



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, 2012
Fiscal Year Audited Under GAGAS: 2012

bhs

Circleville

Ironton

Piketon

Wheelersburg

Worthington



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Athens City School District, Athens County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2011 through June 30, 2012. 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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 25, 2013

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Athens City School District
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For the Fiscal Year Ended June 30, 2012

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Athens City School District
Ross County
Schedule of Federal Awards Receipts and Expenditures
For the Fiscal Year Ended June 30, 2012

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>Child Nutrition Cluster:</i>				
National School Lunch Program	3L60	10.555	\$ 390,611	\$ 390,611
School Breakfast Program	3L70	10.553	132,024	132,024
Total Nutrition Cluster			522,635	522,635
Total United States Department of Agriculture			522,635	522,635
United States Department of Education				
<i>Passed through Ohio Department of Education</i>				
<i>Title I, Part A Cluster:</i>				
Title I Grants to Local Educational Agencies	3M00	84.010	918,027	804,302
Title I Grants to Local Education Agencies, ARRA	3DK0	84.389	34,664	34,208
Total Title I, Part A Cluster			952,691	838,510
<i>Special Education Cluster (IDEA):</i>				
Special Education - Grants to States	3M20	84.027	539,364	607,589
Special Education - Preschool Grants	3C50	84.173	24,313	19,941
Special Education - Grants to States, ARRA	3DJ0	84.391	43,341	27,308
Total Special Education Cluster			607,018	654,838
<i>Education Technology State Grants Cluster:</i>				
Education Technology State Grants	3S20	84.318	7,277	5,061
Total Education Technology State Grants Cluster			7,277	5,061
<i>State Fiscal Stabilization Fund Cluster</i>				
State Fiscal Stabilization Fund (SFSF) - Education State Grants, ARRA	GRF	84.394	-	94,508
Total State Fiscal Stabilization Fund Cluster			-	94,508
Twenty-First Century Community Learning Centers	3Y20	84.287	135,624	98,334
Rural Education	3Y80	84.358	24,243	36,099
English Language Acquisition Grants	3Y70	84.365	5,283	3,847
Improving Teacher Quality State Grants	3Y60	84.367	149,925	148,506
Education Jobs Fund	3ET0	84.410	353,839	456,761
Total United States Department of Education			2,235,900	2,336,464
Total Federal Financial Assistance			\$ 2,758,535	\$ 2,859,099

See accompanying 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, 2012*

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – NATIONAL SCHOOL LUNCH AND BREAKFAST PROGRAMS

Federal funds received from the National School Lunch and Breakfast Programs were commingled with state subsidy and local revenue from the sale of meals. It was assumed that federal dollars were expended first.



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, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 11, 2012, wherein we noted the School District implemented GASB Statement No.57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans," and GASB Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions." 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*.

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 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 11, 2012.

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.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
December 11, 2012



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, 2012. 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, 2012.

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.

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, 2012, and have issued our report thereon dated December 11, 2012. 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

Balestra, Harr & Scherer, CPAs, Inc.
December 11, 2012

ATHENS CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

ATHENS CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)

1. SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

(d)(1)(vii)	Major Programs (list): (continued)	Education Jobs Fund, CFDA #84.410
(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

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ending June 30, 2012



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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, 2012

Board of Education

Chris Gerig.....President
Jeffrey Dill, PhD..... Vice-President
Roger Brown..... 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
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December 11, 2012

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, 2012. 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 35,026 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 19,000 students to the City's population.

The Athens City School District is one of five K-12 public school districts in Athens County. With 2,744 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 (1)	PreK-6	177
East Elementary	PreK-6	316
Morrison Elementary	PreK-6	424
The Plains Elementary	PreK-6	336
West Elementary	PreK-6	292
Athens Middle School	7-8	426
Athens High School	9-12	773

(1) Chauncey Elementary converted to a Pre-School Only Facility for FY2013

The District provides preschool programs and all-day kindergarten classes. The District serves lunches to 41% of the student population daily. Approximately 40.5% 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 72% 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, 48.8% are eligible for Free and Reduced, and 24% 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, 2012 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 3,700 total employees with more than 1,000 full-time and 700 part-time faculty employees who live in or around the District. In fact, three of the five largest employers in the county are government operations, Ohio University, Athens County, and the Athens City School District itself. The University has an enrollment of more than 19,000 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 \$796.0 million with total operating and non-operating expenses for the 2012 fiscal year in excess of \$593 million dollars. The University has an on-going facility plan which means each year they complete a number of construction and renovation projects. Their 2012 annual report also estimates \$20.8 million in capital projects continuing after the end of their fiscal year. Their six-year capital plan totals more than \$977 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. Even during the economic downturn from 2009 through 2011, none of the large retail stores and few, if any, of the small privately owned operations closed in the District. New commercial operations are opening in and around the District. Two recently completed office buildings and a retirement community have opened in fiscal year 2012. The University Mall has retained all of their major retail stores and has ongoing talks with additional tenants. The areas other two shopping centers include Staples, Sears, Rent-2-Own, AT&T, and others with very few storefronts available. 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 the major 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 taxpaying constituents. While statewide, voters have proved reluctant to increase their property taxes, the Athens City School District has received positive support from its taxpayers on 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 30 grants generating approximately \$3 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 372 employees (full and part time) of which 229 are certificated (including school psychologists and counselors), 125 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 2012, 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, 2012 through August 31, 2015 included hourly wage increases of \$.30 effective September 2012, \$.20 in September 2013, and \$.20 in September 2014.

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 16% 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 provides professional development 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 2012

Facility Management

The District Board of Education adopted a Five-Year Capital Plan in fiscal year 2012. The Plan formally lays out both the routine maintenance performed annually as well as the major projects to be undertaken over the next five fiscal years and details the work to be performed at each facility. The Capital Plan also incorporates the technology replacements from the District Technology Plan and Textbook/Course of Study replacement. A \$500,000 emergency reserve is also part of the overall plan.

Final completion of work that began due to a tornado that went through the District in September of 2010 was accomplished in fiscal year 2012. Along with the \$2 million insurance repair project, the athletic booster club seized the opportunity, and was successful, in getting donations and/or pledges of more than \$800,000 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 storm 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 fiscal year 2012. 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

Changes to the Ohio School District Report Card have delayed the release for fiscal year 2012. The District believes it will perform consistently with the excellent ratings of the past. However, 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 thirteenth Comprehensive Annual Financial Report (CAFR) for fiscal year 2012. 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 2012 had multiple students qualify as National Merit Scholars. There were also multiple students who were recognized as National Merit Finalists. Since 1984, more than 128 Athens High School graduates have been named National Merit Scholars and more than 158 have earned commended status. More than a dozen graduates of the Athens High School class of 2012 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	\$757,096	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	\$153,867	Based on research findings that smaller class size is correlated to student success, the funds from this grant are ear-marked for class size reduction, especially in the primary grades.
Title II-D	\$4,811	Funds are designated for professional development of educational staff and the encouragement of technology and mathematics and science education.
Title III	\$8,347	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 VI-B	\$513,389	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.
Title VI-B Rural	\$51,518	These funds will be used for Professional Development of teachers in rural and low income schools.
21 st Century	\$98,484	Funding is designed to provide after school enrichment programs to students who are economically, socially, and/or educationally most at risk.
EdJobs	\$528,452	Funding is designed to retain or add direct classroom instructional staff.
ECSE	\$13,440	Funding is designed to provide tutoring and other focused supplemental supports for children most at risk in reading and mathematics.
Total	\$2,129,404	

MAJOR INITIATIVES FOR THE FUTURE

Permanent Improvements

The District intends to continue with annual maintenance and improvement projects in accordance with the Five-Year Capital Plan. The District expects to conclude work with the Ohio School Facility Commission to establish nearly \$12 million of credit for work completed by the District since fiscal year 2000. The credit will offset some of the District share for a future project under the Facility Master Plan, completed in fiscal year 2010, which will be in partnership with the State.

Curriculum Development and Meeting the Requirements of New State Standards

The District continues a transition from the Ohio Academic Standards that have been in place for the core academic areas since 2001-2002 to the New Ohio Learning 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. With the aid of teachers and administrators from Athens City School District, curricular materials to support these new standards were developed for grades K-2 and 9-12 during school year 2012. The completion of remaining grades and materials is the goal for school year 2013, with the full instructional implementation of the New Ohio Learning Standards targeted for school year 2014. The Ohio Department of Education projects a new Ohio assessments system to be in 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. Finally, the District is working to meet the requirements of creating and implementing a teacher and principal evaluation model that is aligned with the Ohio Teacher and Principal Evaluation System (HB 153 and SB 316) and that specifically includes evaluation measures that incorporate student academic growth factors.

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 eleventh 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 2012.

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 fiscal year 2011. 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, 2011. This was the eleventh 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.

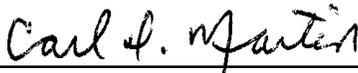
Acknowledgments

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	Chris Gerig	January 1, 2012 to December 31, 2015
Vice President	Jeffrey Dill, PhD	January 1, 2010 to December 31, 2013
Board Member	Roger Brown	January 1, 2010 to December 31, 2013
Board Member	Scott Nisley	January 1, 2012 to December 31, 2015
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

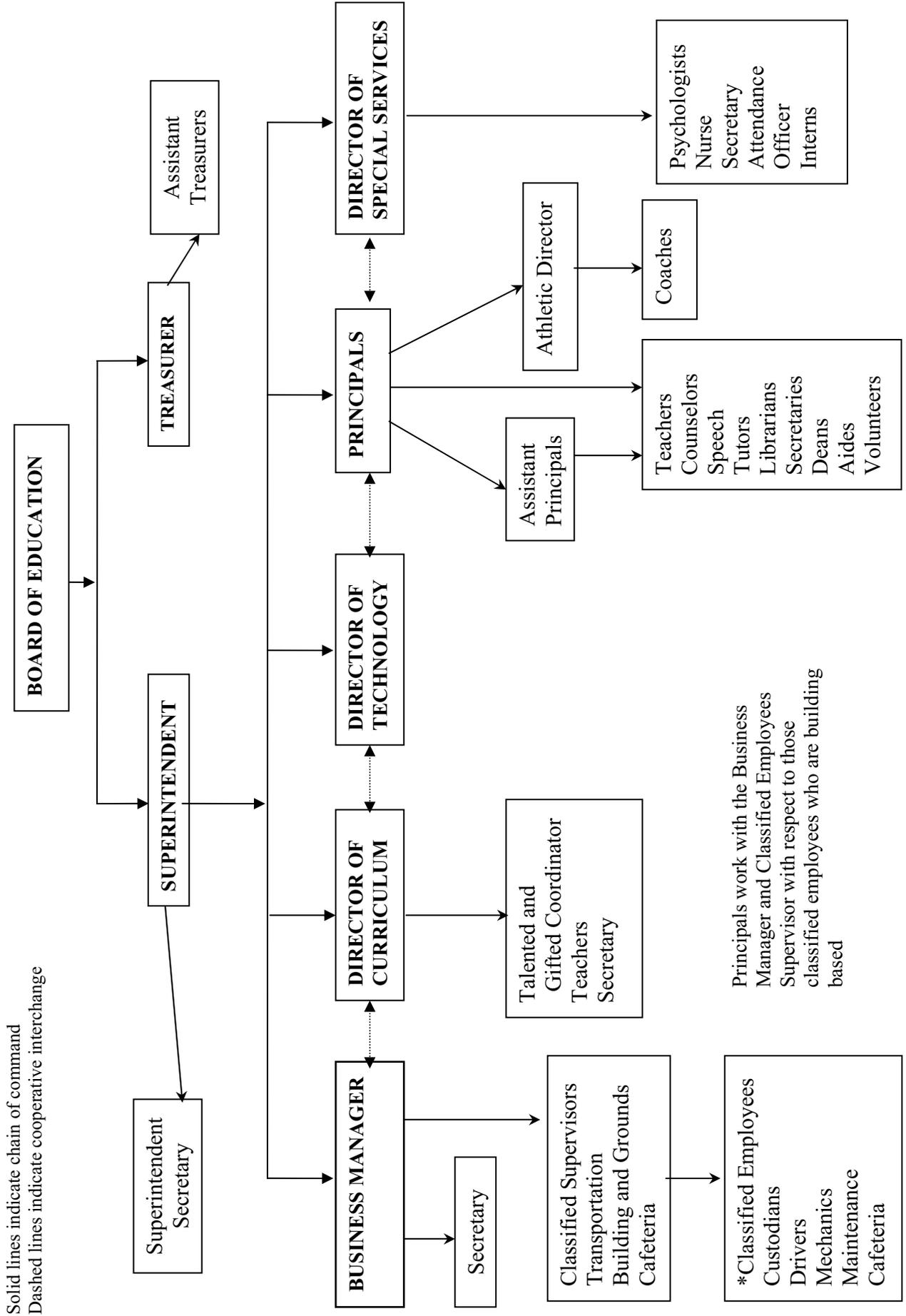
BUILDING ADMINISTRATORS and SECRETARY

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	Penny McDowell Secretary – Tammy Kolbe
The Plains Elementary	Heather Skinner Secretary – Madelon Armstrong
West Elementary.....	Joan Linscott Secretary – Debbie Lewis

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, 2012



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, 2011

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.



Linda C. Danison

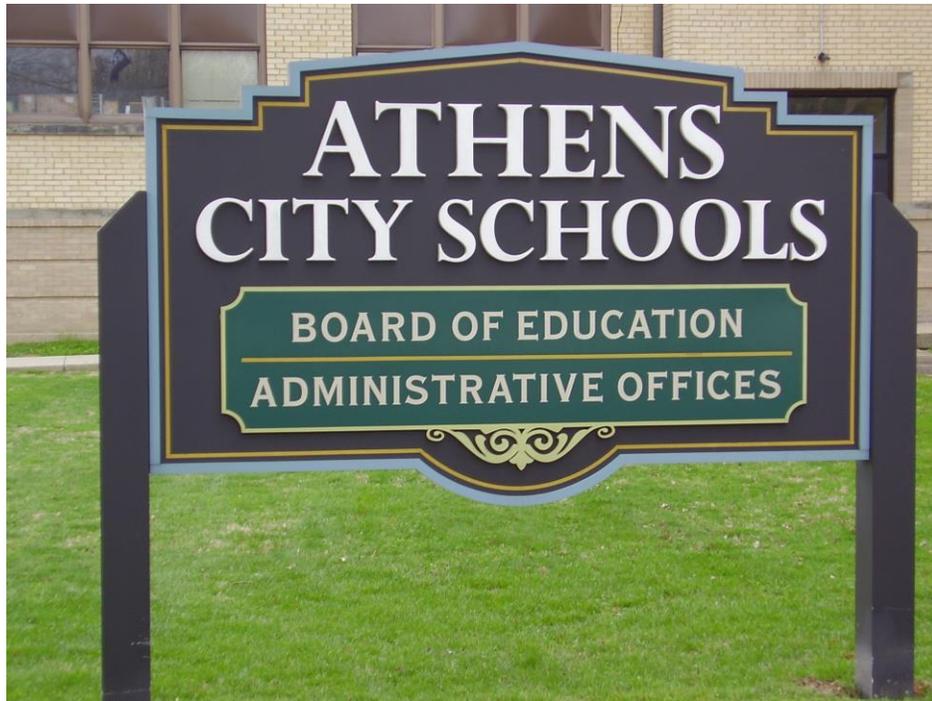
President

Jeffrey R. Emer

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens City School District, Athens County, Ohio (the School District), as of and for the year ended June 30, 2012, 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, 2012, 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 11, 2012 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 implemented GASB Statement No.57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans," and GASB Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions."

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
December 11, 2012

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
(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, 2012. 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, 2012 by \$23.6 million. Of this amount, \$9.2 million may be used to meet the District's ongoing financial obligations. The remaining amount represents the difference between capital assets and related debt and net asset amounts restricted for specific purposes.
- ▶ In total, net assets of governmental activities decreased by \$1.4 million, which represents an increase of 5.5% from 2011.
- ▶ General revenues accounted for \$28.7 million or 81.5% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6.5 million or 18.5% of total revenues of \$35.2 million.
- ▶ The District had \$37.2 million in expenses related to governmental activities; only \$6.5 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 \$28.7 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 \$28.8 million in revenues and \$29.3 million in expenditures in fiscal year 2012.
- ▶ The District also recognizes the self-insurance fund activity as a governmental activity and a proprietary fund. The activity for fiscal year 2012 was \$5.4 million in revenue and \$5.9 million in expenses. Net assets at June 30, 2012 for the self-insurance fund decreased \$519,926.

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, 2012
(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, 2012
(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, 2012
(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 2012 compared to fiscal year 2011:

Table 1
Net Assets at Year End

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
<u>Assets:</u>		
Current and Other Assets	\$36,023,201	\$38,725,032
Capital Assets, net	20,324,567	20,998,718
<i>Total Assets</i>	<u>56,347,768</u>	<u>59,723,750</u>
<u>Liabilities:</u>		
Long-Term Liabilities	14,005,498	14,478,822
Other Liabilities	18,711,076	20,228,151
<i>Total Liabilities</i>	<u>32,716,574</u>	<u>34,706,973</u>
<u>Net Assets:</u>		
Invested in Capital Assets, Net of Related Debt	8,857,380	8,786,488
Restricted	5,665,721	6,361,391
Unrestricted	9,108,093	9,868,898
<i>Total Net Assets</i>	<u><u>\$23,631,194</u></u>	<u><u>\$25,016,777</u></u>

Current assets decreased by \$2,701,831 from fiscal year 2012 due primarily to the decrease in cash and cash equivalents held by the District.

Capital assets decreased \$674,151 due to current year depreciation and disposals which was partially offset by capital asset additions.

Current (other) liabilities decreased \$1,517,075 primarily due to decreases in accrued wages and benefits and contracts payable.

Long-term liabilities decreased by \$473,324 due to principal retirement on debt obligations.

The District's largest portion of net assets is unrestricted. This accounts for 38.54% 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, 2012
(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 37.48% 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 23.98% 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 for its governmental activities. The same was true for the prior year.

Table 2 shows the changes in net assets for fiscal year 2012 compared to changes for fiscal year 2011.

