

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2010



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ATHENS CITY SCHOOL DISTRICT

25 South Plains Road – The Plains, Ohio 45780

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

For the fiscal year ended
June 30, 2010

Board of Education

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Roger Brown..... Vice-President
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Scott Nisley Member
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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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INTRODUCTORY SECTION

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ATHENS CITY SCHOOL DISTRICT

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Carl D. Martin
Superintendent

Bryan M. Bunting CGFM
Treasurer



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December 17, 2010

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, 2010. This CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

THE DISTRICT AND ITS FACILITIES

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

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

The Athens City School District is one of five K-12 public school districts in Athens County. With 2,842 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 58 square miles. The District operates 7 educational facilities, a Maintenance facility, a Transportation/Bus Garage, and a central administration building that also houses the District's Technology department and Talented and Gifted program director.

School	Grade	Enrollment
Chauncey Elementary	PreK-6	171
East Elementary	PreK-6	286
Morrison Elementary	PreK-6	401
The Plains Elementary	PreK-6	378
West Elementary	PreK-6	286
Athens Middle School	7-8	426
Athens High School	9-12	894

The District provides preschool programs and all-day kindergarten classes. The District serves lunches to 43% of the student population daily. Approximately 39% 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 64% 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, 45% are eligible for Free and Reduced, and 26% 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, 2010 is included on page xiii.

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Carl D. Martin was initially employed as Superintendent effective February 1995. Mr. Martin retired effective December 31, 1998 but returned to the position in July 2000. Mr. Martin's contract extends through July 31, 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 4,000 total employees with more than 1,000 full-time and 700 part-time faculty employees who live in or around the District. In fact, four of the five largest employers in the county are government operations, Ohio University, Athens County, Hocking College, and the Athens City School District itself. The University has an enrollment of more than 27,000 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 \$563 million with total operating and non-operating expenses for the 2009 fiscal year in excess of \$563 million dollars. The University has an on-going facility plan which means each year they complete a number of construction and renovation projects. Their 2009 annual report also estimates that future capital commitments for which funding has been identified total more than \$79 million.

Athens County's largest private employers include Wal-Mart, O'Bleness Memorial Hospital, Kroger Co., Diagnostic Hybrids, and Health Recovery Services. New commercial operations continue to open in and around the area of the previous year growth. Another hotel and restaurant opened in 2010 as well as smaller commercial operations. The University Mall added one more major retail store and has ongoing talks with at least one other "big-box" store. The recently renovated Athens Mall includes Sears, AT&T, and others in place or yet to open in 2011. These provide additional property tax revenue and employment to area residents. The City of Athens continues infrastructure upgrades including additional traffic lanes, water, sewer, and electric service that has and will continue to entice new business to the area. Areas of the City beyond this east corridor are now being explored for commercial development.

The District, along with many other public school systems in the state, relies heavily on local property tax as a primary source of funds. Ohio law limits the growth in real estate tax revenues by reducing millage as assessed values increase following re-appraisals. Consequently, revenues generated from each levy remain relatively constant. As a result, the District must periodically seek additional funding from its 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 89% of all tax levies and 100% of all bond issues since 1964. The average passage rate for those ballot issues was 58%. The District's management is very appreciative of this support but is constantly searching for ways to provide a more efficient means of doing business while at the same time continuing to provide excellent educational services. Evidence of this is supported by the fact the District operates more than 40 grants generating approximately \$2.3 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 424 employees (full and part time) of which 230 are certificated (including school psychologists and counselors), 176 are classified, and 18 administrative. Certificated employees, including teachers and educational specialists, are represented for collective bargaining purposes by the Athens Education Association (AEA), an affiliate of the Ohio Education Association (OEA). Classified employees, including bus drivers, food service, custodial, maintenance, and clerical staff, are represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846. Educational Aides are also represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846, but under a separate negotiated agreement.

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

During the summer of 2009, the Board successfully concluded negotiations with the ASFCME employees on a three-year agreement for wages and fringe benefits. Wage agreements for that bargaining unit for the three year period September 1, 2009 through August 31, 2010 included hourly wage increases of \$.85 effective September 2009, \$.30 in September 2010, and \$.30 in September 2011.

During the summer of 2010, the Board successfully concluded negotiations with the ASFCME educational aide employees on a three-year agreement for wages and fringe benefits. Wage agreements for that bargaining unit for the three year period September 1, 2010 through August 31, 2013, included hourly wage increases of \$.45 effective September 2010, and \$.35 effective September 2011 and September 2012.

SERVICES PROVIDED

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

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

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

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

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

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

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

The District's special education programs are broad and comprehensive. Approximately 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 provided a series of training in-services for training building technology facilitators and classroom teachers and will be planning a continued professional development opportunities.

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

COMMUNITY, STAFF, AND STUDENT INVOLVEMENT

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

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

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

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

MAJOR INITIATIVES AND EVENTS - FISCAL YEAR 2010

Facility Management

The District completed and adopted a *Facility Master Plan* with the assistance of the Ohio School Facility Commission (OSFC) and other professionals in FY2004. The District began an update of that plan in FY2009 with the help of the Quandel Group Inc. The update was completed at the end of FY2010. We are not working with the OSFC to determine which expenses from the renovation project begun in FY2000 and facility work completed since that project will count toward the District share of any OSFC project which may be possible in the near future. A comprehensive review of all District roofs was completed in 2006 and identified buildings by section that need addressed. The report included a prioritized list of each roof/section. By the end of FY2010 all of the roof projects identified in the report have been repaired or replaced. Additionally, other permanent improvements were made which included electrical upgrades, renovations to doors and windows, and additional security cameras.

Technology

The Information Technology (IT) Department starts with the continuation of the annual replacement plan which established a 5 year life cycle and a 5:1 ratio between students and computers. More than 150 new computers were installed during the summer of 2010 leading into FY2011. The District's internet provider is working to obtain money from the federal stimulus package, ARRA, which may provide a fiber optic connection between buildings that would greatly increase our bandwidth. The increased bandwidth would open possibilities of combining both hardware and software applications. This would in turn reduce District cost and provide additional resources for instruction. New technologies are being reviewed and tested within various District buildings.

Report Cards

Ohio law now calls for each Ohio District to receive a performance accountability rating based on 26 performance indicators. Athens City Schools have met 18 of the 26 performance standards for the 2009-2010 school-year. Based on the State's current ranking system, this score places the District in the Effective category. The District also achieved a *Performance Index* of 94.3. This score is down from 94.8 in 2008-2009. 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 eleventh Comprehensive Annual Financial Report (CAFR) for fiscal year 2010. 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 2010 had multiple students qualify as National Merit Scholars. There were also multiple students who were recognized as National Merit Finalists. Since 1984, more than 120 Athens High School graduates have been named National Merit Scholars and more than 150 have earned commended status. Six of Athens High School class of 2010 graduates received recognition and scholarships from the J. Warren McClure Athens Education Foundation.

Consolidated Local Plan

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

<u>Grant</u>	<u>Award Amount</u>	<u>Description of Grant</u>
Title I	\$635,702	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	\$182,202	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	\$5,503	Funds are designated for professional development of educational staff and the encouragement of technology and mathematics and science education.
Title IV	\$10,319	Focus for this grant is on cultivating a safe, drug-free climate within our schools, underscoring the educational mission to have students make good life decisions and feel safe in their environment.
Title VI-B	\$526,365	Funds are allocated to align systems of intervention and special education with scientifically based research curriculum, instruction and assessment and with the state's academic content standards. Provides tutoring and other focused supplemental supports for children.
21 st Century	\$196,969	Funding is designed to provide after school enrichment programs to students who are economically, socially, and/or educationally most at risk.
ECSE	\$13,314	Funding is designed to provide tutoring and other focused supplemental supports for children most at risk in reading and mathematics.
Total	\$1,570,374	

MAJOR INITIATIVES FOR THE FUTURE

Permanent Improvements

The District intends to continue with annual maintenance issues and improvement projects in accordance with the Facility Master Plan completed in FY2010. Ongoing minor repairs and regular maintenance continues to be funded by the District Permanent Improvement Fund.

Curriculum Development and Meeting the Requirements of New State Standards

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

Technology Upgrades

The Information Technology (IT) Department will continue the annual replacement plan and the purchase plan. Computers plus servers, switches, and wiring upgrades are done each year. The IT department continues to work on combining into one District-wide network and pilot new technologies to lower cost and become more efficient. The District will explore an upgrade to a fiber backbone which would greatly increase bandwidth and allow for consolidation of both hardware and software.

FINANCIAL INFORMATION

Internal Controls

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

Federal and State Assistance

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

Budgetary Controls

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

Financial Condition

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

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

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

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

As a part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the District. This discussion is located in the financial section of this report following the audit opinion, and provides an assessment of the District finances for fiscal year 2010.

Debt Administration

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

At June 30, 2010, the District had outstanding bond issues of \$12,045,000. Under current State statutes, the District's general obligation bonded debt issuances are subject to a legal limitation based on 9% of the total value of real and personal property. At June 30, 2010, the District's legal limitation was slightly more than \$36.5 million placing District general obligation debt well below the legal limit.

Risk Management

The District continues to protect its assets through a comprehensive insurance program. A schedule of insurance in force at June 30, 2010 is included in the Notes to the Financial Statements Section of this report.

Cash Management

The District believes that appropriate cash management activities are integral to the District's overall financial well-being. Forecasting of receipts and expenditures, cash budgeting and on-going variance analysis allow prudent optimization of investment maturities and interest income. Total interest earned during the fiscal year 2010 was \$217,871.

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

Additionally in FY2009 the District fully implemented a program through its financial institutions whereby an electronic file is transmitted with each check run for both payroll and accounts payable containing specific information regarding each transaction. The financial institutions use this file to verify each warrant presented for payment. If the warrant fails to exactly match the District file, the bank will refuse payment. This greatly reduces the District risk of fraudulent warrants clearing their accounts. It has also provided enhancements to District reconciliation process by eliminating encoding errors and providing electronic files for clearing of warrants.

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

OTHER INFORMATION

Independent Audit

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

GFOA Certificate Of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Athens City School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. This was the ninth 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.

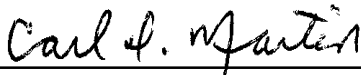
Acknowledgments

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

BUILDING ADMINISTRATORS and SECRETARY

High School	Mike Meek Secretary – Brenda Hamilton
Middle School.....	Paul Grippa Secretary – Janet Lowes
Chauncey Elementary	Peggy Williams Secretary – Amy Carder
East Elementary	Denny Boger Secretary – Linda Pierce
Morrison Elementary	John Gordon Secretary – Linda Bennett
The Plains Elementary	Vacant at June 30, 2010 Secretary – Madelon Armstrong
West Elementary.....	Joan Linscott Secretary – Judy Deardorf

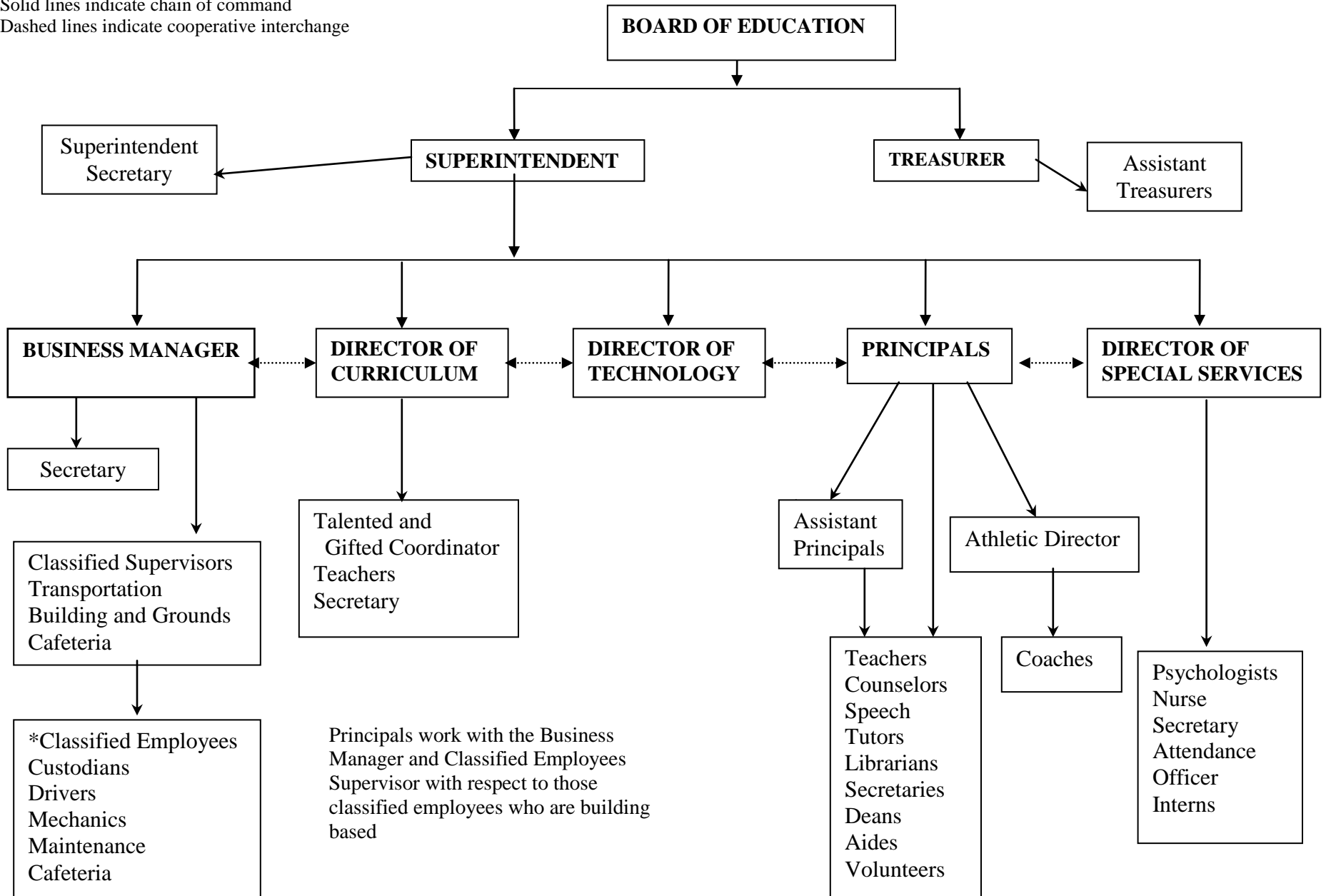
OTHER ADMINISTRATORS

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

ATHENS CITY SCHOOL DISTRICT ORGANIZATIONAL CHART
For the Year Ended June 30, 2010

