549,628
Pupil Transportation	1,600,805	0	210,484	24,085	1,835,374
Central	108,847	0	0	15,624	124,471
Operation of Non-Instructional Services	5,299	0	26,039	821,948	853,286
Extracurricular Activities	407,883	0	72,687	97,968	578,538
Capital Outlay	6,044	0	758,061	1,646,378	2,410,483
<i>Debt Service:</i>					
Principal Retirement	0	685,000	0	0	685,000
Interest and Fiscal Charges	0	585,621	0	0	585,621
<i>Total Expenditures</i>	<u>28,938,170</u>	<u>1,300,726</u>	<u>1,696,204</u>	<u>5,556,444</u>	<u>37,491,544</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>456,412</u>	<u>73,453</u>	<u>10,245</u>	<u>(1,950,059)</u>	<u>(1,409,949)</u>
<u>Other Financing Sources (Uses):</u>					
Transfer In	0	0	0	74,825	74,825
Transfer Out	(74,825)	0	0	0	(74,825)
<i>Total Other Financing Sources (Uses)</i>	<u>(74,825)</u>	<u>0</u>	<u>0</u>	<u>74,825</u>	<u>0</u>
Net Change in Fund Balances Before Extraordinary Item	381,587	73,453	10,245	(1,875,234)	(1,409,949)
<u>Extraordinary Item:</u>					
Insurance Recoveries	0	0	42,700	1,050,000	1,092,700
<i>Net Change in Fund Balances</i>	381,587	73,453	52,945	(825,234)	(317,249)
<i>Fund Balances at Beginning of Year, As Restated (See Note 3)</i>	<u>7,737,620</u>	<u>2,997,651</u>	<u>2,962,495</u>	<u>201,747</u>	<u>13,899,513</u>
<i>Fund Balances at End of Year</i>	<u>\$8,119,207</u>	<u>\$3,071,104</u>	<u>\$3,015,440</u>	<u>(\$623,487)</u>	<u>\$13,582,264</u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
June 30, 2011*

Net Change in Fund Balances - Total Governmental Funds (\$317,249)

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

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

Capital Asset Additions	2,141,328	
Depreciation	<u>(1,297,078)</u>	
Total		844,250

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. (3,743)

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	(43,406)	
Intergovernmental	<u>226,035</u>	
Total		182,629

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 685,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 3,074

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. (7,700)

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	(10,507)	
Accretion on bonds	(290,464)	
Premium on bonds issued	<u>60,874</u>	
Total expenditures not reported in the funds		(240,097)

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. 106,431

Change in Net Assets of Governmental Activities \$1,252,595

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$12,826,726	\$12,879,875	\$12,879,875	\$0
Income Taxes	3,044,748	3,215,595	3,215,595	0
Intergovernmental	8,664,285	10,271,463	10,271,463	0
Interest	135,000	99,258	117,047	17,789
Tuition and Fees	583,500	2,486,408	2,486,553	145
Rent	4,500	7,005	7,005	0
Payments in Lieu of Taxes	200,000	317,647	317,647	0
Contributions and Donations	0	2,307	2,307	0
Miscellaneous	45,150	129,322	130,999	1,677
<i>Total Revenues</i>	25,503,909	29,408,880	29,428,491	19,611
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	14,442,340	13,794,406	13,793,980	426
Special	2,803,350	2,267,666	2,261,892	5,774
Vocational	467,044	506,700	506,680	20
Student Intervention Services	138,931	129,672	129,672	0
<i>Support Services:</i>				
Pupils	1,378,988	1,317,533	1,315,930	1,603
Instructional Staff	2,088,830	2,257,395	2,257,321	74
Board of Education	141,055	123,901	123,998	(97)
Administration	1,975,536	1,791,747	1,792,249	(502)
Fiscal	645,764	591,706	590,831	875
Business	632,344	548,407	548,407	0
Operation and Maintenance of Plant	3,833,675	3,384,471	3,384,471	0
Pupil Transportation	1,744,058	1,618,042	1,613,042	5,000
Central	155,693	111,530	111,530	0
Operation of Non-Instructional Services	319	1,790	1,790	0
Extracurricular Activities	380,985	411,526	411,526	0
Capital Outlay	6,466	6,373	6,373	0
<i>Total Expenditures</i>	30,835,378	28,862,865	28,849,692	13,173
<i>Excess of Revenues Over (Under) Expenditures</i>	(5,331,469)	546,015	578,799	32,784
<u>Other Financing Sources (Uses):</u>				
Advances In	66,668	66,663	66,663	0
Transfers Out	(200,000)	(224,825)	(224,825)	0
Advances Out	(70,000)	(55,938)	(55,938)	0
<i>Total Other Financing Sources (Uses)</i>	(203,332)	(214,100)	(214,100)	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(5,534,801)	331,915	364,699	32,784
<i>Fund Balance at Beginning of Year</i>	8,516,760	8,516,760	8,516,760	0
Prior Year Encumbrances Appropriated	475,090	475,090	475,090	0
<i>Fund Balance at End of Year</i>	\$3,457,049	\$9,323,765	\$9,356,549	\$32,784

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Net Assets

Proprietary Fund

June 30, 2011

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Assets:</u>	
<i>Current Assets:</i>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$2,578,823
Investments	<u>1,874,199</u>
<i>Total Current Assets</i>	<u>4,453,022</u>
<u>Liabilities:</u>	
<i>Current Liabilities:</i>	
Claims Payable	<u>486,474</u>
<i>Total Current Liabilities</i>	<u>486,474</u>
<u>Net Assets:</u>	
Unrestricted	<u><u>\$3,966,548</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, 2011*

	Governmental Activities
	Internal Service
<u>Operating Revenues:</u>	
Charges for Services	\$5,729,262
Miscellaneous	43,779
	5,773,041
<i>Total Operating Revenues</i>	5,773,041
<u>Operating Expenses:</u>	
Purchased Services	3,938
Claims	5,694,394
Other	1,412
	5,699,744
<i>Total Operating Expenses</i>	5,699,744
<i>Operating Income</i>	73,297
<u>Nonoperating Revenue:</u>	
Interest	33,134
	106,431
<i>Change in Net Assets</i>	106,431
<i>Net Assets at Beginning of Year</i>	3,860,117
	3,966,548
<i>Net Assets at End of Year</i>	\$3,966,548

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, 2011

	<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	\$5,729,262
Other Cash Receipts	43,779
Cash Payments for Goods and Services	(3,938)
Cash Payments to Other Sources	(1,412)
Cash Payments for Claims	(5,597,108)
	<u>170,583</u>
<i>Net Cash from Operating Activities</i>	
<u>Cash Flows from Investing Activities:</u>	
Cash Payments for the Sale of Investments	248,035
Cash Received from Interest on Investment Activities	33,134
	<u>281,169</u>
<i>Net Cash from Investing Activities</i>	
<i>Net Increase in Cash and Cash Equivalents</i>	451,752
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,127,071</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$2,578,823</u></u>
<u>Reconciliation of Operating Income to Net Cash from Operating Activities:</u>	
Operating Income	\$73,297
<u>Adjustments to Reconcile Operating Income to Net Cash from Operating Activities:</u>	
<i>Increase (Decrease) in Liabilities:</i>	
Claims Payable	<u>97,286</u>
Total Adjustments	<u>97,286</u>
<i>Net Cash from Operating Activities</i>	<u><u>\$170,583</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Fiduciary Net Assets

Fiduciary Fund

June 30, 2011

	<u>Agency</u>
<u>Assets:</u>	
Equity in Pooled Cash, Cash Equivalents and Investments	<u>\$105,318</u>
<u>Liabilities:</u>	
Due to Students	<u><u>105,318</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

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 89 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 176 non-certificated employees, 232 certificated full-time teaching personnel and 18 administrative employees who provide services to 2,809 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 20 and 21 to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

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, 2011

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 not accounted for and reported 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. The primary source of funding for this fund is property taxes.

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 primary source of funding for this fund is property taxes.

Other governmental funds of the District are use to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

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 only fiduciary fund is 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, 2011

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, 2011

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, 2011, but which were levied to finance fiscal year 2012 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 2011, 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, 2011.

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 2011 amounted to \$116,060 which includes \$36,490 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, 2011

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. 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

H. 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.

I. 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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

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

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.

J. 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 and special termination of benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term liabilities are recognized as a liability on the fund financial statements when due.

K. 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.

Net assets restricted for other purposes are primarily from federal and state grants reported in the Special Revenue Funds. Of the District's \$6,361,391 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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

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

L. Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent because they are either not in a spendable form or because they are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – amounts that can be spent only for specific purposes because either (a) constraints imposed by law through constitutional provisions, charter requirements or enabling legislation; or (b) constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal ordinances or resolutions of the Board of Education – the District’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action as when imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – amounts constrained by the District’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Board of Education, Superintendent and Treasurer have the authority to assign amount to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned – this is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

M. 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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

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

N. 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.

O. 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 2011, the District reported an extraordinary item in the financial statements. See Note 23 for additional information regarding the extraordinary item.

P. 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.

Q. 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 2011.

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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 3 –CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE AND NET ASSETS

Changes in Accounting Principles

For fiscal year 2011, the District implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, and GASB No. 59, “Financial Instruments Omnibus”.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of certain funds and restatement of the School District’s financial statements.

GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments and external investment pools. The implementation of this statement did not result in any change in the School District’s financial statements.

Restatement of Prior Year’s Fund Balance and Net Assets

During 2011, it was determined that the implementation of GASB Statement No. 54 had the following effect on fund balance of the major and nonmajor funds as they were previously reported.

	<u>General</u>	<u>Nonmajor Governmental Fund</u>
Fund Balances, June 30, 2010	\$7,336,159	\$479,934
GASB 54 Change in Fund Structure	<u>401,461</u>	<u>(278,187)</u>
Adjusted Fund Balances, June 30, 2010	<u>\$7,737,620</u>	<u>\$201,747</u>

	<u>Governmental Activities</u>
Net Assets, June 30, 2010	\$23,640,908
GASB 54 Change in Fund Structure	<u>123,274</u>
Adjusted Net Assets, June 30, 2010	<u>\$23,764,182</u>

The change in fund structure includes the reclassification of the Unclaimed Monies Fund in the amount of \$123,274 from a fiduciary fund to the General Fund.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 4 - ACCOUNTABILITY

The following funds had a deficit fund balance as of June 30, 2011:

<i>Nonmajor Special Revenue Funds:</i>	
Food Service	\$47,367
Title VI-B	98,506
Title I	65,612
Other Federal Support	64,248
<i>Nonmajor Capital Project Fund:</i>	
Storm Damage Replacement	584,837

The deficit in the Food Service Fund is the result of the application of generally accepted accounting principles and the requirement to accrue liabilities when incurred. The deficits in the Title VI-B, Title I and Other Federal Support Funds is the result of expenditures being made in fiscal year 2011 that exceeded the federal grants received during the year. The deficit in the Storm Damage Replacement Fund is the result of the District recording expenditures for this project that exceeded the insurance recoveries received. The District has decided that the General Fund will cover these expenditures after the project is completed. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur. The deficit in the Food Service Fund does not exist on the cash basis. The deficits in the Title VI-B, Title I, Other Federal Support, and Storm Damage Replacement do 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, 2011

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	\$381,587
<i>Adjustments:</i>	
Revenue Accruals	124,500
Expenditure Accruals	(96,461)
Encumbrances	(159,916)
Other Sources (Uses)	(139,275)
Perspective Difference for Unbudgeted Funds	<u>254,264</u>
Budget Basis	<u><u>\$364,699</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 five 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, 2011

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 \$2,000 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, 2011

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, 2011, all of the District's bank balance of \$12,141,655 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, 2011, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>
STAROhio	\$2,959,170	\$2,959,170	\$0
Federal Home Loan Bank Bonds	2,249,825	0	2,249,825
Federal Farm Credit Bank Discount Notes	750,000	0	750,000
Federal National Mortgage Association	724,593	0	724,593
Federal Home Loan Mortgage Corporation Notes	1,624,606	124,881	1,499,725
Federal Home Loan Mortgage Association Bonds	250,000	0	250,000
Totals	<u>\$8,558,194</u>	<u>\$3,084,051</u>	<u>\$5,474,143</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 for the Federal Home Loan Bank Bonds, Federal Farm Credit Bank Discount Notes, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation Notes and Federal Home Loan Mortgage Association Bonds a rating of "AAA".

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 Farm Credit Bank Discount Notes, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation Notes and Federal Home Loan Mortgage Association Bonds were 35%, 26%, 9%, 8%, 19% and 3%, respectively, of the District's total investments.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 7 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2011 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2009, were levied after April 1, 2010 and are collected in 2011 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property tax) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2009 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

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, 2011 are available to finance fiscal year 2011 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents the June 2011 personal property tax settlement, delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which become measurable as of June 30, 2011. 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, 2011 was \$1,030,071 and is recognized as revenue. Of this total amount, \$870,410 was available to the General Fund, \$81,891 was available to the Bond Retirement Fund, and \$77,770 was available to the Permanent Improvement Fund.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 7 - PROPERTY TAXES -(Continued)

The assessed values upon which the fiscal year 2011 taxes were collected are:

	2010 Second- Half Collections		2011 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$482,193,450	95.04%	\$481,262,940	94.98%
Public Utility Personal	23,228,490	4.58%	24,658,190	4.83%
Tangible Personal Property	1,940,708	0.38%	970,354	0.19%
Total Assessed Value	<u>\$507,362,648</u>	<u>100.00%</u>	<u>\$506,891,484</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$64.60		\$64.60	

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 2011, the District received \$3,260,583 from the school income tax.