Table 2
Change in Net Assets

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
<u>Revenues:</u>		
<i>Program Revenues:</i>		
Charges for Services and Sales	\$2,820,653	\$2,911,603
Operating Grants and Contributions	3,698,469	8,095,233
Capital Grants and Contributions	0	225,000
<i>General Revenues:</i>		
Property Taxes	15,566,028	15,005,347
Income Taxes	3,463,108	3,260,583
Unrestricted Grants and Entitlements	9,256,584	6,105,678
Payments in Lieu of Taxes	215,968	317,647
Investment Earnings	81,616	177,670
Miscellaneous	96,522	198,597
<i>Total Revenues</i>	<u>35,198,948</u>	<u>36,297,358</u>

(Continued)

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
(Unaudited)

Table 2
Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
<u>Expenses:</u>		
<i>Program Expenses:</i>		
<i>Instruction:</i>		
Regular	18,187,080	16,821,330
Special	3,860,753	3,563,124
Vocational	426,089	508,534
Student Intervention Services	140,530	133,738
<i>Support Services:</i>		
Pupil	1,424,781	1,419,013
Instructional Staff	2,585,026	2,583,514
Board of Education	124,844	123,282
Administration	1,893,072	1,794,241
Fiscal	663,653	664,616
Business	512,174	548,213
Operation and Maintenance of Plant	3,352,531	3,427,110
Pupil Transportation	1,751,924	1,887,563
Central	240,493	124,258
<i>Operation of Non-Instructional Services:</i>		
Food Services	804,940	823,199
Other	11,221	33,650
Extracurricular Activities	520,707	617,610
Interest and Fiscal Charges	696,149	819,837
<i>Total Expenses</i>	<u>37,195,967</u>	<u>35,892,832</u>
Change in Net Assets Before Extraordinary Item	(1,997,019)	404,526
Extraordinary Item	<u>611,436</u>	<u>848,069</u>
<i>Change in Net Assets</i>	(1,385,583)	1,252,595
Net Assets-Beginning of Year	<u>25,016,777</u>	<u>23,764,182</u>
Net Assets-End of Year	<u><u>\$23,631,194</u></u>	<u><u>\$25,016,777</u></u>

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
(Unaudited)

The District had program revenue decreases of \$4,712,714 and increases in general revenues of \$3,614,304. The decrease in program revenue and the increase in general revenue is primarily due to the reclassification of grants revenue from operating grants to unrestricted grants and entitlements.

The total expenses for governmental activities increased \$1,303,135 or 3.63% primarily due to salary step increases throughout the District.

Governmental Activities

Over the past several fiscal years, the District has remained in stable financial condition. This has been accomplished through strong voter support and good fiscal management. The District is heavily dependent on property taxes and, like most Ohio schools, is hampered by a lack of revenue growth. Property taxes made up 44.22% of the total revenue for governmental activities in fiscal year 2012.

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 four times, the last time in May 2011 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 \$3.4 million in fiscal year 2012. 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
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
(Unaudited)

Instruction accounts for 60.80% of governmental activities program expenses. Support services expenses make up 33.74% 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 2012 compared with fiscal year 2011. 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	
	2012	2011	2012	2011
<i>Program Expenses:</i>				
Instruction	\$22,614,452	\$21,026,726	\$17,500,651	\$12,694,369
Support Services	12,548,498	12,571,810	11,997,464	10,741,664
Operation of Non-Instructional Services	816,161	856,849	60,202	119,152
Extracurricular Activities	520,707	617,610	422,379	285,974
Interest and Fiscal Charges	696,149	819,837	696,149	819,837
Total Expenses	<u>\$37,195,967</u>	<u>\$35,892,832</u>	<u>\$30,676,845</u>	<u>\$24,660,996</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 \$35.8 million and expenditures and other financing uses of \$36.5 million.

Total governmental funds fund balances decreased by \$0.7 million. The decrease in fund balance for the year was most significant in the Permanent Improvement Fund, which decreased \$796,295, as a result of increased expenditures. The Bond Retirement Fund had an increase of \$143,607 in fund balance due to a slight increase in revenues and a slight decrease in expenditures for the fiscal year. The fund balance in the General Fund decreased \$548,409 due to an increase in expenditures and a decrease in revenues for the fiscal year.

The District should remain stable in fiscal years 2013 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
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
(Unaudited)

Budget Highlights - General Fund

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

During the course of fiscal year 2012, 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 \$28,656,239 representing a \$946,804 decrease from the original budget estimates of \$29,603,043. The final budget reflected a 3.20% decrease from the original budgeted amount. Most of this difference was due to the District's overestimating for tuition and fees and intergovernmental revenue on the original budget. For the General Fund, the final budget basis expenditures were \$30,017,767 representing an increase of \$34,205 from the original budget. The final budget reflected only a 0.11% increase from the original budget, which is the result of the District's monitoring and cost cutting decisions which led to few adjustments being needed.

Debt Administration and Capital Assets

Debt Administration

At June 30, 2012, the District had \$10.7 million in bonds outstanding with \$100,000 due within one year. Table 4 summarizes bonds outstanding for fiscal year 2012 compared to fiscal year 2011. 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

<u>Purpose</u>	<u>2012</u>	<u>2011</u>
Facility Construction Bonds (Refunding)	\$7,860,000	\$8,545,000
Facility Renovation Bonds	2,815,000	2,815,000
Total	<u>\$10,675,000</u>	<u>\$11,360,000</u>

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
(Unaudited)

Capital Assets

At the end of fiscal year 2012, the District had \$49.5 million invested in capital assets for its governmental activities. That total carries an accumulated depreciation of \$29.2 million. Table 5 shows fiscal year 2012 balances compared to fiscal year 2011. 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>	
	<u>2012</u>	<u>2011</u>
<i>Nondepreciable Capital Assets:</i>		
Land	\$1,519,380	\$1,519,380
Construction in Progress	0	892,641
<i>Depreciable Capital Assets:</i>		
Land Improvements	3,780,009	3,227,381
Buildings and Improvements	37,420,611	37,074,183
Furniture, Fixtures and Equipment	2,666,272	2,550,860
Vehicles	2,711,597	2,629,395
Library and Textbooks	1,399,405	1,399,405
<i>Total Capital Assets</i>	<u>49,497,274</u>	<u>49,293,245</u>
<i>Less Accumulated Depreciation:</i>		
Land Improvements	(2,272,786)	(2,365,330)
Buildings and Improvements	(21,862,327)	(20,963,767)
Furniture, Fixtures and Equipment	(2,024,506)	(1,911,088)
Vehicles	(1,613,683)	(1,654,937)
Library and Textbooks	(1,399,405)	(1,399,405)
<i>Total Accumulated Depreciation</i>	<u>(29,172,707)</u>	<u>(28,294,527)</u>
Capital Assets, Net	<u><u>\$20,324,567</u></u>	<u><u>\$20,998,718</u></u>

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
(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 1% Income Tax in May of 2010 and renewal of a \$3.2 million emergency levy with a \$500,000 increase that was passed in November of 2012 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 \$584,622 in state aid for fiscal year 2012 and projects to lose an additional \$40,590 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 the triennial update for 2011. Data from the County Auditor's Office showed a 1.0% decrease in overall property values. This resulted in a slight increase in voted mills to generate the same dollar amount received from voted millage received in 2011 although inside mills do not receive a similar adjustment and will see a 1% loss in revenue. The District currently has 4.0 inside mills and 16.0 additional voted mills. 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 changes for fiscal year 2012 and over the next five years forecasted. The Board of Education reduced expenses leading into fiscal year 2012 approximately \$500,000. They also closed one of the District's five elementary school facilities for fiscal year 2013 which is expected to save an additional \$1.8 million. The Board is reviewing the budget for additional reductions for fiscal years 2014 and beyond. 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, 2012
(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 2012, 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 with new commercial property construction increasing to pre-recession levels. Ohio University continues to renovate older facilities and 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 2012 throughout the City of Athens and surrounding area.

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, 2012

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$15,854,591
Investments	1,749,468
Property Taxes Receivable	16,356,653
Payment in Lieu of Taxes Receivable	212,211
Income Taxes Receivable	1,137,134
Intergovernmental Receivable	597,085
Inventory Held for Resale	9,553
Materials and Supplies Inventory	6,414
Deferred Charges	100,092
Nondepreciable Capital Assets	1,519,380
Depreciable Capital Assets, Net	18,805,187
	<hr/>
<i>Total Assets</i>	56,347,768
	<hr/>
<u>Liabilities:</u>	
Accounts Payable	195,849
Accrued Wages and Benefits	2,339,558
Contracts Payable	81,231
Intergovernmental Payable	972,260
Accrued Interest Payable	39,920
Claims Payable	361,211
Unearned Revenue	14,661,047
Early Retirement Incentive Payable	60,000
<i>Long-Term Liabilities:</i>	
Due within One Year	1,003,067
Due in More Than One Year	13,002,431
	<hr/>
<i>Total Liabilities</i>	32,716,574
	<hr/>
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	8,857,380
<i>Restricted for:</i>	
Capital Outlay	2,283,355
Debt Service	3,242,403
Other Purposes	139,963
Unrestricted	9,108,093
	<hr/>
<i>Total Net Assets</i>	\$23,631,194
	<hr/> <hr/>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2012

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<u>Governmental Activities:</u>				
<i>Instruction:</i>				
Regular	\$18,187,080	\$2,467,045	\$906,437	(\$14,813,598)
Special	3,860,753	5,013	1,679,296	(2,176,444)
Vocational	426,089	0	56,010	(370,079)
Student Intervention Services	140,530	0	0	(140,530)
<i>Support Services:</i>				
Pupil	1,424,781	11,585	50,907	(1,362,289)
Instructional Staff	2,585,026	10,921	312,686	(2,261,419)
Board of Education	124,844	0	2,300	(122,544)
Administration	1,893,072	0	39,588	(1,853,484)
Fiscal	663,653	0	0	(663,653)
Business	512,174	0	0	(512,174)
Operation and Maintenance of Plant	3,352,531	0	0	(3,352,531)
Pupil Transportation	1,751,924	0	72,456	(1,679,468)
Central	240,493	0	50,591	(189,902)
<i>Operation of Non-Instructional Services:</i>				
Food Services	804,940	230,843	525,116	(48,981)
Other	11,221	0	0	(11,221)
Extracurricular Activities	520,707	95,246	3,082	(422,379)
Interest and Fiscal Charges	696,149	0	0	(696,149)
<i>Total Governmental Activities</i>	\$37,195,967	\$2,820,653	\$3,698,469	(30,676,845)

General Revenues:

Property Taxes Levied for:

General Purposes	13,064,362
Debt Service	1,243,495
Capital Outlay	1,258,171

Income Taxes Levied for:

General Purposes	3,463,108
Grants and Entitlements not Restricted to Specific Programs	9,256,584
Payments in Lieu of Taxes	215,968
Investment Earnings	81,616
Miscellaneous	96,522

Total General Revenues 28,679,826

Changes in Net Assets Before Extraordinary Item (1,997,019)

Extraordinary Item:

Gain on Insurance Recovery 611,436

Change in Net Assets (1,385,583)

Net Assets at Beginning of Year 25,016,777

Net Assets at End of Year \$23,631,194

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

*Balance Sheet
Governmental Funds
June 30, 2012*

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents and Investments	\$8,157,785	\$3,130,652	\$2,347,915	\$159,874	\$13,796,226
Property Taxes Receivable	13,691,941	1,316,473	1,348,239	0	16,356,653
Payment in Lieu of Taxes Receivable	212,211	0	0	0	212,211
Income Taxes Receivable	1,137,134	0	0	0	1,137,134
Intergovernmental Receivable	0	0	0	597,085	597,085
Interfund Receivable	480,509	0	0	0	480,509
Materials and Supplies Inventory	0	0	0	6,414	6,414
Inventory Held for Resale	0	0	0	9,553	9,553
<i>Total Assets</i>	<u>\$23,679,580</u>	<u>\$4,447,125</u>	<u>\$3,696,154</u>	<u>\$772,926</u>	<u>\$32,595,785</u>
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$11,362	\$0	\$127,369	\$57,118	\$195,849
Accrued Wages and Benefits	2,135,308	0	0	204,250	2,339,558
Contracts Payable	0	0	81,231	0	81,231
Intergovernmental Payable	891,420	0	0	80,840	972,260
Interfund Payable	0	0	0	480,509	480,509
Deferred Revenue	13,010,692	1,232,414	1,268,409	109,946	15,621,461
Early Retirement Incentive Payable	60,000	0	0	0	60,000
<i>Total Liabilities</i>	<u>16,108,782</u>	<u>1,232,414</u>	<u>1,477,009</u>	<u>932,663</u>	<u>19,750,868</u>
<u>Fund Balances:</u>					
Nonspendable	108,633	0	0	6,414	115,047
Restricted	0	3,214,711	2,219,145	151,584	5,585,440
Assigned	566,558	0	0	0	566,558
Unassigned	6,895,607	0	0	(317,735)	6,577,872
<i>Total Fund Balances</i>	<u>7,570,798</u>	<u>3,214,711</u>	<u>2,219,145</u>	<u>(159,737)</u>	<u>12,844,917</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$23,679,580</u>	<u>\$4,447,125</u>	<u>\$3,696,154</u>	<u>\$772,926</u>	<u>\$32,595,785</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, 2012*

Total Governmental Funds Balances		\$12,844,917
 <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.		20,324,567
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	850,468	
Intergovernmental	109,946	
Total	960,414	960,414
Unamortized issuance costs represent deferred charges which do not provide current financial resources and are therefore not reported in the funds.		100,092
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	(10,675,000)	
Accretion on bonds	(855,932)	
Premium on bonds issued	(791,356)	
Accrued interest on bonds	(39,920)	
Compensated absences	(1,683,210)	
Total liabilities that are not reported in the funds	(14,045,418)	(14,045,418)
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.		3,446,622
<i>Net Assets of Governmental Activities</i>		\$23,631,194

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, 2012

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$12,900,434	\$1,228,072	\$1,243,525	\$0	\$15,372,031
Income Taxes	3,463,108	0	0	0	3,463,108
Intergovernmental	9,628,062	176,321	203,592	3,028,163	13,036,138
Interest	50,024	0	12,135	0	62,159
Tuition and Fees	2,455,778	0	0	0	2,455,778
Extracurricular Activities	33,773	0	0	100,259	134,032
Rent	11,814	0	0	0	11,814
Charges for Services	0	0	0	230,843	230,843
Payments in Lieu of Taxes	215,968	0	0	0	215,968
Contributions and Donations	4,181	0	0	30,823	35,004
Miscellaneous	62,537	2,981	2,884	16,306	84,708
<i>Total Revenues</i>	<u>28,825,679</u>	<u>1,407,374</u>	<u>1,462,136</u>	<u>3,406,394</u>	<u>35,101,583</u>
<u>Expenditures:</u>					
<i>Current:</i>					
<i>Instruction:</i>					
Regular	14,258,107	0	551,218	893,089	15,702,414
Special	2,681,642	0	0	1,090,385	3,772,027
Vocational	439,824	0	0	0	439,824
Student Intervention Services	138,420	0	0	0	138,420
<i>Support Services:</i>					
Pupil	1,310,819	0	0	56,021	1,366,840
Instructional Staff	2,198,668	0	15,120	313,332	2,527,120
Board of Education	120,087	0	0	4,235	124,322
Administration	1,801,393	0	0	50,335	1,851,728
Fiscal	583,787	22,585	48,741	0	655,113
Business	499,628	0	6,005	0	505,633
Operation and Maintenance of Plant	3,159,350	0	10,098	0	3,169,448
Pupil Transportation	1,581,432	0	256,848	24,102	1,862,382
Central	146,426	0	0	91,598	238,024
Operation of Non-Instructional Services	5,108	0	6,113	799,684	810,905
Extracurricular Activities	391,714	0	6,348	77,499	475,561
Capital Outlay	6,163	0	1,365,176	198,084	1,569,423
<i>Debt Service:</i>					
Principal Retirement	0	685,000	0	0	685,000
Interest and Fiscal Charges	0	556,182	0	0	556,182
<i>Total Expenditures</i>	<u>29,322,568</u>	<u>1,263,767</u>	<u>2,265,667</u>	<u>3,598,364</u>	<u>36,450,366</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(496,889)</u>	<u>143,607</u>	<u>(803,531)</u>	<u>(191,970)</u>	<u>(1,348,783)</u>
<u>Other Financing Sources (Uses):</u>					
Transfer In	0	0	0	51,520	51,520
Transfer Out	(51,520)	0	0	0	(51,520)
<i>Total Other Financing Sources (Uses)</i>	<u>(51,520)</u>	<u>0</u>	<u>0</u>	<u>51,520</u>	<u>0</u>
Net Change in Fund Balances Before Extraordinary Item	(548,409)	143,607	(803,531)	(140,450)	(1,348,783)
<u>Extraordinary Item:</u>					
Insurance Recoveries	0	0	7,236	604,200	611,436
<i>Net Change in Fund Balances</i>	(548,409)	143,607	(796,295)	463,750	(737,347)
<i>Fund Balances at Beginning 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>
<i>Fund Balances at End of Year</i>	<u>\$7,570,798</u>	<u>\$3,214,711</u>	<u>\$2,219,145</u>	<u>(\$159,737)</u>	<u>\$12,844,917</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, 2012*

Net Change in Fund Balances - Total Governmental Funds (\$737,347)

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	1,576,884	
Depreciation	<u>(1,332,209)</u>	
Total		244,675

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. (918,826)

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	193,997	
Intergovernmental	<u>(116,089)</u>	
Total		77,908

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. 2,308

Bond issuance costs are reported as expenditures in the governmental funds when due, but in the statement of activities these costs are accrued as deferred charges. (7,699)

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

Compensated absences	(77,100)	
Accretion on bonds	(195,450)	
Premium on bonds issued	<u>60,874</u>	
Total expenditures not reported in the funds		(211,676)

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. (519,926)

Change in Net Assets of Governmental Activities (\$1,385,583)