Solid lines indicate chain of command
 Dashed lines indicate cooperative interchange

AX



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Athens City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



President

Executive Director

ATHENS CITY SCHOOL DISTRICT



FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens City School District (the School District), Athens County, Ohio as of and for the year ended June 30, 2010, 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 the 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

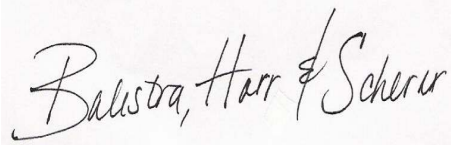
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Athens City School District, Athens County, Ohio, as of June 30, 2010, and the respective changes in financial position and where applicable, cash flows, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2010, 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.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

As described in Note 3, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *accounting and financial reporting for intangible assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

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

Balestra, Harr & Scherer CPAs, Inc.
December 17, 2010

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(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, 2010. 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, 2010 by \$23.6 million. Of this amount, \$9.3 million may be used to meet the District's ongoing financial obligations. The remaining amount represents the difference between capital assets and related debt and net asset amounts restricted for specific purposes.
- ▶ In total, net assets of governmental activities increased by \$23,314, which represents an increase of 0.01% from 2009.
- ▶ General revenues accounted for \$25.4 million or 70.59% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$10.6 million or 29.41% of total revenues of \$36.0 million.
- ▶ The District had \$36.0 million in expenses related to governmental activities; only \$10.6 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes and grants and entitlements) of \$25.4 million and net assets carried over from prior year were adequate to cover the balance of governmental programs.
- ▶ The District recognizes three major governmental funds: the General Fund, the Bond Retirement Fund, and the Permanent Improvement Fund. In terms of dollars received and spent, the General Fund is significantly larger than all the other funds of the District combined. The General Fund had \$29.9 million in revenues and \$29.5 million in expenditures in fiscal year 2010.
- ▶ The District also recognizes the self-insurance fund activity as a governmental activity and a proprietary fund. The activity for fiscal year 2010 was \$5.7 million in revenue and \$5.7 million in expenses. Net assets at June 30, 2010 for the self-insurance fund increased \$11,031.

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, 2010
(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, 2010
(Unaudited)

Governmental Funds

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

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

Proprietary Fund

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(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 2010 compared to fiscal year 2009:

Table 1
Net Assets

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Assets		
Current and Other Assets	\$37,014,612	\$43,601,123
Capital Assets, Net	20,158,211	20,666,370
Total Assets	<u>57,172,823</u>	<u>64,267,493</u>
Liabilities		
Long-Term Liabilities	14,923,725	15,577,858
Other Liabilities	18,608,190	25,072,041
Total Liabilities	<u>33,531,915</u>	<u>40,649,899</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	7,315,598	6,735,851
Restricted	7,002,331	7,014,279
Unrestricted	9,322,979	9,867,464
Total Net Assets	<u>\$23,640,908</u>	<u>\$23,617,594</u>

Current assets decreased by \$6,586,511 from fiscal year 2009 due primarily to the net effects of decreases in property taxes receivable, income taxes receivable and in cash and cash equivalents.

Capital assets decreased \$508,159 due to current year depreciation expense.

Current (other) liabilities decreased \$6,463,851 primarily due to a decrease in unearned revenue.

Long-term liabilities decreased by \$654,133 due to principal retirement on debt obligations.

The District's largest portion of net assets is unrestricted. This accounts for 39.44% of net assets. These net assets represent resources that may be used to meet the District's ongoing obligations to its students and creditors.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(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 30.94% 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 29.62% of net assets. The restricted net assets are subject to external restrictions on how they may be used.

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

Table 2 shows the changes in net assets for fiscal year 2010 compared to changes for fiscal year 2009.

Table 2
Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
<u>Revenues:</u>		
<i>Program Revenue:</i>		
Charges for Services and Sales	\$3,144,587	\$3,200,070
Operating Grants and Contributions	7,441,736	5,305,700
<i>General Revenue:</i>		
Property Taxes	15,384,638	16,105,592
Income Taxes	3,378,878	2,983,038
Unrestricted Grants and Entitlements	6,181,952	8,418,895
Payments in Lieu of Taxes	165,468	441,147
Investment Earnings	217,871	429,465
Miscellaneous	<u>85,752</u>	<u>72,006</u>
Total Revenues	<u>36,000,882</u>	<u>36,955,913</u>

(Continued)

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Table 2
Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
<u>Expenses:</u>		
<i>Program Expenses:</i>		
<i>Instruction:</i>		
Regular	16,382,027	15,652,902
Special	3,685,796	3,653,542
Vocational	419,445	343,739
Student Intervention Services	148,213	362,017
<i>Support Services:</i>		
Pupil	1,520,110	1,386,740
Instructional Staff	2,479,736	1,929,428
Board of Education	164,636	87,678
Administration	1,938,680	1,907,707
Fiscal	702,311	717,860
Business	602,219	610,723
Operation and Maintenance of Plant	3,798,711	3,725,763
Pupil Transportation	1,923,397	1,919,536
Central	203,103	200,597
<i>Operation of Non-Instructional Services:</i>		
Food Service	849,165	869,551
Other	5,398	300
Extracurricular Activities	475,833	526,387
Interest and Fiscal Charges	678,788	683,439
<i>Total Expenses</i>	<u>35,977,568</u>	<u>34,577,909</u>
<i>Change in Net Assets</i>	23,314	2,378,004
Net Assets – Beginning of Year	<u>23,617,594</u>	<u>21,239,590</u>
Net Assets – End of Year	<u><u>\$23,640,908</u></u>	<u><u>\$23,617,594</u></u>

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

The District had program revenue increases of \$2,080,553 and decreases in general revenues of \$3,035,584. The increase in program revenue and the general revenue decrease is primarily due to the reclassification of unrestricted grants to operating grants.

The total expenses for governmental activities increased \$1,399,659 or 4.05% primarily as a result of the District's annual wage increases which are a part of the union contracts.

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 42.73% of the total revenue for governmental activities in fiscal year 2010.

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

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

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

In November 2006 the voters passed a 1% Income Tax with the District promise to allow the 5.8 levy to expire. The 1% income tax applies only to earned income of District residents and collected approximately \$3.3 million in fiscal year 2010. 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, 2010
(Unaudited)

Instruction accounts for 57.36% of governmental activities program expenses. Support services expenses make up 37.06% 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 2010 compared with fiscal year 2009. 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	
	2010	2009	2010	2009
<i>Program Expenses:</i>				
Instruction	\$20,635,481	\$20,012,200	\$13,114,853	\$13,858,872
Support Services	13,332,903	12,486,032	11,097,045	10,994,122
Operation of Non-Instructional Services	854,563	869,851	108,851	68,569
Extracurricular Activities	475,833	526,387	391,708	467,137
Interest and Fiscal Charges	678,788	683,439	678,788	683,439
Total Expenses	\$35,977,568	\$34,577,909	\$25,391,245	\$26,072,139

The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. (See Note 2 for discussion of significant accounting policies). All governmental funds had total revenues of \$35.9 million and expenditures of \$36.1 million.

Total governmental funds fund balances decreased by \$0.2 million. The decrease in fund balance for the year was most significant in the Permanent Improvement Fund, which decreased \$292,551, as a result of an increase in accounts payable which led to increased expenditures. The Bond Retirement Fund had an increase of \$66,639 in fund balance due to revenues exceeding expenditures for the fiscal year. The fund balance in the General Fund increased \$252,874 due to the District's monitoring of expenditures, which resulted in maintaining spending levels below revenues for the year.

The District should remain stable in fiscal years 2011 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, 2010
(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 2010, the District amended its General Fund budget several times. The District uses a modified site-based budget technique that is designed to control site budgets while providing building administrators and supervisors' flexibility for site management.

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

For the General Fund, the final budget basis revenue was \$29,736,718 representing a \$1,449,306 increase from the original budget estimates of \$28,287,412. The final budget reflected a 5.12% increase from the original budgeted amount. Most of this difference was due to the District's conservative budgeting for income tax and intergovernmental revenue on the original budget. For the General Fund, the final budget basis expenditures were \$29,267,939 representing an increase of \$1,129,109 from the original budget. The difference is the result of the District's conservative budgeting for regular instruction and instructional staff on the original budget.

Debt Administration and Capital Assets

Debt Administration

At June 30, 2010, the District had \$12.0 million in bonds outstanding with \$685,000 due within one year. Table 4 summarizes bonds outstanding for fiscal year 2010 compared to fiscal year 2009. More detailed information concerning the District's debt can be found in Note 15 of the notes to the basic financial statements.

Table 4
Outstanding Debt, Governmental Activities at Year End

Purpose	2010	2009
Facility Construction Bonds (Refunding)	\$8,685,000	\$8,820,000
Facility Renovation Bonds	3,360,000	3,875,000
Total	<u>\$12,045,000</u>	<u>\$12,695,000</u>

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Capital Assets

At the end of fiscal year 2010, the District had \$47.4 million invested in capital assets for its governmental activities. That total carries an accumulated depreciation of \$27.3 million. Table 5 shows fiscal year 2010 balances compared to fiscal year 2009. 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>	
	2010	2009
<i>Nondepreciable Capital Assets:</i>		
Land	\$1,519,380	\$1,519,380
<i>Depreciable Capital Assets:</i>		
Land Improvements	3,024,661	2,986,642
Buildings and Improvements	36,631,398	36,229,596
Furniture, Fixtures and Equipment	2,125,057	2,055,626
Vehicles	2,724,651	2,475,805
Library and Textbooks	1,399,405	1,399,405
<i>Total Capital Assets</i>	47,424,552	46,666,454
<i>Less Accumulated Depreciation:</i>		
Land Improvements	2,283,716	2,199,099
Buildings and Improvements	20,037,229	19,104,809
Furniture, Fixtures and Equipment	1,831,294	1,774,945
Vehicles	1,714,697	1,521,826
Library and Textbooks	1,399,405	1,399,405
<i>Total Accumulated Depreciation</i>	27,266,341	26,000,084
Capital Assets, Net	\$20,158,211	\$20,666,370

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Current Issues

Athens City School District is considered a mid-wealth district. It is financially stable, and has been over the past several years. As indicated in the preceding financial information, the District is heavily dependent on property taxes. Property tax revenue does not increase solely as a result of inflation. Therefore, in the long-term, the current program and staffing levels will be dependent on increased funding to meet inflation. Careful financial planning and the renewal of a \$3.2 million emergency levy in November of 2008 and renewal of a 1% Income Tax in May of 2010 permitted the District to provide a quality education for our students.

The Ohio Legislature biennial budget for 2010 and 2011 included a major change in the method used to fund Ohio schools. Gone is the per pupil amount applied to all students in each district in favor of a comprehensive method that uses teacher to pupil ratios and funding of several key items that the State feels is necessary for an adequate education such as technology, maintenance and operations, and talented and gifted funds to name a few. Another major shift is the phasing down of the presumed local share, or charge-off, from 23 mills of local property valuation. In 2010 and 2011 the charge-off applied to each districts local property value will be 22 mills, that drops to 21 mills in 2012 and 2013, and then to 20 mills in 2014 and beyond. The State Legislature also extended the "hold harmless" provision of the state funding the revenue lost due to the elimination of local tax on tangible personal property through 2013. In calendar year 2004, the base year for determining the "hold harmless" amount, Athens City School District had a \$24 million tangible personal property valuation which generated approximately \$1.2 million tax dollars annually.

Athens County underwent the six-year property tax reappraisal in tax year 2008. The District's average real estate property value increased by almost 11% for residential property and 18% for commercial property. Typical residential reappraisal value increases have historically been between 18% and 20%. Property tax revenue has been adjusted to account for the slowdown in the economic and housing markets. A triennial update of values is scheduled for tax year 2011.

The Governor and State Legislature have been able to maintain school funding during the current economic problems. They accomplished this in large part due to the federal stimulus funds allocated to Ohio. However, traditional annual increases are unlikely. The new school funding method included in the 2010-2011 state budget does have some biennial increases providing the economy does not force further cuts statewide. Further adding to the uncertainty is the fact the Governor and majority party in the Ohio legislature changed during the November 2010 election cycle. It is unknown at this point if the new funding system will continue or another system will be developed by the new administration. Even with an improving economy and a change in the school funding method, the Athens City School District will have to rely in large part to the continued support of the local taxpayers to maintain their high level of education. The District.

Athens City School District revenue projections reflect a reduction of 12% of the FY2011 level in state funding over the next two fiscal years. There is no assumed meaningful growth or loss in local revenue as a result of these changes in the short term. Based on these factors, the Board of Education and the administration of the District must maintain careful financial planning and prudent fiscal management in order to preserve the financial stability of the District, especially after FY2013 when the phase-out of the Tangible Personal Property Tax begins heading toward a reduction of more than \$1.2 million in local revenue.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(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 what the next property re-appraisal will be for forecasting tax revenue. Through the months since the 2008 re-appraisal was completed, the county is seeing reduced value for homes under \$50,000 in value but small increased values on property above \$100,000 in value. The average home value in the Athens City School District is above \$100,000 which means we may still see minor growth and slight increased tax revenue while others will not be so fortunate. While new construction has slowed, the homes being built in several subdivisions continue to be upscale in both style and price. Ohio University continues to work with private developers on student housing options off campus as an alternative to their dormitory and resident halls. These may be constructed as profit making ventures with the property remaining tax-exempt.