NOTE 9 - RECEIVABLES

Receivables at June 30, 2011 consisted of property taxes, payment in lieu of taxes, income taxes, interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities:</u>	
<i>Nonmajor Special Revenue Funds:</i>	
Food Service	\$55,938
Other State Support	8,647
Title VI-B	138,211
Title I	341,786
Other Federal Support	39,488
Total Nonmajor Special Revenue Funds	<u>584,070</u>
Total Intergovernmental Receivables	<u>\$584,070</u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 10 - CAPITAL ASSETS

Capital asset governmental activity for the fiscal year ended June 30, 2011 was as follows:

Asset Category	Balance at July 1, 2010	Transfers/ Additions	Transfers/ Deletions	Balance at June 30, 2011
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,519,380	\$0	\$0	\$1,519,380
Construction in Progress	0	892,641	0	892,641
Total Nondepreciable Capital Assets	1,519,380	892,641	0	2,412,021
<i>Depreciable Capital Assets:</i>				
Land Improvements	3,024,661	202,720	0	3,227,381
Buildings and Improvements	36,631,398	442,785	0	37,074,183
Furniture, Fixtures and Equipment	2,125,057	446,792	(20,989)	2,550,860
Vehicles	2,724,651	156,390	(251,646)	2,629,395
Library and Textbooks	1,399,405	0	0	1,399,405
Total Depreciable Capital Assets	45,905,172	1,248,687	(272,635)	46,881,224
Total Capital Assets	47,424,552	2,141,328	(272,635)	49,293,245
<i>Accumulated Depreciation:</i>				
Land Improvements	(2,283,716)	(81,614)	0	(2,365,330)
Buildings and Improvements	(20,037,229)	(926,538)	0	(20,963,767)
Furniture, Fixtures and Equipment	(1,831,294)	(97,040)	17,246	(1,911,088)
Vehicles	(1,714,697)	(191,886)	251,646	(1,654,937)
Library and Textbooks	(1,399,405)	0	0	(1,399,405)
Total Accumulated Depreciation	(27,266,341)	(1,297,078)	268,892	(28,294,527)
Total Net Capital Assets	\$20,158,211	\$844,250	(\$3,743)	\$20,998,718

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 10 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$982,395
Special	8,131
Vocational	885
<i>Support Services:</i>	
Instructional Staff	1,846
Board of Education	556
Administration	7,598
Fiscal	1,797
Operation and Maintenance	53,967
Pupil Transportation	194,632
Central	129
Operation of Non-Instructional Services	4,817
Extracurricular Activities	40,325
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Total Depreciation Expense	\$1,297,078
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ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

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 2011, 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)	\$69,475,820
Boiler and Machinery (\$1000 deductible)	10,000,000
Automobile Liability (\$500 deductible for collision and comprehensive)	1,000,000
Uninsured Motorists (\$500 deductible for collision and comprehensive) Each Accident	100,000
General Liability:	
Per Occurrence (per location)	1,000,000
Aggregate Limit (per location)	2,000,000
Umbrella Liability:	
Per Occurrence (per location)	1,000,000
Aggregate Limit (per location)	1,000,000
Self Insured Retention	10,000

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.

The School District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (the "Plan"), an insurance purchasing pool. The intent of the Plan is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the Plan. The third party administrator, CMI, reviews each participant's claims experience and determines the rating tier for that participant.

A common premium rate is applied to all participants in a given rating tier. Each participant pays its workers' compensation premium to the State based on the rate for their rating tier rather than its individual rate. CMI 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, out of the District's Employee Benefits Self-Insurance Internal Service Fund. Anthem 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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 11 - RISK MANAGEMENT - (Continued)

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.

The claims liability of \$486,474 reported at June 30, 2011 is based on an estimate of claims existing at year end that will be paid in fiscal year 2011, 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>
2010	\$462,030	\$5,742,218	\$5,815,060	\$389,188
2011	389,188	5,694,394	5,597,108	486,474

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 (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under *Employers/Audit Resources*.

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 2011, 11.81 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, 2011, 2010 and 2009 were \$667,383, \$667,302, and \$505,970, respectively; 51.38 percent has been contributed for fiscal year 2011 and 100 percent for the fiscal years 2010 and 2009. \$324,458 representing the unpaid contribution for fiscal year 2011, is recorded as a liability in the financial statements.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board.

STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

Plan Options - New members have a choice of three retirement plan options. 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. 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. Contributions into the DC and Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. 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.

DB Plan Benefits - Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater if the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation of every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits - Benefits are established under Section 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid services. 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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Combined Plan Benefits - Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member of or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for re-employment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the re-employed member and employer during re-employment. Upon termination of re-employment or age 65, whichever come later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A re-employed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for Defined Benefit Plan participants.

The Defined Benefit and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A Defined Benefit 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. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage up \$2,000 can be purchased by participants in the DB, DC, or Combined Plans. Various other benefits are available to member's beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

For the fiscal years ended June 30, 2011, 2010, and 2009, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's contributions for pension obligations to STRS Ohio for fiscal years ended June 30, 2011, 2010, and 2009 were \$1,905,721, \$1,757,079, and \$795,262, respectively; 82.41 percent of the required contribution has been made for fiscal year 2011 and 100 percent of the required contribution has been made for fiscal years 2010 and 2009. \$335,222 represents the unpaid contribution for fiscal year 2011 and is recorded as a liability within the respective funds.

STRS Ohio issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771 or by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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, 2011, no members of the Board of Education have elected Social Security. The board's liability is 6.2 percent of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

State Teacher Retirement System

STRS Ohio administers a pension plan that is comprised of: A defined benefit plan; a self-directed defined contribution plan; and a combined plan which is a hybrid of the defined benefit and defined contribution plan. 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. Pursuant to Section 3307 of the Ohio Revised Code, the Retirement Board has discretionary 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 cost in the form of a monthly premium.

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

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, 2011, 2010 and 2009. The 14 percent contribution is the maximum rate allowed under Ohio law. The District's contributions allocated to fund postemployment health care benefits for the years ended June 30, 2011, 2010 and 2009 were \$146,594, \$135,160, and \$141,445 respectively; 100 percent has been contributed for years 2011, 2010, and 2009.

School Employees Retirement System

In addition to a cost-sharing, multiple-employer defined benefit pension plan, the School Employees Retirement System (SERS) administers two post employment benefit plans.

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for the calendar year 2011 was \$96.40 for most participants, but could be as high as \$369.10 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal years 2011, 2010, and 2009, the actuarially required allocation was 0.76 percent, 0.76 percent, and 0.75 percent. For the District, contributions for the years ended June 30, 2011, 2010, and 2009, were \$6,013, \$5,556, and \$5,399, which equaled the required contributions for those years.

Health Care Plan

Ohio Revised Code 3309.375 and 3309.69 permit SERS 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, Medicare Advantage, 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 provides the statutory authority to fund SERS' post-employment benefits through employer contributions. Active members do not make contributions to the post-employment benefits plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the year ended June 30, 2011, the health care allocation is 1.43%. 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% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. Athens City School District contributions assigned to health care for the years ended June 30, 2011, 2010, and 2009 were \$191,781, \$148,863, and \$299,067, respectively.

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.

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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 14 - EMPLOYEE BENEFITS - (Continued)

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 290 days for aides and 320 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 72 days for aides and 75 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. All full-time employees pay 10% of the premium and the Board pays 90%. All less than full-time employees pay a pro-rated share based on hours worked. 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, the Board pays the first \$12 and the employee contributes the rest of the premium.

The District provides life insurance and accidental death and dismemberment insurance to all employees through AIG, in the amount of \$25,000 for classified employees, \$25,000 for certified employees, \$75,000 for administrators, \$150,000 for the Superintendent, \$100,000 for the Business Manager, and \$150,000 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, 2011, there was no retirement incentives 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, 2011

NOTE 15 - LONG-TERM LIABILITIES

The changes in the District's long-term liabilities during fiscal year 2011 were as follows:

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Principal Outstanding at July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Principal Outstanding at June 30, 2011</u>	<u>Amount Due in One Year</u>
Governmental Activities:							
Renovation Bonds	2000	6.01%	\$3,360,000	\$0	\$545,000	\$2,815,000	\$0
Refunding Bonds							
Term Bonds	2005	4.24%	8,545,000	0	140,000	8,405,000	685,000
Capital Appreciation Bonds			140,000	0	0	140,000	0
Accretion on Capital Appreciation Bonds			370,018	290,464	0	660,482	0
Issuance Premium on Bonds			913,104	0	60,874	852,230	60,874
Compensated Absences			1,595,603	772,654	762,147	1,606,110	198,448
Total Governmental Activities Long-Term Liabilities			<u>\$14,923,725</u>	<u>\$1,063,118</u>	<u>\$1,508,021</u>	<u>\$14,478,822</u>	<u>\$944,322</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 1993 series bonds were fully retired from the proceeds of the 2005 current refunding 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, 2011

NOTE 15 - LONG-TERM LIABILITIES - (Continued)

Principal and interest requirements to retire renovation bonds and 2000 renovation bonds outstanding at June 30, 2011, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$0	\$187,198	\$187,198
2013	0	187,198	187,198
2014	640,000	165,918	805,918
2015	680,000	122,028	802,028
2016	725,000	75,310	800,310
2017	770,000	25,602	795,602
Total	<u>\$2,815,000</u>	<u>\$763,254</u>	<u>\$3,578,254</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 debt and will be amortized over the life of this 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 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, 2011

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
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>\$8,405,000</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, 2011*

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 2011, \$290,464 was accreted on the capital appreciation bonds.

Principal and interest requirements to retire the 2005 refunding bonds outstanding at June 30, 2011, are as follows:

Fiscal Year Ending June 30,	Term Bonds	Capital Appreciation Bonds	Interest	Total
2012	\$685,000	\$0	\$368,985	\$1,053,985
2013	0	715,000	356,997	1,071,997
2014	105,000	0	355,028	460,028
2015	110,000	0	350,997	460,997
2016	115,000	0	346,635	461,635
2017-2021	2,965,000	905,000	1,524,779	5,394,779
2022-2025	4,425,000	0	431,320	4,856,320
Total	<u>\$8,405,000</u>	<u>\$1,620,000</u>	<u>\$3,734,741</u>	<u>\$13,759,741</u>

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

The 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, Title VI-B, Title I and Other Federal Support Funds.

The District's overall legal debt margin was \$37,249,447 with an unvoted debt margin of \$506,891 at June 30, 2011.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 16 – FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable:</i>					
Inventory	\$0	\$0	\$0	\$5,842	\$5,842
<i>Restricted:</i>					
<i>Special Revenues:</i>					
District Managed Activities	0	0	0	42,514	42,514
Local Grants	0	0	0	183,340	183,340
State Grants	0	0	0	21,229	21,229
Debt Services	0	3,071,104	0	0	3,071,104
Capital Projects	0	0	3,015,440	0	3,015,440
<i>Assigned:</i>					
Encumbrances	159,916	0	0	0	159,916
Public School Support	102,394	0	0	0	102,394
<i>Unassigned</i>	<u>7,856,897</u>	<u>0</u>	<u>0</u>	<u>(876,412)</u>	<u>6,980,485</u>
Total Fund Balances	<u>\$8,119,207</u>	<u>\$3,071,104</u>	<u>\$3,015,440</u>	<u>(\$623,487)</u>	<u>\$13,582,264</u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 17 - INTERFUND ACTIVITY

As of June 30, 2011, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$370,761	\$0
<i>Nonmajor Special Revenue Funds:</i>		
Food Service	0	55,938
Title VI-B	0	46,354
Title I	0	175,616
Other Federal Support	<u>0</u>	<u>37,093</u>
Total Nonmajor Special Revenue Funds	<u>0</u>	<u>315,001</u>
<i>Nonmajor Capital Project Fund:</i>		
Storm Damage Replacement	<u>0</u>	<u>55,760</u>
Total	<u><u>\$370,761</u></u>	<u><u>\$370,761</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 \$370,761 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, 2011.

	<u>Transfers To</u>
<u>Transfers From</u>	<u>Nonmajor Special Revenue</u>
General	<u>\$74,825</u>

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. The total of \$74,825 is the result of transfers from the General Fund to the Food Service Fund to subsidize that program.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 18 - STATUTORY SET-ASIDES

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2011:

	Textbooks	Capital Improvements	Totals
Set-Aside Balance as of June 30, 2010	\$0	\$0	\$0
Current Year Set-Aside Requirement	415,209	415,209	830,418
Prior Year Carry Over	(479,147)	0	(479,147)
Qualifying Disbursements	(576,260)	(2,219,699)	(2,795,959)
Total	(640,198)	(1,804,490)	(2,444,688)
Set-Aside Balance	\$0	\$0	
Total Restricted Assets			\$0

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 19 - ENCUMBRANCE COMMITMENTS

At June 30, 2011, the District had encumbrance commitments in the Governmental Funds as follows:

<u>Major Funds</u>	
General	\$159,916
Permanent Improvement	703,202
<u>Nonmajor Funds</u>	
Food Service	2,505
Other Local Support	5,190
Other State Support	2,763
Title VI-B Grant	3,830
Title I Grant	4,677
Other Federal Support	12,908
Total Nonmajor Funds	31,873
Total Encumbrances	\$894,991

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 20 - 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 \$67,447 to SEOVEC in fiscal year 2011.

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 2011, 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.

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 2011.

NOTE 21 - INSURANCE PURCHASING POOL

Ohio School Boards Association Worker's Compensation Group Rating Plan

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 22 - 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, 2011.

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.

NOTE 23 - CAPITAL ASSET IMPAIRMENT AND INSURANCE RECOVERIES

The District suffered tornado damage during a storm in September, 2010. The District filed a claim with their insurance carrier and received an insurance settlement in the amount of \$1,092,700 to cover the cost to repair or replace damaged assets. The insurance settlement is reported in the governmental funds as an extraordinary item. The District also recorded an impairment loss of \$244,631 due to capital asset impairment from the damages. This loss was netted against the insurance recovery of \$1,092,700 in the statement of activities which resulted in a net gain on insurance recovery of \$848,069 which is reported as an extraordinary item.

**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 debt service or capital projects) that are restricted or committed to expenditures for specified purposes. The term proceeds of specific sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. 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.

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 Staff Accounts and Martha Jennings Holden Grant.

District Managed Student Activities

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

Other 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, Management Information Systems, Preschool Grant, School Net Professional Development Grant, 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.

ATHENS CITY SCHOOL DISTRICT
Description of Funds

Nonmajor Special Revenue Funds (Continued)

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, Drug Free Schools Grant, Education Stabilization Grant, Title VI-R Grant, Title II-D Grant, Preschool Grants, and other miscellaneous federal grants.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The following is a description of the District's nonmajor capital project funds.

Nonmajor Capital Projects Fund

Storm Damage Replacement

A fund used to account for the receipts and expenditures for projects that are related to the replacement of facilities and equipment damaged by a tornado during fiscal year 2011.