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$12,940,000	\$12,877,384	\$12,877,384	\$0
Income Taxes	3,300,000	3,432,139	3,432,139	0
Intergovernmental	10,311,500	9,628,062	9,628,062	0
Interest	100,251	42,587	50,018	7,431
Tuition and Fees	2,511,272	2,387,944	2,387,944	0
Rent	7,075	11,814	11,814	0
Payments in Lieu of Taxes	300,000	215,968	215,968	0
Miscellaneous	132,945	60,341	61,957	1,616
<i>Total Revenues</i>	29,603,043	28,656,239	28,665,286	9,047
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	14,058,555	14,454,704	14,454,704	0
Special	2,372,526	2,683,050	2,683,050	0
Vocational	502,552	454,474	454,474	0
Student Intervention Services	132,334	148,091	148,091	0
<i>Support Services:</i>				
Pupils	1,372,072	1,340,118	1,340,118	0
Instructional Staff	2,316,405	2,219,611	2,219,611	0
Board of Education	96,852	126,757	126,757	0
Administration	1,878,392	1,831,341	1,831,341	0
Fiscal	610,965	585,807	585,807	0
Business	564,159	504,253	504,253	0
Operation and Maintenance of Plant	3,817,303	3,491,593	3,491,593	0
Pupil Transportation	1,687,669	1,611,839	1,611,839	0
Central	153,283	153,176	153,176	0
Operation of Non-Instructional Services	1,835	5,117	5,117	0
Extracurricular Activities	412,260	401,673	401,673	0
Capital Outlay	6,400	6,163	6,163	0
<i>Total Expenditures</i>	29,983,562	30,017,767	30,017,767	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(380,519)	(1,361,528)	(1,352,481)	9,047
<u>Other Financing Sources (Uses):</u>				
Advances In	55,938	55,938	55,938	0
Transfers Out	(150,000)	(251,520)	(251,520)	0
Advances Out	(65,000)	(46,786)	(46,786)	0
<i>Total Other Financing Sources (Uses)</i>	(159,062)	(242,368)	(242,368)	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(539,581)	(1,603,896)	(1,594,849)	9,047
<i>Fund Balance at Beginning of Year</i>	9,356,550	9,356,550	9,356,550	0
Prior Year Encumbrances Appropriated	159,916	159,916	159,916	0
<i>Fund Balance at End of Year</i>	\$8,976,885	\$7,912,570	\$7,921,617	\$9,047

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Net Assets

Proprietary Fund

June 30, 2012

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Assets:</u>	
<i>Current Assets:</i>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$2,058,365
Investments	<u>1,749,468</u>
<i>Total Current Assets</i>	<u>3,807,833</u>
<u>Liabilities:</u>	
<i>Current Liabilities:</i>	
Claims Payable	<u>361,211</u>
<i>Total Current Liabilities</i>	<u>361,211</u>
<u>Net Assets:</u>	
Unrestricted	<u><u>\$3,446,622</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, 2012*

	Governmental Activities
	Internal Service
<u>Operating Revenues:</u>	
Charges for Services	\$5,392,938
<i>Total Operating Revenues</i>	5,392,938
<u>Operating Expenses:</u>	
Purchased Services	3,102
Claims	5,927,239
Other	1,980
<i>Total Operating Expenses</i>	5,932,321
<i>Operating Loss</i>	(539,383)
<u>Nonoperating Revenue:</u>	
Interest	19,457
<i>Change in Net Assets</i>	(519,926)
<i>Net Assets at Beginning of Year</i>	3,966,548
<i>Net Assets at End of Year</i>	\$3,446,622

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, 2012

	<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	\$5,392,938
Cash Payments for Goods and Services	(3,102)
Cash Payments to Other Sources	(1,980)
Cash Payments for Claims	<u>(6,052,502)</u>
<i>Net Cash used for Operating Activities</i>	<u>(664,646)</u>
<u>Cash Flows from Investing Activities:</u>	
Cash Received from the Sale of Investments	124,731
Cash Received from Interest on Investment Activities	<u>19,457</u>
<i>Net Cash from Investing Activities</i>	<u>144,188</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(520,458)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,578,823</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$2,058,365</u></u>
<u>Reconciliation of Operating Loss</u>	
<u>to Net Cash from Operating Activities:</u>	
Operating Loss	(\$539,383)
<u>Adjustments to Reconcile Operating Loss</u>	
<u>to Net Cash from Operating Activities:</u>	
<i>Increase (Decrease) in Liabilities:</i>	
Claims Payable	<u>(125,263)</u>
Total Adjustments	<u>(125,263)</u>
<i>Net Cash used for Operating Activities</i>	<u><u>(\$664,646)</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Fiduciary Net Assets

Fiduciary Fund

June 30, 2012

	<u>Agency</u>
<u>Assets:</u>	
Equity in Pooled Cash, Cash Equivalents and Investments	<u>\$110,764</u>
<u>Liabilities:</u>	
Due to Students	<u><u>110,764</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, 2012

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 125 non-certificated employees, 229 certificated full-time teaching personnel and 18 administrative employees who provide services to 2,744 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 SchoolComp 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, 2012*

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 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, 2012*

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, 2012*

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, payment in lieu of taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes, payment in lieu of 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, 2012*

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, 2012, but which were levied to finance fiscal year 2013 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 2012, 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, 2012.

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 2012 amounted to \$50,024 which includes \$12,083 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, 2012*

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:

Description	Estimated Lives
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, 2012*

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 judgments 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 \$5,665,721 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, 2012*

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, 2012*

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 2012, 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 2012.

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, 2012*

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2012, the District implemented GASB Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and GASB No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions". The implementation of GASB Statement No. 57 and 64 had no effect on the prior period fund balances of the District.

NOTE 4 - ACCOUNTABILITY

The following funds had a deficit fund balance as of June 30, 2012:

Nonmajor Special Revenue Funds:

Food Service	25,345
Title VI-B	37,094
Title I	38,231
Other Federal Support	21,930

Nonmajor Capital Project Fund:

Storm Damage Replacement	188,721
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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 2012 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, 2012*

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	(\$548,409)
<i>Adjustments:</i>	
Revenue Accruals	(54,025)
Expenditure Accruals	(650,579)
Encumbrances	(465,962)
Other Sources (Uses)	9,152
Perspective Difference for Activity of Funds Reclassified for GAAP Reporting Purposes	<u>114,974</u>
Budget Basis	<u><u>(\$1,594,849)</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, 2012*

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, 2012*

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, 2012, all of the District's bank balance of \$7,255,973 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, 2012, 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	\$4,427,285	\$4,427,285	\$0
Federal Home Loan Bank Bonds	500,000	0	500,000
Federal Farm Credit Bank Discount Notes	999,950	0	999,950
Federal National Mortgage Association	3,471,272	0	3,471,272
Federal Home Loan Mortgage Corporation Notes	<u>\$1,248,800</u>	<u>0</u>	<u>1,248,800</u>
Totals	<u>\$10,647,307</u>	<u>\$4,427,285</u>	<u>\$6,220,022</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 and Federal Home Loan Mortgage Corporation Notes 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 and Federal Home Loan Mortgage Corporation Notes were 42%, 4%, 9%, 33% and 12%, respectively, of the District's total investments.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

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 telephone companies) located in the School District. Real property tax revenue received in calendar 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of January 1, 2011, 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 2012 represents collections of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien December 31, 2011, were levied after April 1, 2011 and are collected in 2012 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 2012 (other than public utility property tax) represent the collection of calendar year 2012 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 2012 were levied after October 1, 2011, on the value as of December 31, 2010. 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, 2012 are available to finance fiscal year 2012 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 2012 personal property tax settlement, delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which become measurable as of June 30, 2012. 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, 2012 was \$1,057,349 and is recognized as revenue. Of this total amount, \$893,460 was available to the General Fund, \$84,059 was available to the Bond Retirement Fund, and \$79,830 was available to the Permanent Improvement Fund.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 7 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2012 taxes were collected are:

	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$481,262,940	94.98%	\$479,645,420	94.85%
Public Utility Personal	24,462,666 *	4.83%	26,048,300	5.15%
Tangible Personal Property	<u>970,354</u>	<u>0.19%</u>	<u>0</u>	<u>0.00%</u>
Total Assessed Value	<u>\$506,695,960</u>	<u>100.00%</u>	<u>\$505,693,720</u>	<u>100.00%</u>
Total rate per \$1,000 of assessed valuation	\$64.60		\$64.60	

* - As corrected

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 2012, the District received \$3,463,108 from the school income tax.

NOTE 9 - RECEIVABLES

Receivables at June 30, 2012 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>Amounts</u>
<i><u>Governmental Activities :</u></i>	
<i>Nonmajor Special Revenue Funds:</i>	
Food Service	\$46,786
Other State Support	5,750
Title VI-B	121,139
Title I	180,858
Other Federal Support	<u>242,552</u>
Total Nonmajor Special Revenue Funds	<u>597,085</u>
Total Intergovernmental Receivables	<u>\$597,085</u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 10 - CAPITAL ASSETS

Capital asset governmental activity for the fiscal year ended June 30, 2012 was as follows:

<u>Asset Category</u>	<u>Balance at July 1, 2011</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at June 30, 2012</u>
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,519,380	\$0	\$0	\$1,519,380
Construction in Progress	892,641	0	(892,641)	0
Total Nondepreciable Capital Assets	2,412,021	0	(892,641)	1,519,380
<i>Depreciable Capital Assets:</i>				
Land Improvements	3,227,381	749,607	(196,979)	3,780,009
Buildings and Improvements	37,074,183	379,714	(33,286)	37,420,611
Furniture, Fixtures and Equipment	2,550,860	125,013	(9,601)	2,666,272
Vehicles	2,629,395	322,550	(240,348)	2,711,597
Library and Textbooks	1,399,405	0	0	1,399,405
Total Depreciable Capital Assets	46,881,224	1,576,884	(480,214)	47,977,894
Total Capital Assets	49,293,245	1,576,884	(1,372,855)	49,497,274
<i>Accumulated Depreciation:</i>				
Land Improvements	(2,365,330)	(97,150)	189,694	(2,272,786)
Buildings and Improvements	(20,963,767)	(913,871)	15,311	(21,862,327)
Furniture, Fixtures and Equipment	(1,911,088)	(122,094)	8,676	(2,024,506)
Vehicles	(1,654,937)	(199,094)	240,348	(1,613,683)
Library and Textbooks	(1,399,405)	0	0	(1,399,405)
Total Accumulated Depreciation	(28,294,527)	(1,332,209)	454,029	(29,172,707)
Total Net Capital Assets	\$20,998,718	\$244,675	(\$918,826)	\$20,324,567

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 10 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$1,004,589
Special	\$8,663
Vocational	\$885
<i>Support Services:</i>	
Instructional Staff	1,475
Board of Education	278
Administration	7,546
Fiscal	1,797
Operation and Maintenance	61,428
Pupil Transportation	201,839
Operation of Non-Instructional Services	4,817
Extracurricular Activities	38,892
Total Depreciation Expense	<u><u>\$1,332,209</u></u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

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 2012, 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) (\$5,000 deductible)	\$84,034,567
Boiler and Machinery (\$1,000 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
Employee Benefits Liability Coverage:	
Per Employee (\$1,000 deductible)	1,000,000
Aggregate Limit	3,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year other than increasing the building and contents – replacement cost.

The School District participates in the SchoolComp 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 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, 2012*

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 \$361,211 reported at June 30, 2012 is based on an estimate of claims existing at year end that will be paid in fiscal year 2013, 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>
2011	\$389,188	\$5,694,394	\$5,597,108	\$486,474
2012	486,474	5,927,239	6,052,502	361,211

NOTE 12 - DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement, disability and survivor 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 visiting the SERS website at www.ohsers.org under "Employer/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. 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 Retirement Board acting with the advice of the actuary, allocates the employer contribution rate amount four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year 2012, the allocation to pension and death benefits is 12.70 percent. The remaining 1.30 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's required contributions to SERS for the fiscal years ended June 30, 2012, 2011, and 2010 were \$771,921, \$667,383, and \$667,302, respectively. The District has contributed 52.71 percent of the required contributions for fiscal year 2012 and 100 percent for fiscal year 2011 and 2010, respectively.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

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 provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090, or by visiting the STRS Ohio website at www.strsoh.org under "Publications".

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$2,100,852, \$1,905,721, and \$1,757,079, respectively. The District has contributed 83.77 percent of the required contributions for fiscal year 2012 and 100 percent for fiscal year 2011 and 2010, respectively.

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, 2012, no members of the Board of Education have elected Social Security. The board's liability is 6.2 percent of wages paid.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 13 - POSTEMPLOYMENT BENEFITS

School Employees Retirement System

Plan Description – The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians’ fees through several types of plans 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 Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. 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 calendar year 2012 was \$99.90 for most participants, but could be as high as \$319.70 per month depending on their income and the SER’s reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad Street, Suite 100, Columbus, OH 43215-3746. It is also posted on the SERS’ Ohio website, www.ohsers.org under “Employers/Audit Resources”.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2012, 0.55 percent of covered payroll was allocated to health care. 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 2.0 percent of that employer’s SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2012, the actuarially determined amount was \$35,800.

Active members do not contribute to the postemployment benefit plans. The 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 District’s contributions for health care (including surcharge) for the fiscal years ended June 30, 2012, 2011 and 2010 were \$145,945, \$191,781 and \$148,863 respectively; 100 percent has been contributed for fiscal years 2012, 2011 and 2010.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2012, this actuarially required allocation was 0.75 percent of covered payroll. The District’s contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011 and 2010 were \$44,632, \$42,111 and \$37,573 respectively; 100 percent has been contributed for fiscal years 2012, 2011 and 2010.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

State Teachers Retirement System

Plan Description – The District contributes to the cost sharing, multiple employer defined benefit Health Plan (the “Plan”) administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians’ fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org, under “Publications” or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District’s contributions for health care for the fiscal years ended June 30, 2012, 2011 and 2010 were \$150,061, \$146,594 and \$135,160, respectively; 100 percent has been contributed for fiscal years 2012, 2011 and 2010.

NOTE 14 - EMPLOYEE BENEFITS

Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 320 days for aides and 320 for all other classified employees and 320 for certified employees. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 75 days for aides and 75 days for all other classified employees and 65 days for certified employees. Certified employees can earn up to an additional 10 days based on years of service with the District.

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.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 14 - EMPLOYEE BENEFITS - (Continued)

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, 2012, there was \$60,000 retirement incentives recorded as a fund liability by the District for the three employees who qualified.

NOTE 15 - LONG-TERM LIABILITIES

The changes in the District's long-term liabilities during fiscal year 2012 were as follows:

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Principal Outstanding at July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding at June 30, 2012</u>	<u>Amount Due In One Year</u>
<i>Governmental Activities:</i>							
Renovation Bonds	2000	6.01%	\$2,815,000	\$0	\$0	\$2,815,000	\$0
Refunding Bonds							
Term Bonds	2005	4.24%	8,405,000	0	685,000	7,720,000	0
Capital Appreciation Bonds			140,000	0	0	140,000	100,000
Accretion on Capital Appreciation Bonds			660,482	195,450	0	855,932	615,000
Issuance Premium on Bonds			852,230	0	60,874	791,356	60,873
Compensated Absences			<u>1,606,110</u>	<u>725,439</u>	<u>648,339</u>	<u>1,683,210</u>	<u>227,194</u>
Total Governmental Activities Long-Term Obligations			<u>\$14,478,822</u>	<u>\$920,889</u>	<u>\$1,394,213</u>	<u>\$14,005,498</u>	<u>\$1,003,067</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.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 15 - LONG-TERM LIABILITIES - (Continued)

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.

Principal and interest requirements to retire renovation bonds and 2000 renovation bonds outstanding at June 30, 2012, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
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>\$576,056</u>	<u>\$3,391,056</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 is being 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, 2012

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:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
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	<u>1,185,000</u>
	<u><u>\$7,720,000</u></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:

<u>Redemption Dates (Date Inclusive)</u>	<u>Redemption Prices</u>
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, 2012*

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 2012, \$195,450 was accreted on the capital appreciation bonds.

Principal and interest requirements to retire the 2005 refunding bonds outstanding at June 30, 2012, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Term Bonds</u>	<u>Capital Appreciation Bonds</u>	<u>Interest</u>	<u>Total</u>
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	120,000	0	341,934	461,934
2018-2022	3,875,000	905,000	1,371,472	6,151,472
2023-2025	<u>3,395,000</u>	<u>0</u>	<u>242,693</u>	<u>3,637,693</u>
Total	<u>\$7,720,000</u>	<u>\$1,620,000</u>	<u>\$3,365,756</u>	<u>\$12,705,756</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 \$38,108,087 with an unvoted debt margin of \$505,694 at June 30, 2012.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

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	\$6,414	\$6,414
Unclaimed Monies	108,633	0	0	0	108,633
<i>Restricted:</i>					
<i>Special Revenues:</i>					
District Managed Activities	0	0	0	65,737	65,737
Local Grants	0	0	0	77,910	77,910
State Grants	0	0	0	7,937	7,937
Debt Service	0	3,214,711	0	0	3,214,711
Capital Projects	0	0	2,219,145	0	2,219,145
<i>Assigned:</i>					
Encumbrances	465,962	0	0	0	465,962
Uniform School Supplies	25,705	0	0	0	25,705
Public School Support	74,891	0	0	0	74,891
<i>Unassigned</i>	<u>6,895,607</u>	<u>0</u>	<u>0</u>	<u>(317,735)</u>	<u>6,577,872</u>
Total Fund Balances	<u><u>\$7,570,798</u></u>	<u><u>\$3,214,711</u></u>	<u><u>\$2,219,145</u></u>	<u><u>(\$159,737)</u></u>	<u><u>\$12,844,917</u></u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 17 - INTERFUND ACTIVITY

As of June 30, 2012, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$480,509	\$0
<i>Nonmajor Special Revenue Funds:</i>		
Food Service	0	46,786
Title VI-B	0	90,462
Title I	0	49,249
Other Federal Support	0	105,291
Total Nonmajor Special Revenue Funds	<u>0</u>	<u>291,788</u>
<i>Nonmajor Capital Project Fund</i>		
Storm Damage Replacement	0	188,721
Total	<u>\$480,509</u>	<u>\$480,509</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 \$480,509 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, 2012.

<u>Transfers From</u>	<u>Transfers To Nonmajor Special Revenue</u>
General	<u>\$51,520</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 \$51,520 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, 2012*

NOTE 18 - STATUTORY SET-ASIDES

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2012:

	<u>Capital Improvements</u>
Set-Aside Balance as of June 30, 2011	\$0
Current Year Set-Aside Requirement	466,392
Qualifying Disbursements	<u>(2,267,321)</u>
Total	<u>(1,800,929)</u>
Set-Aside Balance	<u><u>\$0</u></u>
Total Restricted Assets	<u><u>\$0</u></u>

Effective July 1, 2012, the textbook set-aside is no longer required and has been removed from the existing law. This balance is therefore not being presented as being carried forward to the future fiscal year. Although the District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital improvements set-aside, this amount may not be used to reduce the set-aside requirement for future years. The negative balance is therefore not presented as being carried forward to future years.