The City continues with improvements to streets and utilities which spawned development on the east side. New commercial enterprises such as a Wal-Mart Superstore, Ruby Tuesday's restaurant, a Staples office retailer, and Lowe's Hardware Superstore opened in 2004 and 2006. Two new major hotels were opened in late in 2008 and early 2009. Additionally, small commercial enterprises have opened during 2010 and the renovations of the University Mall, now called the Market on East State, bring hope of a revival of that facility. One major "big-box" was added to the mall in 2009 with other contracts being considered for 2011. Some of the new construction falls within an area that is under a Tax Increment Financing (TIF) agreement between the City of Athens and the District. The District began receiving an "In Lieu of Tax" payment from the City that closely approximates the tax payment which would have been made by the commercial property owners. However, since the TIF area will be considered tax-exempt property, the property valuation will not be used by the State Department of Education when determining deduction from the District's funding amounts from FY2006 through the end of the 30 year TIF agreement.

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, 2010

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$18,386,673
Investments	2,122,234
Property Taxes Receivable	14,997,380
Payment in Lieu of Taxes Receivable	198,141
Income Taxes Receivable	1,091,824
Intergovernmental Receivable	85,436
Inventory Held for Resale	10,701
Materials and Supplies Inventory	6,732
Deferred Charges	115,491
Nondepreciable Capital Assets	1,519,380
Depreciable Capital Assets, Net	18,638,831
	<hr/>
<i>Total Assets</i>	57,172,823
	<hr/>
<u>Liabilities:</u>	
Accounts Payable	454,990
Accrued Wages and Benefits	3,086,865
Intergovernmental Payable	990,700
Accrued Interest Payable	45,302
Claims Payable	389,188
Unearned Revenue	13,266,163
Matured Compensated Absences Payable	294,982
Early Retirement Incentive Payable	80,000
<i>Long-Term Liabilities:</i>	
Due within One Year	964,635
Due in More Than One Year	13,959,090
	<hr/>
<i>Total Liabilities</i>	33,531,915
	<hr/>
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	7,315,598
<i>Restricted for:</i>	
Capital Outlay	3,015,336
Debt Service	3,007,989
Other Purposes	979,006
Unrestricted	9,322,979
	<hr/>
<i>Total Net Assets</i>	\$23,640,908
	<hr/> <hr/>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2010

	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	\$16,382,027	\$2,788,133	\$3,061,087	(\$10,532,807)
Special	3,685,796	4,350	1,611,465	(2,069,981)
Vocational	419,445	0	55,593	(363,852)
Student Intervention Services	148,213	0	0	(148,213)
<i>Support Services:</i>				
Pupil	1,520,110	6,529	203,840	(1,309,741)
Instructional Staff	2,479,736	11,264	485,938	(1,982,534)
Board of Education	164,636	0	0	(164,636)
Administration	1,938,680	1,725	267,015	(1,669,940)
Fiscal	702,311	0	4,599	(697,712)
Business	602,219	0	0	(602,219)
Operation and Maintenance of Plant	3,798,711	0	361,017	(3,437,694)
Pupil Transportation	1,923,397	0	830,122	(1,093,275)
Central	203,103	1,200	62,609	(139,294)
<i>Operation of Non-Instructional Services:</i>				
Food Services	849,165	248,732	496,980	(103,453)
Other	5,398	0	0	(5,398)
Extracurricular Activities	475,833	82,654	1,471	(391,708)
Interest and Fiscal Charges	678,788	0	0	(678,788)
<i>Total Governmental Activities</i>	\$35,977,568	\$3,144,587	\$7,441,736	(25,391,245)
 <u>General Revenues:</u>				
<i>Property Taxes Levied for:</i>				
General Purposes				13,028,423
Debt Service				1,201,213
Capital Outlay				1,155,002
<i>Income Taxes Levied for:</i>				
General Purposes				3,378,878
Grants and Entitlements not Restricted to Specific Programs				6,181,952
Payments in Lieu of Taxes				165,468
Investment Earnings				217,871
Miscellaneous				85,752
<i>Total General Revenues</i>				25,414,559
Change in Net Assets				23,314
<i>Net Assets at Beginning of Year</i>				23,617,594
<i>Net Assets at End of Year</i>				\$23,640,908

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2010

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash, Cash Equivalents and Investments	\$8,926,591	\$2,899,907	\$3,204,964	\$1,228,140	\$16,259,602
Property Taxes Receivable	12,282,396	1,371,941	1,343,043	0	14,997,380
Payment in Lieu of Taxes Receivable	198,141	0	0	0	198,141
Income Taxes Receivable	1,091,824	0	0	0	1,091,824
Intergovernmental Receivable	0	0	0	85,436	85,436
Interfund Receivable	131,922	0	0	0	131,922
Materials and Supplies Inventory	0	0	0	6,732	6,732
Inventory Held for Resale	0	0	0	10,701	10,701
<i>Total Assets</i>	<u>\$22,630,874</u>	<u>\$4,271,848</u>	<u>\$4,548,007</u>	<u>\$1,331,009</u>	<u>\$32,781,738</u>
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$65,724	\$0	\$335,295	\$53,971	\$454,990
Accrued Wages and Benefits	2,831,555	0	0	255,310	3,086,865
Intergovernmental Payable	875,810	0	0	114,890	990,700
Interfund Payable	0	0	0	131,922	131,922
Deferred Revenue	11,441,626	1,274,197	1,250,217	0	13,966,040
Early Retirement Incentive Payable	80,000	0	0	0	80,000
Matured Compensated Absences Payable	0	0	0	294,982	294,982
<i>Total Liabilities</i>	<u>15,294,715</u>	<u>1,274,197</u>	<u>1,585,512</u>	<u>851,075</u>	<u>19,005,499</u>
<u>Fund Balances:</u>					
Reserved for Encumbrances	409,368	0	5,970	50,752	466,090
Reserved for Property Taxes	1,038,911	97,744	92,826	0	1,229,481
<i>Unreserved, Undesignated, Reported in:</i>					
General Fund	5,887,880	0	0	0	5,887,880
Special Revenue Funds	0	0	0	429,182	429,182
Debt Service Fund	0	2,899,907	0	0	2,899,907
Capital Projects Funds	0	0	2,863,699	0	2,863,699
<i>Total Fund Balances</i>	<u>7,336,159</u>	<u>2,997,651</u>	<u>2,962,495</u>	<u>479,934</u>	<u>13,776,239</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$22,630,874</u>	<u>\$4,271,848</u>	<u>\$4,548,007</u>	<u>\$1,331,009</u>	<u>\$32,781,738</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, 2010*

Total Governmental Funds Balances	\$13,776,239
 <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.	20,158,211
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	699,877
Unamortized issuance costs represent deferred charges which do not provide current financial resources and are therefore not reported in the funds.	115,491
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	(12,045,000)
Accretion on bonds	(370,018)
Premium on bonds issued	(913,104)
Accrued interest on bonds	(45,302)
Compensated absences	<u>(1,595,603)</u>
Total liabilities that are not reported in the funds	(14,969,027)
An internal service fund is used by management to charge the costs of insurance activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	<u>3,860,117</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$23,640,908</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$12,956,307	\$1,203,008	\$1,151,842	\$0	\$15,311,157
Income Taxes	3,378,878	0	0	0	3,378,878
Intergovernmental	10,438,640	168,132	197,782	2,798,713	13,603,267
Interest	151,790	0	36,476	0	188,266
Tuition and Fees	2,710,144	0	0	77,147	2,787,291
Extracurricular Activities	0	0	0	101,584	101,584
Rent	4,637	0	0	0	4,637
Charges for Services	0	0	0	248,732	248,732
Payments in Lieu of Taxes	165,468	0	0	0	165,468
Contributions and Donations	0	0	0	21,335	21,335
Miscellaneous	61,427	0	0	25,754	87,181
<i>Total Revenues</i>	<u>29,867,291</u>	<u>1,371,140</u>	<u>1,386,100</u>	<u>3,273,265</u>	<u>35,897,796</u>
<u>Expenditures:</u>					
<i>Current:</i>					
<i>Instruction:</i>					
Regular	14,033,037	0	250,787	885,372	15,169,196
Special	2,560,780	0	0	1,152,320	3,713,100
Vocational	417,827	0	0	0	417,827
Student Intervention Services	144,807	0	0	3,320	148,127
<i>Support Services:</i>					
Pupil	1,300,830	0	61,683	138,338	1,500,851
Instructional Staff	2,079,673	0	16,450	380,052	2,476,175
Board of Education	164,071	0	0	0	164,071
Administration	1,890,565	0	8,926	37,420	1,936,911
Fiscal	583,663	35,799	46,152	33,592	699,206
Business	601,228	0	0	0	601,228
Operation and Maintenance of Plant	3,491,463	0	547,292	2,068	4,040,823
Pupil Transportation	1,690,379	0	250,857	43,865	1,985,101
Central	138,897	0	7,228	56,613	202,738
Operation of Non-Instructional Services	304	0	5,094	844,423	849,821
Extracurricular Activities	374,933	0	0	63,328	438,261
Capital Outlay	3,863	0	487,736	0	491,599
<i>Debt Service:</i>					
Principal Retirement	0	650,000	0	0	650,000
Interest and Fiscal Charges	0	618,702	0	0	618,702
<i>Total Expenditures</i>	<u>29,476,320</u>	<u>1,304,501</u>	<u>1,682,205</u>	<u>3,640,711</u>	<u>36,103,737</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>390,971</u>	<u>66,639</u>	<u>(296,105)</u>	<u>(367,446)</u>	<u>(205,941)</u>
<u>Other Financing Sources (Uses):</u>					
Transfer In	0	0	0	138,097	138,097
Insurance Recoveries	0	0	3,554	0	3,554
Transfer Out	(138,097)	0	0	0	(138,097)
<i>Total Other Financing Sources (Uses)</i>	<u>(138,097)</u>	<u>0</u>	<u>3,554</u>	<u>138,097</u>	<u>3,554</u>
<i>Net Change in Fund Balances</i>	252,874	66,639	(292,551)	(229,349)	(202,387)
<i>Fund Balances at Beginning of Year</i>	<u>7,083,285</u>	<u>2,931,012</u>	<u>3,255,046</u>	<u>709,283</u>	<u>13,978,626</u>
<i>Fund Balances at End of Year</i>	<u>\$7,336,159</u>	<u>\$2,997,651</u>	<u>\$2,962,495</u>	<u>\$479,934</u>	<u>\$13,776,239</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, 2010*

Net Change in Fund Balances - Total Governmental Funds (\$202,387)

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

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

Capital Asset Additions	775,129	
Depreciation	(1,282,300)	
Total		(507,171)

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. (988)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These revenues consist of:
Property taxes 73,481

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 650,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 2,914

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	59,434	
Accretion on bonds	(116,175)	
Premium on bonds issued	60,874	
Total expenditures not reported in the funds		4,133

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. 11,031

Change in Net Assets of Governmental Activities \$23,314

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$13,095,945	\$12,905,207	\$12,905,207	\$0
Income Taxes	2,898,900	3,297,055	3,297,055	0
Intergovernmental	9,190,943	10,438,640	10,438,640	0
Interest	350,679	154,140	154,140	0
Tuition and Fees	2,690,631	2,710,144	2,710,144	0
Rent	3,657	4,637	4,637	0
Payments in Lieu of Taxes	0	165,468	165,468	0
Miscellaneous	56,657	61,427	61,427	0
<i>Total Revenues</i>	<u>28,287,412</u>	<u>29,736,718</u>	<u>29,736,718</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	13,295,927	13,867,852	13,867,852	0
Special	2,657,478	2,525,160	2,525,160	0
Vocational	349,971	436,428	436,428	0
Student Intervention Services	32,787	133,247	133,247	0
<i>Support Services:</i>				
Pupils	1,236,823	1,306,129	1,306,129	0
Instructional Staff	1,488,426	2,002,053	2,002,053	0
Board of Education	170,309	175,860	175,860	0
Administration	1,962,413	1,824,837	1,824,837	0
Fiscal	733,519	589,969	589,969	0
Business	659,254	584,336	584,336	0
Operation and Maintenance of Plant	3,615,436	3,637,315	3,637,315	0
Pupil Transportation	1,376,889	1,678,150	1,678,150	0
Central	134,890	137,778	137,778	0
Operation of Non-Instructional Services	316	304	304	0
Extracurricular Activities	404,392	363,521	363,521	0
Capital Outlay	20,000	5,000	5,000	0
<i>Total Expenditures</i>	<u>28,138,830</u>	<u>29,267,939</u>	<u>29,267,939</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>148,582</u>	<u>468,779</u>	<u>468,779</u>	<u>0</u>
<u>Other Financing Sources (Uses):</u>				
Advances In	63,875	63,875	63,875	0
Insurance Recoveries	34	0	0	0
Transfers Out	(375,000)	(138,097)	(138,097)	0
Advances Out	0	(66,663)	(66,663)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(311,091)</u>	<u>(140,885)</u>	<u>(140,885)</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(162,509)</u>	<u>327,894</u>	<u>327,894</u>	<u>0</u>
<i>Fund Balance at Beginning of Year</i>	<u>8,027,579</u>	<u>8,027,579</u>	<u>8,027,579</u>	<u>0</u>
Prior Year Encumbrances Appropriated	161,287	161,287	161,287	0
<i>Fund Balance at End of Year</i>	<u><u>\$8,026,357</u></u>	<u><u>\$8,516,760</u></u>	<u><u>\$8,516,760</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Net Assets