ATHENS CITY SCHOOL DISTRICT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash, Cash Equivalents and Investments	\$262,202	\$0	\$262,202
Intergovernmental Receivable	584,070	0	584,070
Materials and Supplies Inventory	5,842	0	5,842
Inventory Held for Resale	11,875	0	11,875
<i>Total Assets</i>	<u>\$863,989</u>	<u>\$0</u>	<u>\$863,989</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$5,002	\$0	\$5,002
Accrued Wages and Benefits	217,761	0	217,761
Contracts Payable	0	539,077	539,077
Intergovernmental Payable	106,488	0	106,488
Interfund Payable	315,001	55,760	370,761
Deferred Revenue	226,035	0	226,035
Matured Compensated Absences Payable	22,352	0	22,352
<i>Total Liabilities</i>	<u>892,639</u>	<u>594,837</u>	<u>1,487,476</u>
<u>Fund Balances:</u>			
Nonspendable	5,842	0	5,842
Restricted	247,083	0	247,083
Unassigned	(281,575)	(594,837)	(876,412)
<i>Total Fund Balances</i>	<u>(28,650)</u>	<u>(594,837)</u>	<u>(623,487)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$863,989</u>	<u>\$0</u>	<u>\$863,989</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, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Intergovernmental	\$3,224,750	\$0	\$3,224,750
Extracurricular Activities	71,584	0	71,584
Charges for Services	250,086	0	250,086
Contributions and Donations	7,959	0	7,959
Miscellaneous	23,457	28,549	52,006
<i>Total Revenues</i>	<u>3,577,836</u>	<u>28,549</u>	<u>3,606,385</u>
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	1,147,587	0	1,147,587
Special	1,331,438	0	1,331,438
<i>Support Services:</i>			
Pupil	104,941	0	104,941
Instructional Staff	301,452	0	301,452
Board of Education	600	0	600
Administration	37,072	0	37,072
Fiscal	318	0	318
Operation and Maintenance of Plant	0	27,033	27,033
Pupil Transportation	24,085	0	24,085
Central	15,624	0	15,624
Operation of Non-Instructional Services	821,948	0	821,948
Extracurricular Activities	97,968	0	97,968
Capital Outlay	25	1,646,353	1,646,378
<i>Total Expenditures</i>	<u>3,883,058</u>	<u>1,673,386</u>	<u>5,556,444</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(305,222)</u>	<u>(1,644,837)</u>	<u>(1,950,059)</u>
<u>Other Financing Sources:</u>			
Transfers In	74,825	0	74,825
<i>Total Other Financing Sources</i>	<u>74,825</u>	<u>0</u>	<u>74,825</u>
Net Change in Fund Balances Before Extraordinary Item	(230,397)	(1,644,837)	(1,875,234)
<u>Extraordinary Item:</u>			
Insurance Recoveries	0	1,050,000	1,050,000
<i>Net Change in Fund Balances</i>	(230,397)	(594,837)	(825,234)
<i>Fund Balances at Beginning of Year</i>	<u>201,747</u>	<u>0</u>	<u>201,747</u>
<i>Fund Balances at End of Year</i>	<u>(\$28,650)</u>	<u>(\$594,837)</u>	<u>(\$623,487)</u>

ATHENS CITY SCHOOL DISTRICT

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2011

	Food Service	Other Local Support	District Managed Activities	Other State Support
<u>Assets:</u>				
Equity In Pooled Cash, Cash Equivalents and Investments	\$2,519	\$197,440	\$42,514	\$19,729
Intergovernmental Receivable	55,938	0	0	8,647
Materials and Supplies Inventory	5,842	0	0	0
Inventory Held for Resale	11,875	0	0	0
<i>Total Assets</i>	<u>\$76,174</u>	<u>\$197,440</u>	<u>\$42,514</u>	<u>\$28,376</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$0	\$4,420	\$0	\$68
Accrued Wages and Benefits	37,895	2,312	0	5,685
Intergovernmental Payable	29,708	7,368	0	1,394
Interfund Payable	55,938	0	0	0
Matured Compensated Absences Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>123,541</u>	<u>14,100</u>	<u>0</u>	<u>7,147</u>
<u>Fund Balances:</u>				
Nonspendable	5,842	0	0	0
Restricted	0	183,340	42,514	21,229
Unassigned	(53,209)	0	0	0
<i>Total Fund Balances</i>	<u>(47,367)</u>	<u>183,340</u>	<u>42,514</u>	<u>21,229</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$76,174</u>	<u>\$197,440</u>	<u>\$42,514</u>	<u>\$28,376</u>

<u>Title VI-B</u>	<u>Title I</u>	<u>Other Federal Support</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$0	\$0	\$262,202
138,211	341,786	39,488	584,070
0	0	0	5,842
0	0	0	11,875
<u>\$138,211</u>	<u>\$341,786</u>	<u>\$39,488</u>	<u>\$863,989</u>
\$514	\$0	\$0	\$5,002
85,573	58,509	27,787	217,761
27,779	19,143	21,096	106,488
46,354	175,616	37,093	315,001
0	22,352	0	22,352
76,497	131,778	17,760	226,035
<u>236,717</u>	<u>407,398</u>	<u>103,736</u>	<u>892,639</u>
0	0	0	5,842
0	0	0	247,083
<u>(98,506)</u>	<u>(65,612)</u>	<u>(64,248)</u>	<u>(281,575)</u>
<u>(98,506)</u>	<u>(65,612)</u>	<u>(64,248)</u>	<u>(28,650)</u>
<u>\$138,211</u>	<u>\$341,786</u>	<u>\$39,488</u>	<u>\$863,989</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, 2011

	Food Service	Other Local Support	District Managed Activities	Other State Support
<u>Revenues:</u>				
Intergovernmental	\$487,611	\$81,904	\$0	\$48,048
Extracurricular Activities	0	0	71,584	0
Charges for Services	250,086	0	0	0
Contributions and Donations	0	5,805	2,154	0
Miscellaneous	16,167	0	7,290	0
<i>Total Revenues</i>	<u>753,864</u>	<u>87,709</u>	<u>81,028</u>	<u>48,048</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	0	22,699	0	34,936
Special	0	0	5,075	0
<i>Support Services:</i>				
Pupil	0	1,678	0	0
Instructional Staff	0	5,714	0	0
Board of Education	0	600	0	0
Administration	0	0	0	0
Fiscal	0	0	0	318
Pupil Transportation	0	0	0	0
Central	0	15,624	0	0
Operation of Non-Instructional Services	819,636	2,312	0	0
Extracurricular Activities	0	6,627	91,341	0
Capital Outlay	0	25	0	0
<i>Total Expenditures</i>	<u>819,636</u>	<u>55,279</u>	<u>96,416</u>	<u>35,254</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(65,772)	32,430	(15,388)	12,794
<u>Other Financing Sources:</u>				
Transfers In	74,825	0	0	0
<i>Total Other Financing Sources</i>	<u>74,825</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	9,053	32,430	(15,388)	12,794
<i>Fund Balances (Deficits) at Beginning of Year</i>	<u>(56,420)</u>	<u>150,910</u>	<u>57,902</u>	<u>8,435</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u>(\$47,367)</u>	<u>\$183,340</u>	<u>\$42,514</u>	<u>\$21,229</u>

Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$863,680	\$803,803	\$939,704	\$3,224,750
0	0	0	71,584
0	0	0	250,086
0	0	0	7,959
0	0	0	23,457
<u>863,680</u>	<u>803,803</u>	<u>939,704</u>	<u>3,577,836</u>
0	0	1,089,952	1,147,587
612,850	596,453	117,060	1,331,438
54,205	9,698	39,360	104,941
112,433	87,169	96,136	301,452
0	0	0	600
0	31,172	5,900	37,072
0	0	0	318
12,000	0	12,085	24,085
0	0	0	15,624
0	0	0	821,948
0	0	0	97,968
0	0	0	25
<u>791,488</u>	<u>724,492</u>	<u>1,360,493</u>	<u>3,883,058</u>
72,192	79,311	(420,789)	(305,222)
<u>0</u>	<u>0</u>	<u>0</u>	<u>74,825</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>74,825</u>
72,192	79,311	(420,789)	(230,397)
<u>(170,698)</u>	<u>(144,923)</u>	<u>356,541</u>	<u>201,747</u>
<u>(\$98,506)</u>	<u>(\$65,612)</u>	<u>(\$64,248)</u>	<u>(\$28,650)</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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$12,826,726	\$12,879,875	\$12,879,875	\$0
Income Taxes	3,044,748	3,215,595	3,215,595	0
Intergovernmental	8,664,285	10,271,463	10,271,463	0
Interest	135,000	99,258	117,047	17,789
Tuition and Fees	583,500	2,486,408	2,486,553	145
Rent	4,500	7,005	7,005	0
Gifts and Donations	0	2,307	2,307	0
Payment in Lieu of Taxes	200,000	317,647	317,647	0
Miscellaneous	45,150	129,322	130,999	1,677
Total Revenues	25,503,909	29,408,880	29,428,491	19,611
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Salaries	9,257,816	9,378,106	9,378,106	0
Fringe Benefits	3,508,738	3,466,762	3,466,762	0
Purchased Services	1,530,144	827,541	827,541	0
Materials and Supplies	143,044	121,997	121,571	426
Capital Outlay	2,598	0	0	0
Total Regular Instruction	14,442,340	13,794,406	13,793,980	426
<i>Special</i>				
Salaries	1,802,945	1,629,617	1,629,617	0
Fringe Benefits	625,151	513,629	513,629	0
Purchased Services	336,200	84,917	79,152	5,765
Materials and Supplies	29,303	30,164	30,155	9
Capital Outlay	9,751	9,339	9,339	0
Total Special Instruction	2,803,350	2,267,666	2,261,892	5,774
<i>Vocational</i>				
Salaries	360,298	362,824	362,824	0
Fringe Benefits	96,142	95,653	95,653	0
Purchased Services	6,432	5,111	5,111	0
Materials and Supplies	2,132	33,759	33,739	20
Capital Outlay	2,040	9,353	9,353	0
Total Vocational Instruction	467,044	506,700	506,680	20
<i>Student Intervention Services</i>				
Salaries	76,640	69,117	69,117	0
Fringe Benefits	27,291	25,746	25,746	0
Purchased Services	35,000	34,809	34,809	0
Total Student Intervention Services	138,931	129,672	129,672	0
Total Instruction	17,851,665	16,698,444	16,692,224	6,220
<i>Support Services:</i>				
<i>Pupils</i>				
Salaries	869,494	873,617	873,617	0
Fringe Benefits	318,002	305,993	305,993	0
Purchased Services	114,772	97,942	96,366	1,576
Materials and Supplies	10,720	9,940	9,913	27
Other	65,000	30,041	30,041	0
Capital Outlay	1,000	0	0	0
Total Pupils	1,378,988	1,317,533	1,315,930	1,603

(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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Instructional Staff				
Salaries	1,110,573	1,199,024	1,199,024	0
Fringe Benefits	959,054	1,044,393	1,044,393	0
Purchased Services	8,561	6,305	4,686	1,619
Materials and Supplies	5,142	3,431	4,975	(1,544)
Other	1,500	2,749	2,749	0
Capital Outlay	4,000	1,493	1,494	(1)
Total Instructional Staff	2,088,830	2,257,395	2,257,321	74
Board of Education				
Salaries	9,144	8,000	8,000	0
Fringe Benefits	1,589	1,514	1,514	0
Purchased Services	108,667	96,010	96,010	0
Materials and Supplies	3,500	1,454	1,551	(97)
Other	16,655	16,923	16,923	0
Capital Outlay	1,500	0	0	0
Total Board of Education	141,055	123,901	123,998	(97)
Administration				
Salaries	1,293,359	1,210,419	1,210,419	0
Fringe Benefits	601,735	565,649	565,649	0
Purchased Services	54,550	8,800	9,800	(1,000)
Materials and Supplies	16,292	6,741	6,243	498
Other	3,500	0	0	0
Capital Outlay	6,100	138	138	0
Total Administration	1,975,536	1,791,747	1,792,249	(502)
Fiscal				
Salaries	344,048	338,758	338,758	0
Fringe Benefits	147,066	153,837	153,837	0
Purchased Services	71,353	40,924	40,652	272
Materials and Supplies	15,797	5,731	5,128	603
Other	62,500	52,456	52,456	0
Capital Outlay	5,000	0	0	0
Total Fiscal	645,764	591,706	590,831	875
Business				
Salaries	151,011	145,877	145,877	0
Fringe Benefits	66,031	74,083	74,083	0
Purchased Services	9,041	1,162	1,162	0
Materials and Supplies	3,761	949	949	0
Other	402,500	326,336	326,336	0
Total Business	632,344	548,407	548,407	0
Operation and Maintenance of Plant				
Salaries	1,479,887	1,424,632	1,424,632	0
Fringe Benefits	767,658	793,321	793,321	0
Purchased Services	1,297,842	856,613	856,613	0
Materials and Supplies	243,288	260,604	260,604	0
Other	45,000	49,301	49,301	0
Total Operation and Maintenance of Plant	3,833,675	3,384,471	3,384,471	0