NOTE 19 – ENCUMBRANCE COMMITMENTS

At June 30, 2012, the District had encumbrance commitments in the Governmental Funds as follows:

<u>Major Funds</u>	
General	\$465,962
Permanent Improvement	469,968
 <u>Nonmajor Funds</u>	
Food Service	2,747
Other Local Support	6,845
District Managed Activities	10,999
Title VI-B Grant	3,845
Title I Grant	64,148
Other Federal Support	43,738
Storm Damage Replacement	14,328
Total Nonmajor Funds	<u>146,650</u>
 Total Encumbrances	 <u><u>\$1,082,580</u></u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

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 \$68,304 to SEOVEC in fiscal year 2012.

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 2012, 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 2012.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 21 - INSURANCE PURCHASING POOL

SchoolComp Worker's Compensation Group Rating Plan

The District participates in a workers compensation program jointly sponsored by the Ohio Association of School Business Officials (OASBO) and the Ohio School Board Association (OSBA), known as SchoolComp. CompManagement, Inc. (CMI) is the program's third party administrator. SchoolComp serves to group its members' risks for the purpose of obtaining a favorable experience rating to determine its premium liability to the Ohio Bureau of Workers' Compensation (OBWC) and the Ohio Workers' Compensation Fund. This may be accomplished through participation in a group rating program or through group retrospective rating. The District has chosen to participate in the group rating program for 2012. Participation in SchoolComp is restricted to members who meet enrollment criteria and are jointly in good standing with OASBO and OSBA. OASBO and OSBA are certified sponsors recognized by OBWC.

NOTE 22 - CONTINGENCIES

A. Grants

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

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. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2012, if applicable, cannot be determined at this time.

B. Litigation

The District is involved in no pending litigation that would have a material effect on the financial condition of the District.

NOTE 23 - INSURANCE RECOVERIES

The District suffered tornado damage during a storm in September, 2010. During fiscal year 2012, the District received an additional \$611,436 for additional costs incurred related to the tornado damage. The insurance settlement is reported in the governmental funds as an extraordinary item.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

ATHENS CITY SCHOOL DISTRICT
Description of Governmental 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.

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

ATHENS CITY SCHOOL DISTRICT
Description of Governmental Funds

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.

FUNDS REPORTED SEPARATELY FOR BUDGETARY PURPOSES

The following funds have been combined with the General Fund for reporting in accordance with accounting principles generally accepted in the United States of America. However, their budgets are reported separately in this section for accountability purposes.

Uniform School Supplies

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

Public School Support

A fund used to account for resources from the principals of the various schools for the purchase of flowers and other items for staff members for various reasons.

Termination Benefits

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

Unclaimed Monies

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

ATHENS CITY SCHOOL DISTRICT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash, Cash Equivalents and Investments	\$159,874	\$0	\$159,874
Intergovernmental Receivable	597,085	0	597,085
Materials and Supplies Inventory	6,414	0	6,414
Inventory Held for Resale	9,553	0	9,553
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	\$772,926	\$0	\$772,926
	<hr/>	<hr/>	<hr/>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$57,118	\$0	\$57,118
Accrued Wages and Benefits	204,250	0	204,250
Intergovernmental Payable	80,840	0	80,840
Interfund Payable	291,788	188,721	480,509
Deferred Revenue	109,946	0	109,946
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	743,942	188,721	932,663
	<hr/>	<hr/>	<hr/>
<u>Fund Balances:</u>			
Nonspendable	6,414	0	6,414
Restricted	151,584	0	151,584
Unassigned	(129,014)	(188,721)	(317,735)
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balances</i>	28,984	(188,721)	(159,737)
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities and Fund Balances</i>	\$772,926	\$0	\$772,926
	<hr/>	<hr/>	<hr/>

ATHENS CITY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Intergovernmental	\$3,028,163	\$0	\$3,028,163
Extracurricular Activities	100,259	0	100,259
Charges for Services	230,843	0	230,843
Contributions and Donations	30,823	0	30,823
Miscellaneous	16,306	0	16,306
<i>Total Revenues</i>	<u>3,406,394</u>	<u>0</u>	<u>3,406,394</u>
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	893,089	0	893,089
Special	1,090,385	0	1,090,385
<i>Support Services:</i>			
Pupil	56,021	0	56,021
Instructional Staff	313,332	0	313,332
Board of Education	4,235	0	4,235
Administration	50,335	0	50,335
Pupil Transportation	24,102	0	24,102
Central	91,598	0	91,598
Operation of Non-Instructional Services	799,684	0	799,684
Extracurricular Activities	77,499	0	77,499
Capital Outlay	0	198,084	198,084
<i>Total Expenditures</i>	<u>3,400,280</u>	<u>198,084</u>	<u>3,598,364</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>6,114</u>	<u>(198,084)</u>	<u>(191,970)</u>
<u>Other Financing Sources:</u>			
Transfers In	51,520	0	51,520
<i>Total Other Financing Sources</i>	<u>51,520</u>	<u>0</u>	<u>51,520</u>
Net Change in Fund Balances Before Extraordinary Item	57,634	(198,084)	(140,450)
<u>Extraordinary Item:</u>			
Insurance Recoveries	0	604,200	604,200
<i>Net Change in Fund Balances</i>	57,634	406,116	463,750
<i>Fund Balances at Beginning of Year</i>	<u>(28,650)</u>	<u>(594,837)</u>	<u>(623,487)</u>
<i>Fund Balances at End of Year</i>	<u><u>\$28,984</u></u>	<u><u>(\$188,721)</u></u>	<u><u>(\$159,737)</u></u>

ATHENS CITY SCHOOL DISTRICT

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2012

	<u>Food Service</u>	<u>Other Local Support</u>	<u>District Managed Activities</u>	<u>Other State Support</u>
<u>Assets:</u>				
Equity In Pooled Cash, Cash Equivalents and Investments	\$2,748	\$83,435	\$65,737	\$7,954
Intergovernmental Receivable	46,786	0	0	5,750
Materials and Supplies Inventory	6,414	0	0	0
Inventory Held for Resale	9,553	0	0	0
<i>Total Assets</i>	<u>\$65,501</u>	<u>\$83,435</u>	<u>\$65,737</u>	<u>\$13,704</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$0	\$2,181	\$0	\$0
Accrued Wages and Benefits	27,021	1,203	0	4,832
Intergovernmental Payable	17,039	2,141	0	935
Interfund Payable	46,786	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>90,846</u>	<u>5,525</u>	<u>0</u>	<u>5,767</u>
<u>Fund Balances:</u>				
Nonspendable	6,414	0	0	0
Restricted	0	77,910	65,737	7,937
Unassigned	(31,759)	0	0	0
<i>Total Fund Balances</i>	<u>(25,345)</u>	<u>77,910</u>	<u>65,737</u>	<u>7,937</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$65,501</u>	<u>\$83,435</u>	<u>\$65,737</u>	<u>\$13,704</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	\$159,874
121,139	180,858	242,552	597,085
0	0	0	6,414
0	0	0	9,553
<u>\$121,139</u>	<u>\$180,858</u>	<u>\$242,552</u>	<u>\$772,926</u>
\$0	\$54,937	\$0	\$57,118
57,142	47,138	66,914	204,250
10,629	9,112	40,984	80,840
90,462	49,249	105,291	291,788
0	58,653	51,293	109,946
<u>158,233</u>	<u>219,089</u>	<u>264,482</u>	<u>743,942</u>
0	0	0	6,414
0	0	0	151,584
<u>(37,094)</u>	<u>(38,231)</u>	<u>(21,930)</u>	<u>(129,014)</u>
<u>(37,094)</u>	<u>(38,231)</u>	<u>(21,930)</u>	<u>28,984</u>
<u>\$121,139</u>	<u>\$180,858</u>	<u>\$242,552</u>	<u>\$772,926</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, 2012

	Food Service	Other Local Support	District Managed Activities	Other State Support
<u>Revenues:</u>				
Intergovernmental	\$525,116	\$84,981	\$0	\$41,015
Extracurricular Activities	0	0	100,259	0
Charges for Services	230,843	0	0	0
Contributions and Donations	0	30,000	823	0
Miscellaneous	14,227	0	2,079	0
<i>Total Revenues</i>	<u>770,186</u>	<u>114,981</u>	<u>103,161</u>	<u>41,015</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	0	120,797	0	54,307
Special	0	0	4,620	0
<i>Support Services:</i>				
Pupil	0	0	0	0
Instructional Staff	0	1,600	0	0
Board of Education	0	4,235	0	0
Administration	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	91,598	0	0
Operation of Non-Instructional Services	799,684	0	0	0
Extracurricular Activities	0	2,181	75,318	0
<i>Total Expenditures</i>	<u>799,684</u>	<u>220,411</u>	<u>79,938</u>	<u>54,307</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(29,498)	(105,430)	23,223	(13,292)
<u>Other Financing Sources:</u>				
Transfers In	51,520	0	0	0
<i>Total Other Financing Sources</i>	<u>51,520</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	22,022	(105,430)	23,223	(13,292)
<i>Fund Balances (Deficits) at Beginning of Year</i>	<u>(47,367)</u>	<u>183,340</u>	<u>42,514</u>	<u>21,229</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u><u>(\$25,345)</u></u>	<u><u>\$77,910</u></u>	<u><u>\$65,737</u></u>	<u><u>\$7,937</u></u>

Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$642,130	\$864,887	\$870,034	\$3,028,163
0	0	0	100,259
0	0	0	230,843
0	0	0	30,823
0	0	0	16,306
<u>642,130</u>	<u>864,887</u>	<u>870,034</u>	<u>3,406,394</u>
0	0	717,985	893,089
444,702	635,002	6,061	1,090,385
53,870	1,651	500	56,021
82,146	164,943	64,643	313,332
0	0	0	4,235
0	35,910	14,425	50,335
0	0	24,102	24,102
0	0	0	91,598
0	0	0	799,684
0	0	0	77,499
<u>580,718</u>	<u>837,506</u>	<u>827,716</u>	<u>3,400,280</u>
61,412	27,381	42,318	6,114
<u>0</u>	<u>0</u>	<u>0</u>	<u>51,520</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>51,520</u>
61,412	27,381	42,318	57,634
<u>(98,506)</u>	<u>(65,612)</u>	<u>(64,248)</u>	<u>(28,650)</u>
<u>(\$37,094)</u>	<u>(\$38,231)</u>	<u>(\$21,930)</u>	<u>\$28,984</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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$12,940,000	\$12,877,384	\$12,877,384	\$0
Income Taxes	3,300,000	3,432,139	3,432,139	0
Intergovernmental	10,311,500	9,628,062	9,628,062	0
Interest	100,251	42,587	50,018	7,431
Tuition and Fees	2,511,272	2,387,944	2,387,944	0
Rent	7,075	11,814	11,814	0
Payment in Lieu of Taxes	300,000	215,968	215,968	0
Miscellaneous	132,945	60,341	61,957	1,616
Total Revenues	29,603,043	28,656,239	28,665,286	9,047
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Salaries	9,612,558	9,648,148	9,648,148	0
Fringe Benefits	3,551,427	3,357,000	3,357,000	0
Purchased Services	803,386	1,347,124	1,347,124	0
Materials and Supplies	91,184	102,382	102,382	0
Other	0	50	50	0
Total Regular Instruction	14,058,555	14,454,704	14,454,704	0
<i>Special</i>				
Salaries	1,670,358	1,789,411	1,789,411	0
Fringe Benefits	526,473	584,223	584,223	0
Purchased Services	144,650	284,190	284,190	0
Materials and Supplies	21,295	21,968	21,968	0
Capital Outlay	9,750	3,258	3,258	0
Total Special Instruction	2,372,526	2,683,050	2,683,050	0
<i>Vocational</i>				
Salaries	371,896	328,867	328,867	0
Fringe Benefits	98,044	94,374	94,374	0
Purchased Services	2,500	4,123	4,123	0
Materials and Supplies	28,612	25,092	25,092	0
Capital Outlay	1,500	2,018	2,018	0
Total Vocational Instruction	502,552	454,474	454,474	0
<i>Student Intervention Services</i>				
Salaries	70,845	79,061	79,061	0
Fringe Benefits	26,389	25,358	25,358	0
Purchased Services	35,100	43,672	43,672	0
Total Student Intervention Services	132,334	148,091	148,091	0
Total Instruction	17,065,967	17,740,319	17,740,319	0
<i>Support Services:</i>				
<i>Pupils</i>				
Salaries	895,457	909,487	909,487	0
Fringe Benefits	313,640	298,787	298,787	0
Purchased Services	125,157	127,278	127,278	0
Materials and Supplies	7,518	4,566	4,566	0
Other	30,300	0	0	0
Total Pupils	1,372,072	1,340,118	1,340,118	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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Instructional Staff				
Salaries	1,228,997	1,211,465	1,211,465	0
Fringe Benefits	1,070,245	996,284	996,284	0
Purchased Services	8,100	5,025	5,025	0
Materials and Supplies	5,100	4,886	4,886	0
Other	2,800	0	0	0
Capital Outlay	1,163	1,951	1,951	0
Total Instructional Staff	2,316,405	2,219,611	2,219,611	0
Board of Education				
Salaries	8,200	9,125	9,125	0
Fringe Benefits	1,552	1,630	1,630	0
Purchased Services	68,100	88,544	88,544	0
Materials and Supplies	3,500	1,064	1,064	0
Other	15,500	26,394	26,394	0
Total Board of Education	96,852	126,757	126,757	0
Administration				
Salaries	1,240,684	1,263,217	1,263,217	0
Fringe Benefits	579,792	541,418	541,418	0
Purchased Services	35,050	18,523	18,523	0
Materials and Supplies	18,866	7,733	7,733	0
Other	3,500	0	0	0
Capital Outlay	500	450	450	0
Total Administration	1,878,392	1,831,341	1,831,341	0
Fiscal				
Salaries	347,227	352,500	352,500	0
Fringe Benefits	157,683	135,999	135,999	0
Purchased Services	45,055	36,231	36,231	0
Materials and Supplies	8,000	7,778	7,778	0
Other	53,000	53,299	53,299	0
Total Fiscal	610,965	585,807	585,807	0
Business				
Salaries	149,524	154,645	154,645	0
Fringe Benefits	75,935	70,565	70,565	0
Purchased Services	5,000	6,393	6,393	0
Materials and Supplies	2,000	1,000	1,000	0
Other	329,600	271,650	271,650	0
Capital Outlay	2,100	0	0	0
Total Business	564,159	504,253	504,253	0
Operation and Maintenance of Plant				
Salaries	1,460,250	1,396,171	1,396,171	0
Fringe Benefits	813,153	725,148	725,148	0
Purchased Services	1,227,100	1,067,317	1,067,317	0
Materials and Supplies	267,000	261,677	261,677	0
Other	49,800	41,280	41,280	0
Total Operation and Maintenance of Plant	3,817,303	3,491,593	3,491,593	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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Pupil Transportation				
Salaries	721,309	706,085	706,085	0
Fringe Benefits	505,260	474,796	474,796	0
Purchased Services	43,600	33,684	33,684	0
Materials and Supplies	397,900	376,461	376,461	0
Other	19,600	20,813	20,813	0
Total Pupil Transportation	<u>1,687,669</u>	<u>1,611,839</u>	<u>1,611,839</u>	<u>0</u>
Central				
Salaries	77,564	80,341	80,341	0
Fringe Benefits	32,919	31,215	31,215	0
Purchased Services	38,800	38,020	38,020	0
Materials and Supplies	2,000	1,800	1,800	0
Capital Outlay	2,000	1,800	1,800	0
Total Central	<u>153,283</u>	<u>153,176</u>	<u>153,176</u>	<u>0</u>
Total Support Services	<u>12,497,100</u>	<u>11,864,495</u>	<u>11,864,495</u>	<u>0</u>
<i>Operation of Non-Instructional Services:</i>				
Food Service Operations				
Salaries	1,606	89	89	0
Fringe Benefits	229	5,028	5,028	0
Total Food Service Operations	<u>1,835</u>	<u>5,117</u>	<u>5,117</u>	<u>0</u>
Total Operation of Non-Instructional Services	<u>1,835</u>	<u>5,117</u>	<u>5,117</u>	<u>0</u>
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Salaries	61,054	57,668	57,668	0
Fringe Benefits	8,341	9,911	9,911	0
Total Academic Oriented Activities	<u>69,395</u>	<u>67,579</u>	<u>67,579</u>	<u>0</u>
Sport Oriented Activities				
Salaries	280,895	262,279	262,279	0
Fringe Benefits	61,970	62,515	62,515	0
Purchased Services	0	9,300	9,300	0
Total Sport Oriented Activities	<u>342,865</u>	<u>334,094</u>	<u>334,094</u>	<u>0</u>
Total Extracurricular Activities	<u>412,260</u>	<u>401,673</u>	<u>401,673</u>	<u>0</u>
<i>Capital Outlay:</i>				
Building Improvement Services				
Purchased Services	6,400	6,163	6,163	0
Total Building Improvement Services	<u>6,400</u>	<u>6,163</u>	<u>6,163</u>	<u>0</u>
Total Capital Outlay	<u>6,400</u>	<u>6,163</u>	<u>6,163</u>	<u>0</u>
Total Expenditures	<u>29,983,562</u>	<u>30,017,767</u>	<u>30,017,767</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(380,519)	(1,361,528)	(1,352,481)	9,047
<u>Other Financing Sources (Uses):</u>				
Advances In	55,938	55,938	55,938	0
Transfers Out	(150,000)	(251,520)	(251,520)	0
Advances Out	(65,000)	(46,786)	(46,786)	0
Total Other Financing Sources (Uses)	<u>(159,062)</u>	<u>(242,368)</u>	<u>(242,368)</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(539,581)	(1,603,896)	(1,594,849)	9,047
Fund Balance at Beginning of Year	9,356,550	9,356,550	9,356,550	0
Prior Year Encumbrances Appropriated	<u>159,916</u>	<u>159,916</u>	<u>159,916</u>	<u>0</u>
Fund Balance at End of Year	<u>\$8,976,885</u>	<u>\$7,912,570</u>	<u>\$7,921,617</u>	<u>\$9,047</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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$1,215,000	\$1,225,903	\$1,225,903	\$0
Intergovernmental	169,461	176,321	176,321	0
Miscellaneous	9,500	2,981	2,981	0
<i>Total Revenues</i>	<u>1,393,961</u>	<u>1,405,205</u>	<u>1,405,205</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Support Services:</i>				
Fiscal				
Other	30,400	22,585	22,585	0
<i>Debt Service:</i>				
Principal Retirement	685,000	685,000	685,000	0
Interest and Fiscal Charges	556,182	556,182	556,182	0
<i>Total Expenditures</i>	<u>1,271,582</u>	<u>1,263,767</u>	<u>1,263,767</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	122,379	141,438	141,438	0
Fund Balance at Beginning of Year	<u>2,989,213</u>	<u>2,989,213</u>	<u>2,989,213</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,111,592</u></u>	<u><u>\$3,130,651</u></u>	<u><u>\$3,130,651</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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$1,178,000	\$1,241,465	\$1,241,465	\$0
Intergovernmental	204,500	203,592	203,592	0
Interest	24,000	10,277	12,135	1,858
Gifts and Donations	100,000	0	0	0
Miscellaneous	9,250	2,884	2,884	0
Total Revenues	1,515,750	1,458,218	1,460,076	1,858
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Purchased Services	34,800	4,386	4,386	0
Materials and Supplies	202,219	398,453	398,453	0
Capital Outlay	314,651	207,844	207,844	0
Total Regular	551,670	610,683	610,683	0
Special				
Capital Outlay	1,300	0	0	0
Total Instruction	552,970	610,683	610,683	0
<i>Support Services:</i>				
Pupils				
Capital Outlay	8,668	8,668	8,668	0
Instructional Staff				
Materials and Supplies	20,646	14,697	14,697	0
Capital Outlay	3,350	2,405	2,405	0
Total Instructional Staff	23,996	17,102	17,102	0
Administration				
Purchased Services	3,200	0	0	0
Fiscal				
Purchased Services	14,650	9,698	8,748	950
Materials and Supplies	8,100	0	0	0
Other	65,000	39,677	39,677	0
Capital Outlay	1,500	1,325	1,325	0
Total Fiscal	89,250	50,700	49,750	950
Business				
Purchased Services	0	6,005	6,005	0
Operation and Maintenance of Plant				
Purchased Services	2,300	7,315	6,327	988
Materials and Supplies	17,200	10,000	10,000	0
Capital Outlay	213,162	10,633	10,633	0
Total Operation and Maintenance of Plant	232,662	27,948	26,960	988