Proprietary Fund

June 30, 2010

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Assets:</u>	
<i>Current Assets:</i>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$2,127,071
Investments	<u>2,122,234</u>
<i>Total Current Assets</i>	<u>4,249,305</u>
<u>Liabilities:</u>	
<i>Current Liabilities:</i>	
Claims Payable	<u>389,188</u>
<i>Total Current Liabilities</i>	<u>389,188</u>
<u>Net Assets:</u>	
Unrestricted	<u><u>\$3,860,117</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, 2010*

	Governmental Activities
	Internal Service
<u>Operating Revenues:</u>	
Charges for Services	\$5,729,174
<u>Operating Expenses:</u>	
Salaries	168
Fringe Benefits	24
Purchased Services	3,729
Claims	5,742,218
Other	1,609
<i>Total Operating Expenses</i>	5,747,748
<i>Operating Income (Loss)</i>	(18,574)
<u>Nonoperating Revenue:</u>	
Interest	29,605
<i>Change in Net Assets</i>	11,031
<i>Net Assets at Beginning of Year</i>	3,849,086
<i>Net Assets at End of Year</i>	\$3,860,117

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, 2010

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Services Provided	\$5,729,174
Cash Payments to Employees	(192)
Cash Payments for Goods and Services	(3,729)
Cash Payments to Other Sources	(1,609)
Cash Payments for Claims	<u>(5,815,060)</u>
<i>Net Cash from Operating Activities</i>	<u>(91,416)</u>
<u>Cash Flows from Investing Activities:</u>	
Cash Payments for the Purchase of Investments	(874,069)
Cash Received from Interest on Investment Activities	<u>29,605</u>
<i>Net Cash from Investing Activities</i>	<u>(844,464)</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(935,880)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>3,062,951</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$2,127,071</u></u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash from Operating Activities:</u>	
Operating (Loss)	(\$18,574)
<u>Adjustments to Reconcile Operating Income (Loss)</u>	
<u>to Net Cash from Operating Activities:</u>	
<i>Increase (Decrease) in Liabilities:</i>	
Claims Payable	<u>(72,842)</u>
Total Adjustments	<u>(72,842)</u>
<i>Net Cash from Operating Activities</i>	<u><u>(\$91,416)</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2010

	<u>Private Purpose Trust</u>	<u>Agency</u>
<u>Assets:</u>		
Equity in Pooled Cash, Cash Equivalents and Investments	<u>\$123,274</u>	<u>\$99,445</u>
<u>Liabilities:</u>		
Due to Students	<u>0</u>	<u>99,445</u>
<u>Net Assets:</u>		
Unrestricted	<u><u>\$123,274</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Change in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2010

	Private Purpose Trust
<u>Additions:</u>	
Miscellaneous	\$72,164
<u>Deductions:</u>	
Payments in Accordance with Trust	29
<i>Change in Net Assets</i>	72,135
<i>Net Assets at Beginning of Year</i>	51,139
<i>Net Assets at End of Year</i>	\$123,274

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, 2010

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Description of the School District

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

The District was established in the mid 1800's and in 1960 the District was consolidated with the portion of the Athens Local School District located in the City of Athens. The District was consolidated in 1964 with the Plains Local School District and the Chauncey Local School District. The District serves an area of approximately 58 square miles. It is located in Athens County, and includes the City of Athens and portions of the Village of Chauncey and the Townships of Athens, Canaan, Dover, and Waterloo. The District is the 167th largest in the State of Ohio (among 614 school districts) in terms of enrollment. It is staffed by 176 non-certificated employees, 230 certificated full-time teaching personnel and 18 administrative employees who provide services to 2,842 students and other community members. The District currently operates 7 instructional buildings, 1 administrative building, 1 maintenance facility and 1 garage.

Reporting Entity

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

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

Governmental Funds

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

The following are the District's major governmental funds:

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

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

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

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

Proprietary Fund

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

Fiduciary Funds

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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, 2010, but which were levied to finance fiscal year 2011 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 2010, 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, 2010.

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 2010 amounted to \$151,790 which includes \$57,791 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, 2010

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

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Restricted Assets

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

I. Capital Assets

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

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

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

J. Interfund Balances

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

K. Compensated Absences

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

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

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

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

L. Accrued Liabilities and Long-Term Liabilities

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

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

M. Net Assets

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

ATHENS CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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

Net assets restricted for other purposes are primarily from federal and state grants reported in the Special Revenue Funds. Of the District's \$7,002,331 restricted net assets, none are restricted by enabling legislation.

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

N. Fund Balance Reserves

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

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

O. Operating Revenues and Expenses

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

P. Interfund Transactions

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

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. For fiscal year 2010, the District reported no extraordinary or special items.

R. Estimates

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

S. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2010.

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

NOTE 3- NEW GASB PRONOUNCEMENTS

For fiscal year 2010, the District implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies". The implementation of GASB Statement No. 51, 53 and 58 had no effect on the prior period fund balances or net assets of the District.

NOTE 4 - ACCOUNTABILITY

The following funds had a deficit fund balance as of June 30, 2010:

<i>Nonmajor Special Revenue Funds:</i>	
Food Service	\$56,420
Title VI-B	170,698
Title I	144,923

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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).

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$252,874
<i>Adjustments:</i>	
Revenue Accruals	(130,573)
Expenditure Accruals	(266,711)
Encumbrances	475,092
Other Sources (Uses)	<u>(2,788)</u>
Budget Basis	<u>\$327,894</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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

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;
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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

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."

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, 2010, all of the District's bank balance of \$11,086,220 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, 2010, 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	\$3,946,562	\$3,946,562	\$0
Federal Home Loan Bank Bonds	1,496,848	996,848	500,000
Federal Farm Credit Bank Discount Notes	1,206,648	711,845	494,803
Federal National Mortgage Association	1,999,250	0	1,999,250
Federal Home Loan Mortgage Corporation Notes	1,123,069	249,750	873,319
Totals	<u>\$9,772,377</u>	<u>\$5,905,005</u>	<u>\$3,867,372</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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

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". Rating disclosure is not required for the U.S. Treasury Notes.

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

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy minimizes concentration of credit risk by diversifying assets by issuer as necessary. The District's investments in STAROhio, Federal Home Loan Bank Bonds, Federal Farm Credit Bank Discount Notes, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation Notes were 40%, 15%, 12%, 21% and 12%, respectively, of the District's total investments.

NOTE 7 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, 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 2010 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien December 31, 2008, were levied after April 1, 2009 and are collected in 2010 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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 7 - PROPERTY TAXES -(Continued)

Tangible personal property tax revenues received in calendar year 2009 (other than public utility property tax) represent the collection of calendar year 2009 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 2008 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 2009 were levied after October 1, 2008, on the value as of December 31, 2008. 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, 2010 are available to finance fiscal year 2010 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 2010 personal property tax settlement, delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which become measurable as of June 30, 2010. 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, 2010 was \$1,229,481 and is recognized as revenue. Of this total amount, \$1,038,911 was available to the General Fund, \$97,744 was available to the Bond Retirement Fund, and \$92,826 was available to the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2009 Second-Half Collections		2010 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$480,094,310	94.10%	\$482,193,450	95.04%
Public Utility Personal	21,489,860	4.21%	23,228,490	4.58%
Tangible Personal Property	8,623,220	1.69%	1,940,708	0.38%
Total Assessed Value	<u>\$510,207,390</u>	<u>100.00%</u>	<u>\$507,362,648</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$66.00		\$66.00	

NOTE 8 - SCHOOL INCOME TAXES

The District currently benefits from a 1.00% income tax, which is assessed on earned income only for all residents of the District. The District apportions all the proceeds to the General Fund. During fiscal year 2010, the District received \$3,378,878 from the school income tax.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 9 - RECEIVABLES

Receivables at June 30, 2010 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:

Governmental Activities:	
<hr/>	
<i>Nonmajor Special Revenue Funds:</i>	
Food Service	\$66,663
Other Federal Support	18,773
Total Nonmajor Special Revenue Funds	<hr/> 85,436 <hr/>
Total Intergovernmental Receivables	<hr/> <hr/> \$85,436

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

NOTE 10 - CAPITAL ASSETS

Capital asset governmental activity for the fiscal year ended June 30, 2010 was as follows:

<u>Asset Category</u>	<u>Balance at July 1, 2009</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at June 30, 2010</u>
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,519,380	\$0	\$0	\$1,519,380
Total Nondepreciable Capital Assets	1,519,380	0	0	1,519,380
<i>Depreciable Capital Assets:</i>				
Land Improvements	2,986,642	38,019	0	3,024,661
Buildings and Improvements	36,229,596	401,802	0	36,631,398
Furniture, Fixtures and Equipment	2,055,626	86,462	(17,031)	2,125,057
Vehicles	2,475,805	248,846	0	2,724,651
Library and Textbooks	1,399,405	0	0	1,399,405
Total Depreciable Capital Assets	45,147,074	775,129	(17,031)	45,905,172
Total Capital Assets	46,666,454	775,129	(17,031)	47,424,552
<i>Accumulated Depreciation:</i>				
Land Improvements	(2,199,099)	(84,617)	0	(2,283,716)
Buildings and Improvements	(19,104,809)	(932,420)	0	(20,037,229)
Furniture, Fixtures and Equipment	(1,774,945)	(72,392)	16,043	(1,831,294)
Vehicles	(1,521,826)	(192,871)	0	(1,714,697)
Library and Textbooks	(1,399,405)	0	0	(1,399,405)
Total Accumulated Depreciation	(26,000,084)	(1,282,300)	16,043	(27,266,341)
Total Net Capital Assets	\$20,666,370	(\$507,171)	(\$988)	\$20,158,211

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

NOTE 10 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$980,444
Special	5,181
Vocational	757
<i>Support Services:</i>	
Instructional Staff	2,008
Board of Education	556
Administration	7,598
Fiscal	1,638
Operation and Maintenance	39,780
Pupil Transportation	194,711
Central	258
Operation of Non-Instructional Services	6,411
Extracurricular Activities	42,958
	<hr/>
Total Depreciation Expense	\$1,282,300
	<hr/>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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 2010, the District contracted with Reed and Baur Insurance Agency of Athens, Ohio for liability insurance, property insurance, fleet and inland marine insurance through the Indiana Insurance and Mathews Insurance for boiler and machinery insurance. Coverages provided are as follows:

Building and Contents - replacement cost (90% co-insurance)	\$69,475,820
Boiler and Machinery (\$1000 deductible)	10,000,000
Automobile Liability (\$500 deductible for collision and comprehensive)	1,000,000
Uninsured Motorists (\$500 deductible for collision and comprehensive) Each Accident	100,000
General Liability:	
Per Occurrence (per location)	1,000,000
Aggregate Limit (per location)	2,000,000
Umbrella Liability:	
Per Occurrence (per location)	1,000,000
Aggregate Limit (per location)	1,000,000
Self Insured Retention	10,000

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

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

A common premium rate is applied to all participants in a given rating tier. Each participant pays its workers' compensation premium to the State based on the rate for their rating tier rather than its individual rate. CMI provides administrative, cost control and actuarial services to the Plan.

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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 \$398,188 reported at June 30, 2010 is based on an estimate of claims existing at year end that will be paid in fiscal year 2011, provided by the third party administrators and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2009	\$380,209	\$4,720,936	\$4,639,115	\$462,030
2010	462,030	5,742,218	5,815,060	389,188

NOTE 12 - DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute, Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under *Employers/Audit Resources*.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2010, 12.78 percent of the annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$667,302, \$505,970, and \$436,638, respectively; 49.49 percent has been contributed for fiscal year 2010 and 100 percent for the fiscal years 2009 and 2008. \$337,041 representing the unpaid contribution for fiscal year 2010, is recorded as a liability in the financial statements.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

State Teachers Retirement System

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

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

Plan Options - New members have a choice of three retirement plan options. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC and Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

A Defined Benefit or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage up \$2,000 can be purchased by participants in the DB, DC, or Combined Plans. Various other benefits are available to member's beneficiaries.

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

For the fiscal year ended June 30, 2010, 2009, and 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's contributions for pension obligations to STRS Ohio for fiscal years ended June 30, 2010, 2009, and 2008 were \$1,757,079, \$795,262, and \$814,064, respectively; 84.17 percent of the required contribution has been made for fiscal year 2010 and 100 percent of the required contribution has been made for fiscal years 2009 and 2008. \$278,126 represents the unpaid contribution for fiscal year 2010 and is recorded as a liability within the respective funds.

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2010, no members of the Board of Education have elected Social Security. The board's liability is 6.2 percent of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

State Teacher Retirement System

STRS Ohio administers a pension plan that is comprised of: A defined benefit plan; a self-directed defined contribution plan; and a combined plan which is a hybrid of the defined benefit and defined contribution plan. Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or the combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. Pursuant to Section 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care cost in the form of a monthly premium.

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

Under Ohio law, funding for postemployment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2010, 2009 and 2008. The 14 percent contribution is the maximum rate allowed under Ohio law. The District's contributions allocated to fund postemployment health care benefits for the years ended June 30, 2010, 2009 and 2008 were \$135,160, \$141,445, and \$131,282 respectively; 100 percent has been contributed for years 2010, 2009, and 2008.

School Employees Retirement System

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

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for the calendar year 2010 was \$96.40 for most participants, but could be as high as \$353.60 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal years 2010, 2009, and 2008, the actuarially required allocation was 0.76 percent, 0.75 percent, and 0.66 percent. For the District, contributions for the years ended June 30, 2010, 2009, and 2008, were \$5,556, \$5,399, and \$4,108, which equaled the required contributions for those years.

Health Care Plan

Ohio Revised Code 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS' post-employment benefits through

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the year ended June 30, 2010, the health care allocation is 0.46%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. Athens City School District contributions assigned to health care for the years ended June 30, 2010, 2009, and 2008 were \$148,863, \$299,067, and \$269,291, respectively.