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Pupil Transportation				
Salaries	714,392	703,715	703,715	0
Fringe Benefits	605,480	492,936	492,936	0
Purchased Services	34,529	16,395	16,395	0
Materials and Supplies	352,657	385,638	380,638	5,000
Other	20,000	19,358	19,358	0
Capital Outlay	17,000	0	0	0
Total Pupil Transportation	<u>1,744,058</u>	<u>1,618,042</u>	<u>1,613,042</u>	<u>5,000</u>
Central				
Salaries	76,988	75,672	75,672	0
Fringe Benefits	32,900	32,115	32,115	0
Purchased Services	32,788	2,924	2,924	0
Materials and Supplies	9,355	759	759	0
Capital Outlay	3,662	60	60	0
Total Central	<u>155,693</u>	<u>111,530</u>	<u>111,530</u>	<u>0</u>
Total Support Services	<u>12,595,943</u>	<u>11,744,732</u>	<u>11,737,779</u>	<u>6,953</u>
<i>Operation of Non-Instructional Services:</i>				
Food Service Operations				
Salaries	314	1,567	1,567	0
Fringe Benefits	5	223	223	0
Total Food Service Operations	<u>319</u>	<u>1,790</u>	<u>1,790</u>	<u>0</u>
Total Operation of Non-Instructional Services	<u>319</u>	<u>1,790</u>	<u>1,790</u>	<u>0</u>
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Salaries	64,466	59,562	59,562	0
Fringe Benefits	14,333	8,138	8,138	0
Total Academic Oriented Activities	<u>78,799</u>	<u>67,700</u>	<u>67,700</u>	<u>0</u>
Sport Oriented Activities				
Salaries	233,142	274,040	274,040	0
Fringe Benefits	59,044	60,486	60,486	0
Purchased Services	10,000	9,300	9,300	0
Total Sport Oriented Activities	<u>302,186</u>	<u>343,826</u>	<u>343,826</u>	<u>0</u>
Total Extracurricular Activities	<u>380,985</u>	<u>411,526</u>	<u>411,526</u>	<u>0</u>
<i>Capital Outlay:</i>				
Building Improvement Services				
Purchased Services	6,466	6,373	6,373	0
Total Building Improvement Services	<u>6,466</u>	<u>6,373</u>	<u>6,373</u>	<u>0</u>
Total Capital Outlay	<u>6,466</u>	<u>6,373</u>	<u>6,373</u>	<u>0</u>
Total Expenditures	<u>30,835,378</u>	<u>28,862,865</u>	<u>28,849,692</u>	<u>13,173</u>
Excess of Revenues Over (Under) Expenditures	(5,331,469)	546,015	578,799	32,784
<i>Other Financing Sources (Uses):</i>				
Advances In	66,668	66,663	66,663	0
Transfers Out	(200,000)	(224,825)	(224,825)	0
Advances Out	(70,000)	(55,938)	(55,938)	0
Total Other Financing Sources (Uses)	<u>(203,332)</u>	<u>(214,100)</u>	<u>(214,100)</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,534,801)	331,915	364,699	32,784
Fund Balance at Beginning of Year	8,516,760	8,516,760	8,516,760	0
Prior Year Encumbrances Appropriated	<u>475,090</u>	<u>475,090</u>	<u>475,090</u>	<u>0</u>
Fund Balance at End of Year	<u>\$3,457,049</u>	<u>\$9,323,765</u>	<u>\$9,356,549</u>	<u>\$32,784</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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$163,500	\$1,210,674	\$1,210,674	\$0
Intergovernmental	159,000	169,664	169,664	0
Miscellaneous	0	9,694	9,694	0
<i>Total Revenues</i>	<u>322,500</u>	<u>1,390,032</u>	<u>1,390,032</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Support Services:</i>				
Fiscal				
Other	40,000	30,105	30,105	0
<i>Debt Service:</i>				
Principal Retirement	685,000	685,000	685,000	0
Interest and Fiscal Charges	645,432	585,621	585,621	0
<i>Total Expenditures</i>	<u>1,370,432</u>	<u>1,300,726</u>	<u>1,300,726</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(1,047,932)	89,306	89,306	0
Fund Balance at Beginning of Year	2,839,947	2,839,947	2,839,947	0
Prior Year Encumbrances Appropriated	<u>59,960</u>	<u>59,960</u>	<u>59,960</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,851,975</u></u>	<u><u>\$2,989,213</u></u>	<u><u>\$2,989,213</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, 2011*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$1,121,500	\$1,157,614	\$1,157,614	\$0
Intergovernmental	197,800	301,040	301,040	0
Interest	30,000	24,033	28,476	4,443
Gifts and Donations	0	225,000	225,000	0
Miscellaneous	0	9,375	9,375	0
Total Revenues	1,349,300	1,717,062	1,721,505	4,443
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Purchased Services	7,500	18,600	18,600	0
Materials and Supplies	108,635	77,297	77,297	0
Capital Outlay	301,587	296,832	296,832	0
Total Regular	417,722	392,729	392,729	0
Special				
Capital Outlay	0	1,295	1,295	0
Student Intervention Services				
Materials and Supplies	2,500	0	0	0
Total Instruction	420,222	394,024	394,024	0
<i>Support Services:</i>				
Pupils				
Capital Outlay	11,500	8,668	8,668	0
Instructional Staff				
Materials and Supplies	18,092	14,494	14,490	4
Capital Outlay	1,400	0	0	0
Total Instructional Staff	19,492	14,494	14,490	4
Administration				
Purchased Services	0	1,568	1,568	0
Capital Outlay	270	270	270	0
Total Administration	270	1,838	1,838	0
Fiscal				
Purchased Services	16,884	13,684	13,684	0
Materials and Supplies	9,000	8,062	8,062	0
Other	325,000	29,183	29,183	0
Capital Outlay	12,500	892	892	0
Total Fiscal	363,384	51,821	51,821	0
Operation and Maintenance of Plant				
Purchased Services	8,500	1,183	1,183	0
Materials and Supplies	254,510	17,196	17,196	0
Capital Outlay	6,636	202,350	202,349	1
Total Operation and Maintenance of Plant	269,646	220,729	220,728	1

(Continued)

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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Pupil Transportation				
Purchased Services	40,000	43,328	43,328	0
Capital Outlay Replacement	170,000	156,390	156,390	0
Capital Outlay	30,500	10,916	10,916	0
Total Pupil Transportation	240,500	210,634	210,634	0
Total Support Services	904,792	508,184	508,179	5
<i>Operation of Non-Instructional Services:</i>				
Food Service Operation				
Materials and Supplies	0	4,495	4,495	0
Capital Outlay	35,000	21,544	21,544	0
Total Operation of Non-Instructional Services	35,000	26,039	26,039	0
<i>Extracurricular Activities:</i>				
Sport Oriented Activities				
Purchased Services	7,500	7,525	7,525	0
Capital Outlay	0	65,162	65,162	0
Total Sport Oriented Activities	7,500	72,687	72,687	0
Total Extracurricular Activities	7,500	72,687	72,687	0
<i>Capital Outlay:</i>				
Site Improvement Services				
Purchased Services	77,600	87,761	87,761	0
Capital Outlay	55,877	837,086	837,086	0
Total Site Improvement Services	133,477	924,847	924,847	0
Architecture and Engineering Services				
Purchased Services	52,750	57,989	57,989	0
Building Improvement Services				
Purchased Services	344,526	300,687	300,687	0
Capital Outlay	127,162	118,837	118,837	0
Total Building Improvement Services	471,688	419,524	419,524	0
Total Capital Outlay	657,915	1,402,360	1,402,360	0
Total Expenditures	2,025,429	2,403,294	2,403,289	5
Excess of Revenues Over (Under) Expenditures	(676,129)	(686,232)	(681,784)	4,448
<i>Other Financing Sources:</i>				
Insurance Recoveries	10,000	42,700	42,700	0
Total Other Financing Sources	10,000	42,700	42,700	0
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	(666,129)	(643,532)	(639,084)	4,448
Fund Balance at Beginning of Year	2,863,699	2,863,699	2,863,699	0
Prior Year Encumbrances Appropriated	341,265	341,265	341,265	0
Fund Balance at End of Year	\$2,538,835	\$2,561,432	\$2,565,880	\$4,448

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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$498,800	\$498,336	\$498,336	\$0
Charges for Services	247,675	250,068	250,086	18
Miscellaneous	19,675	16,167	16,167	0
<i>Total Revenues</i>	<u>766,150</u>	<u>764,571</u>	<u>764,589</u>	<u>18</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Salaries	277,173	277,777	277,777	0
Fringe Benefits	213,379	202,724	202,724	0
Purchased Services	6,514	6,223	6,223	0
Materials and Supplies	371,418	345,446	345,446	0
Other	0	282	282	0
Capital Outlay	2,082	2,082	2,082	0
Total Operation of Non-Instructional Services	<u>870,566</u>	<u>834,534</u>	<u>834,534</u>	<u>0</u>
<i>Total Expenditures</i>	<u>870,566</u>	<u>834,534</u>	<u>834,534</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(104,416)	(69,963)	(69,945)	18
<u>Other Financing Sources (Uses):</u>				
Advances In	70,000	55,938	55,938	0
Transfers In	65,000	74,825	74,825	0
Advances Out	(66,663)	(66,663)	(66,663)	0
<i>Total Other Financing Sources (Uses)</i>	<u>68,337</u>	<u>64,100</u>	<u>64,100</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Over (Under) Expenditures and Other Financing Uses	(36,079)	(5,863)	(5,845)	18
Fund Balance at Beginning of Year	29	29	29	0
Prior Year Encumbrances Appropriated	<u>5,834</u>	<u>5,834</u>	<u>5,834</u>	<u>0</u>
Fund Balance at End of Year	<u><u>(\$30,216)</u></u>	<u><u>\$0</u></u>	<u><u>\$18</u></u>	<u><u>\$18</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$500	\$81,904	\$81,904	\$0
Contributions and Donations	0	\$5,805	5,805	0
Total Revenues	500	87,709	87,709	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Purchased Services	5	0	0	0
Materials and Supplies	3,185	6,989	2,260	4,729
Other	0	1,000	330	670
Capital Outlay	4,450	17,372	17,349	23
Total Regular Instruction	7,640	25,361	19,939	5,422
<i>Support Services:</i>				
Pupils				
Purchased Services	1,078	1,678	1,678	0
Instructional Staff				
Purchased Services	16,105	6,725	6,725	0
Materials and Supplies	2,288	0	0	0
Total Instructional Staff	18,393	6,725	6,725	0
Board of Education				
Purchased Services	138	600	600	0
Central				
Salaries	7,628	15,279	15,279	0
Fringe Benefits	4,475	2,360	5,282	(2,922)
Purchased Services	35,000	0	0	0
Total Central	47,103	17,639	20,561	(2,922)
Total Support Services	66,712	26,642	29,564	(2,922)
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Capital Outlay	2,400	7,397	7,397	0
Total Extracurricular Activities	2,400	7,397	7,397	0
<i>Capital Outlay:</i>				
Site Improvement Services				
Other	0	25	25	0
Total Capital Outlay	0	25	25	0
Total Expenditures	76,752	59,425	56,925	2,500
Excess of Revenues Over (Under) Expenditures	(76,252)	28,284	30,784	2,500
Fund Balance at Beginning of Year	158,549	158,549	158,549	0
Prior Year Encumbrances Appropriated	2,989	2,989	2,989	0
Fund Balance at End of Year	\$85,286	\$189,822	\$192,322	\$2,500

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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Extracurricular Activities	\$0	\$71,584	\$71,584	\$0
Contributions and Donations	0	2,154	2,154	0
Miscellaneous	0	7,290	7,290	0
<i>Total Revenues</i>	<u>0</u>	<u>81,028</u>	<u>81,028</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Materials and Supplies	<u>29</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Special</i>				
Purchased Services	<u>0</u>	<u>5,075</u>	<u>5,075</u>	<u>0</u>
Total Instruction	<u>29</u>	<u>5,075</u>	<u>5,075</u>	<u>0</u>
<i>Extracurricular Activities:</i>				
<i>Academic Oriented Activities</i>				
Purchased Services	10	0	0	0
Materials and Supplies	45	2,196	2,196	0
Other	0	165	165	0
Total Academic Oriented Extracurricular Activities	<u>55</u>	<u>2,361</u>	<u>2,361</u>	<u>0</u>
<i>Sport Oriented Activities</i>				
Purchased Services	6,499	41,591	41,591	0
Materials and Supplies	657	42,892	42,892	0
Other	390	2,171	2,171	0
Capital Outlay	600	3,170	3,170	0
Total Sport Oriented Extracurricular Activities	<u>8,146</u>	<u>89,824</u>	<u>89,824</u>	<u>0</u>
Total Extracurricular Activities	<u>8,201</u>	<u>92,185</u>	<u>92,185</u>	<u>0</u>
<i>Total Expenditures</i>	<u>8,230</u>	<u>97,260</u>	<u>97,260</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(8,230)	(16,232)	(16,232)	0
Fund Balance at Beginning of Year	51,114	51,114	51,114	0
Prior Year Encumbrances Appropriated	<u>7,632</u>	<u>7,632</u>	<u>7,632</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$50,516</u></u>	<u><u>\$42,514</u></u>	<u><u>\$42,514</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)
Other State Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$58,108	\$45,649	(12,459)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	45,245	32,922	29,639	3,283
Fringe Benefits	4,511	12,108	8,011	4,097
Materials and Supplies	3,750	0	0	0
Capital Outlay	1,217	4,363	2,453	1,910
Total Regular Instruction	54,723	49,393	40,103	9,290
<i>Support Services:</i>				
Instructional Staff				
Materials and Supplies	500	2,000	0	2,000
Total Instructional Staff	500	2,000	0	2,000
Fiscal				
Materials and Supplies	154	368	318	50
Total Support Services	654	2,368	318	2,050
<i>Total Expenditures</i>	55,377	51,761	40,421	11,340
Excess of Revenues Over (Under) Expenditures	(55,377)	6,347	5,228	(1,119)
Fund Balance at Beginning of Year	13,539	13,539	13,539	0
Prior Year Encumbrances Appropriated	706	706	706	0
Fund Balance at End of Year	(\$41,132)	\$20,592	\$19,473	(\$1,119)

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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$0	\$986,787	\$801,966	(\$184,821)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Special</i>				
Salaries	113,970	425,250	362,607	62,643
Fringe Benefits	77,043	191,426	142,908	48,518
Purchased Services	70,318	97,892	69,166	28,726
Materials and Supplies	13,603	46,442	46,431	11
Capital Outlay	180	0	0	0
Total Special Instruction	<u>275,114</u>	<u>761,010</u>	<u>621,112</u>	<u>139,898</u>
Total Instruction	275,114	761,010	621,112	139,898
<i>Support Services:</i>				
<i>Pupils</i>				
Salaries	0	8,648	44,233	(35,585)
Fringe Benefits	0	1,957	10,019	(8,062)
Total Pupils	<u>0</u>	<u>10,605</u>	<u>54,252</u>	<u>(43,647)</u>
<i>Instructional Staff</i>				
Salaries	72,644	102,271	58,121	44,150
Fringe Benefits	33,984	52,978	58,747	(5,769)
Purchased Services	25,392	0	0	0
Total Instructional Staff	<u>132,020</u>	<u>155,249</u>	<u>116,868</u>	<u>38,381</u>
<i>Pupil Transportation</i>				
Purchased Services	0	12,000	12,000	0
Total Expenditures	<u>407,134</u>	<u>938,864</u>	<u>804,232</u>	<u>134,632</u>
Excess of Revenues Over (Under) Expenditures	(407,134)	47,923	(2,266)	(50,189)
Fund Balance at Beginning of Year	(60,709)	(60,709)	(60,709)	0
Prior Year Encumbrances Appropriated	<u>12,786</u>	<u>12,786</u>	<u>12,786</u>	<u>0</u>
Fund Balance at End of Year	<u>(\$455,057)</u>	<u>\$0</u>	<u>(\$50,189)</u>	<u>(\$50,189)</u>