(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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil Transportation				
Purchased Services	55,650	11,595	11,595	0
Capital Outlay	169,000	246,093	246,093	0
Total Pupil Transportation	<u>224,650</u>	<u>257,688</u>	<u>257,688</u>	<u>0</u>
Total Support Services	<u>582,426</u>	<u>368,111</u>	<u>366,173</u>	<u>1,938</u>
<i>Operation of Non-Instructional Services:</i>				
Food Service Operation				
Materials and Supplies	4,500	4,345	4,345	0
Capital Outlay	10,100	1,795	1,768	27
Total Operation of Non-Instructional Services	<u>14,600</u>	<u>6,140</u>	<u>6,113</u>	<u>27</u>
<i>Extracurricular Activities:</i>				
Sport Oriented Activities				
Purchased Services	7,600	0	0	0
Capital Outlay	70,962	71,510	71,510	0
Total Sport Oriented Activities	<u>78,562</u>	<u>71,510</u>	<u>71,510</u>	<u>0</u>
Total Extracurricular Activities	<u>78,562</u>	<u>71,510</u>	<u>71,510</u>	<u>0</u>
<i>Capital Outlay:</i>				
Site Improvement Services				
Purchased Services	107,761	137,603	137,603	0
Capital Outlay	1,152,289	604,174	452,735	151,439
Total Site Improvement Services	<u>1,260,050</u>	<u>741,777</u>	<u>590,338</u>	<u>151,439</u>
Architecture and Engineering Services				
Purchased Services	87,228	54,610	54,610	0
Building Improvement Services				
Purchased Services	346,166	271,018	271,018	0
Capital Outlay	120,000	418,034	418,034	0
Total Building Improvement Services	<u>466,166</u>	<u>689,052</u>	<u>689,052</u>	<u>0</u>
Total Capital Outlay	<u>1,813,444</u>	<u>1,485,439</u>	<u>1,334,000</u>	<u>151,439</u>
Total Expenditures	<u>3,042,002</u>	<u>2,541,883</u>	<u>2,388,479</u>	<u>153,404</u>
Excess of Revenues Over (Under) Expenditures	(1,526,252)	(1,083,665)	(928,403)	155,262
<u>Other Financing Sources:</u>				
Insurance Recoveries	50,000	7,236	7,236	0
Total Other Financing Sources	<u>50,000</u>	<u>7,236</u>	<u>7,236</u>	<u>0</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	(1,476,252)	(1,076,429)	(921,167)	155,262
Fund Balance at Beginning of Year	2,565,880	2,565,880	2,565,880	0
Prior Year Encumbrances Appropriated	518,605	518,605	703,202	(184,597)
Fund Balance at End of Year	<u>\$1,608,233</u>	<u>\$2,008,056</u>	<u>\$2,347,915</u>	<u>\$339,859</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)*
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$505,810	\$534,268	\$534,268	\$0
Customer Sales and Service	253,823	230,843	230,843	0
Miscellaneous	16,409	14,227	14,227	0
<i>Total Revenues</i>	<u>776,042</u>	<u>779,338</u>	<u>779,338</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Salaries	283,331	274,518	274,518	0
Fringe Benefits	206,731	187,353	187,353	0
Purchased Services	6,347	6,758	6,758	0
Materials and Supplies	352,959	355,600	355,600	0
Total Operation of Non-Instructional Services	<u>849,368</u>	<u>824,229</u>	<u>824,229</u>	<u>0</u>
<i>Total Expenditures</i>	<u>849,368</u>	<u>824,229</u>	<u>824,229</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(73,326)	(44,891)	(44,891)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	56,777	46,786	46,786	0
Transfers In	75,947	51,520	51,520	0
Advances Out	(55,938)	(55,938)	(55,938)	0
<i>Total Other Financing Sources (Uses)</i>	<u>76,786</u>	<u>42,368</u>	<u>42,368</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Over (Under) Expenditures and Other Financing Uses	3,460	(2,523)	(2,523)	0
Fund Balance at Beginning of Year	18	18	18	0
Prior Year Encumbrances Appropriated	<u>2,505</u>	<u>2,505</u>	<u>2,505</u>	<u>0</u>
Fund Balance at End of Year	<u>\$5,983</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$84,981	\$84,981	\$0
Contributions and Donations	0	\$30,000	30,000	0
Total Revenues	0	114,981	114,981	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Purchased Services	0	85,760	85,720	40
Materials and Supplies	4,729	9,043	4,054	4,989
Other	670	11,626	11,502	124
Capital Outlay	23	21,208	21,185	23
Total Regular Instruction	5,422	127,637	122,461	5,176
<i>Support Services:</i>				
Instructional Staff				
Purchased Services	1,600	1,600	1,600	0
Board of Education				
Purchased Services	0	4,235	4,235	0
Central				
Salaries	0	12,142	12,142	0
Fringe Benefits	0	1,876	1,876	0
Purchased Services	84,645	83,988	83,988	0
Total Central	84,645	98,006	98,006	0
Total Support Services	86,245	103,841	103,841	0
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Capital Outlay	5,190	8,690	6,601	2,089
Total Extracurricular Activities	5,190	8,690	6,601	2,089
<i>Capital Outlay:</i>				
Site Improvement Services				
Other	3,000	3,000	3,000	0
Total Capital Outlay	3,000	3,000	3,000	0
Total Expenditures	99,857	243,168	235,903	7,265
Excess of Revenues Over (Under) Expenditures	(99,857)	(128,187)	(120,922)	7,265
Fund Balance at Beginning of Year	192,322	192,322	192,322	0
Prior Year Encumbrances Appropriated	5,190	5,190	5,190	0
Fund Balance at End of Year	\$97,655	\$69,325	\$76,590	\$7,265

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, 2012*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Extracurricular Activities	\$3,150	\$100,259	\$100,259	\$0
Contributions and Donations	0	823	823	0
Miscellaneous	0	2,079	2,079	0
<i>Total Revenues</i>	<u>3,150</u>	<u>103,161</u>	<u>103,161</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Special</i>				
Purchased Services	<u>0</u>	<u>4,620</u>	<u>4,620</u>	<u>0</u>
<i>Extracurricular Activities:</i>				
<i>Academic Oriented Activities</i>				
Purchased Services	100	0	0	0
Materials and Supplies	2,200	2,880	2,877	3
Other	250	38	38	0
Capital Outlay	1,400	0	0	0
<i>Total Academic Oriented Extracurricular Activities</i>	<u>3,950</u>	<u>2,918</u>	<u>2,915</u>	<u>3</u>
<i>Sport Oriented Activities</i>				
Purchased Services	750	45,531	45,032	499
Materials and Supplies	0	28,651	28,651	0
Other	0	4,423	4,423	0
Capital Outlay	0	5,305	5,305	0
<i>Total Sport Oriented Extracurricular Activities</i>	<u>750</u>	<u>83,910</u>	<u>83,411</u>	<u>499</u>
<i>Total Extracurricular Activities</i>	<u>4,700</u>	<u>86,828</u>	<u>86,326</u>	<u>502</u>
<i>Total Expenditures</i>	<u>4,700</u>	<u>91,448</u>	<u>90,946</u>	<u>502</u>
Excess of Revenues Over (Under) Expenditures	(1,550)	11,713	12,215	502
Fund Balance at Beginning of Year	<u>42,514</u>	<u>42,514</u>	<u>42,514</u>	<u>0</u>
Fund Balance at End of Year	<u>\$40,964</u>	<u>\$54,227</u>	<u>\$54,729</u>	<u>\$502</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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$12,362	\$43,912	\$43,912	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	3,283	36,734	36,734	0
Fringe Benefits	4,431	9,518	9,518	0
Purchased Services	2,567	2,567	68	2,499
Capital Outlay	4,273	3,826	1,916	1,910
Total Regular Instruction	14,554	52,645	48,236	4,409
<i>Support Services:</i>				
Instructional Staff				
Materials and Supplies	2,000	2,000	0	2,000
Total Instructional Staff	2,000	2,000	0	2,000
Fiscal				
Materials and Supplies	50	50	0	50
Total Support Services	2,050	2,050	0	2,050
<i>Total Expenditures</i>	16,604	54,695	48,236	6,459
Excess of Revenues Over (Under) Expenditures	(4,242)	(10,783)	(4,324)	6,459
Fund Balance at Beginning of Year	19,473	19,473	19,473	0
Prior Year Encumbrances Appropriated	2,763	2,763	2,763	0
Fund Balance at End of Year	\$17,994	\$11,453	\$17,912	\$6,459

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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$141,481	\$582,705	\$582,705	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
Instruction:				
Regular				
Fringe Benefits	0	3,845	3,845	0
Special				
Salaries	62,643	310,343	310,343	0
Fringe Benefits	48,518	96,168	96,168	0
Purchased Services	28,727	67,111	67,111	0
Materials and Supplies	525	0	0	0
Total Special Instruction	<u>140,413</u>	<u>473,622</u>	<u>473,622</u>	<u>0</u>
Total Instruction	140,413	477,467	477,467	0
<i>Support Services:</i>				
Pupils				
Salaries	(35,585)	46,705	46,705	0
Fringe Benefits	(8,062)	10,438	10,438	0
Total Pupils	<u>(43,647)</u>	<u>57,143</u>	<u>57,143</u>	<u>0</u>
Instructional Staff				
Salaries	44,150	48,869	48,869	0
Fringe Benefits	(2,453)	47,179	47,179	0
Total Instructional Staff	<u>41,697</u>	<u>96,048</u>	<u>96,048</u>	<u>0</u>
Total Support Services	<u>(1,950)</u>	<u>153,191</u>	<u>153,191</u>	<u>0</u>
<i>Total Expenditures</i>	<u>138,463</u>	<u>630,658</u>	<u>630,658</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	3,018	(47,953)	(47,953)	0
Fund Balance at Beginning of Year	(50,189)	(50,189)	(50,189)	0
Prior Year Encumbrances Appropriated	<u>3,835</u>	<u>3,835</u>	<u>3,835</u>	<u>0</u>
Fund Balance at End of Year	<u>(\$43,336)</u>	<u>(\$94,307)</u>	<u>(\$94,307)</u>	<u>\$0</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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$1,294,258	\$952,690	\$952,690	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Special				
Salaries	119,115	344,909	344,909	0
Fringe Benefits	63,949	134,644	134,634	10
Purchased Services	36,859	84,128	84,128	0
Materials and Supplies	1,173	54,422	54,422	0
Capital Outlay	15,735	66,873	66,873	0
Total Special Instruction	<u>236,831</u>	<u>684,976</u>	<u>684,966</u>	<u>10</u>
Total Instruction	236,831	684,976	684,966	10
<i>Support Services:</i>				
Pupils				
Materials and Supplies	2,872	1,651	1,651	0
Instructional Staff				
Salaries	27,797	12,995	12,995	0
Fringe Benefits	6,267	4,795	4,795	0
Purchased Services	16,835	116,934	116,706	228
Materials and Supplies	1,825	21,920	21,920	0
Capital Outlay	3,029	9,117	9,117	0
Total Instructional Staff	<u>55,753</u>	<u>165,761</u>	<u>165,533</u>	<u>228</u>
Administration				
Salaries	10,446	27,882	27,882	0
Fringe Benefits	4,870	10,438	10,438	0
Total Administration	<u>15,316</u>	<u>38,320</u>	<u>38,320</u>	<u>0</u>
Total Support Services	<u>73,941</u>	<u>205,732</u>	<u>205,504</u>	<u>228</u>
<i>Total Expenditures</i>	<u>310,772</u>	<u>890,708</u>	<u>890,470</u>	<u>238</u>
Excess of Revenues Over (Under) Expenditures	983,486	61,982	62,220	238
Fund Balance at Beginning of Year	(180,294)	(180,294)	(180,294)	0
Prior Year Encumbrances Appropriated	<u>4,677</u>	<u>4,677</u>	<u>4,677</u>	<u>0</u>
Fund Balance at End of Year	<u>\$807,869</u>	<u>(\$113,635)</u>	<u>(\$113,397)</u>	<u>\$238</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, 2012*

	<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	\$559,965	\$700,503	\$700,503	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	195,235	469,239	469,239	0
Fringe Benefits	0	141,701	141,701	0
Purchased Services	0	82,058	82,058	0
Materials and Supplies	0	2,345	0	2,345
Total Regular Instruction	<u>195,235</u>	<u>695,343</u>	<u>692,998</u>	<u>2,345</u>
Special				
Purchased Services	0	3,933	3,933	0
Materials and Supplies	0	2,133	2,133	0
Total Special Instruction	<u>0</u>	<u>6,066</u>	<u>6,066</u>	<u>0</u>
Total Instruction	<u>195,235</u>	<u>701,409</u>	<u>699,064</u>	<u>2,345</u>
<i>Support Services:</i>				
Pupils				
Purchased Services	<u>3,008</u>	<u>500</u>	<u>500</u>	<u>0</u>
Instructional Staff				
Salaries	13,348	18,665	18,665	0
Fringe Benefits	6,712	6,120	6,120	0
Purchased Services	18,326	38,611	38,611	0
Materials and Supplies	573	75	75	0
Capital Outlay	456	0	0	0
Total Instructional Staff	<u>39,415</u>	<u>63,471</u>	<u>63,471</u>	<u>0</u>
Administration				
Purchased Services	0	14,425	14,425	0
Pupil Transportation				
Purchased Services	0	27,150	27,150	0
Total Support Services	<u>42,423</u>	<u>122,546</u>	<u>122,546</u>	<u>0</u>
Total Expenditures	<u>237,658</u>	<u>823,955</u>	<u>821,610</u>	<u>2,345</u>
Excess of Revenues Over (Under) Expenditures	322,307	(123,452)	(121,107)	2,345
Fund Balance at Beginning of Year	(57,830)	(57,830)	(57,830)	0
Prior Year Encumbrances Appropriated	<u>12,908</u>	<u>12,908</u>	<u>12,908</u>	<u>0</u>
Fund Balance at End of Year	<u>\$277,385</u>	<u>(\$168,374)</u>	<u>(\$166,029)</u>	<u>\$2,345</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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Gifts and Donations	75,000	0	0	0
<i>Total Revenues</i>	<u>75,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Expenditures</u>				
<i>Capital Outlay:</i>				
Site Improvement Services				
Capital Outlay	579,640	729,911	729,911	0
Architecture and Engineering Services				
Purchased Services	21,458	21,458	21,458	0
Building Improvement Services				
Capital Outlay	120	120	120	0
Total Capital Outlay	<u>601,218</u>	<u>751,489</u>	<u>751,489</u>	<u>0</u>
Total Expenditures	<u>601,218</u>	<u>751,489</u>	<u>751,489</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(526,218)	(751,489)	(751,489)	0
<u>Other Financing Sources:</u>				
Insurance Recoveries	800,000	604,200	604,200	0
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	273,782	(147,289)	(147,289)	0
Fund Balance at Beginning of Year	(656,978)	(656,978)	(656,978)	0
Prior Year Encumbrances Appropriated	601,218	601,218	601,218	0
Fund Balance at End of Year	<u>\$218,022</u>	<u>(\$203,049)</u>	<u>(\$203,049)</u>	<u>\$0</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Tuition and Fees	\$60,012	\$57,923	\$57,923	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
Instruction:				
Regular				
Materials and Supplies	49,500	41,645	41,634	11
Total Instruction	49,500	41,645	41,634	11
Support Services:				
Pupils				
Materials and Supplies	0	10,332	10,332	0
Total Support Service	0	10,332	10,332	0
<i>Total Expenditures</i>	49,500	51,977	51,966	11
Excess of Revenues Over (Under) Expenditures	10,512	5,946	5,957	11
Fund Balance at Beginning of Year	15,884	15,884	15,884	0
Prior Year Encumbrances Appropriated	2,499	2,499	2,499	0
Fund Balance at End of Year	\$28,895	\$24,329	\$24,340	\$11