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

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

NOTE 14 - EMPLOYEE BENEFITS

Compensated Absences

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 14 - EMPLOYEE BENEFITS - (Continued)

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 290 days for aides and 320 for all other classified employees and 260 for certified employees. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 72 days for aides and 75 days for all other classified employees and 65 days for certified employees.

Dental, Vision, and Life Insurance

Dental insurance coverage is provided through Core Source, Inc. All full-time employees pay 10% of the premium and the Board pays 90%. All less than full-time employees pay a pro-rated share based on hours worked. Vision insurance is provided by the District through Vision Services Plus (VSP), Inc. The employees share the cost of the monthly premium with the Board, the Board pays the first \$12 and the employee contributes the rest of the premium.

The District provides life insurance and accidental death and dismemberment insurance to all employees through AIG, in the amount of \$25,000 for classified employees, \$25,000 for certified employees, \$75,000 for administrators, \$150,000 for the Superintendent, \$100,000 for the Business Manager, and \$150,000 for the Treasurer.

Retirement Incentive

On January 16, 1999, the District Board of Education approved a Retirement Incentive Program. Participation is open to members of the Athens Education Association the year in which the member first attains thirty years of service credit with the STRS. Such members must retire at the end of the first year of eligibility (June 30) in order to receive the retirement incentive. The Board has elected to make the retirement incentive a lump sum payment of \$20,000 for full-time employees and a prorated amount for part-time employees. Members who do not retire in the first year of eligibility will not receive the retirement incentive. The retirement incentive program is a part of the negotiated union contract. As of June 30, 2010, there was four retirement incentives recorded as a fund liability by the District.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 15 - LONG-TERM LIABILITIES

The changes in the District's long-term liabilities during fiscal year 2010 were as follows:

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Principal Outstanding at July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Principal Outstanding at June 30, 2010</u>	<u>Amount Due in One Year</u>
Governmental Activities:							
Renovation Bonds	2000	6.01%	\$3,875,000	\$0	\$515,000	\$3,360,000	\$545,000
Refunding Bonds							
Term Bonds	2005	4.24%	8,680,000	0	135,000	8,545,000	140,000
Capital Appreciation Bonds			140,000	0	0	140,000	0
Accretion on Capital Appreciation Bonds			253,843	116,175	0	370,018	0
Issuance Premium on Bonds			973,978	0	60,874	913,104	60,874
Compensated Absences			1,655,037	790,711	850,145	1,595,603	218,761
Total Governmental Activities Long-Term Liabilities			<u>\$15,577,858</u>	<u>\$906,886</u>	<u>\$1,561,019</u>	<u>\$14,923,725</u>	<u>\$964,635</u>

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 15 - LONG-TERM LIABILITIES - (Continued)

Principal and interest requirements to retire renovation bonds and 2000 renovation bonds outstanding at June 30, 2009, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$545,000	\$202,049	\$747,049
2012	0	187,198	187,198
2013	0	187,198	187,198
2014	640,000	165,918	805,918
2015	680,000	122,028	802,028
2016-2017	1,495,000	100,912	1,595,912
Total	<u>\$3,360,000</u>	<u>\$965,303</u>	<u>\$4,325,303</u>

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 15 - LONG-TERM LIABILITIES - (Continued)

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

Fiscal Year Ended	Amount
2011	\$140,000
2012	685,000
2013	0
2014	105,000
2015	110,000
2016	115,000
2017	120,000
2018	0
2019	905,000
2020	940,000
2021	1,000,000
2022	1,030,000
2023	1,080,000
2024	1,130,000
2025	1,185,000
	<u>\$8,545,000</u>

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

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 2010, \$116,175 was accreted on the capital appreciation bonds.

Principal and interest requirements to retire the 2005 refunding bonds outstanding at June 30, 2010, are as follows:

Fiscal Year Ending June 30,	Term Bonds	Capital Appreciation Bonds	Interest	Total
2011	\$140,000	\$0	\$383,422	\$523,422
2012	685,000	0	368,985	1,053,985
2013	0	715,000	356,997	1,071,997
2014	105,000	0	355,028	460,028
2015	110,000	0	350,997	460,997
2016-2020	2,080,000	905,000	1,632,037	4,617,037
2021-2025	5,425,000	0	670,697	6,095,697
Total	<u>\$8,545,000</u>	<u>\$1,620,000</u>	<u>\$4,118,163</u>	<u>\$14,283,163</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, Disadvantaged Pupil Impact Aid, Title VI-B and Title I Funds.

The District's overall legal debt margin was \$36,517,545 with an unvoted debt margin of \$507,363 at June 30, 2010.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 16 - INTERFUND ACTIVITY

As of June 30, 2010, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$131,922	\$0
<i>Nonmajor Special Revenue Funds:</i>		
Food Service	0	66,663
Title VI-B	0	47,926
Title I		12,574
Other Federal Support	0	4,759
Total Nonmajor Special Revenue Funds	<u>0</u>	<u>131,922</u>
Total	<u>\$131,922</u>	<u>\$131,922</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 \$131,922 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, 2010.

<u>Transfers From</u>	<u>Transfers To</u>
	<u>Nonmajor Special Revenue</u>
General	<u>\$138,097</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 \$138,097 is the result of transfers from the General Fund to the Food Service Fund in the amount of \$63,097 and to the Termination Benefits Fund in the amount of \$75,000, to subsidize those programs.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 17 - STATUTORY SET-ASIDES

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2010:

	Textbooks	Capital Improvements	Totals
Set-Aside Balance as of June 30, 2009	\$0	\$0	\$0
Current Year Set-Aside Requirement	415,209	415,209	830,418
Prior Year Carry Over	(351,818)	0	(351,818)
Qualifying Disbursements	(542,538)	(1,770,514)	(2,313,052)
Total	(479,147)	(1,355,305)	(1,834,452)
Set-Aside Balance	(\$479,147)	\$0	
Total Restricted Assets			<u>\$0</u>

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

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS

Southeast Ohio Voluntary Education Cooperative (SEOVEC)

Southeast Ohio Voluntary Education Cooperative, is a jointly governed organization created as a regional council of governments pursuant to State statutes. SEOVEC has 35 participants consisting of 26 school districts and 9 county boards of education. SEOVEC provides financial accounting services, educational management information, and cooperative purchasing services to member districts. Each member district pays a fee annually for services provided by SEOVEC. SEOVEC is governed by a governing board which is selected by the member districts. Each district has one vote in all matters, and each member district's control over budgeting and financing of SEOVEC is limited to its voting authority and any representation it may have on the governing board. SEOVEC operates with its own Treasurer. The continued existence of SEOVEC is not dependent on the District's continued participation and no equity interest exists. SEOVEC has no outstanding debt. Financial statements for SEOVEC can be obtained from the Southeast Ohio Voluntary Education Cooperative, 221 North Columbus Road, Athens, Ohio 45701. The District made payments of \$53,082 to SEOVEC in fiscal year 2010.

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 2010, the District made no contributions to the Center. Financial information can be obtained from the Tri-County Career Center, 15676 State Route 691, Nelsonville, Ohio 45764.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization including over 100 school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of fourteen members. The board members are composed of one superintendent from each county elected by the school districts within that county. The Council provides various inservice for school district administrative personnel; gathers of data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Council is not dependent on the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for the Council. The District made no significant payments for membership in fiscal year 2010.

NOTE 19 - INSURANCE PURCHASING POOL

Ohio School Boards Association Worker's Compensation Group Rating Plan

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

NOTE 20 - CONTINGENCIES

Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2010.

Litigation

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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

ATHENS CITY SCHOOL DISTRICT
Description of Funds

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

Food Service

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

Uniform School Supplies

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

Other Local Support

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

Termination Benefits

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

District Managed Student Activities

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

Poverty Based Aid

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

ATHENS CITY SCHOOL DISTRICT
Description of Funds

Nonmajor Special Revenue Funds (Continued)

Other State Support

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

Title VI-B

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

Title I

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

Other Federal Support

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

CAPITAL PROJECTS FUNDS

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

Nonmajor Capital Projects Fund

School Net Plus

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

ATHENS CITY SCHOOL DISTRICT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash, Cash Equivalents and Investments	\$1,228,140	\$0	\$1,228,140
Intergovernmental Receivable	85,436	0	85,436
Materials and Supplies Inventory	6,732	0	6,732
Inventory Held for Resale	10,701	0	10,701
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	<u>\$1,331,009</u>	<u>\$0</u>	<u>\$1,331,009</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$53,971	\$0	\$53,971
Accrued Wages and Benefits	255,310	0	255,310
Intergovernmental Payable	114,890	0	114,890
Interfund Payable	131,922	0	131,922
Matured Compensated Absences Payable	294,982	0	294,982
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	<u>851,075</u>	<u>0</u>	<u>851,075</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	50,752	0	50,752
<i>Unreserved, Undesignated, Reported in:</i>			
Special Revenue Funds	429,182	0	429,182
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balances</i>	<u>479,934</u>	<u>0</u>	<u>479,934</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,331,009</u>	<u>\$0</u>	<u>\$1,331,009</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Intergovernmental	\$2,798,713	\$0	\$2,798,713
Tuition and Fees	77,147	0	77,147
Extracurricular Activities	101,584	0	101,584
Charges for Services	248,732	0	248,732
Contributions and Donations	21,335	0	21,335
Miscellaneous	25,754	0	25,754
<i>Total Revenues</i>	<u>3,273,265</u>	<u>0</u>	<u>3,273,265</u>
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	885,372	0	885,372
Special	1,152,320	0	1,152,320
Student Intervention Services	3,320	0	3,320
<i>Support Services:</i>			
Pupil	138,338	0	138,338
Instructional Staff	380,052	0	380,052
Administration	37,420	0	37,420
Fiscal	33,592	0	33,592
Operation and Maintenance of Plant	2,068	0	2,068
Pupil Transportation	43,865	0	43,865
Central	38,491	18,122	56,613
Operation of Non-Instructional Services	844,423	0	844,423
Extracurricular Activities	63,328	0	63,328
<i>Total Expenditures</i>	<u>3,622,589</u>	<u>18,122</u>	<u>3,640,711</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(349,324)</u>	<u>(18,122)</u>	<u>(367,446)</u>
<u>Other Financing Sources:</u>			
Transfers In	138,097	0	138,097
<i>Total Other Financing Sources</i>	<u>138,097</u>	<u>0</u>	<u>138,097</u>
<i>Net Change in Fund Balances</i>	(211,227)	(18,122)	(229,349)
<i>Fund Balances at Beginning of Year</i>	<u>691,161</u>	<u>18,122</u>	<u>709,283</u>
<i>Fund Balances at End of Year</i>	<u><u>\$479,934</u></u>	<u><u>\$0</u></u>	<u><u>\$479,934</u></u>

ATHENS CITY SCHOOL DISTRICT

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2010

	Food Service	Uniform School Supplies	Other Local Support	Termination Benefits	District Managed Activities
<u>Assets:</u>					
Equity In Pooled Cash, Cash Equivalents and Investments	\$5,859	\$17,221	\$261,643	\$466,263	\$58,744
Intergovernmental Receivable	66,663	0	0	0	0
Materials and Supplies Inventory	6,732	0	0	0	0
Inventory Held for Resale	10,701	0	0	0	0
<i>Total Assets</i>	<u>\$89,955</u>	<u>\$17,221</u>	<u>\$261,643</u>	<u>\$466,263</u>	<u>\$58,744</u>
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$2,150	\$179	\$9,447	\$0	\$842
Accrued Wages and Benefits	46,529	0	3,150	0	0
Intergovernmental Payable	31,033	0	8,229	43	0
Interfund Payable	66,663	0	0	0	0
Matured Compensated Absences Payable	0	0	0	294,982	0
<i>Total Liabilities</i>	<u>146,375</u>	<u>179</u>	<u>20,826</u>	<u>295,025</u>	<u>842</u>
<u>Fund Balances:</u>					
Reserved for Encumbrances	3,684	279	2,989	1,001	6,788
<i>Unreserved, Undesignated, Reported in:</i> Special Revenue Funds	<u>(60,104)</u>	<u>16,763</u>	<u>237,828</u>	<u>170,237</u>	<u>51,114</u>
<i>Total Fund Balances</i>	<u>(56,420)</u>	<u>17,042</u>	<u>240,817</u>	<u>171,238</u>	<u>57,902</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$89,955</u>	<u>\$17,221</u>	<u>\$261,643</u>	<u>\$466,263</u>	<u>\$58,744</u>

Poverty Based Aid	Other State Support	Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$0	\$14,340	\$0	\$0	\$404,070	\$1,228,140
0	4,000	0	0	14,773	85,436
0	0	0	0	0	6,732
0	0	0	0	0	10,701
<u>\$0</u>	<u>\$18,340</u>	<u>\$0</u>	<u>\$0</u>	<u>\$418,843</u>	<u>\$1,331,009</u>

\$0	2,390	\$2,063	\$36,900	\$0	\$53,971
0	6,188	93,369	76,843	29,231	255,310
0	1,327	27,340	18,606	28,312	114,890
0	0	47,926	12,574	4,759	131,922
0	0	0	0	0	294,982
<u>0</u>	<u>9,905</u>	<u>170,698</u>	<u>144,923</u>	<u>62,302</u>	<u>851,075</u>
0	500	10,732	8,519	16,260	50,752
0	7,935	(181,430)	(153,442)	340,281	429,182
0	8,435	(170,698)	(144,923)	356,541	479,934
<u>\$0</u>	<u>\$18,340</u>	<u>\$0</u>	<u>\$0</u>	<u>\$418,843</u>	<u>\$1,331,009</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, 2010