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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$0	\$1,080,184	\$593,795	(\$486,389)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Special				
Salaries	182,897	489,531	370,416	119,115
Fringe Benefits	110,163	169,092	109,820	59,272
Purchased Services	19,751	68,589	31,730	36,859
Materials and Supplies	10,906	70,086	68,913	1,173
Capital Outlay	34,524	62,552	46,817	15,735
Total Special Instruction	<u>358,241</u>	<u>859,850</u>	<u>627,696</u>	<u>232,154</u>
Total Instruction	358,241	859,850	627,696	232,154
<i>Support Services:</i>				
Pupils				
Materials and Supplies	4,770	13,981	11,109	2,872
Instructional Staff				
Salaries	12,155	39,869	12,072	27,797
Fringe Benefits	1,411	11,103	4,836	6,267
Purchased Services	9,679	83,421	66,586	16,835
Materials and Supplies	4,622	2,255	430	1,825
Capital Outlay	0	11,000	7,971	3,029
Total Instructional Staff	<u>27,867</u>	<u>147,648</u>	<u>91,895</u>	<u>55,753</u>
Administration				
Salaries	779	30,488	20,042	10,446
Fringe Benefits	0	15,645	10,775	4,870
Materials and Supplies	293	0	0	0
Capital Outlay	743	0	0	0
Total Administration	<u>1,815</u>	<u>46,133</u>	<u>30,817</u>	<u>15,316</u>
Total Support Services	<u>34,452</u>	<u>207,762</u>	<u>133,821</u>	<u>73,941</u>
<i>Total Expenditures</i>	<u>392,693</u>	<u>1,067,612</u>	<u>761,517</u>	<u>306,095</u>
Excess of Revenues Over (Under) Expenditures	(392,693)	12,572	(167,722)	(180,294)
Fund Balance at Beginning of Year	(57,995)	(57,995)	(57,995)	0
Prior Year Encumbrances Appropriated	<u>45,423</u>	<u>45,423</u>	<u>45,423</u>	<u>0</u>
Fund Balance at End of Year	<u>(\$405,265)</u>	<u>\$0</u>	<u>(\$180,294)</u>	<u>(\$180,294)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$151,824	\$1,017,401	\$930,501	(\$86,900)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	16,256	161,247	137,323	23,924
Fringe Benefits	2,309	45,989	48,428	(2,439)
Purchased Services	279,636	837,871	920,788	(82,917)
Materials and Supplies	2,345	0	0	0
Total Regular Instruction	<u>300,546</u>	<u>1,045,107</u>	<u>1,106,539</u>	<u>(61,432)</u>
Special				
Purchased Services	1,683	18,743	117,060	(98,317)
Materials and Supplies	1,000	0	0	0
Capital Outlay	3,963	0	0	0
Total Special Instruction	<u>6,646</u>	<u>18,743</u>	<u>117,060</u>	<u>(98,317)</u>
Total Instruction	<u>307,192</u>	<u>1,063,850</u>	<u>1,223,599</u>	<u>(159,749)</u>
<i>Support Services:</i>				
Pupils				
Purchased Services	7,523	42,368	39,360	3,008
Materials and Supplies	2,035	0	0	0
Total Pupils	<u>9,558</u>	<u>42,368</u>	<u>39,360</u>	<u>3,008</u>
Instructional Staff				
Salaries	0	21,613	18,456	3,157
Fringe Benefits	2,946	6,562	3,100	3,462
Purchased Services	81,763	92,377	85,144	7,233
Total Instructional Staff	<u>84,709</u>	<u>120,552</u>	<u>106,700</u>	<u>13,852</u>
Administration				
Purchased Services	5,900	5,900	5,900	0
Pupil Transportation				
Purchased Services	12,085	12,085	12,085	0
Total Pupil Transportation	<u>12,085</u>	<u>12,085</u>	<u>12,085</u>	<u>0</u>
Total Support Services	<u>112,252</u>	<u>180,905</u>	<u>164,045</u>	<u>16,860</u>
Total Expenditures	<u>419,444</u>	<u>1,244,755</u>	<u>1,387,644</u>	<u>(142,889)</u>
Excess of Revenues Over (Under) Expenditures	(267,620)	(227,354)	(457,143)	(229,789)
Fund Balance at Beginning of Year	362,691	362,691	362,691	0
Prior Year Encumbrances Appropriated	<u>36,622</u>	<u>36,622</u>	<u>36,622</u>	<u>0</u>
Fund Balance at End of Year	<u>\$131,693</u>	<u>\$171,959</u>	<u>(\$57,830)</u>	<u>(\$229,789)</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Storm Damage Replacement Capital Projects Fund
For the Fiscal Year Ended June 30, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Miscellaneous	\$0	\$28,549	\$28,549	\$0
<u>Expenditures</u>				
<i>Current:</i>				
<i>Support Services:</i>				
Operation and Maintenance of Plant				
Salaries	25,000	19,674	19,674	0
Fringe Benefits	0	2,806	2,806	0
Materials and Supplies	200,000	4,945	4,553	392
Total Operation and Maintenance of Plant	225,000	27,425	27,033	392
Total Support Services	225,000	27,425	27,033	392
<i>Capital Outlay:</i>				
Site Improvement Services				
Capital Outlay	200,000	1,144,353	1,135,882	8,471
Architecture and Engineering Services				
Purchased Services	0	93,338	93,338	0
Building Improvement Services				
Capital Outlay	475,000	479,712	479,274	438
Total Capital Outlay	675,000	1,717,403	1,708,494	8,909
Total Expenditures	900,000	1,744,828	1,735,527	9,301
Excess of Revenues Over (Under) Expenditures	(900,000)	(1,716,279)	(1,706,978)	9,301
<u>Other Financing Sources (Uses):</u>				
Insurance Recoveries	1,000,000	1,725,000	1,050,000	(675,000)
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	100,000	8,721	(656,978)	(665,699)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$100,000	\$8,721	(\$656,978)	(\$665,699)

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, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$5,500,000	\$5,188,790	\$5,729,262	\$540,472
Other Revenues	0	43,779	43,779	0
<i>Total Revenues</i>	5,500,000	5,232,569	5,773,041	540,472
<u>Expenses:</u>				
Purchased Services	4,271	4,000	3,938	62
Claims	6,261,180	6,085,214	5,597,108	488,106
Other	2,500	3,000	1,412	1,588
<i>Total Expenses</i>	6,267,951	6,092,214	5,602,458	489,756
Operating Income (Loss)	(767,951)	(859,645)	170,583	1,030,228
<u>Nonoperating Revenues:</u>				
Interest	24,000	28,681	33,134	4,453
<i>Total Nonoperating Revenues</i>	24,000	28,681	33,134	4,453
Excess of Revenues Over (Under) Expenses	(743,951)	(830,964)	203,717	1,034,681
Fund Equity at Beginning of Year	4,237,854	4,237,854	4,237,854	0
Prior Year Encumbrances Appropriated	11,451	11,451	11,451	0
Fund Equity at End of Year	\$3,505,354	\$3,418,341	\$4,453,022	\$1,034,681

ATHENS CITY SCHOOL DISTRICT
Description of Funds

FIDUCIARY FUND

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.

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
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2011

	<u>July 1, 2010</u> Balance	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2011</u> Balance
<u>Student Activity Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash, Cash Equivalents and Investments	<u>\$99,445</u>	<u>\$119,020</u>	<u>\$113,147</u>	<u>\$105,318</u>
<u>Liabilities:</u>				
Due to Students	<u>\$99,445</u>	<u>\$119,020</u>	<u>\$113,147</u>	<u>\$105,318</u>

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ATHENS CITY SCHOOL DISTRICT



STATISTICAL SECTION

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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.	90 - 96
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).	97 - 108
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.	109 - 112
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.	113 - 115
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.	116 - 119

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.

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ATHENS CITY SCHOOL DISTRICT

Net Assets by Component

Last Ten Fiscal Years

June 30, 2011

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</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	\$6,735,851	\$7,315,598	\$8,786,488
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	3,322,849	3,015,336	3,065,004
Debt Service	2,195,489	2,432,745	3,749,539	3,049,491	2,076,548	2,464,074	2,783,778	3,071,120	3,007,989	3,081,065
Other Purposes	526,828	610,453	571,302	723,608	663,460	592,779	586,240	620,310	979,006	215,322
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>	<u>9,867,464</u>	<u>9,446,253</u>	<u>9,868,898</u>
Total Net Assets	<u><u>\$22,146,530</u></u>	<u><u>\$19,588,366</u></u>	<u><u>\$19,083,837</u></u>	<u><u>\$17,471,405</u></u>	<u><u>\$18,169,615</u></u>	<u><u>\$17,492,965</u></u>	<u><u>\$21,239,590</u></u>	<u><u>\$23,617,594</u></u>	<u><u>\$23,764,182</u></u>	<u><u>\$25,016,777</u></u>

ATHENS CITY SCHOOL DISTRICT
Changes in Net Assets of Governmental Activities
Last Ten Fiscal Years
June 30, 2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Regular Instruction	\$11,572,314	\$13,358,975	\$13,564,316	\$13,662,796	\$14,178,578	\$15,026,568	\$14,593,578	\$15,652,902	\$16,382,027	\$16,821,330
Special Instruction	2,957,157	3,293,884	3,344,419	3,540,251	3,393,969	3,498,510	3,223,201	3,653,542	3,685,796	3,563,124
Vocational Instruction	344,768	404,661	401,449	399,059	256,282	307,970	289,528	343,739	419,445	508,534
Student Intervention Services	0	0	0	7,068	10,221	18,611	295,882	362,017	148,213	133,738
Pupil Support	1,032,824	1,119,257	1,160,088	1,486,340	1,315,904	1,269,746	1,085,787	1,386,740	1,520,110	1,419,013
Instructional Staff Support	1,095,832	1,349,741	1,437,682	1,537,961	1,635,083	1,741,938	1,744,564	1,929,428	2,479,736	2,583,514
Board of Education	116,184	101,298	120,421	102,567	116,190	100,408	114,815	87,678	164,636	123,282
Administration	1,489,063	1,596,823	1,817,458	1,877,535	1,841,002	1,869,748	1,890,289	1,907,707	1,938,680	1,794,241
Fiscal	695,109	697,172	717,844	743,760	909,318	852,201	661,973	717,860	702,340	664,616
Business	137,296	147,822	161,459	157,231	166,720	203,064	603,907	610,723	602,219	548,213
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	3,725,763	3,798,711	3,427,110
Pupil Transportation	1,483,104	1,719,696	1,719,827	1,898,101	1,722,528	2,158,755	1,654,666	1,919,536	1,923,397	1,887,563
Central	141,277	155,459	137,756	160,082	195,915	200,975	167,721	200,597	203,103	124,258
Operation of Food Services	919,570	775,953	786,109	794,515	834,670	929,162	843,310	869,551	849,165	823,199
Other Non-Instructional Services	483,935	86,389	2,284	1,834	13,077	4,810	22,370	300	5,398	33,650
Extracurricular Activities	422,720	440,005	459,851	455,234	500,172	455,568	461,995	526,387	475,833	617,610
Interest and Fiscal Charges	1,393,441	1,376,510	1,417,716	2,282,367	625,872	769,066	625,504	683,439	678,788	819,837
Total Expenses	27,439,170	30,112,306	30,567,936	32,169,309	31,471,894	33,497,902	31,780,064	34,577,909	35,977,597	35,892,832
Program Revenues										
Charges for Services										
Regular Instruction	69,568	60,693	66,599	96,889	2,269,227	2,287,936	2,399,190	2,815,158	2,788,133	2,570,188
Special Instruction	174,290	141,015	1,965,444	2,042,278	0	0	0	3,510	4,350	0
Pupil Support	0	0	0	0	57	749	7,996	8,846	6,529	0
Instructional Staff Support	0	0	0	6,178	8,059	499	395	902	11,264	0
Administration Support	0	0	0	2,058	4,001	5,427	0	2,120	1,725	0
Pupil Transportation	9,200	12,915	0	0	0	0	0	0	0	0
Central	0	0	0	0	0	0	1,678	1,330	1,200	0
Operation and Maintenance of Plant	0	290,035	0	0	0	335,176	0	0	0	0
Operation of Food Service	292,962	0	319,825	315,983	350,560	0	342,785	309,879	248,732	250,086
Extracurricular Activities	73,075	97,664	87,401	100,120	88,675	66,609	57,919	58,325	82,654	91,329
Operating Grants and Contributions										
Regular Instruction	143,241	199,718	2,308,489	960,597	215,458	1,165,862	1,438,977	1,425,892	3,061,087	3,470,501
Special Instruction	565,705	590,832	1,343,634	1,841,012	1,443,815	1,465,936	1,462,338	1,614,983	1,611,465	2,235,658
Vocational Instruction	0	0	0	38,639	38,995	50,204	59,979	55,179	55,593	56,010
Student Intervention Services	0	0	0	0	0	0	126,955	238,606	0	0
Pupil Support	0	0	119,363	575,623	53,537	158,187	108,089	119,433	203,840	71,976
Instructional Staff Support	63,892	57,579	8,722	405,881	57,415	668,021	538,356	508,912	485,938	315,404
Administration	99,830	0	190,181	67,209	50,428	15,834	31,135	84,423	267,015	279,671
Fiscal	0	65,647	0	2,958	0	0	0	0	4,599	4,941
Business	0	0	0	0	0	0	5,740	0	0	0
Operation and Maintenance of Plant	0	0	167,108	0	0	0	0	0	361,017	364,594
Pupil Transportation	0	0	629,950	629,863	670,745	653,958	669,750	703,910	830,122	762,255
Central	35,392	35,386	41,263	44,328	35,163	65,898	59,131	62,034	62,609	31,305
Operation of Food Service	287,411	348,626	381,511	426,992	446,030	441,861	513,761	491,403	496,980	487,611
Extracurricular Activities	4,160	1,702	393	12,940	16,094	3,121	1,299	925	1,471	15,307