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Public School Support Fund
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Tuition and Fees	\$21,862	\$9,911	\$9,911	\$0
Extracurricular Activities	19,349	33,328	33,773	(445)
Gifts and Donations	2,261	4,181	4,181	0
<i>Total Revenues</i>	<u>43,472</u>	<u>47,420</u>	<u>47,865</u>	<u>(445)</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	0	237	237	0
Fringe Benefits	0	75	75	0
Purchased Services	8,621	18,549	18,549	0
Materials and Supplies	35,066	22,736	22,736	0
Other	5,200	5,295	5,295	0
Capital Outlay	20,267	9,540	9,540	0
Total Instruction	<u>69,154</u>	<u>56,432</u>	<u>56,432</u>	<u>0</u>
<i>Support Services:</i>				
<i>Instructional Staff</i>				
Salaries	0	12,857	12,857	0
Fringe Benefits	0	4,475	4,475	0
Total Instructional Staff	<u>0</u>	<u>17,332</u>	<u>17,332</u>	<u>0</u>
<i>Administration</i>				
Materials and Supplies	9,500	849	849	0
Capital Outlay	11,584	0	0	0
Total Administration	<u>21,084</u>	<u>849</u>	<u>849</u>	<u>0</u>
Total Support Service	<u>21,084</u>	<u>18,181</u>	<u>18,181</u>	<u>0</u>
<i>Total Expenditures</i>	<u>90,238</u>	<u>74,613</u>	<u>74,613</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(46,766)	(27,193)	(26,748)	445
Fund Balance at Beginning of Year	94,961	94,961	94,961	0
Prior Year Encumbrances Appropriated	<u>7,433</u>	<u>7,433</u>	<u>7,433</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$55,628</u></u>	<u><u>\$75,201</u></u>	<u><u>\$75,646</u></u>	<u><u>\$445</u></u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Termination Benefits Fund
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Tuition and Fees	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Salaries	175,000	361,441	361,441	0
Fringe Benefits	25,668	4,229	4,229	0
Total Regular	200,668	365,670	365,670	0
<i>Special</i>				
Salaries	0	52,095	52,095	0
Fringe Benefits	0	755	755	0
Total Special	0	52,850	52,850	0
Total Instruction	200,668	418,520	418,520	0
<i>Support Services:</i>				
<i>Administration</i>				
Salaries	0	10,459	10,459	0
<i>Operation and Maintenance of Plant</i>				
Salaries	0	4,293	4,293	0
Fringe Benefits	0	19	19	0
Total Operation and Maintenance of Plant	0	4,312	4,312	0
<i>Pupil Transportation</i>				
Salaries	0	1,059	1,059	0
Fringe Benefits	0	45	45	0
Total Pupil Transportation	0	1,104	1,104	0
Total Support Service	0	15,875	15,875	0
<i>Total Expenditures</i>	200,668	434,395	434,395	0
Excess of Revenues Over (Under) Expenditures	(200,668)	(434,395)	(434,395)	0
<u>Other Financing Sources:</u>				
Transfers In	0	200,000	200,000	0
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	(200,668)	(234,395)	(234,395)	0
Fund Balance at Beginning of Year	222,975	222,975	222,975	0
Prior Year Encumbrances Appropriated	668	668	668	0
Fund Balance at End of Year	\$22,975	(\$10,752)	(\$10,752)	\$0

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
 Unclaimed Monies Fund
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Miscellaneous	\$0	\$580	\$580	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
Support Services:				
Fiscal				
Other	0	125	125	0
<i>Total Expenditures</i>	0	125	125	0
Excess of Revenues Over (Under) Expenditures	0	455	455	0
Fund Balance at Beginning of Year	108,179	108,179	108,179	0
Fund Balance at End of Year	<u>\$108,179</u>	<u>\$108,634</u>	<u>\$108,634</u>	<u>\$0</u>

ATHENS CITY SCHOOL DISTRICT
Description of Proprietary Fund

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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$6,044,371	\$4,877,310	\$5,392,938	\$515,628
Other Revenues	46,187	0	0	0
<i>Total Revenues</i>	6,090,558	4,877,310	5,392,938	515,628
<u>Expenses:</u>				
Purchased Services	0	4,000	4,000	0
Claims	0	6,160,000	6,160,000	0
Other	0	3,000	3,000	0
<i>Total Expenses</i>	0	6,167,000	6,167,000	0
Operating Income (Loss)	6,090,558	(1,289,690)	(774,062)	515,628
<u>Nonoperating Revenues:</u>				
Interest	30,259	15,557	19,457	3,900
<i>Total Nonoperating Revenues</i>	30,259	15,557	19,457	3,900
Excess of Revenues Over (Under) Expenses	6,120,817	(1,274,133)	(754,605)	519,528
Fund Equity at Beginning of Year	4,453,022	4,453,022	4,453,022	0
Fund Equity at End of Year	\$10,573,839	\$3,178,889	\$3,698,417	\$519,528

ATHENS CITY SCHOOL DISTRICT
Description of Fiduciary Fund

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, 2012

	July 1, 2011 Balance	Additions	Deductions	June 30, 2012 Balance
<u>Student Activity Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash, Cash Equivalents and Investments	\$105,318	\$99,237	\$93,791	\$110,764
<u>Liabilities:</u>				
Due to Students	\$105,318	\$99,237	\$93,791	\$110,764

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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.	92 - 98
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).	99-110
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	111-114
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	115-117
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	118-121

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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ATHENS CITY SCHOOL DISTRICT

Net Assets by Component

Last Ten Fiscal Years

June 30, 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Invested in Capital Assets, Net of Related Debt	\$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	\$8,857,380
Restricted for:										
Capital Projects	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	2,283,355
Debt Service	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	3,242,403
Other Purposes	610,453	571,302	723,608	663,460	592,779	586,240	620,310	979,006	215,322	139,963
Unrestricted (Deficit)	5,725,156	4,569,634	4,906,623	4,888,125	5,089,174	7,952,675	9,867,464	9,446,253	9,868,898	9,108,093
Total Net Assets	\$19,588,366	\$19,083,837	\$17,471,405	\$18,169,615	\$17,492,965	\$21,239,590	\$23,617,594	\$23,764,182	\$25,016,777	\$23,631,194

ATHENS CITY SCHOOL DISTRICT
Changes in Net Assets of Governmental Activities
Last Ten Fiscal Years
June 30, 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012*
Expenses										
Regular Instruction	\$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	\$18,187,080
Special Instruction	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	3,860,753
Vocational Instruction	404,661	401,449	399,059	256,282	307,970	289,528	343,739	419,445	508,534	426,089
Student Intervention Services	0	0	7,068	10,221	18,611	295,882	362,017	148,213	133,738	140,530
Pupil Support	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	1,424,781
Instructional Staff Support	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	2,585,026
Board of Education	101,298	120,421	102,567	116,190	100,408	114,815	87,678	164,636	123,282	124,844
Administration	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	1,893,072
Fiscal	697,172	717,844	743,760	909,318	852,201	661,973	717,860	702,311	664,616	663,653
Business	147,822	161,459	167,220	166,720	203,064	603,907	610,723	602,219	548,213	512,174
Operation and Maintenance of Plant	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	3,352,531
Pupil Transportation	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	1,751,924
Central	155,459	137,756	160,082	195,915	200,975	200,975	200,975	203,103	124,258	240,493
Operation of Food Services	775,953	786,109	794,515	834,670	929,162	843,310	869,551	849,165	823,199	804,940
Other Non-Instructional Services	86,389	2,284	1,834	13,077	4,810	22,370	300	5,398	33,650	11,221
Extracurricular Activities	440,005	459,851	455,234	500,172	455,568	461,995	526,387	475,833	617,610	520,707
Interest and Fiscal Charges	1,376,510	1,417,716	2,282,367	625,872	769,066	625,504	683,439	678,788	819,837	696,149
Total Expenses	30,112,306	30,567,936	32,169,309	31,471,894	33,497,902	31,780,064	34,577,909	35,977,568	35,892,832	37,195,967
Program Revenues										
Charges for Services										
Regular Instruction	60,693	66,599	96,889	2,269,227	2,287,936	2,399,190	2,815,158	2,788,133	2,570,188	2,467,045
Special Instruction	141,015	1,965,444	2,042,278	0	0	0	3,510	4,350	0	5,013
Pupil Support	0	0	0	57	749	7,996	8,846	6,529	0	0
Instructional Staff Support	0	0	6,178	8,059	499	395	902	11,264	0	0
Administration Support	0	0	2,058	4,001	5,427	0	2,120	1,725	0	11,585
Pupil Transportation	12,915	0	0	0	0	0	0	0	0	10,921
Central	0	0	0	0	0	1,678	1,330	1,200	0	0
Operation of Food Service	290,035	319,825	315,983	350,560	335,176	342,785	309,879	248,732	250,086	230,843
Extracurricular Activities	97,664	87,401	100,120	88,675	66,609	57,919	58,325	82,654	91,329	95,246
Operating Grants and Contributions										
Regular Instruction	199,718	2,308,489	960,597	215,458	1,165,862	1,438,977	1,425,892	3,061,087	3,470,501	906,437
Special Instruction	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	1,679,296
Vocational Instruction	0	0	38,639	38,995	50,204	59,979	55,179	55,593	56,010	56,010
Student Intervention Services	0	0	0	0	0	126,955	238,606	0	0	0
Pupil Support	0	119,363	575,623	53,537	158,187	108,089	203,840	203,840	71,976	50,907
Instructional Staff Support	57,579	8,722	405,881	57,415	668,021	538,356	508,912	485,938	315,404	312,686
Board of Education	0	0	0	0	0	0	0	0	0	2,500
Administration	65,647	190,181	67,209	50,428	15,834	31,135	84,423	267,015	279,671	39,588
Fiscal	0	0	2,958	0	0	0	0	4,599	4,941	0
Business	0	167,108	0	0	0	5,740	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0	0	0	0	0	0
Pupil Transportation	0	629,950	629,863	670,745	653,958	669,750	703,910	830,122	762,255	72,456
Central	35,386	41,263	44,328	35,163	65,898	59,131	62,034	62,609	31,305	50,591
Operation of Food Service	348,626	381,511	426,992	446,030	441,861	513,761	491,403	496,980	487,611	525,116
Extracurricular Activities	1,702	393	12,940	16,094	3,121	1,299	925	1,471	15,307	3,082

(continued)

* The decrease in program revenue and the increase in general revenue is primarily due to the reclassification of grants revenue from operating grants to unrestricted grants and entitlements.

ATHENS CITY SCHOOL DISTRICT
Changes in Net Assets of Governmental Activities (continued)
 Last Ten Fiscal Years
 June 30, 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012*
Capital Grants and Contributions										
Regular Instruction	\$42,384	\$0	\$81,624	\$0	\$0	\$18,122	\$0	\$0	\$0	\$0
Vocational Instructn	44,408	0	0	0	0	0	0	0	0	0
Operation and Maintenance of Plant	0	0	21,281	0	0	0	0	0	0	0
Pupil Transportation	0	0	26,602	0	0	0	0	0	225,000	0
Extracurricular Activities	0	0	0	0	0	0	0	0	0	0
Total Program Revenues	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	6,519,122
Net Expense	(28,123,702)	(22,938,053)	(24,470,254)	(25,723,635)	(26,112,624)	(23,936,469)	(26,072,139)	(25,391,245)	(24,660,996)	(30,676,845)
General Revenues										
Property Taxes Levied for:										
General Purposes	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	13,064,362
Debt Service	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	1,243,495
Capital Outlay	900,739	952,625	909,036	963,223	1,072,450	1,190,764	1,231,561	1,155,002	1,139,281	1,258,171
Income Taxes	0	0	0	0	186,249	3,298,754	2,983,038	3,378,878	3,260,583	3,463,108
Grants and Entitlements not Restricted to Specific Programs	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	9,256,584
Payments in Lieu of Taxes	0	19,629	153,841	123,188	554,421	148,701	441,147	165,468	317,647	215,968
Gain on Sale of Capital Assets	30,800	0	0	0	0	14,932	0	0	0	0
Tuition and Fees	1,602,753	0	0	0	0	0	0	0	0	0
Unrestricted Contributions	9,676	4,491	0	0	0	0	0	0	0	0
Investment Earnings	712,396	195,455	237,517	423,812	698,487	712,179	429,465	217,871	177,670	81,616
Miscellaneous	133,150	106,456	123,505	63,054	78,658	49,963	72,006	85,752	198,597	96,522
Total General Revenues	25,565,538	22,434,524	22,857,822	25,919,992	25,435,974	27,752,514	28,450,143	25,414,559	25,065,522	28,679,826
Extraordinary Item	0	0	0	0	0	0	0	0	848,069	611,436
Gain on Insurance Recovery	0	0	0	0	0	0	0	0	0	0
Change in Net Assets	(\$2,558,164)	(\$503,529)	(\$1,612,432)	\$196,357	(\$676,650)	\$3,816,045	\$2,378,004	\$23,314	\$1,252,595	(\$1,385,583)

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

* The decrease in program revenue and the increase in general revenue is primarily due to the reclassification of grants revenue from operating grants to unrestricted grants and entitlements.

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ATHENS CITY SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$746,596	\$741,014	\$723,265	\$548,472	\$564,388	\$359,471	\$1,015,225	\$1,448,279	\$0	\$0
Unreserved	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	0
Total General Fund	2,197,118	2,886,798	2,138,054	2,359,507	2,535,993	5,247,214	7,083,285	7,737,620	0	0
All Other Governmental Funds										
Reserved	426,708	639,481	310,220	202,777	444,678	361,965	338,594	247,292	0	0
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	591,004	137,146	148,680	(32,868)	424,466	767,962	670,826	150,995	0	0
Debt Service Funds	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	0
Capital Projects Funds	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	0
Total All Other Governmental Funds	6,863,662	7,510,152	7,247,325	5,375,573	5,563,849	6,431,391	6,895,341	6,161,893	0	0
General Fund										
Nonspendable	0	0	0	0	0	0	0	0	0	108,633
Assigned	0	0	0	0	0	0	0	0	262,310	566,558
Unassigned	0	0	0	0	0	0	0	0	7,856,897	6,895,607
Total General Fund	0	0	0	0	0	0	0	0	8,119,207	7,570,798
All Other Governmental Funds										
Nonspendable	0	0	0	0	0	0	0	0	5,842	6,414
Restricted	0	0	0	0	0	0	0	0	6,333,627	5,585,440
Unassigned	0	0	0	0	0	0	0	0	(876,412)	(317,735)
Total All Other Governmental Funds	0	0	0	0	0	0	0	0	5,463,057	5,274,119
Total Governmental Funds	\$9,060,780	\$10,396,950	\$9,385,379	\$7,735,080	\$8,099,842	\$11,678,605	\$13,978,626	\$13,899,513	\$13,582,264	\$12,844,917

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, 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Property Taxes	\$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	\$15,372,031
Income Taxes	0	0	0	0	186,249	3,298,754	2,983,038	3,378,878	3,260,583	3,463,108
Intergovernmental	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	13,036,138
Interest	397,426	184,687	201,111	364,738	623,972	638,554	421,340	188,266	144,536	62,159
Tuition and Fees	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	2,455,778
Extracurricular Activities	123,742	116,288	126,611	117,504	93,222	80,891	85,783	101,584	91,329	134,032
Contributions and Donations	21,378	22,784	42,051	36,711	20,687	20,716	13,651	21,335	235,266	11,814
Charges for Services	290,035	319,825	315,983	350,560	335,176	342,785	309,879	248,732	250,086	230,843
Rentals	11,590	12,888	8,914	6,572	11,259	5,277	3,621	4,637	7,005	215,968
Payments in Lieu of Taxes	0	19,629	153,841	123,188	554,421	148,701	441,147	165,468	317,647	35,004
Miscellaneous	106,221	64,682	114,591	56,482	67,399	44,686	68,385	87,181	189,285	84,708
Total Revenues	27,012,644	29,620,482	30,169,812	31,539,575	33,396,855	35,642,364	36,757,002	35,897,796	36,081,595	35,101,583
Expenditures										
Current:										
Instruction:										
Regular	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	15,702,414
Special	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	3,772,027
Vocational	381,196	367,322	381,780	274,446	326,679	286,608	338,655	417,827	506,924	439,824
Student Intervention Services	0	0	7,068	10,221	18,703	294,880	360,581	148,127	133,998	138,420
Support Services:										
Pupil	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	1,366,840
Instructional Staff	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	2,527,120
Board of Education	100,901	120,422	101,844	115,304	100,604	113,614	86,729	164,071	122,756	124,322
Administration	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	1,851,728
Fiscal	640,797	687,824	755,936	872,955	882,676	647,462	744,147	699,206	663,287	655,113
Business	142,610	148,554	163,604	168,877	177,577	610,659	617,299	601,228	544,321	505,633
Operation and Maintenance of Plant	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	3,169,448
Pupil Transportation	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	1,862,382
Central	149,992	130,060	163,914	196,460	205,314	166,590	198,932	202,738	124,471	238,024
Operation of Non-Instructional Services	799,724	752,722	804,615	836,516	911,829	863,253	878,266	849,821	853,286	810,905
Extracurricular Activities	388,006	407,551	425,927	463,628	432,825	414,808	487,819	438,261	578,538	475,561
Capital Outlay	1,833,136	1,032,287	16,873	182,330	432,596	342,858	373,663	491,599	2,410,483	1,569,423
Debt Service:										
Principal Retirement	447,947	2,979,118	987,448	2,285,000	565,000	595,000	620,000	650,000	685,000	685,000
Interest and Fiscal Charges	1,382,244	1,420,490	2,368,324	730,168	706,717	681,337	649,690	618,702	585,621	556,182
Issuance Costs	0	0	153,987	0	0	0	0	0	0	0
Total Expenditures	27,776,891	30,705,935	32,398,857	33,189,874	33,032,093	32,080,521	34,456,981	36,103,737	37,491,544	36,450,366