	Food Service	Uniform School Supplies	Other Local Support	Termination Benefits	District Managed Activities
<u>Revenues:</u>					
Intergovernmental	\$496,980	\$0	\$78,740	\$0	\$0
Tuition and Fees	0	61,294	15,853	0	0
Extracurricular Activities	0	0	20,646	0	80,938
Charges for Services	248,732	0	0	0	0
Contributions and Donations	0	0	19,787	0	1,548
Miscellaneous	19,688	0	0	0	6,066
Total Revenues	765,400	61,294	135,026	0	88,552
<u>Expenditures:</u>					
<i>Current:</i>					
<i>Instruction:</i>					
Regular	0	69,152	38,734	335,028	0
Special	0	0	0	0	4,870
Student Intervention Services	0	0	0	0	0
<i>Support Services:</i>					
Pupil	0	8,473	0	0	0
Instructional Staff	0	0	23,756	0	0
Administration	0	0	2,584	0	0
Fiscal	0	0	0	31,357	0
Operation and Maintenance of Plant	0	0	2,068	0	0
Pupil Transportation	0	0	272	0	0
Central	0	0	27,980	0	0
Operation of Non-Instructional Services	844,423	0	0	0	0
Extracurricular Activities	0	0	1,877	0	61,451
Total Expenditures	844,423	77,625	97,271	366,385	66,321
Excess of Revenues Over (Under) Expenditures	(79,023)	(16,331)	37,755	(366,385)	22,231
<u>Other Financing Sources:</u>					
Transfers In	63,097	0	0	75,000	0
Total Other Financing Sources (Uses)	63,097	0	0	75,000	0
Net Change in Fund Balances	(15,926)	(16,331)	37,755	(291,385)	22,231
Fund Balances (Deficits) at Beginning of Year	(40,494)	33,373	203,062	462,623	35,671
Fund Balances (Deficits) at End of Year	(\$56,420)	\$17,042	\$240,817	\$171,238	\$57,902

Poverty Based Aid	Other State Support	Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$0	\$46,262	\$674,160	\$568,197	\$934,374	\$2,798,713
0	0	0	0	0	77,147
0	0	0	0	0	101,584
0	0	0	0	0	248,732
0	0	0	0	0	21,335
0	0	0	0	0	25,754
0	46,262	674,160	568,197	934,374	3,273,265
16,369	35,215	22,598	10,310	357,966	885,372
0	0	445,304	685,379	16,767	1,152,320
3,320	0	0	0	0	3,320
2,664	0	56,220	5,803	65,178	138,338
5,659	703	190,370	65,318	94,246	380,052
0	0	0	34,836	0	37,420
0	2,235	0	0	0	33,592
0	0	0	0	0	2,068
0	0	0	0	43,593	43,865
0	6,995	0	0	3,516	38,491
0	0	0	0	0	844,423
0	0	0	0	0	63,328
28,012	45,148	714,492	801,646	581,266	3,622,589
(28,012)	1,114	(40,332)	(233,449)	353,108	(349,324)
0	0	0	0	0	138,097
0	0	0	0	0	138,097
(28,012)	1,114	(40,332)	(233,449)	353,108	(211,227)
28,012	7,321	(130,366)	88,526	3,433	691,161
\$0	\$8,435	(\$170,698)	(\$144,923)	\$356,541	\$479,934

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$13,095,945	\$12,905,207	\$12,905,207	\$0
Income Taxes	2,898,900	3,297,055	3,297,055	0
Intergovernmental	9,190,943	10,438,640	10,438,640	0
Interest	350,679	154,140	154,140	0
Tuition and Fees	2,690,631	2,710,144	2,710,144	0
Rent	3,657	4,637	4,637	0
Payment in Lieu of Taxes	0	165,468	165,468	0
Miscellaneous	56,657	61,427	61,427	0
Total Revenues	28,287,412	29,736,718	29,736,718	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Salaries	8,246,104	8,923,113	8,923,113	0
Fringe Benefits	3,249,478	3,362,818	3,362,818	0
Purchased Services	1,646,623	1,454,160	1,454,160	0
Materials and Supplies	147,943	124,880	124,880	0
Other	1,000	1,230	1,230	0
Capital Outlay	4,779	1,651	1,651	0
Total Regular Instruction	13,295,927	13,867,852	13,867,852	0
<i>Special</i>				
Salaries	1,822,328	1,725,305	1,725,305	0
Fringe Benefits	660,392	598,240	598,240	0
Purchased Services	137,500	171,151	171,151	0
Materials and Supplies	26,258	23,879	23,879	0
Capital Outlay	11,000	6,585	6,585	0
Total Special Instruction	2,657,478	2,525,160	2,525,160	0
<i>Vocational</i>				
Salaries	203,462	281,157	281,157	0
Fringe Benefits	75,455	92,001	92,001	0
Purchased Services	5,300	8,751	8,751	0
Materials and Supplies	25,000	22,373	22,373	0
Capital Outlay	40,754	32,146	32,146	0
Total Vocational Instruction	349,971	436,428	436,428	0
<i>Student Intervention Services</i>				
Salaries	23,076	73,340	73,340	0
Fringe Benefits	6,711	26,117	26,117	0
Purchased Services	0	33,790	33,790	0
Materials and Supplies	3,000	0	0	0
Total Other Instruction	32,787	133,247	133,247	0
Total Instruction	16,336,163	16,962,687	16,962,687	0
<i>Support Services:</i>				
<i>Pupils</i>				
Salaries	770,023	832,050	832,050	0
Fringe Benefits	285,797	303,980	303,980	0
Purchased Services	94,801	99,635	99,635	0
Materials and Supplies	11,202	10,294	10,294	0
Other	75,000	60,170	60,170	0
Total Pupils	1,236,823	1,306,129	1,306,129	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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Instructional Staff				
Salaries	774,706	1,062,751	1,062,751	0
Fringe Benefits	691,076	918,823	918,823	0
Purchased Services	6,942	6,977	6,977	0
Materials and Supplies	9,074	8,130	8,130	0
Other	1,357	1,357	1,357	0
Capital Outlay	5,271	4,015	4,015	0
Total Instructional Staff	<u>1,488,426</u>	<u>2,002,053</u>	<u>2,002,053</u>	<u>0</u>
Board of Education				
Salaries	7,763	8,750	8,750	0
Fringe Benefits	1,280	1,520	1,520	0
Purchased Services	86,500	138,220	138,220	0
Materials and Supplies	3,000	562	562	0
Other	70,566	26,808	26,808	0
Capital Outlay	1,200	0	0	0
Total Board of Education	<u>170,309</u>	<u>175,860</u>	<u>175,860</u>	<u>0</u>
Administration				
Salaries	1,207,550	1,237,666	1,237,666	0
Fringe Benefits	675,050	573,931	573,931	0
Purchased Services	32,100	6,280	6,280	0
Materials and Supplies	14,200	6,960	6,960	0
Other	30,500	0	0	0
Capital Outlay	3,013	0	0	0
Total Administration	<u>1,962,413</u>	<u>1,824,837</u>	<u>1,824,837</u>	<u>0</u>
Fiscal				
Salaries	327,981	329,232	329,232	0
Fringe Benefits	140,038	139,915	139,915	0
Purchased Services	69,000	57,102	57,102	0
Materials and Supplies	20,000	10,599	10,599	0
Other	176,500	53,121	53,121	0
Total Fiscal	<u>733,519</u>	<u>589,969</u>	<u>589,969</u>	<u>0</u>
Business				
Salaries	140,195	144,507	144,507	0
Fringe Benefits	59,059	62,172	62,172	0
Purchased Services	8,000	3,878	3,878	0
Materials and Supplies	2,000	1,000	1,000	0
Other	450,000	372,779	372,779	0
Total Business	<u>659,254</u>	<u>584,336</u>	<u>584,336</u>	<u>0</u>
Operation and Maintenance of Plant				
Salaries	1,423,370	1,416,160	1,416,160	0
Fringe Benefits	983,952	734,605	734,605	0
Purchased Services	1,163,500	1,205,080	1,205,080	0
Materials and Supplies	4,614	241,711	241,711	0
Other	40,000	39,759	39,759	0
Total Operation and Maintenance of Plant	<u>3,615,436</u>	<u>3,637,315</u>	<u>3,637,315</u>	<u>0</u>

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Pupil Transportation				
Salaries	657,720	683,627	683,627	0
Fringe Benefits	677,857	579,410	579,410	0
Purchased Services	2,500	28,866	28,866	0
Materials and Supplies	0	352,482	352,482	0
Other	22,500	17,553	17,553	0
Capital Outlay	16,312	16,212	16,212	0
Total Pupil Transportation	1,376,889	1,678,150	1,678,150	0
Central				
Salaries	74,710	73,672	73,672	0
Fringe Benefits	30,874	30,964	30,964	0
Purchased Services	23,806	29,251	29,251	0
Materials and Supplies	3,200	2,391	2,391	0
Capital Outlay	2,300	1,500	1,500	0
Total Central	134,890	137,778	137,778	0
Total Support Services	11,377,959	11,936,427	11,936,427	0
<i>Operation of Non-Instructional Services:</i>				
Food Service Operations				
Salaries	311	300	300	0
Fringe Benefits	5	4	4	0
Total Food Service Operations	316	304	304	0
Total Operation of Non-Instructional Services	316	304	304	0
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Salaries	63,338	61,696	61,696	0
Fringe Benefits	16,246	13,718	13,718	0
Total Academic Oriented Activities	79,584	75,414	75,414	0
Sport Oriented Activities				
Salaries	240,240	223,308	223,308	0
Fringe Benefits	64,568	55,499	55,499	0
Purchased Services	20,000	9,300	9,300	0
Total Sport Oriented Activities	324,808	288,107	288,107	0
Total Extracurricular Activities	404,392	363,521	363,521	0
<i>Capital Outlay:</i>				
Building Improvement Services				
Purchased Services	20,000	5,000	5,000	0
Total Building Improvement Services	20,000	5,000	5,000	0
Total Capital Outlay	20,000	5,000	5,000	0
Total Expenditures	28,138,830	29,267,939	29,267,939	0
Excess of Revenues Over (Under) Expenditures	148,582	468,779	468,779	0
<i>Other Financing Sources (Uses):</i>				
Advances In	63,875	63,875	63,875	0
Insurance Recoveries	34	0	0	0
Transfers Out	(375,000)	(138,097)	(138,097)	0
Advances Out	0	(66,663)	(66,663)	0
Total Other Financing Sources (Uses)	(311,091)	(140,885)	(140,885)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(162,509)	327,894	327,894	0
Fund Balance at Beginning of Year	8,027,579	8,027,579	8,027,579	0
Prior Year Encumbrances Appropriated	161,287	161,287	161,287	0
Fund Balance at End of Year	\$8,026,357	\$8,516,760	\$8,516,760	\$0

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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$1,346,276	\$1,214,521	\$1,214,521	\$0
Intergovernmental	188,441	168,132	168,132	0
<i>Total Revenues</i>	<u>1,534,717</u>	<u>1,382,653</u>	<u>1,382,653</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Support Services:</i>				
Fiscal				
Other	75,000	35,799	35,799	0
<i>Debt Service:</i>				
Principal Retirement	650,000	650,000	650,000	0
Interest and Fiscal Charges	618,710	678,663	678,663	0
<i>Total Expenditures</i>	<u>1,343,710</u>	<u>1,364,462</u>	<u>1,364,462</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	191,007	18,191	18,191	0
Fund Balance at Beginning of Year	<u>2,821,756</u>	<u>2,821,756</u>	<u>2,821,756</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,012,763</u></u>	<u><u>\$2,839,947</u></u>	<u><u>\$2,839,947</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$1,162,986	\$1,153,523	\$1,153,523	\$0
Intergovernmental	185,404	197,782	197,782	0
Interest	78,709	36,476	36,476	0
<i>Total Revenues</i>	<u>1,427,099</u>	<u>1,387,781</u>	<u>1,387,781</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Materials and Supplies	31,751	46,624	46,624	0
Capital Outlay	287,816	208,988	208,988	0
Total Regular	<u>319,567</u>	<u>255,612</u>	<u>255,612</u>	<u>0</u>
Student Intervention Services				
Materials and Supplies	35,000	0	0	0
Total Instruction	<u>354,567</u>	<u>255,612</u>	<u>255,612</u>	<u>0</u>
<i>Support Services:</i>				
Pupils				
Capital Outlay	61,600	61,683	61,683	0
Instructional Staff				
Materials and Supplies	16,881	19,997	19,997	0
Capital Outlay	2,200	0	0	0
Total Instructional Staff	<u>19,081</u>	<u>19,997</u>	<u>19,997</u>	<u>0</u>
Administration				
Capital Outlay	10,000	8,926	8,926	0
Fiscal				
Purchased Services	4,000	10,731	10,731	0
Other	0	31,626	31,626	0
Capital Outlay	10,500	9,563	9,563	0
Total Fiscal	<u>14,500</u>	<u>51,920</u>	<u>51,920</u>	<u>0</u>
Operation and Maintenance of Plant				
Purchased Services	223,186	669,868	669,868	0
Materials and Supplies	0	74,177	74,177	0
Capital Outlay	61,000	28,289	28,289	0
Total Operation and Maintenance of Plant	<u>284,186</u>	<u>772,334</u>	<u>772,334</u>	<u>0</u>
Pupil Transportation				
Capital Outlay Replacement	250,000	232,635	232,635	0
Capital Outlay	13,500	18,222	18,222	0
Total Pupil Transportation	<u>263,500</u>	<u>250,857</u>	<u>250,857</u>	<u>0</u>
Central				
Purchased Services	0	7,228	7,228	0
Total Support Services	<u>652,867</u>	<u>1,172,945</u>	<u>1,172,945</u>	<u>0</u>