(continued)

ATHENS CITY SCHOOL DISTRICT
Changes in Net Assets of Governmental Activities (continued)
 Last Ten Fiscal Years
 June 30, 2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Capital Grants and Contributions										
Regular Instruction	\$9,000	\$42,384	\$0	\$81,624	\$0	\$0	\$18,122	\$0	\$0	\$0
Vocational Instruction	0	44,408	0	0	0	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	21,281	0	0	0	0	0	0
Pupil Transportation	0	0	0	26,602	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0	0	0	0	225,000
Total Program Revenues	1,827,726	1,988,604	7,629,883	7,699,055	5,748,259	7,385,278	7,843,595	8,505,770	10,586,323	11,231,836
Net Expense	(25,611,444)	(28,123,702)	(22,938,053)	(24,470,254)	(25,723,635)	(26,112,624)	(24,005,889)	(26,072,139)	(25,391,274)	(24,660,996)
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	13,460,513	13,028,423	12,674,696
Debt Service	1,949,691	2,126,839	2,373,389	1,778,189	1,443,662	1,484,806	1,513,731	1,413,518	1,201,213	1,191,370
Capital Outlay	827,863	900,739	952,625	909,036	963,223	1,072,450	1,190,764	1,231,561	1,155,002	1,139,281
Income Taxes	0	0	0	0	0	186,249	3,298,754	2,983,038	3,378,878	3,260,583
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	8,418,895	6,181,952	6,105,678
Payments in Lieu of Taxes	0	0	19,629	153,841	123,188	554,421	148,701	441,147	165,468	317,647
Gain on Sale of Capital Assets	14,896	30,800	0	0	0	0	14,932	0	0	0
Tuition and Fees	1,460,118	1,602,753	0	0	0	0	0	0	0	0
Unrestricted Contributions	6,102	9,676	4,491	0	0	0	0	0	0	0
Investment Earnings	331,695	712,396	195,455	237,517	423,812	698,487	712,179	429,465	217,871	177,670
Miscellaneous	179,594	133,150	106,456	123,505	63,054	78,658	49,963	72,006	157,916	198,597
Total General Revenues	25,175,511	25,565,538	22,434,524	22,857,822	25,919,992	25,435,974	27,752,514	28,450,143	25,486,723	25,065,522
Extraordinary Item										
Stock Received from Demutualization	7,528,879	0	0	0	0	0	0	0	0	0
Gain on Insurance Recovery	0	0	0	0	0	0	0	0	0	848,069
Change in Net Assets	\$7,092,946	(\$2,558,164)	(\$503,529)	(\$1,612,432)	\$196,357	(\$676,650)	\$3,746,625	\$2,378,004	\$95,449	\$1,252,595

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 as 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.

Note: The extraordinary item during fiscal year 2011 is the result of a gain on insurance recovery. The District suffered tornado damage during a storm in September 2010. This net amount is the result of the insurance settlement received on the claim with the insurance carrier and the loss on the impairment of capital assets.

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ATHENS CITY SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$872,806	\$746,596	\$741,014	\$723,265	\$548,472	\$564,388	\$359,471	\$1,015,225	\$1,448,279	\$0
Unreserved	2,061,070	1,450,522	2,145,784	1,414,789	1,811,035	1,971,605	4,887,743	6,068,060	6,289,341	0
<i>Total General Fund</i>	<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>	<u>7,083,285</u>	<u>7,737,620</u>	<u>0</u>
All Other Governmental Funds										
Reserved	986,290	426,708	639,481	310,220	202,777	444,678	361,965	338,594	247,292	0
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	522,921	591,004	137,146	148,680	(32,868)	424,466	767,962	670,826	150,995	0
Debt Service Funds	2,049,083	2,638,685	3,561,264	3,268,766	1,869,720	2,224,541	2,617,761	2,821,755	2,899,907	0
Capital Projects Funds	2,921,291	3,207,265	3,172,261	3,519,659	3,335,944	2,470,164	2,683,703	3,064,166	2,863,699	0
<i>Total All Other Governmental Funds</i>	<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>	<u>6,895,341</u>	<u>6,161,893</u>	<u>0</u>
General Fund										
Assigned	0	0	0	0	0	0	0	0	0	262,310
Unassigned	0	0	0	0	0	0	0	0	0	7,856,897
<i>Total General Fund</i>	<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>8,119,207</u>
All Other Governmental Funds										
Nonspendable	0	0	0	0	0	0	0	0	0	5,842
Restricted	0	0	0	0	0	0	0	0	0	6,333,627
Unassigned	0	0	0	0	0	0	0	0	0	(876,412)
<i>Total All Other Governmental Funds</i>	<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>5,463,057</u>
<i>Total Governmental Funds</i>	<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>	<u>\$13,978,626</u>	<u>\$13,899,513</u>	<u>\$13,582,264</u>

Note: The School District implemented GASB 54 in 2011.

ATHENS CITY SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Property Taxes	\$12,568,005	\$12,844,780	\$13,743,291	\$14,575,215	\$16,407,865	\$16,390,961	\$15,864,471	\$15,914,806	\$15,311,157	\$15,048,753
Income Taxes	0	0	0	0	0	186,249	3,298,754	2,983,038	3,378,878	3,260,583
Intergovernmental	12,305,056	11,400,721	13,104,365	12,510,583	11,823,440	12,845,511	12,811,242	13,710,944	13,603,267	13,966,917
Interest	331,695	397,426	184,687	201,111	364,738	623,972	638,554	421,340	188,266	144,536
Tuition and Fees	1,701,216	1,816,751	2,032,043	2,120,912	2,252,515	2,267,998	2,386,287	2,804,408	2,787,291	2,570,188
Extracurricular Activities	113,665	123,742	116,288	126,611	117,504	93,222	80,891	85,783	101,584	91,329
Contributions and Donations	30,262	21,378	22,784	42,051	36,711	20,687	20,716	13,651	21,335	235,266
Charges for Services	292,962	290,035	319,825	315,983	350,560	335,176	342,785	309,879	248,732	250,086
Rentals	11,105	11,590	12,888	8,914	6,572	11,259	5,277	3,621	4,637	7,005
Payments in Lieu of Taxes	0	0	19,629	153,841	123,188	554,421	148,701	441,147	165,468	317,647
Miscellaneous	139,859	106,221	64,682	114,591	56,482	67,399	44,686	68,385	159,345	189,285
<i>Total Revenues</i>	<i>27,493,825</i>	<i>27,012,644</i>	<i>29,620,482</i>	<i>30,169,812</i>	<i>31,539,575</i>	<i>33,396,855</i>	<i>35,642,364</i>	<i>36,757,002</i>	<i>35,969,960</i>	<i>36,081,595</i>
Expenditures										
Current:										
Instruction:										
Regular	10,651,944	10,769,274	11,218,814	12,700,867	13,212,771	13,821,226	13,723,111	14,707,142	15,169,196	15,518,842
Special	2,953,117	3,048,914	3,042,025	3,536,609	3,415,176	3,451,568	3,227,160	3,576,204	3,713,100	3,557,573
Vocational	343,891	381,196	367,322	381,780	274,446	326,679	286,608	338,655	417,827	506,924
Student Intervention Services	0	0	0	7,068	10,221	18,703	294,880	360,581	148,127	133,998
Support Services:										
Pupil	1,032,612	1,058,231	1,071,610	1,454,743	1,328,110	1,286,663	1,130,303	1,371,168	1,500,851	1,425,414
Instructional Staff	1,000,600	1,147,170	1,313,184	1,541,978	1,621,563	1,718,141	1,735,769	1,941,359	2,476,175	2,587,722
Board of Education	116,622	100,901	120,422	101,844	115,304	100,604	113,614	86,729	164,071	122,756
Administration	1,497,980	1,446,894	1,672,606	1,797,209	1,851,320	1,910,091	1,792,023	1,934,602	1,936,911	1,808,306
Fiscal	657,001	640,797	687,824	755,936	872,955	882,676	647,462	744,147	648,096	663,287
Business	138,004	142,610	148,554	163,604	168,877	177,577	610,659	617,299	601,228	544,321
Operation and Maintenance of Plant	2,645,547	2,654,639	2,943,676	3,209,712	3,755,493	4,086,165	3,634,522	3,754,365	4,040,823	3,549,628
Pupil Transportation	1,363,065	1,385,216	1,397,670	1,826,419	1,869,536	1,997,719	1,820,564	1,816,360	1,985,101	1,835,374
Central	127,306	149,992	130,060	163,914	196,460	205,314	166,590	198,932	202,738	124,471
Operation of Non-Instructional Services	892,808	799,724	752,722	804,615	836,516	911,829	863,253	878,266	849,821	853,286
Extracurricular Activities	382,501	388,006	407,551	425,927	463,628	432,825	414,808	487,819	438,261	578,538
Capital Outlay	5,074,462	1,833,136	1,032,287	16,873	182,330	432,596	342,858	373,663	491,599	2,410,483
Debt Service:										
Principal Retirement	455,460	447,947	2,979,118	987,448	2,285,000	565,000	595,000	620,000	650,000	685,000
Interest and Fiscal Charges	1,395,507	1,382,244	1,420,490	2,368,324	730,168	706,717	681,337	649,690	618,702	585,621
Issuance Costs	0	0	0	153,987	0	0	0	0	0	0
<i>Total Expenditures</i>	<i>30,728,427</i>	<i>27,776,891</i>	<i>30,705,935</i>	<i>32,398,857</i>	<i>33,189,874</i>	<i>33,032,093</i>	<i>32,080,521</i>	<i>34,456,981</i>	<i>36,052,627</i>	<i>37,491,544</i>

ATHENS CITY SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(\$3,234,602)</u>	<u>(\$764,247)</u>	<u>(\$1,085,453)</u>	<u>(\$2,229,045)</u>	<u>(\$1,650,299)</u>	<u>\$364,762</u>	<u>\$3,561,843</u>	<u>\$2,300,021</u>	<u>(\$82,667)</u>	<u>(\$1,409,949)</u>
Other Financing Sources (Uses)										
Sale of Capital Assets	14,896	35,122	0	0	0	0	1,875	0	0	0
Insurance Recoveries	0	0	0	0	0	0	15,045	0	3,554	0
Refunding Bonds Issued	0	0	0	9,305,000	0	0	0	0	0	0
Proceeds of Refunding Bonds	0	0	2,335,000	0	0	0	0	0	0	0
Payment to Refund Bond Escrow Agent	0	0	0	(9,305,000)	0	0	0	0	0	0
Premium on Debt Issuance	0	0	0	1,217,474	0	0	0	0	0	0
Premium on Bonds Issued	0	0	86,623	0	0	0	0	0	0	0
Transfers In	201,000	243,754	0	24,643	84,137	0	455,562	348,740	138,097	74,825
Transfers Out	(201,000)	(243,754)	0	(24,643)	(84,137)	0	(455,562)	(348,740)	(138,097)	(74,825)
<i>Total Other Financing Sources (Uses)</i>	<u>14,896</u>	<u>35,122</u>	<u>2,421,623</u>	<u>1,217,474</u>	<u>0</u>	<u>0</u>	<u>16,920</u>	<u>0</u>	<u>3,554</u>	<u>0</u>
Extraordinary Item:										
Stock Received from Demutualization	1,882,220	0	0	0	0	0	0	0	0	0
Insurance Recoveries	0	0	0	0	0	0	0	0	0	1,092,700
<i>Net Change in Fund Balances</i>	<u>(\$1,337,486)</u>	<u>(\$729,125)</u>	<u>\$1,336,170</u>	<u>(\$1,011,571)</u>	<u>(\$1,650,299)</u>	<u>\$364,762</u>	<u>\$3,578,763</u>	<u>\$2,300,021</u>	<u>(\$79,113)</u>	<u>(\$317,249)</u>
Ratio of Debt Service as a Percentage of Noncapital Expenditures	<u>7.22%</u>	<u>7.05%</u>	<u>14.83%</u>	<u>10.84%</u>	<u>9.16%</u>	<u>3.88%</u>	<u>4.11%</u>	<u>3.75%</u>	<u>3.60%</u>	<u>3.59%</u>

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

Collection Year	Real Property			Tangible Personal Property				Total		Ratio	Weighted Average Tax Rate
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value		
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
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%	30.82
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%	30.24
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	1,278,404,237	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%	32.92
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	1,275,614,950	34.93%	30.59
2009	332,564,370	147,529,940	1,371,698,029	21,489,860	24,420,295	8,623,220	85,959,440	510,207,390	1,482,077,764	34.43%	28.39
2010	334,939,790	147,253,660	1,377,695,571	23,228,490	26,396,011	1,940,708	92,913,960	507,362,648	1,497,005,543	33.89%	28.26
2011	335,814,280	145,448,660	1,375,036,971	24,658,190	28,020,670	970,354	98,632,760	506,891,484	1,501,690,402	33.75%	28.22

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. General Business Personal Property tax was assessed on all tangible personal property used in business in Ohio. General business tangible personal property tax began being phased out in 2006 and was fully eliminated in 2010 except for any remaining Telephone Property Value. The telephone value will be reduced by 50% in 2011 and then completely eliminated in 2012. 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.