ATHENS CITY SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<i>Excess of Revenues Over</i>										
<i>(Under) Expenditures</i>	(\$764,247)	(\$1,085,453)	(\$2,229,045)	(\$1,650,299)	\$364,762	\$3,561,843	\$2,300,021	(\$205,941)	(\$1,409,949)	(\$1,348,783)
Other Financing Sources (Uses)										
Sale of Capital Assets	35,122	0	0	0	0	1,875	0	0	0	0
Insurance Recoveries	0	0	0	0	0	15,045	0	3,554	0	0
Refunding Bonds Issued	0	0	9,305,000	0	0	0	0	0	0	0
Proceeds of Refunding Bonds	0	2,335,000	0	0	0	0	0	0	0	0
Payment to Refund Bond Escrow Agent	0	0	(9,305,000)	0	0	0	0	0	0	0
Premium on Debt Issuance	0	0	1,217,474	0	0	0	0	0	0	0
Premium on Bonds Issued	0	86,623	0	0	0	0	0	0	0	0
Transfers In	243,754	0	24,643	84,137	0	455,562	348,740	138,097	74,825	51,520
Transfers Out	(243,754)	0	(24,643)	(84,137)	0	(455,562)	(348,740)	(138,097)	(74,825)	(51,520)
<i>Total Other Financing Sources (Uses)</i>	35,122	2,421,623	1,217,474	0	0	16,920	0	3,554	0	0
Extraordinary Item:										
Insurance Recoveries	0	0	0	0	0	0	0	0	1,092,700	611,436
<i>Net Change in Fund Balances</i>	(\$729,125)	\$1,336,170	(\$1,011,571)	(\$1,650,299)	\$364,762	\$3,578,763	\$2,300,021	(\$202,387)	(\$317,249)	(\$737,347)
Ratio of Debt Service as a Percentage of Noncapital Expenditures	7.05%	14.83% †	10.84%	9.16%	3.88%	4.11%	3.75%	3.60%	3.59%	3.56%

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

Collection Year	Real Property			Tangible Personal Property				Total		Weighted Average Tax Rate	
	Assessed Value			Public Utility		General Business		Estimated Actual Value	Assessed Value		Estimated Actual Value
	Residential/Agricultural	Commercial/Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
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	24,462,666 *	27,798,484	970,354	97,850,664	506,695,960	1,500,686,120	33.76%	28.21
2012	334,938,150	144,707,270	1,370,415,486	26,048,300	29,600,341	0	104,193,200	505,693,720	1,504,209,027	33.62%	28.60

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

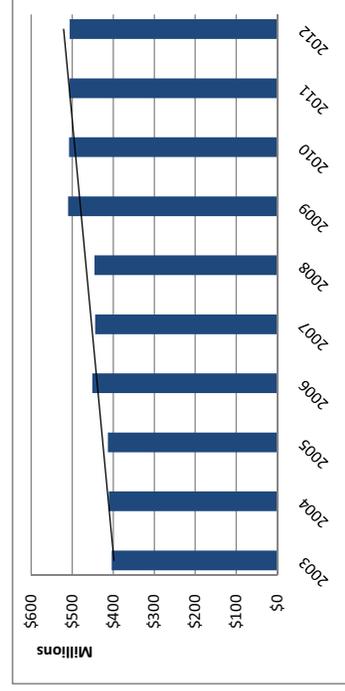
* As corrected

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 was 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 Effective Rates for Operational Levies only. In Ohio, Tax Rates for Real Property are adjusted annually to eliminate inflationary growth but tax rates for Tangible Property are taxed at the Full Rate. This creates a Weighted Average between the Effective Rate for Real Property and the Full Rate charged to Tangible Property.

Source: Ohio Department of Taxation

Total Assessed Valuation - Last Ten Years

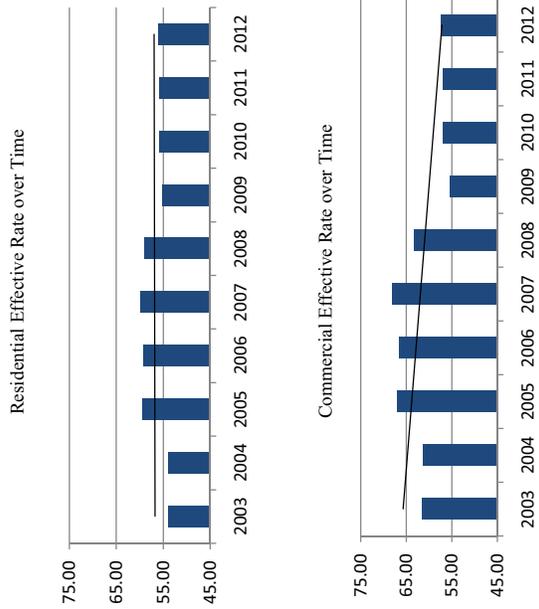


ATHENS CITY SCHOOL DISTRICT

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

Athens Township (A01)

Collection Year	Athens City School District				Total	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			Athens County									
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					
2012	56.12	2.90	2.74	61.76	19.05	3.30	6.70	90.81	56.066723	57.295416					



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

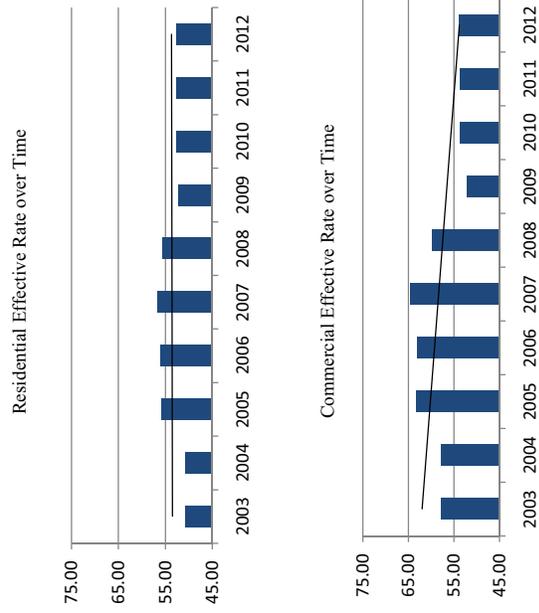
Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years

Athens Township - City of Athens (A02)

Collection Year	Athens City School District			Athens County	Tri-County Joint Career Center	City of Athens	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt							
2003	55.40	2.90	6.30	18.80	3.30	2.60	0.30	89.60	50.691695	57.778373
2004	55.40	2.90	6.30	18.80	3.30	2.60	0.30	89.60	50.728681	57.692136
2005	63.18	2.90	3.70	18.80	3.30	2.60	0.30	94.78	55.820893	63.224987
2006	62.89	2.90	3.70	20.30	3.30	2.60	0.30	95.99	55.975578	62.956533
2007	62.92	2.90	3.70	20.30	3.30	2.60	0.30	96.02	56.618703	64.566010
2008	57.16	2.90	3.70	20.30	3.30	2.60	0.03	89.99	55.737092	59.662899
2009	55.12	2.90	3.70	20.30	3.30	2.60	0.03	87.95	52.172203	52.194144
2010	55.10	2.90	3.70	20.55	3.30	2.60	0.30	88.45	52.597044	53.544739
2011	55.08	2.90	3.70	20.55	3.30	2.60	0.30	88.43	52.597044	53.544739
2012	56.12	2.90	2.74	19.05	3.30	2.60	0.30	87.01	52.744743	53.860088

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

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



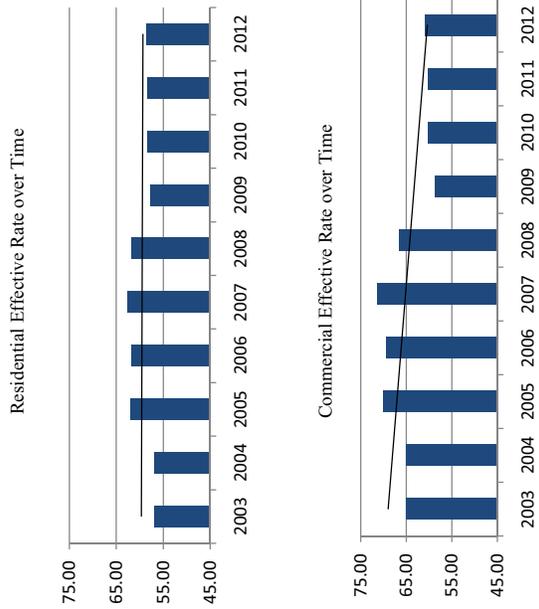
Source: Office of the County Auditor, Athens County, Ohio

ATHENS CITY SCHOOL DISTRICT

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

Athens Township - The Plains Fire District (A04)

Collection Year	Athens City School District			Athens Township - The Plains Fire District (A04)			Tri-County Joint Career Center			The Plains Fire District	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total	Athens County	Joint Career Center	Athens Township	The Plains Fire District	Athens Township					
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			
2012	56.12	2.90	2.74	61.76	19.05	3.30	5.50	4.70	94.31	58.611939	60.760369			



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

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

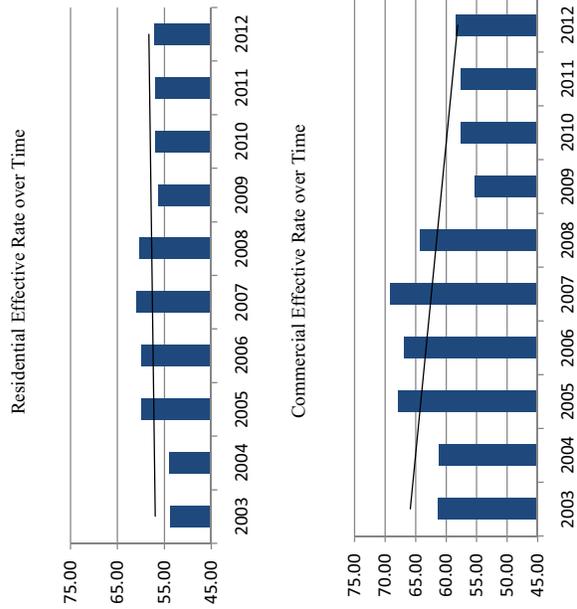
Source: Office of the County Auditor, Athens County, Ohio

ATHENS CITY SCHOOL DISTRICT

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

Canaan Township (E02)

Collection Year	Athens City School District			Athens County	Tri-County Joint Career Center		Canaan Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	Operating	Permanent Improvement	Debt		Total	County				
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
2012	56.12	2.90	2.74	61.76	19.05	3.30	7.60	91.71	57.312496	58.412943



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G01 Dover Township
G02 Dover Township - Village of Chauncey
N02 Waterloo Township

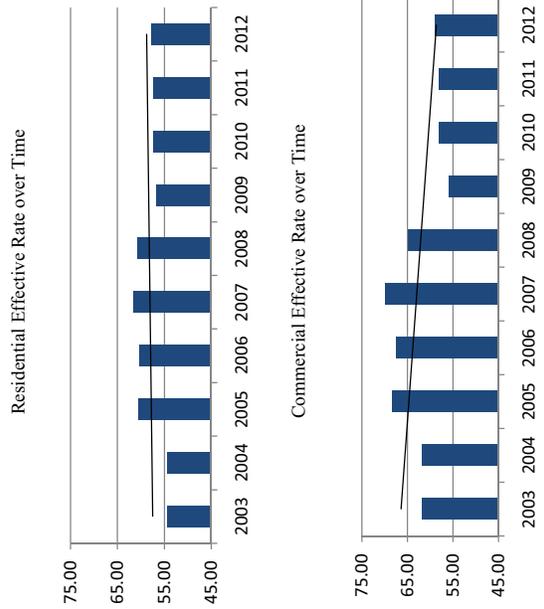
Source: Office of the County Auditor, Athens County, Ohio

ATHENS CITY SCHOOL DISTRICT

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

Canaan Township - City of Athens (E03)

Collection Year	Athens City School District			Total	Athens County	Tri-County Joint Career Center	City of Athens	Canaan Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt								
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
2012	56.12	2.90	2.74	61.76	19.05	3.30	2.40	5.70	92.21	57.812496	58.912943



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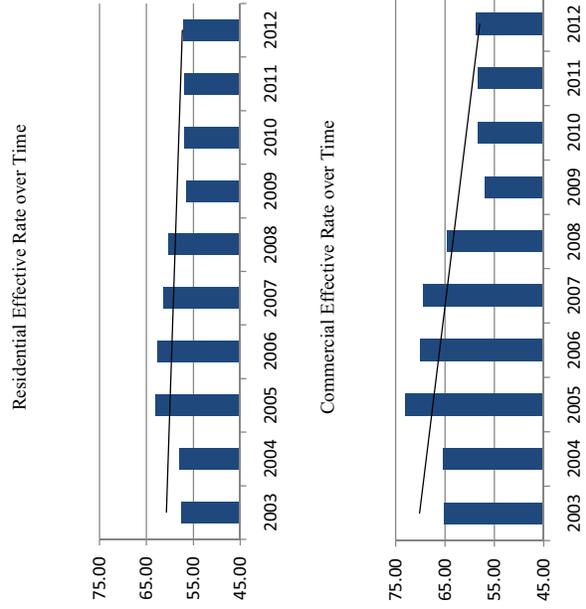
Source: Office of the County Auditor, Athens County, Ohio

ATHENS CITY SCHOOL DISTRICT

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

Dover Township (G01)

Collection Year	Athens City School District		Total	Athens County	Tri-County Joint Career Center		Dover Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement			Debt	Center				
2003	55.40	2.90	6.30	18.80	3.30	3.30	11.20	97.90	57.607682	65.217816
2004	55.40	2.90	6.30	18.80	3.30	3.30	11.20	97.90	57.929292	65.347525
2005	63.18	2.90	3.70	18.80	3.30	3.30	11.20	103.08	63.024514	73.114369
2006	62.89	2.90	3.70	20.30	3.30	3.30	11.20	104.29	62.618758	69.999672
2007	62.92	2.90	3.70	20.30	3.30	3.30	8.70	101.82	61.330527	69.520334
2008	57.16	2.90	3.70	20.30	3.30	3.30	8.70	96.06	60.447246	64.617237
2009	55.12	2.90	3.70	20.30	3.30	3.30	8.70	94.02	56.496130	57.005898
2010	55.10	2.90	3.70	20.55	3.30	3.30	8.70	94.25	56.927015	58.362117
2011	55.08	2.90	3.70	20.55	3.30	3.30	8.70	94.23	56.927015	58.362117
2012	56.12	2.90	2.74	19.05	3.30	3.30	8.70	92.81	57.112053	58.904408



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- N02 Waterloo Township

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

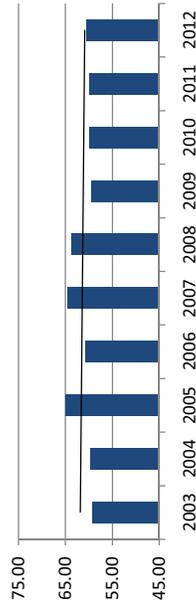
ATHENS CITY SCHOOL DISTRICT

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

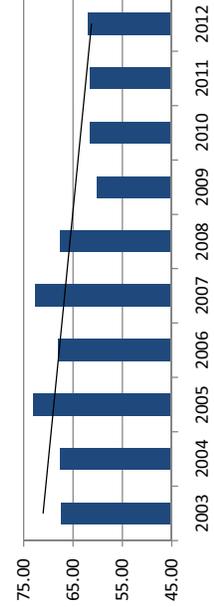
Dover Township - Village of Chauncey (G02)

Collection Year	Athens City School District		Total	Athens County	Tri-County Joint Career Center		Village of Chauncey	Dover Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	Operating	Permanent Improvement			Debt	Carroll					
2003	55.40	2.90	64.60	18.80	3.30	3.30	7.90	5.80	100.40	59,382,383	67,451,832
2004	55.40	2.90	64.60	18.80	3.30	3.30	7.90	5.80	100.40	59,817,088	67,581,528
2005	63.18	2.90	69.78	18.80	3.30	3.30	7.90	5.80	105.58	64,916,072	73,114,369
2006	62.89	2.90	69.49	20.30	3.30	3.30	2.90	5.80	101.79	60,859,320	68,058,353
2007	62.92	2.90	69.52	20.30	3.30	3.30	7.90	3.30	104.32	64,567,213	72,579,015
2008	57.16	2.90	63.76	20.30	3.30	3.30	7.90	3.30	98.56	63,684,866	67,675,909
2009	55.12	2.90	61.72	20.30	3.30	3.30	7.90	3.30	96.52	59,578,636	60,149,544
2010	55.10	2.90	61.70	20.55	3.30	3.30	7.90	3.30	96.75	60,020,906	61,502,556
2011	55.08	2.90	61.68	20.55	3.30	3.30	7.90	3.30	96.73	60,020,906	61,502,556
2012	56.12	2.90	61.76	19.05	3.30	3.30	7.90	3.30	95.31	60,543,284	61,936,559

Residential Effective Rate over Time



Commercial Effective Rate over Time



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

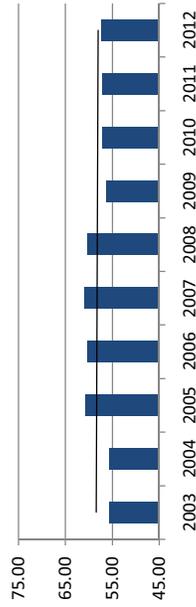
ATHENS CITY SCHOOL DISTRICT

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

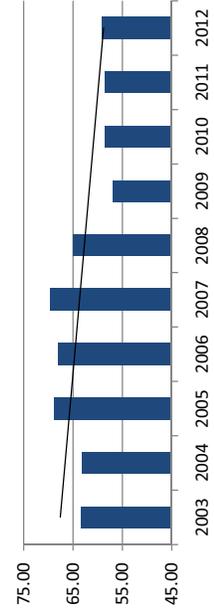
Waterloo Township (N02)

Collection Year	Athens City School District			Athens County	Tri-County Joint Career Center		Waterloo Township	Total Full Rate	Total Residential/Agriculture Effective Rate		Total Commercial/Industrial Effective Rate	
	Operating	Permanent Improvement	Debt		Total	County			Joint Career Center	Township	Rate	Effective Rate
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		
2012	56.12	2.90	2.74	61.76	19.05	3.30	9.90	94.01	57.351888	59.114189		