(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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Operation of Non-Instructional Services:</i>				
Food Service Operation				
Capital Outlay	50,000	5,094	5,094	0
Total Operation of Non-Instructional Services	50,000	5,094	5,094	0
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Capital Outlay	4,938	4,760	4,760	0
Sport Oriented Activities				
Purchased Services	0	7,500	7,500	0
Total Extracurricular Activities	4,938	12,260	12,260	0
<i>Capital Outlay:</i>				
Architecture and Engineering Services				
Purchased Services	50,000	48,801	48,801	0
Building Improvement Services				
Purchased Services	200,000	0	0	0
Capital Outlay	515,000	286,816	286,816	0
Total Building Improvement Services	715,000	286,816	286,816	0
Total Capital Outlay	765,000	335,617	335,617	0
Total Expenditures	1,827,372	1,781,528	1,781,528	0
Excess of Revenues Over (Under) Expenditures	(400,273)	(393,747)	(393,747)	0
<u>Other Financing Sources:</u>				
Insurance Recoveries	0	3,554	3,554	0
Total Other Financing Sources	0	3,554	3,554	0
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	(400,273)	(390,193)	(390,193)	0
Fund Balance at Beginning of Year	3,046,044	3,046,044	3,046,044	0
Prior Year Encumbrances Appropriated	207,848	207,848	207,848	0
Fund Balance at End of Year	<u>\$2,853,619</u>	<u>\$2,863,699</u>	<u>\$2,863,699</u>	<u>\$0</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$498,774	\$499,271	\$499,271	\$0
Charges for Services	314,524	248,732	248,732	0
Miscellaneous	5,927	19,688	19,688	0
<i>Total Revenues</i>	819,225	767,691	767,691	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Salaries	248,428	266,512	266,512	0
Fringe Benefits	211,310	205,317	205,317	0
Purchased Services	11,710	6,263	6,263	0
Materials and Supplies	406,729	357,132	357,132	0
Other	1,000	68	68	0
Capital Outlay	0	2,082	2,082	0
Total Operation of Non-Instructional Services	879,177	837,374	837,374	0
<i>Total Expenditures</i>	879,177	837,374	837,374	0
Excess of Revenues Over (Under) Expenditures	(59,952)	(69,683)	(69,683)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	65,000	66,663	66,663	0
Transfers In	55,000	63,097	63,097	0
Advances Out	(63,875)	(63,875)	(63,875)	0
<i>Total Other Financing Sources (Uses)</i>	56,125	65,885	65,885	0
Excess of Revenues and Other Financing Sources Over Over (Under) Expenditures and Other Financing Uses	(3,827)	(3,798)	(3,798)	0
Fund Balance at Beginning of Year	218	218	218	0
Prior Year Encumbrances Appropriated	3,609	3,609	3,609	0
Fund Balance at End of Year	\$0	\$29	\$29	\$0

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
Uniform School Supplies Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Tuition and Fees	\$72,245	\$61,294	\$61,294	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Materials and Supplies	76,203	69,508	69,508	0
Other	0	383	383	0
Total Regular	<u>76,203</u>	<u>69,891</u>	<u>69,891</u>	<u>0</u>
<i>Support Services:</i>				
<i>Pupils</i>				
Materials and Supplies	<u>8,700</u>	<u>8,473</u>	<u>8,473</u>	<u>0</u>
Total Expenditures	<u>84,903</u>	<u>78,364</u>	<u>78,364</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(12,658)	(17,070)	(17,070)	0
Fund Balance at Beginning of Year	33,078	33,078	33,078	0
Prior Year Encumbrances Appropriated	<u>753</u>	<u>753</u>	<u>753</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$21,173</u></u>	<u><u>\$16,761</u></u>	<u><u>\$16,761</u></u>	<u><u>\$0</u></u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other Local Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$1,580	\$78,740	\$78,740	\$0
Tuition and Fees	11,153	15,853	15,853	0
Extracurricular Activities	23,470	\$20,646	20,646	0
Contributions and Donations	2,436	\$19,787	19,787	0
Total Revenues	38,639	135,026	135,026	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	0	885	885	0
Fringe Benefits	0	230	230	0
Purchased Services	8,478	6,480	6,475	5
Materials and Supplies	43,670	23,220	23,024	196
Other	6,950	2,868	2,868	0
Capital Outlay	26,100	13,873	9,423	4,450
Total Regular Instruction	85,198	47,556	42,905	4,651
<i>Support Services:</i>				
Pupils				
Purchased Services	520	1,030	0	1,030
Materials and Supplies	1,951	2,018	2,018	0
Other	47	47	0	47
Total Pupils	2,518	3,095	2,018	1,077
Instructional Staff				
Salaries	0	4,234	4,234	0
Fringe Benefits	0	5,943	5,943	0
Purchased Services	12,586	26,753	10,648	16,105
Materials and Supplies	2,812	3,512	1,224	2,288
Total Instructional Staff	15,398	40,442	22,049	18,393
Board of Education				
Purchased Services	138	138	0	138
Administration				
Materials and Supplies	5,352	1,413	1,413	0
Capital Outlay	4,738	1,171	1,171	0
Total Administration	10,090	2,584	2,584	0
Operation and Maintenance of Plant				
Materials and Supplies	2,068	2,068	2,068	0
Pupil Transportation				
Purchased Services	53	53	0	53
Other	0	272	272	0
Total Pupil Transportation	53	325	272	53
Central				
Salaries	41,500	41,809	34,181	7,628
Fringe Benefits	9,525	9,755	5,282	4,473
Purchased Services	0	35,000	0	35,000
Total Central	51,025	86,564	39,463	47,101
Total Support Services	81,290	135,216	68,454	66,762
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Capital Outlay	2,000	2,000	1,877	123
Total Academic Oriented Extracurricular Activities	2,000	2,000	1,877	123
Total Expenditures	168,488	184,772	113,236	71,536
Excess of Revenues Over (Under) Expenditures	(129,849)	(49,746)	21,790	71,536
Fund Balance at Beginning of Year	223,525	223,525	223,525	0
Prior Year Encumbrances Appropriated	5,173	5,173	5,173	0
Fund Balance at End of Year	\$98,849	\$178,952	\$250,488	\$71,536

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)*
Termination Benefits Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	125,000	69,559	69,559	0
Fringe Benefits	0	1,508	1,508	0
Total Regular Instruction	125,000	71,067	71,067	0
<i>Support Services:</i>				
Fiscal				
Fringe Benefits	31,357	31,357	31,357	0
Total Fiscal	31,357	31,357	31,357	0
<i>Total Expenditures</i>	156,357	102,424	102,424	0
Excess of Revenues Over (Under) Expenditures	(156,357)	(102,424)	(102,424)	0
<u>Other Financing Sources:</u>				
Transfers In	100,000	75,000	75,000	0
<i>Total Other Financing Sources</i>	100,000	75,000	75,000	0
Excess of Revenue and Other Financing Sources over Expenditures	(56,357)	(27,424)	(27,424)	0
Fund Balance at Beginning of Year	492,686	492,686	492,686	0
Fund Balance at End of Year	\$436,329	\$465,262	\$465,262	\$0

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, 2010*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Extracurricular Activities	\$13,500	\$80,938	\$80,938	\$0
Contributions and Donations	500	1,548	1,548	0
Miscellaneous	0	6,066	6,066	0
<i>Total Revenues</i>	<u>14,000</u>	<u>88,552</u>	<u>88,552</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Materials and Supplies	<u>0</u>	<u>29</u>	<u>29</u>	<u>0</u>
<i>Special</i>				
Purchased Services	<u>0</u>	<u>4,870</u>	<u>4,870</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>4,899</u>	<u>4,899</u>	<u>0</u>
<i>Extracurricular Activities:</i>				
<i>Academic Oriented Activities</i>				
Purchased Services	100	95	95	0
Materials and Supplies	<u>0</u>	<u>3,334</u>	<u>3,191</u>	<u>143</u>
Total Academic Oriented Extracurricular Activities	100	3,429	3,286	143
<i>Sport Oriented Activities</i>				
Purchased Services	0	38,574	38,516	58
Materials and Supplies	60	18,093	17,358	735
Other	0	8,637	8,256	381
Capital Outlay	<u>1,439</u>	<u>2,233</u>	<u>2,233</u>	<u>0</u>
Total Sport Oriented Extracurricular Activities	<u>1,499</u>	<u>67,537</u>	<u>66,363</u>	<u>1,174</u>
Total Extracurricular Activities	<u>1,599</u>	<u>70,966</u>	<u>69,649</u>	<u>1,317</u>
<i>Total Expenditures</i>	<u>1,599</u>	<u>75,865</u>	<u>74,548</u>	<u>1,317</u>
Excess of Revenues Over (Under) Expenditures	12,401	12,687	14,004	1,317
Fund Balance at Beginning of Year	35,511	35,511	35,511	0
Prior Year Encumbrances Appropriated	<u>1,599</u>	<u>1,599</u>	<u>1,599</u>	<u>0</u>
Fund Balance at End of Year	<u>\$49,511</u>	<u>\$49,797</u>	<u>\$51,114</u>	<u>\$1,317</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Poverty Based Aid Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Salaries	5,094	128,190	128,190	0
Fringe Benefits	0	54,647	54,647	0
Total Regular Instruction	5,094	182,837	182,837	0
<i>Student Intervention Services</i>				
Salaries	0	13,119	13,119	0
Fringe Benefits	0	7,796	7,796	0
Total Student Intervention Services	0	20,915	20,915	0
Total Instruction	5,094	203,752	203,752	0
<i>Support Services:</i>				
<i>Pupils</i>				
Salaries	0	2,800	2,800	0
Fringe Benefits	0	4,652	4,652	0
Total Pupils	0	7,452	7,452	0
<i>Instructional Staff</i>				
Salaries	0	29,667	29,667	0
Fringe Benefits	0	27,511	27,511	0
Materials and Supplies	0	20	20	0
Total Instructional Staff	0	57,198	57,198	0
<i>Operation and Maintenance of Plant</i>				
Purchased Services	600	600	600	0
Total Support Services	600	65,250	65,250	0
Total Expenditures	5,694	269,002	269,002	0
Excess of Revenues Over (Under) Expenditures	(5,694)	(269,002)	(269,002)	0
Fund Balance at Beginning of Year	255,978	255,978	255,978	0
Prior Year Encumbrances Appropriated	13,024	13,024	13,024	0
Fund Balance at End of Year	\$263,308	\$0	\$0	\$0

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other State Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$5,411	\$50,732	\$42,262	(8,470)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	3,855	41,993	36,748	5,245
Fringe Benefits	56	4,348	337	4,011
Materials and Supplies	3,414	3,750	0	3,750
Capital Outlay	421	1,217	0	1,217
Total Regular Instruction	7,746	51,308	37,085	14,223
Student Intervention Services				
Purchased Services	46,220	46,220	46,220	0
Total Student Intervention Services	46,220	46,220	46,220	0
Total Instruction	53,966	97,528	83,305	14,223
<i>Support Services:</i>				
Instructional Staff				
Purchased Services	684	684	684	0
Materials and Supplies	0	500	0	500
Total Instructional Staff	684	1,184	684	500
Fiscal				
Materials and Supplies	0	154	68	86
Central				
Purchased Services	6,995	6,995	6,995	0
Total Support Services	7,679	8,333	7,747	586
Total Expenditures	61,645	105,861	91,052	14,809
Excess of Revenues Over (Under) Expenditures	(56,234)	(55,129)	(48,790)	6,339
Fund Balance at Beginning of Year	15,909	15,909	15,909	0
Prior Year Encumbrances Appropriated	46,751	46,751	46,751	0
Fund Balance at End of Year	\$6,426	\$7,531	\$13,870	\$6,339

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$1,129,596	\$1,129,596	\$674,160	(\$455,436)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Salaries	0	0	22,598	(22,598)
Total Regular Instruction	0	0	22,598	(22,598)
<i>Special</i>				
Salaries	460,907	460,750	291,617	169,133
Fringe Benefits	150,247	150,196	68,888	81,308
Purchased Services	95,907	95,874	26,826	69,048
Materials and Supplies	15,285	15,280	1,677	13,603
Capital Outlay	58,220	58,200	58,020	180
Total Special Instruction	780,566	780,300	447,028	333,272
Total Instruction	780,566	780,300	469,626	310,674
<i>Support Services:</i>				
<i>Pupils</i>				
Salaries	10,621	10,617	43,181	(32,564)
Fringe Benefits	2,606	2,605	12,124	(9,519)
Total Pupils	13,227	13,222	55,305	(42,083)
<i>Instructional Staff</i>				
Salaries	134,357	134,311	61,667	72,644
Fringe Benefits	83,289	83,261	49,277	33,984
Purchased Services	100,033	100,000	80,870	19,130
Total Instructional Staff	317,679	317,572	191,814	125,758
<i>Total Expenditures</i>	1,111,472	1,111,094	716,745	394,349
Excess of Revenues Over (Under) Expenditures	18,124	18,502	(42,585)	(61,087)
Fund Balance at Beginning of Year	(23,902)	(23,902)	(23,902)	0
Prior Year Encumbrances Appropriated	5,778	5,778	5,778	0
Fund Balance at End of Year	\$0	\$378	(\$60,709)	(\$61,087)

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$1,082,949	\$1,070,911	\$665,869	(\$405,042)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	0	0	10,310	(10,310)
Total Regular Instruction	0	0	10,310	(10,310)
Special				
Salaries	586,079	579,978	386,771	193,207
Fringe Benefits	252,600	249,971	145,060	104,911
Purchased Services	54,241	53,676	33,925	19,751
Materials and Supplies	73,359	72,595	69,065	3,530
Capital Outlay	53,286	52,731	40,760	11,971
Total Special Instruction	1,019,565	1,008,951	675,581	333,370
Total Instruction	1,019,565	1,008,951	685,891	323,060
<i>Support Services:</i>				
Pupils				
Materials and Supplies	12,297	12,169	9,701	2,468
Instructional Staff				
Salaries	26,898	26,618	14,463	12,155
Fringe Benefits	7,531	7,453	6,042	1,411
Purchased Services	36,512	36,132	31,719	4,413
Materials and Supplies	17,655	17,471	15,661	1,810
Total Instructional Staff	88,596	87,674	67,885	19,789
Administration				
Salaries	23,269	23,028	21,792	1,236
Fringe Benefits	10,391	10,283	10,740	(457)
Materials and Supplies	357	353	60	293
Capital Outlay	2,021	2,000	1,342	658
Total Administration	36,038	35,664	33,934	1,730
Total Support Services	136,931	135,507	111,520	23,987
<i>Total Expenditures</i>	1,156,496	1,144,458	797,411	347,047
Excess of Revenues Over (Under) Expenditures	(73,547)	(73,547)	(131,542)	(57,995)
Fund Balance at Beginning of Year	45,415	45,415	45,415	0
Prior Year Encumbrances Appropriated	28,132	28,132	28,132	0
Fund Balance at End of Year	\$0	\$0	(\$57,995)	(\$57,995)