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	<u>Athens City School District</u>				Athens County	Tri-County Joint Career Center		Athens Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total							
2002	55.40	2.90	6.30	64.60	18.55	3.30	8.20	94.65	58.173659	63.584096	
2003	55.40	2.90	6.30	64.60	18.80	3.30	8.20	94.90	53.861848	61.423461	
2004	55.40	2.90	6.30	64.60	18.80	3.30	8.20	94.90	53.903483	61.317746	
2005	63.18	2.90	3.70	69.78	18.80	3.30	6.70	98.58	59.412205	66.927683	
2006	62.89	2.90	3.70	69.49	20.30	3.30	6.70	99.79	59.300197	66.459368	
2007	62.92	2.90	3.70	69.52	20.30	3.30	6.70	99.82	59.925045	68.110019	
2008	57.16	2.90	3.70	63.76	20.30	3.30	6.70	94.06	59.042369	63.206268	
2009	55.12	2.90	3.70	61.72	20.30	3.30	6.70	92.02	55.188860	55.458365	
2010	55.10	2.90	3.70	61.70	20.55	3.30	6.70	92.25	55.881578	56.946993	
2011	55.08	2.90	3.70	61.68	20.55	3.30	6.70	92.23	55.881578	56.946993	

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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 - City of Athens (A02)

Collection Year	<u>Athens City School District</u>				Athens County	Tri-County		City of Athens	Athens Township	Total Full Rate	Total Residential/ Agriculture	Total Commercial/ Industrial
	<u>Operating</u>	<u>Permanent Improvement</u>	<u>Debt</u>	<u>Total</u>		<u>Joint Career Center</u>	<u>Effective Rate</u>				<u>Effective Rate</u>	
2002	55.40	2.90	6.30	64.60	18.55	3.30	2.60	0.30	89.35	55.679583	60.921219	
2003	55.40	2.90	6.30	64.60	18.80	3.30	2.60	0.30	89.60	50.691695	57.778373	
2004	55.40	2.90	6.30	64.60	18.80	3.30	2.60	0.30	89.60	50.728681	57.692136	
2005	63.18	2.90	3.70	69.78	18.80	3.30	2.60	0.30	94.78	55.820893	63.224987	
2006	62.89	2.90	3.70	69.49	20.30	3.30	2.60	0.30	95.99	55.975578	62.956533	
2007	62.92	2.90	3.70	69.52	20.30	3.30	2.60	0.30	96.02	56.618703	64.566010	
2008	57.16	2.90	3.70	63.76	20.30	3.30	2.60	0.03	89.99	55.737092	59.662899	
2009	55.12	2.90	3.70	61.72	20.30	3.30	2.60	0.03	87.95	52.172203	52.194144	
2010	55.10	2.90	3.70	61.70	20.55	3.30	2.60	0.30	88.45	52.597044	53.544739	
2011	55.08	2.90	3.70	61.68	20.55	3.30	2.60	0.30	88.43	52.597044	53.544739	

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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	<u>Athens City School District</u>				Athens County	<u>Tri-County</u>		The Plains Fire District	Athens Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	<u>Operating</u>	<u>Permanent Improvement</u>	<u>Debt</u>	<u>Total</u>		<u>Joint Career Center</u>						
2002	55.40	2.90	6.30	64.60	18.55	3.30	4.00	8.20	98.65	62.347988	68.247927	
2003	55.40	2.90	6.30	64.60	18.80	3.30	4.00	8.20	98.90	56.877365	64.994188	
2004	55.40	2.90	6.30	64.60	18.80	3.30	4.00	8.20	98.90	56.924643	64.885480	
2005	63.18	2.90	3.70	69.78	18.80	3.30	3.50	6.70	102.08	62.036397	70.044686	
2006	62.89	2.90	3.70	69.49	20.30	3.30	3.50	6.70	103.29	61.768504	69.346896	
2007	62.92	2.90	3.70	69.52	20.30	3.30	3.50	6.70	103.32	62.578241	71.384284	
2008	57.16	2.90	3.70	63.76	20.30	3.30	3.50	6.70	97.56	61.696082	66.481027	
2009	55.12	2.90	3.70	61.72	20.30	3.30	3.50	6.70	95.52	57.673188	58.592013	
2010	55.10	2.90	3.70	61.70	20.55	3.30	3.50	6.70	95.75	58.376270	60.172712	
2011	55.08	2.90	3.70	61.68	20.55	3.30	3.50	6.70	95.73	58.376270	60.172712	

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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

Canaan Township (E02)

Collection Year	<u>Athens City School District</u>				Athens County	<u>Tri-County</u>		Canaan Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	<u>Operating</u>	<u>Permanent Improvement</u>	<u>Debt</u>	<u>Total</u>		<u>Joint Career Center</u>					
2002	55.40	2.90	6.30	64.60	18.55	3.30	6.60	93.05	59.305377	64.594136	
2003	55.40	2.90	6.30	64.60	18.80	3.30	6.60	93.30	53.877320	61.329580	
2004	55.40	2.90	6.30	64.60	18.80	3.30	6.60	93.30	53.923556	61.169246	
2005	63.18	2.90	3.70	69.78	18.80	3.30	7.60	99.48	60.012848	67.924987	
2006	62.89	2.90	3.70	69.49	20.30	3.30	7.60	100.69	59.834813	66.981209	
2007	62.92	2.90	3.70	69.52	20.30	3.30	7.60	100.72	61.052371	69.266010	
2008	57.16	2.90	3.70	63.76	20.30	3.30	7.60	94.96	60.359554	64.359217	
2009	55.12	2.90	3.70	61.72	20.30	3.30	7.60	92.92	56.242214	55.356666	
2010	55.10	2.90	3.70	61.70	20.55	3.30	7.60	93.15	56.866672	57.590742	
2011	55.08	2.90	3.70	61.68	20.55	3.30	7.60	93.13	56.866672	57.590742	

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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

Canaan Township - City of Athens (E03)

Collection Year	<u>Athens City School District</u>				Athens County	<u>Tri-County</u>		City of Athens	Canaan Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	<u>Operating</u>	<u>Permanent Improvement</u>	<u>Debt</u>	<u>Total</u>		<u>Joint Career Center</u>						
2002	55.40	2.90	6.30	64.60	18.55	3.30	2.40	4.70	93.55	59.805715	65.094136	
2003	55.40	2.90	6.30	64.60	18.80	3.30	2.40	4.70	93.80	54.377320	61.829580	
2004	55.40	2.90	6.30	64.60	18.80	3.30	2.40	4.70	93.80	54.423556	61.669246	
2005	63.18	2.90	3.70	69.78	18.80	3.30	2.40	5.70	99.98	60.512848	68.429870	
2006	62.89	2.90	3.70	69.49	20.30	3.30	2.40	5.70	101.19	60.334813	67.481209	
2007	62.92	2.90	3.70	69.52	20.30	3.30	2.40	5.70	101.22	61.552371	69.766010	
2008	57.16	2.90	3.70	63.76	20.30	3.30	2.40	5.70	95.46	60.859554	64.859217	
2009	55.12	2.90	3.70	61.72	20.30	3.30	2.40	5.70	93.42	56.742214	55.856666	
2010	55.10	2.90	3.70	61.70	20.55	3.30	2.40	5.70	93.65	57.366672	58.090742	
2011	55.08	2.90	3.70	61.68	20.55	3.30	2.40	5.70	93.63	57.366672	58.090742	

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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

Dover Township (G01)

Collection Year	<u>Athens City School District</u>				Athens County	<u>Tri-County</u>		Dover Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	<u>Operating</u>	<u>Permanent Improvement</u>	<u>Debt</u>	<u>Total</u>		<u>Joint Career Center</u>					
2002	55.40	2.90	6.30	64.60	18.55	3.30	8.70	95.15	61.175868	66.538118	
2003	55.40	2.90	6.30	64.60	18.80	3.30	11.20	97.90	57.607682	65.217816	
2004	55.40	2.90	6.30	64.60	18.80	3.30	11.20	97.90	57.929292	65.347525	
2005	63.18	2.90	3.70	69.78	18.80	3.30	11.20	103.08	63.024514	73.114369	
2006	62.89	2.90	3.70	69.49	20.30	3.30	11.20	104.29	62.618758	69.999672	
2007	62.92	2.90	3.70	69.52	20.30	3.30	8.70	101.82	61.330527	69.520334	
2008	57.16	2.90	3.70	63.76	20.30	3.30	8.70	96.06	60.447246	64.617237	
2009	55.12	2.90	3.70	61.72	20.30	3.30	8.70	94.02	56.496130	57.005898	
2010	55.10	2.90	3.70	61.70	20.55	3.30	8.70	94.25	56.927015	58.362117	
2011	55.08	2.90	3.70	61.68	20.55	3.30	8.70	94.23	56.927015	58.362117	

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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

Dover Township - Village of Chauncey (G02)

Collection Year	<u>Athens City School District</u>				Athens County	<u>Tri-County</u>		Village of Chauncey	Dover Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	<u>Operating</u>	<u>Permanent Improvement</u>	<u>Debt</u>	<u>Total</u>		<u>Joint Career Center</u>						
2002	55.40	2.90	6.30	64.60	18.55	3.30	7.90	3.30	97.65	63.813636	69.132517	
2003	55.40	2.90	6.30	64.60	18.80	3.30	7.90	5.80	100.40	59.382383	67.451832	
2004	55.40	2.90	6.30	64.60	18.80	3.30	7.90	5.80	100.40	59.817088	67.581528	
2005	63.18	2.90	3.70	69.78	18.80	3.30	7.90	5.80	105.58	64.916072	73.114369	
2006	62.89	2.90	3.70	69.49	20.30	3.30	2.90	5.80	101.79	60.859320	68.058353	
2007	62.92	2.90	3.70	69.52	20.30	3.30	7.90	3.30	104.32	64.567213	72.579015	
2008	57.16	2.90	3.70	63.76	20.30	3.30	7.90	3.30	98.56	63.684866	67.675909	
2009	55.12	2.90	3.70	61.72	20.30	3.30	7.90	3.30	96.52	59.578636	60.149544	
2010	55.10	2.90	3.70	61.70	20.55	3.30	7.90	3.30	96.75	60.020906	61.502556	
2011	55.08	2.90	3.70	61.68	20.55	3.30	7.90	3.30	96.73	60.020906	61.502556	

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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

Waterloo Township (N02)

Collection Year	<u>Athens City School District</u>				Athens County	<u>Tri-County</u>		Waterloo Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	<u>Operating</u>	<u>Permanent Improvement</u>	<u>Debt</u>	<u>Total</u>		<u>Joint Career Center</u>					
2002	55.40	2.90	6.30	64.60	18.55	3.30	9.90	96.35	61.579783	66.794016	
2003	55.40	2.90	6.30	64.60	18.80	3.30	9.90	96.60	55.708064	63.386606	
2004	55.40	2.90	6.30	64.60	18.80	3.30	9.90	96.60	55.744979	63.300369	
2005	63.18	2.90	3.70	69.78	18.80	3.30	9.90	101.78	60.842498	68.854259	
2006	62.89	2.90	3.70	69.49	20.30	3.30	9.90	102.99	60.408076	68.133558	
2007	62.92	2.90	3.70	69.52	20.30	3.30	9.90	103.02	61.054314	69.743035	
2008	57.16	2.90	3.70	63.76	20.30	3.30	9.90	97.26	60.496486	65.031093	
2009	55.12	2.90	3.70	61.72	20.30	3.30	9.90	95.22	56.288589	57.027685	
2010	55.10	2.90	3.70	61.70	20.55	3.30	9.90	95.45	57.151544	58.651535	
2011	55.08	2.90	3.70	61.68	20.55	3.30	9.90	95.43	57.151544	58.651535	

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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 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
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%
2008	16,952,774	16,222,007	95.69%	779,906	17,001,913	100.29%	472,470	2.79%
2009	19,368,420	18,513,616	95.59%	832,405	19,346,021	99.88%	1,466,547	7.57%
2010	19,374,349	18,531,714	95.65%	802,706	19,334,420	99.79%	1,468,116	7.58%

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 2011 information cannot be presented because all collections have not been made by June 30, 2011.
- (3) The County does not identify delinquent tax collections by tax year, therefore total tax collections may exceed current tax levy in some years.

ATHENS CITY SCHOOL DISTRICT

Principal Taxpayers

Real Estate Tax

Current Year and Nine Years Ago

Name of Taxpayer	Type of Business	Collection Year 2011 (1)	
		Assessed Value	Percent of Real Property Assessed Value
Ohio University	Retail Sales	\$12,312,416	2.56%
AAC Athens LLC	Apartments	9,342,471	1.94%
Continental 72 Fund LLC	Retail Sales	5,553,114	1.15%
Hallmark Athens Student Housing	Apartments	4,706,980	0.98%
Sheltering Arms Hospital	Hospital	3,288,670	0.68%
Hayes Cornwell LTD	Apartments	2,262,730	0.47%
Southeastern Ohio Management Company LLC	Retail Sales	1,899,343	0.39%
Hickory Creek Realty LLC	Nursing Home	1,605,310	0.33%
Huntington Realty Corporation	Retail Sales	1,234,896	0.26%
Athens OH 405 LLC	Hotel/Motel	1,134,560	0.24%
Total		\$43,340,490	9.01%
Total Assessed Valuation		\$481,262,940	

Name of Taxpayer	Type of Business	Collection Year 2002 (1)	
		Assessed Value	Percent of Real Property Assessed Value
Ohio University	Retail Sales	\$7,525,560	2.55%
University Mall Associates	Retail Sales	4,444,910	1.50%
AAC Athens LLC	Apartments	3,779,450	1.28%
Inn-Ohio of Athens, Inc.	Motel	1,825,360	0.62%
City of Athens	Various	1,348,510	0.46%
Diversified Properties	Various	1,338,520	0.45%
Southeast Development Co. 2	Apartments	1,286,810	0.44%
Hickory Creek of Athens, Inc.	Nursing Home	1,261,790	0.43%
Cornwell, R. Leslie	Various	1,206,850	0.41%
McCoady Properties Ltd	Various	1,143,810	0.39%
Total		\$25,161,570	8.51%
Total Assessed Valuation		\$295,639,630	

(1) The amounts presented represent the assessed values upon which 2011 and 2002 collections were based.