Residential Effective Rate over Time



Commercial Effective Rate over Time



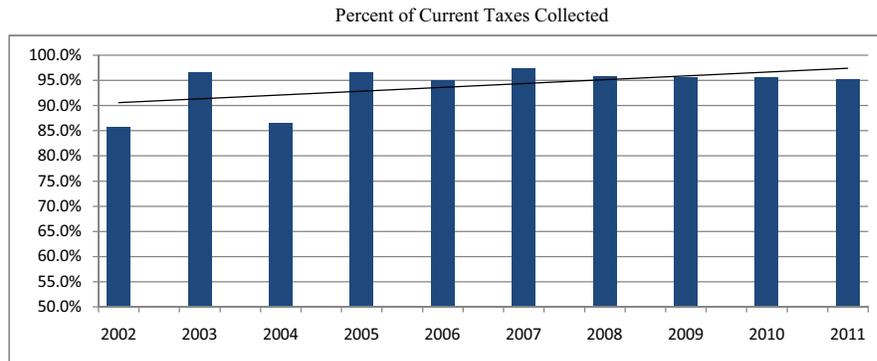
Note: The Athens City School District consists of eight taxing districts:

- 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
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%
2011	19,465,999	18,533,389	95.21%	832,362	19,365,752	99.49%	1,696,244	8.71%



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 2012 information cannot be presented because all collections have not been made by June 30, 2012.
- (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 2012 (1)	
		Assessed Value	Percent of Real Property Assessed Value
Ohio University	Retail Sales	\$8,840,960	1.84%
AAC Athens LLC	Apartments	7,413,890	1.54%
Hallmark Athens Student Housing	Apartments	4,841,340	1.01%
Athens 08 LLC	Clinic	3,719,890	0.78%
Sheltering Arms Hospital	Hospital	3,147,220	0.66%
Hayes Cornwell LTD	Apartments	2,438,560	0.51%
McCoady Properties LTD	Retail Sales/Apartments	2,318,690	0.48%
Inn-Ohio of Athens Inc	Hotel/Motel	2,226,160	0.46%
City of Athens	Parking Garage etc.	1,991,130	0.42%
Diversified Properties of Athens LLC	Apartments	1,950,480	0.41%
Total Top Ten		38,888,320	8.11%
All Others		440,757,100	91.89%
Total Assessed Valuation		\$479,645,420	100.00%

Name of Taxpayer	Type of Business	Collection Year 2003 (1)	
		Assessed Value	Percent of Real Property Assessed Value
Ohio University	Retail Sales	\$6,522,800	1.83%
University Mall Associates	Retail Sales	4,634,830	1.30%
AAC Athens LLC	Apartments	4,069,060	1.14%
Continental 72 Fund, LLC	Retail Sales	2,465,440	0.69%
Inn-Ohio of Athens, Inc.	Motel	1,903,690	0.53%
McCoady Properties Ltd	Various Properties	1,634,540	0.46%
Presidents and Trustees of Ohio University	Apartments	1,611,440	0.45%
City of Athens	Various Properties	1,577,190	0.44%
Diversified Properties	Various Properties	1,461,920	0.41%
Southeast Development Co. 2	Apartments	1,423,060	0.40%
Total Top Ten		27,303,970	7.64%
All Others		329,997,290	92.36%
Total Assessed Valuation		\$357,301,260	100.00%

(1) The amounts presented represent the assessed values upon which 2012 and 2003 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 2012 (1)	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Columbus Southern Power	Electricity	\$19,974,650	76.68%
Tennessee Gas Pipeline Co.	Natural Gas	2,420,890	9.29%
Texas Eastern Transmission	Natural Gas	1,481,970	5.69%
Columbia Gas of Ohio Inc.	Natural Gas	1,259,790	4.84%
Columbia Gas Transmission	Natural Gas	500,900	1.92%
Ohio Power Co.	Electricity	245,780	0.94%
Buckeye Rural Electric	Electricity	32,960	0.13%
General Electric Capital Commercial Inc.	Electricity	6,090	0.02%
Southeastern Natural Gas Co.	Natural Gas	2,650	0.01%
MHCB (USA) Leasing & Finance	Electricity	1,250	0.00%
Total Top Ten		25,926,930	99.53%
All Others		121,370	0.47%
Total Assessed Valuation		\$26,048,300	100.00%

Name of Taxpayer	Type of Business	Collection Year 2003 (1)	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Columbus Southern Power	Electricity	\$12,187,710	53.15%
Verizon North, Inc.	Communications	4,680,260	20.41%
Texas Eastern Transmission	Natural Gas	1,229,530	5.36%
Tennessee Gas Pipeline Co.	Natural Gas	1,178,150	5.14%
Columbia Gas of Ohio Inc.	Natural Gas	883,950	3.85%
Norfolk Southern	Transportation	587,100	2.56%
Ohio Telephone & Telegraph	Communications	567,470	2.47%
Columbia Gas Transmission	Natural Gas	403,880	1.76%
Orange County Cellular	Communications	387,710	1.69%
Horizon Personal	Communications	293,390	1.28%
Total Top Ten		22,399,150	97.68%
All Others		531,240	2.32%
Total Assessed Valuation		\$22,930,390	100.00%

(1) The amounts presented represent the assessed values upon which 2012 and 2003 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	General Bonded Debt										General Debt				
	Population (1)	Assessed Value of Taxable Property (2)	Personal Income (3)	General Bonded Debt Outstanding	Net Available General Bonded Debt	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Percentage of Personal Income	Net Bonded Debt per Capita	General Bonded Debt Outstanding	HB 264 Debt	Total Debt	Ratio of General Debt to Estimated Actual Value	Percentage of Personal Income	General Debt Per Capita
2003	33,790	\$403,797,702	\$383,046,787	\$18,176,566	\$2,432,745	\$15,743,821	3.90%	4.11%	465.93	\$18,176,566	\$200,000	\$18,376,566	1.61%	4.80%	\$543.85
2004	33,790	410,612,584	400,624,424	17,747,449	3,749,539	13,997,910	3.41%	3.49%	414.26	17,747,449	215,000	17,962,449	1.55%	4.48%	531.59
2005	33,790	412,672,602	422,654,278	16,620,000	3,049,491	13,570,509	3.29%	3.21%	401.61	16,620,000	0	16,620,000	1.43%	3.93%	491.86
2006	33,790	451,123,916	441,950,195	14,335,000	2,076,548	12,258,452	2.72%	2.77%	362.78	14,335,000	0	14,335,000	1.12%	3.24%	424.24
2007	33,790	444,018,754	467,983,086	13,910,000	2,464,074	11,445,926	2.58%	2.45%	338.74	13,910,000	0	13,910,000	1.09%	2.97%	411.66
2008	33,790	445,634,934	453,172,771	13,315,000	2,783,778	10,531,222	2.36%	2.52%	311.67	13,315,000	0	13,315,000	1.04%	2.94%	394.05
2009	33,790	510,207,390	433,130,009	12,695,000	3,071,120	9,623,880	1.89%	2.22%	284.81	12,695,000	0	12,695,000	0.86%	2.93%	375.70
2010	33,790	507,362,648	483,402,647	12,045,000	3,007,989	9,037,011	1.78%	1.87%	267.45	12,045,000	0	12,045,000	0.80%	2.49%	356.47
2011	35,026	506,695,960	N/A	11,360,000	3,081,065	8,278,935	1.63%	N/A	236.37	11,360,000	0	11,360,000	0.76%	N/A	339.89
2012	35,026	505,693,720	N/A	10,535,000	3,242,453	7,292,547	1.44%	N/A	208.20	10,535,000	0	10,535,000	0.70%	N/A	300.78

Sources: (1) U.S. Bureau of Census, 2000 Census of Population for 2002 - 2010
2010 Census for 2011 - 2012

(2) Ohio Department of Taxation - Collection Year

(3) Ohio Department of Taxation

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)
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	585,471	1,270,471	28,938,170	4.39%
2012	685,000	556,182	1,241,182	29,322,568	4.23%

Source: School District Fund Financial Statements

ATHENS CITY SCHOOL DISTRICT
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2012*

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding (1)</u>	<u>Percentage Applicable To School District</u>	<u>Amount Applicable To School District</u>
<u>Direct Debt:</u>			
Athens City School District	\$10,535,000	100.0%	\$10,535,000
<u>Overlapping Debt:</u>			
Athens County	340,000	54.3% (2)	\$184,620
City of Athens	4,820,000	97.8% (3)	<u>4,713,960</u>
Total Direct and Overlapping Debt			<u><u>\$15,433,580</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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Tax Valuation	\$403,797,702	\$410,612,584	\$412,672,602	\$451,123,916	\$444,018,754	\$445,634,934	\$510,207,390	\$507,362,648	\$506,695,960	\$505,693,720
Debt Limit - 9% of Taxable Valuation (1)	\$36,341,793	\$36,955,133	\$37,140,534	\$40,601,152	\$39,961,688	\$40,107,144	\$45,918,665	\$45,662,638	\$45,602,636	\$45,512,435
Amount of Debt Applicable to Debt Limit										
General Obligation Bonds	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	10,535,000
Less Amount Available in Debt Service	(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)	(3,130,652)
Amount of Debt Subject to Limit	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	7,404,348
Legal Debt Margin	\$20,803,912	\$22,768,947	\$23,789,301	\$28,135,873	\$28,276,229	\$29,409,906	\$36,045,420	\$36,517,545	\$37,231,849	\$38,108,087
Legal Debt Margin as a Percentage of the Debt Limit	57.25%	61.61%	64.05%	69.30%	70.76%	73.33%	78.50%	79.97%	81.64%	83.73%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$403,798	\$410,613	\$412,673	\$451,124	\$444,019	\$445,635	\$510,207	\$507,363	\$506,696	\$505,694
Amount of Debt Subject to Limit	0	0	0	0	0	0	0	0	0	0
Unvoted Legal Debt Margin	\$403,798	\$410,613	\$412,673	\$451,124	\$444,019	\$445,635	\$510,207	\$507,363	\$506,696	\$505,694
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>
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%	483,402,647	14,306
2011	35,026	9.10%	N/A	N/A
2012	35,026	7.20%	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 June of each year. Statistic is not available by school district.

(3) Ohio Department of Taxation

Note:

The 2011 and 2012 Personal Income information was not available

ATHENS CITY SCHOOL DISTRICT

Principal Employers

Current Year and Nine Years Ago

Employer	Nature of Business	2012			2003		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Ohio University	Education	3,795	1	12.77%	Data Not Available		
O'Bleness Memorial Hospital	Health Care	675	2	2.27%			
Athens County Government	Government	624	3	2.10%			
Wal-Mart	Retail	375	4	1.26%			
Athens City School District	Education	361	5	1.22%			
Athens City Government	Government	170	6	0.57%			
Athens Messenger	Newspaper	100	7	0.34%			
	Data Not Available		8	0.00%			
	Data Not Available		9	0.00%			
	Data Not Available		10	0.00%			
Total		<u>6,100</u>		<u>20.53%</u>			
Total Employment within the School District		<u>29,707</u>					

Data not readily available in rural communities.

Sources: Athens Area Chamber of Commerce, Athens County Auditor's Office, and 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>
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
2010	9,597	16,964	502,892,243	52,401	144

Source: Ohio Department of Taxation

(1) Income Tax information after 2010 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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 (1)
Teaching Staff:										
Elementary (K-6) Classroom Teachers	108.80	107.80	85.00	84.00	83.00	83.00	84.00	84.00	85.00	85.00
Secondary (7-12) Classroom Teachers	82.50	81.50	65.50	67.50	66.00	68.50	69.50	67.25	67.75	67.33
Special Education Teachers	39.00	40.00	47.20	45.20	40.20	38.20	37.25	37.00	38.75	36.87
Vocational Education Teachers			10.00	7.00	8.00	8.00	8.00	8.00	8.00	7.00
Specialist Teachers (Art, PE, Music, Literacy)	Detailed Data not Available. These Positions are included in the general categories above.		13.60	15.20	14.40	16.20	17.20	17.20	17.20	18.30
Talented & Gifted / LEP Teachers			1.00	1.50	1.50	2.00	2.70	3.00	3.00	3.00
Pre-School Teachers			1.00	2.00	2.00	3.00	3.00	3.00	3.00	2.50
Pupil Support Services:										
Secretarial/Office Support Staff	22.50	21.50	21.00	21.00	21.00	21.50	21.50	21.50	21.50	21.69
Guidance/Counselors	5.00	5.00	5.00	5.00	6.00	6.00	6.00	5.00	6.00	5.00
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	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Nurses	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Educational Aides	63.50	65.60	69.00	69.00	69.00	64.00	69.00	68.00	70.70	50.44
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)	3.00	4.00	4.00	5.00	4.00	4.00	3.00	3.00	3.00	3.00
Central/Districtwide	9.00	9.00	10.00	10.00	10.00	10.00	10.00	11.00	10.00	10.00
Operation of Plant:										
Custodians	24.50	25.50	25.00	25.00	26.00	26.50	26.50	26.50	26.48	18.00
Maintenance	5.00	5.00	4.00	4.00	4.00	4.00	5.00	5.00	4.00	4.00
Pupil Transportation:										
Bus Drivers	29.50	29.50	30.00	30.00	33.00	31.00	31.00	31.00	31.00	18.25
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	12.20	12.00	12.00	9.50	9.50	10.80	11.05	10.00	5.33
Secondary (7-12)	6.50	6.50	6.50	6.50	7.40	7.40	7.40	7.40	10.00	5.33
Total	<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>	<u>372.04</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 October 1 of each year.

(1) FTE Calculation was changed in 2012. All hourly staff was calculated on an 8.0 hour per day basis rather than a classification or positional basis.

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			
2000	Kindergarten	235	2,823	-4.82%	\$6,972	\$7,057	230.8	17.1	n/a
2001	1st Grade	235	2,757	-2.34%	7,832	7,591	228.8	16.9	n/a
2002	2nd Grade	233	2,544	-7.73%	8,608	8,073	229.3	15.9	n/a
2003	3rd Grade	209	2,481	-2.48%	8,713	8,441	230.3	14.3	n/a
2004	4th Grade	205	2,482	0.04%	8,999	8,768	229.3	15.3	36%
2005	5th Grade	194	2,408	-2.98%	9,617	9,048	226.4	15.8	35%
2006	6th Grade	204	2,423	0.61%	10,337	9,356	223.4	15.9	34%
2007	7th Grade	214	2,430	0.30%	10,295	9,586	223.6	16.0	33%
2008	8th Grade	220	2,423	-0.29%	10,757	9,939	216.9	16.5	33%
2009	9th Grade	198	2,582	6.56%	10,580	10,184	217.9	13.6	37%
2010	10th Grade	227	2,566	0.62%	11,476	10,513	218.9	13.4	39%
2011	11th Grade	190	2,511	2.14%	11,779	10,571	219.7	12.4	38%
2012	12th Grade	195	2,435	3.03%	11,896	Not Available	220.0	Not Available	40%
					<u>\$127,861</u>	<u>\$109,127</u>			

(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 "Expenditure Flow Model"

(4) Ohio Department of Education Interactive Data Web Site

ATHENS CITY SCHOOL DISTRICT

Miscellaneous Statistics

June 30, 2012

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	229.0
Non-Certificated	125.0
Administrative	18.0
Area - square miles	89 Square Miles
State Funded Average Daily Membership	2,435
Cost per Pupil	\$11,896
Average Number of Years Teaching Experience	14.6 Years
Percentage of Teaching Staff Holding a Master's Degree	81% Master or Higher

<u>Building</u>	<u>Grades Level</u>	<u>Enrollment</u> (1)	<u>Capacity</u> (2)	<u>Percentage of Capacity</u>	<u>Number of Regular Teachers</u> (3)	<u>Pupil/ Teacher Ratio</u> (4)	<u>Year Building Completed</u>	<u>Date of Additions</u>
Athens High School	9 - 12	773	1,200	64.42%	56.6	13.1 :1	1968	2002
Athens Middle School	7 & 8	426	675	63.11%	39.5	10.8 :1	1923	1936, 1956 1973, 2002
Chauncey Elementary	PS - 6	177	500	35.40%	20.5	8.6 :1	1964	1978
East Elementary	PS - 6	316	600	52.67%	22.0	14.4 :1	1956	1980
Morrison Elementary	PS - 6	424	650	65.23%	28.3	15.0 :1	1979	-
The Plains Elementary	PS - 6	336	650	51.69%	31.7	10.6 :1	1990	-
West Elementary	PS - 6	<u>292</u>	<u>400</u>	73.00%	<u>20.0</u>	14.6 :1	1956	1978
District Totals		2,744	4,675	58.70%	218.57	12.4 :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, 2012

	<u>Athens High School</u>	<u>State Mean</u>	<u>National Mean</u>
<u>S.A.T.</u>			
Critical Reading	570	543	496
Mathematics	578	552	514
Writing	547	525	488
<u>A.C.T.</u>			
English	23.7	21.1	20.5
Mathematics	24.2	21.5	21.1
Reading	24.4	22.1	21.3
Science	23.3	21.8	20.9
Composite	24.0	21.8	21.1

Ohio Public School Report Card Data:

	<u>Athens City Schools</u>	<u>Similar Districts (2)</u>	<u>State Average</u>
<u>3rd Grade Achievement Test</u>			
Reading	80.4	87.2	89.4
Mathematics	79.5	85.3	84.6
<u>4th Grade Achievement Test</u>			
Reading	82.5	87.1	87.7
Mathematics	74.7	83.4	83.2
<u>5th Grade Achievement Test</u>			
Reading	72.9	82.7	81.1
Mathematics	64.4	72.0	72.4
Science	67.9	79.5	78.7
<u>6th Grade Achievement Test</u>			
Reading	90.4	91.3	89.9
Mathematics	81.0	85.5	84.6
<u>7th Grade Achievement Test</u>			
Reading	75.0	85.1	83.6
Mathematics	72.9	80.5	78.7
<u>8th Grade Achievement Test</u>			
Reading	82.4	87.9	86.1
Mathematics	76.4	84.8	84.4
Science	73.1	79.7	77.9
<u>10th Grade Ohio Graduation Test</u>			
Reading	90.8	90.9	89.3
Writing	96.0	91.8	90.1
Mathematics	87.9	88.1	87.3
Social Studies	91.3	83.8	82.2
Science	89.6	87.3	86.1
<u>11th Grade Ohio Graduation Test</u>			
Reading	89.8	95.4	95.4
Writing	90.3	96.0	95.7
Mathematics	89.2	94.2	94.0
Social Studies	88.1	91.5	91.1
Science	85.9	91.7	92.1
<u>Attendance Rate (All Grades)</u>	95.3	95.3	95.2
<u>Graduation Cohort (1)</u>	88.6	90.8	90.2

(1) Graduation Rate changed to Graduation Cohort in FY2012. Now uses 9th graders who completed in four years.

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



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
FEBRUARY 7, 2013**