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

ATHENS CITY SCHOOL DISTRICT

Principal Taxpayers

Public Utilities Tax

Current Year and Nine Years Ago

Name of Taxpayer	Type of Business	Collection Year 2011 (1)	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Columbus Southern Power	Electricity	\$18,549,200	75.23%
Tennessee Gas Pipeline Co.	Natural Gas	2,413,660	9.79%
Texas Eastern Transmission	Natural Gas	1,553,420	6.30%
Columbia Gas of Ohio Inc.	Natural Gas	1,251,650	5.08%
Columbia Gas Transmission	Natural Gas	476,900	1.93%
Ohio Power Co.	Electricity	219,530	0.89%
General Electric Capital Commercial Inc.	Electricity	156,490	0.63%
Buckeye Rural Electric	Electricity	32,950	0.13%
Southeastern Natural Gas Co.	Natural Gas	2,820	0.01%
MHCB (USA) Leasing & Finance	Electricity	1,350	0.01%
Total		\$24,657,970	100.00%
Total Assessed Valuation		\$24,658,190	

Name of Taxpayer	Type of Business	Collection Year 2002 (1)	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Columbus Southern Power	Electricity	\$11,282,260	50.32%
GTE North Inc.	Communications	2,664,720	11.88%
Verizon North, INC.	Communications	2,306,360	10.29%
Texas Eastern Transmission	Natural Gas	1,248,900	5.57%
Tennessee Gas Pipeline Co.	Natural Gas	1,200,110	5.35%
Columbia Gas of Ohio Inc.	Natural Gas	886,880	3.96%
Ohio Telephone & Telegraph	Communications	723,670	3.23%
Norfolk Southern	Transporation	649,660	2.90%
United Telephone	Communications	585,580	2.61%
Orange County Cellular	Communications	507,060	2.26%
Total		\$22,055,200	98.36%
Total Assessed Valuation		\$22,422,540	

(1) The amounts presented represent the assessed values upon which 2011 and 2002 collections were based

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
2002	32,596	\$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	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	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	412,672,602	16,620,000	4.03%	491.86	16,620,000	0	16,620,000	4.03%	491.86
2006	33,790	451,123,916	14,335,000	3.18%	424.24	14,335,000	0	14,335,000	3.18%	424.24
2007	33,790	444,018,754	13,910,000	3.13%	411.66	13,910,000	0	13,910,000	3.13%	411.66
2008	33,790	445,634,934	13,315,000	2.99%	394.05	13,315,000	0	13,315,000	2.99%	394.05
2009	33,790	510,207,390	12,695,000	2.49%	375.70	12,695,000	0	12,695,000	2.49%	375.70
2010	33,790	507,362,648	12,045,000	2.37%	356.47	12,045,000	0	12,045,000	2.37%	356.47
2011	33,120	506,891,484	11,360,000	2.24%	343.00	11,360,000	0	11,360,000	2.24%	343.00

Sources: (1) Ohio Municipal Advisory Council for 2002 - 2010
2010 Census for 2011

(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 Debt Service to General Fund Expenditures (Percentage)
2002	\$260,460	\$1,370,137	\$1,630,597	\$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%
2009	620,000	649,690	1,269,690	27,202,891	4.67%
2010	650,000	618,702	1,268,702	29,476,320	4.30%
2011	685,000	585,621	1,270,621	28,938,170	4.39%

Source: School District Fund Financial Statements

ATHENS CITY SCHOOL DISTRICT
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2011*

Jurisdiction	Net General Obligation Bonded Debt Outstanding (1)	Percentage Applicable To School District	Amount Applicable To School District
<u>Direct Debt:</u>			
Athens City School District	\$11,360,000	100.0%	\$11,360,000
<u>Overlapping Debt:</u>			
Athens County	775,000	54.4% (2)	\$421,600
City of Athens	5,230,000	97.6% (3)	5,104,480
Total Direct and Overlapping Debt			<u><u>\$16,886,080</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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Tax Valuation	\$341,349,919	\$403,797,702	\$410,612,584	\$412,672,602	\$451,123,916	\$444,018,754	\$445,634,934	\$510,207,390	\$507,362,648	\$506,891,484
Debt Limit - 9% of Taxable Valuation (1)	\$30,721,493	\$36,341,793	\$36,955,133	\$37,140,534	\$40,601,152	\$39,961,688	\$40,107,144	\$45,918,665	\$45,662,638	\$45,620,234
Amount of Debt Applicable to Debt Limit										
General Obligation Bonds	18,424,513	18,176,566	17,747,449	16,620,000	14,335,000	13,910,000	13,315,000	12,695,000	12,045,000	11,360,000
Less Amount Available in Debt Service	(2,152,841)	(2,638,685)	(3,561,263)	(3,268,767)	(1,869,721)	(2,224,541)	(2,617,762)	(2,821,755)	(2,899,907)	(2,989,213)
Amount of Debt Subject to Limit	16,271,672	15,537,881	14,186,186	13,351,233	12,465,279	11,685,459	10,697,238	9,873,245	9,145,093	8,370,787
Legal Debt Margin	\$14,449,821	\$20,803,912	\$22,768,947	\$23,789,301	\$28,135,873	\$28,276,229	\$29,409,906	\$36,045,420	\$36,517,545	\$37,249,447
Legal Debt Margin as a Percentage of the Debt Limit	47.03%	57.25%	61.61%	64.05%	69.30%	70.76%	73.33%	78.50%	79.97%	81.65%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$341,350	\$403,798	\$410,613	\$412,673	\$451,124	\$444,019	\$445,635	\$510,207	\$507,363	\$506,891
Amount of Debt Subject to Limit	0	0	0	0	0	0	0	0	0	0
Unvoted Legal Debt Margin	\$341,350	\$403,798	\$410,613	\$412,673	\$451,124	\$444,019	\$445,635	\$510,207	\$507,363	\$506,891
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>
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%	467,983,086	13,850
2008	33,790	6.80%	453,172,771	13,411
2009	33,790	8.90%	433,130,009	12,818
2010	33,790	9.50%	N/A	N/A
2011	33,120	9.10%	N/A	N/A

Sources:

(1) 2011 data from the 2010 US Census. Prior data from the Ohio Municipal Advisory Council

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

(3) Ohio Department of Taxation

Note:

The 2010 and 2011 Personal Income information was not available

ATHENS CITY SCHOOL DISTRICT

Principal Employers

Current Year and Nine Years Ago

Employer	Nature of Business	2011			2002		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Ohio University	Education	3,858	1	12.99%	Data Not Available		
O'Bleness Memorial Hospital	Health Care	575	2	1.94%			
Athens County Government	Government	561	3	1.89%			
Athens City School District	Education	426	4	1.43%			
Wal-Mart	Retail	365	5	1.23%			
Athens City Government	Government	301	6	1.01%			
Kroger Company	Retail	234	7	0.79%			
Diagnostic Hybrids, Inc.	Manufacturing	215	8	0.72%			
Health Recovery Services	Health Care	185	9	0.62%			
Athens Messenger	Newspaper	115	10	0.39%			
Total		<u>6,835</u>		<u>23.01%</u>	<u> </u>		<u> </u>
Total Employment within the School District		<u>29,707</u>			<u> </u>		<u> </u>

Source: Athens Area Chamber of Commerce, Athens County Auditor's Office & Direct Contacts

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>
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
2007	10,214	17,931	467,983,086	45,818	273
2008	9,985	17,508	453,172,771	45,385	273
2009	9,617	17,077	433,130,009	45,038	263

Source: Ohio Department of Taxation

(1) The 2010 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 Ten Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Teaching Staff:										
Elementary (K-6) Classroom Teachers	108.80	108.80	107.80	85.00	84.00	83.00	83.00	84.00	84.00	85.00
Secondary (7-12) Classroom Teachers	81.50	82.50	81.50	65.50	67.50	66.00	68.50	69.50	67.25	67.75
Special Education Teachers	39.00	39.00	40.00	47.20	45.20	40.20	38.20	37.25	37.00	38.75
Vocational Education Teachers				10.00	7.00	8.00	8.00	8.00	8.00	8.00
Specialist Teachers (Art, PE, Music, Literacy)	Detailed Data not Available.			13.60	15.20	14.40	16.20	17.20	17.20	17.20
Talented & Gifted / LEP Teachers	These Positions are included in the general categories above.			1.00	1.50	1.50	2.00	2.70	3.00	3.00
Pre-School Teachers				1.00	2.00	2.00	3.00	3.00	3.00	3.00
Pupil Support Services:										
Secretarial/Office Support Staff	22.50	22.50	21.50	21.00	21.00	21.00	21.50	21.50	21.50	21.50
Guidance/Counselors	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	5.00	6.00
Librarians/Audio Visual	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Psychologists	2.00	2.00	2.00	3.00	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	1.00
Educational Aides	60.50	63.50	65.60	69.00	69.00	69.00	64.00	69.00	68.00	70.70
Administrators/Supervisors:										
Elementary (K-6)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Secondary (7-12)	4.00	3.00	4.00	4.00	5.00	4.00	4.00	3.00	3.00	3.00
Central/Districtwide	9.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00	11.00	10.00
Operation of Plant:										
Custodians	24.50	24.50	25.50	25.00	25.00	26.00	26.50	26.50	26.50	26.48
Maintenance	6.00	5.00	5.00	4.00	4.00	4.00	4.00	5.00	5.00	4.00
Pupil Transportation:										
Bus Drivers	28.00	29.50	29.50	30.00	30.00	33.00	31.00	31.00	31.00	31.00
Mechanics	2.00	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	12.20	12.00	12.00	9.50	9.50	10.80	11.05	10.00
Secondary (7-12)	6.50	6.50	6.50	6.50	6.50	7.40	7.40	7.40	7.40	10.00
Total	<u>421.30</u>	<u>424.80</u>	<u>424.10</u>	<u>421.80</u>	<u>420.90</u>	<u>416.00</u>	<u>413.80</u>	<u>422.85</u>	<u>419.90</u>	<u>426.38</u>

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.

ATHENS CITY SCHOOL DISTRICT
Operating Statistics & Cost to Educate A Graduate
Last Thirteen 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			
1999	Kindergarten	234	2,966	9.65%	6,681	6,642	221.8	17.8	n/a
2000	1st Grade	235	2,823	-4.82%	6,972	7,057	230.8	17.1	n/a
2001	2nd Grade	235	2,757	-2.34%	7,832	7,591	228.8	16.9	n/a
2002	3rd Grade	233	2,544	-7.73%	8,608	8,073	229.3	15.9	n/a
2003	4th Grade	209	2,481	-2.48%	8,713	8,441	230.3	14.3	n/a
2004	5th Grade	205	2,482	0.04%	8,999	8,768	229.3	15.3	36%
2005	6th Grade	194	2,408	-2.98%	9,617	9,048	226.4	15.8	35%
2006	7th Grade	204	2,423	0.61%	10,337	9,356	223.4	15.9	34%
2007	8th Grade	214	2,430	0.30%	10,295	9,586	223.6	16.0	33%
2008	9th Grade	220	2,423	-0.29%	10,757	9,939	216.9	16.5	33%
2009	10th Grade	198	2,582	6.56%	10,580	10,184	217.9	13.6	37%
2010	11th Grade	227	2,566	-0.62%	11,476	10,513	218.9	13.4	39%
2011	12th Grade	190	2,511	-2.14%	11,779	10,571	219.7	12.4	38%
					\$122,646	\$115,769			

(1) Athens High School Guidance Department

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

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

(4) Ohio Department of Education Interactive Data Web Site

n/a - Information not available

ATHENS CITY SCHOOL DISTRICT

Miscellaneous Statistics

June 30, 2011

Year of Establishment	Established in the Mid 1800's Consolidated with The Plains and Chauncey School Districts in 1964
Form of Government	Locally-elected five member Board
Number of Employees:	
Certificated	232.0
Non-Certificated	176.0
Administrative	18.0
Area - square miles	89 Square Miles
State Funded Average Daily Membership	2,511
Cost per Pupil	\$11,779
Average Number of Years Teaching Experience	13.7 Years
Percentage of Teaching Staff Holding a Master's Degree	78% 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	797	1,200	66.42%	56.6	14.2 :1	1968	2002
Athens Middle School	7 & 8	433	675	64.15%	38	11.4 :1	1923	1936, 1956 1973, 2002
Chauncey Elementary	PS - 6	188	500	37.60%	20.4	9.2 :1	1964	1978
East Elementary	PS - 6	313	600	52.17%	22	14.2 :1	1956	1980
Morrison Elementary	PS - 6	426	650	65.54%	27.8	15.3 :1	1979	-
The Plains Elementary	PS - 6	351	650	54.00%	31.5	11.1 :1	1990	-
West Elementary	PS - 6	<u>301</u>	<u>400</u>	75.25%	<u>21</u>	14.3 :1	1956	1978
District Totals		2,809	4,675	60.09%	217.3	13.0 :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, Vocational Teachers, Special Education Teachers, and Specialist Teachers
- (4) Building Average with exclusions listed above

ATHENS CITY SCHOOL DISTRICT

Standardized Test Results

June 30, 2011

	<u>Athens High School</u>	<u>State Mean</u>	<u>National Mean</u>
<u>S.A.T.</u>			
Critical Reading	578	539	497
Mathematics	565	545	514
Writing	549	522	489
<u>A.C.T.</u>			
English	23.5	21.1	20.6
Mathematics	24.2	21.5	21.1
Reading	24.9	22.1	21.3
Science	23.5	21.8	20.9
Composite	24.1	21.8	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	78.4	87.1	79.9
Mathematics	76.2	87.5	82.0
<u>4th Grade Achievement Test</u>			
Reading	87.5	90.0	83.8
Mathematics	76.4	85.5	78.1
<u>5th Grade Achievement Test</u>			
Reading	80.1	81.8	74.1
Mathematics	63.5	75.3	66.1
Science	75.5	81.8	71.1
<u>6th Grade Achievement Test</u>			
Reading	90.7	90.4	85.6
Mathematics	78.5	83.8	77.5
<u>7th Grade Achievement Test</u>			
Reading	80.7	83.6	77.3
Mathematics	69.1	81.6	74.8
<u>8th Grade Achievement Test</u>			
Reading	85.5	90.3	85.1
Mathematics	68.4	81.9	74.3
Science	70.5	78.2	67.4
<u>10th Grade Ohio Graduation Test</u>			
Reading	86.3	91.5	87.2
Mathematics	85.8	88.0	82.6
Writing	87.4	93.0	89.5
Science	80.9	82.4	74.7
Social Studies	83.0	86.9	80.1
<u>11th Grade Ohio Graduation Test</u>			
Reading	89.9	95.4	92.4
Mathematics	88.8	93.4	89.1
Writing	91.0	96.3	93.4
Science	87.8	91.1	84.2
Social Studies	89.9	93.5	88.0
<u>Attendance Rate (All Grades)</u>	95.1	95.2	94.5
<u>Graduation Rate</u>	96.0	95.7	84.3

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

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Dave Yost • 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 13, 2012**