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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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$494,129	\$952,670	\$988,033	\$35,363
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Salaries	15,577	149,646	133,389	16,257
Fringe Benefits	11,070	59,579	59,022	557
Purchased Services	84,424	504,594	249,846	254,748
Materials and Supplies	0	2,345	0	2,345
Total Regular Instruction	<u>111,071</u>	<u>716,164</u>	<u>442,257</u>	<u>273,907</u>
<i>Special</i>				
Purchased Services	18,450	18,450	16,767	1,683
Materials and Supplies	0	1,000	0	1,000
Capital Outlay	0	3,963	0	3,963
Total Special Instruction	<u>18,450</u>	<u>23,413</u>	<u>16,767</u>	<u>6,646</u>
Total Instruction	<u>129,521</u>	<u>739,577</u>	<u>459,024</u>	<u>280,553</u>
<i>Support Services:</i>				
<i>Pupils</i>				
Purchased Services	38,370	77,331	71,323	6,008
Materials and Supplies	0	2,035	0	2,035
Total Pupils	<u>38,370</u>	<u>79,366</u>	<u>71,323</u>	<u>8,043</u>
<i>Instructional Staff</i>				
Salaries	0	28,517	19,406	9,111
Fringe Benefits	1,931	9,634	6,686	2,948
Purchased Services	81,763	92,377	85,144	7,233
Materials and Supplies	245	0	0	0
Total Instructional Staff	<u>83,939</u>	<u>130,528</u>	<u>111,236</u>	<u>19,292</u>
<i>Administration</i>				
Purchased Services	37,500	43,400	43,400	0
<i>Pupil Transportation</i>				
Purchased Services	9,739	21,824	21,824	0
Other	5,406	23,231	23,231	0
Total Pupil Transportation	<u>15,145</u>	<u>45,055</u>	<u>45,055</u>	<u>0</u>
<i>Central</i>				
Purchased Services	3,516	3,516	3,516	0
Total Central	<u>3,516</u>	<u>3,516</u>	<u>3,516</u>	<u>0</u>
Total Support Services	<u>178,470</u>	<u>301,865</u>	<u>274,530</u>	<u>27,335</u>
Total Expenditures	<u>307,991</u>	<u>1,041,442</u>	<u>733,554</u>	<u>307,888</u>

(continued)

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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Excess of Revenues Over (Under) Expenditures	186,138	(88,772)	254,479	343,251
Fund Balance at Beginning of Year	(38,586)	(38,586)	(38,586)	0
Prior Year Encumbrances Appropriated	146,798	146,798	146,798	0
Fund Balance at End of Year	<u>\$294,350</u>	<u>\$19,440</u>	<u>\$362,691</u>	<u>\$343,251</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)*
SchoolNet Plus Capital Projects Fund
For the Fiscal Year Ended June 30, 2010

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

ATHENS CITY SCHOOL DISTRICT
Description of Funds

INTERNAL SERVICE FUND

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

Employee Benefits Self-Insurance

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

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenses, and
Changes in Fund Equity - Budget and Actual (Budget Basis)
Employee Benefits Self-Insurance Internal Service Fund
For the Fiscal Year Ended June 30, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$5,438,326	\$5,729,174	\$5,729,174	\$0
<i>Total Revenues</i>	5,438,326	5,729,174	5,729,174	0
<u>Expenses:</u>				
Salaries	0	168	168	0
Fringe Benefits	0	24	24	0
Purchased Services	0	4,000	4,000	0
Claims	5,680,496	6,007,646	5,826,240	181,406
Other	1,213	6,000	1,609	4,391
<i>Total Expenses</i>	5,681,709	6,017,838	5,832,041	185,797
Operating Income (Loss)	(243,383)	(288,664)	(102,867)	185,797
<u>Nonoperating Revenues:</u>				
Interest	8,572	29,605	29,605	0
<i>Total Nonoperating Revenues</i>	8,572	29,605	29,605	0
Excess of Revenues Over (Under) Expenses	(234,811)	(259,059)	(73,262)	185,797
Fund Equity at Beginning of Year	4,311,116	4,311,116	4,311,116	0
Fund Equity at End of Year	\$4,076,305	\$4,052,057	\$4,237,854	\$185,797

ATHENS CITY SCHOOL DISTRICT
Description of Funds

FIDUCIARY FUNDS

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

Private Purpose Trust Fund

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

Unclaimed Monies

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

Agency Fund

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

Student Managed Activities

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

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
Unclaimed Monies Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Miscellaneous	\$0	\$72,164	\$72,164	\$0
<i>Total Revenues</i>	0	72,164	72,164	0
<u>Expenditures:</u>				
Payment in Accordance with Trust Agreements	10,000	29	29	0
<i>Total Expenditures</i>	10,000	29	29	0
Excess of Revenues Over (Under) Expenditures	(10,000)	72,135	72,135	0
Fund Balance at Beginning of Year	51,139	51,139	51,139	0
Fund Balance at End of Year	\$41,139	\$123,274	\$123,274	\$0

ATHENS CITY SCHOOL DISTRICT
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2010

	July 1, 2009 Balance	Additions	Deductions	June 30, 2010 Balance
<u>Student Activity Fund</u>				
<u>Assets:</u>				
Equity Pooled in Cash, Cash Equivalents and Investments	\$82,470	\$106,978	\$90,003	\$99,445
<u>Liabilities:</u>				
Due to Students	\$82,470	\$106,978	\$90,003	\$99,445

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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.	94 - 100
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).	101 - 113
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.	114 - 117
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.	118 - 120
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.	121 - 124

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

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ATHENS CITY SCHOOL DISTRICT

Net Assets by Component

Last Nine Fiscal Years

June 30, 2010

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Invested in Capital Assets, Net of Related Debt	\$8,409,636	\$7,324,505	\$6,553,026	\$5,156,884	\$7,101,713	\$6,458,995	\$6,958,111	\$6,735,851	\$7,315,598
Restricted for:									
Capital Projects	3,743,476	3,495,507	3,640,336	3,634,799	3,439,769	2,887,943	2,958,786	3,322,849	3,015,336
Debt Service	2,195,489	2,432,745	3,749,539	3,049,491	2,076,548	2,464,074	2,783,778	3,071,120	3,007,989
Other Purposes	526,828	610,453	571,302	723,608	663,460	592,779	586,240	620,310	979,006
Unrestricted (Deficit)	<u>7,271,101</u>	<u>5,725,156</u>	<u>4,569,634</u>	<u>4,906,623</u>	<u>4,888,125</u>	<u>5,183,895</u>	<u>7,952,675</u>	<u>9,867,464</u>	<u>9,322,979</u>
Total Net Assets	<u><u>\$22,146,530</u></u>	<u><u>\$19,588,366</u></u>	<u><u>\$19,083,837</u></u>	<u><u>\$17,471,405</u></u>	<u><u>\$18,169,615</u></u>	<u><u>\$17,587,686</u></u>	<u><u>\$21,239,590</u></u>	<u><u>\$23,617,594</u></u>	<u><u>\$23,640,908</u></u>

ATHENS CITY SCHOOL DISTRICT
Changes in Net Assets of Governmental Activities
Last Nine Fiscal Years
June 30, 2010

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Regular Instruction	\$11,572,314	\$13,358,975	\$13,564,316	\$13,662,796	\$14,178,578	\$15,026,568	\$14,593,578	\$15,652,902	\$16,382,027
Special Instruction	2,957,157	3,293,884	3,344,419	3,540,251	3,393,969	3,498,510	3,223,201	3,653,542	3,685,796
Vocational Instruction	344,768	404,661	401,449	399,059	256,282	307,970	289,528	343,739	419,445
Student Intervention Services	0	0	0	7,068	10,221	18,611	295,882	362,017	148,213
Pupil Support	1,032,824	1,119,257	1,160,088	1,486,340	1,315,904	1,269,746	1,085,787	1,386,740	1,520,110
Instructional Staff Support	1,095,832	1,349,741	1,437,682	1,537,961	1,635,083	1,741,938	1,744,564	1,929,428	2,479,736
Board of Education	116,184	101,298	120,421	102,567	116,190	100,408	114,815	87,678	164,636
Administration	1,489,063	1,596,823	1,817,458	1,877,535	1,841,002	1,869,748	1,890,289	1,907,707	1,938,680
Fiscal	695,109	697,172	717,844	743,760	909,318	852,201	661,973	717,860	702,311
Business	137,296	147,822	161,459	157,231	166,720	203,064	603,907	610,723	602,219
Operation and Maintenance of Plant	3,154,576	3,488,661	3,319,257	3,062,608	3,756,393	4,090,802	3,500,974	3,725,763	3,798,711
Pupil Transportation	1,483,104	1,719,696	1,719,827	1,898,101	1,722,528	2,158,755	1,654,666	1,919,536	1,923,397
Central	141,277	155,459	137,756	160,082	195,915	200,975	167,721	200,597	203,103
Operation of Food Services	919,570	775,953	786,109	794,515	834,670	929,162	843,310	869,551	849,165
Other Non-Instructional Services	483,935	86,389	2,284	1,834	13,077	4,810	22,370	300	5,398
Extracurricular Activities	422,720	440,005	459,851	455,234	500,172	455,568	461,995	526,387	475,833
Interest and Fiscal Charges	1,393,441	1,376,510	1,417,716	2,282,367	625,872	769,066	625,504	683,439	678,788
Total Expenses	27,439,170	30,112,306	30,567,936	32,169,309	31,471,894	33,497,902	31,780,064	34,577,909	35,977,568
Program Revenues									
Charges for Services									
Regular Instruction	69,568	60,693	66,599	96,889	2,269,227	2,287,936	2,399,190	2,815,158	2,788,133
Special Instruction	174,290	141,015	1,965,444	2,042,278	0	0	0	3,510	4,350
Pupil Support	0	0	0	0	57	749	7,996	8,846	6,529
Instructional Staff Support	0	0	0	6,178	8,059	499	395	902	11,264
Administration Support	0	0	0	2,058	4,001	5,427	0	2,120	1,725
Pupil Transportation	9,200	12,915	0	0	0	0	0	0	0
Central	0	0	0	0	0	0	1,678	1,330	1,200
Operation and Maintenance of Plant	0	290,035	0	0	0	335,176	0	0	0
Operation of Food Service	292,962	0	319,825	315,983	350,560	0	342,785	309,879	248,732
Extracurricular Activities	73,075	97,664	87,401	100,120	88,675	66,609	57,919	58,325	82,654
Operating Grants and Contributions									
Regular Instruction	143,241	199,718	2,308,489	960,597	215,458	1,165,862	1,438,977	1,425,892	3,061,087
Special Instruction	565,705	590,832	1,343,634	1,841,012	1,443,815	1,465,936	1,462,338	1,614,983	1,611,465
Vocational Instruction	0	0	0	38,639	38,995	50,204	59,979	55,179	55,593
Student Intervention Services	0	0	0	0	0	0	126,955	238,606	0
Pupil Support	0	0	119,363	575,623	53,537	158,187	108,089	119,433	203,840
Instructional Staff Support	63,892	57,579	8,722	405,881	57,415	668,021	538,356	508,912	485,938
Administration	99,830	0	190,181	67,209	50,428	15,834	31,135	84,423	267,015
Fiscal	0	65,647	0	2,958	0	0	0	0	4,599
Business	0	0	0	0	0	0	5,740	0	0
Operation and Maintenance of Plant	0	0	167,108	0	0	0	0	0	361,017
Pupil Transportation	0	0	629,950	629,863	670,745	653,958	669,750	703,910	830,122
Central	35,392	35,386	41,263	44,328	35,163	65,898	59,131	62,034	62,609
Operation of Food Service	287,411	348,626	381,511	426,992	446,030	441,861	513,761	491,403	496,980
Extracurricular Activities	4,160	1,702	393	12,940	16,094	3,121	1,299	925	1,471

(continued)

ATHENS CITY SCHOOL DISTRICT
Changes in Net Assets of Governmental Activities (continued)
Last Nine Fiscal Years
June 30, 2010

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Capital Grants and Contributions									
Regular Instruction	\$9,000	\$42,384	\$0	\$81,624	\$0	\$0	\$18,122	\$0	\$0
Vocational Instructin	0	44,408	0	0	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	21,281	0	0	0	0	0
Pupil Transportation	0	0	0	26,602	0	0	0	0	0
Extracurricular Activities									
Total Program Revenues	1,827,726	1,988,604	7,629,883	7,699,055	5,748,259	7,385,278	7,825,473	8,505,770	10,586,323
Net Expense	(25,611,444)	(28,123,702)	(22,938,053)	(24,470,254)	(25,723,635)	(26,112,624)	(23,954,591)	(26,072,139)	(25,391,245)
General Revenues									
Property Taxes Levied for:									
General Purposes	9,798,612	9,912,789	10,490,268	12,036,724	14,127,682	13,629,210	13,084,533	13,460,513	13,028,423
Debt Service	1,949,691	2,126,839	2,373,389	1,778,189	1,443,662	1,484,806	1,513,731	1,413,518	1,201,213
Capital Outlay	827,863	900,739	952,625	909,036	963,223	1,072,450	1,190,764	1,231,561	1,155,002
Income Taxes	0	0	0	0	0	186,249	3,298,754	2,983,038	3,378,878
Grants and Entitlements not									
Restricted to Specific Programs	10,606,940	10,136,396	8,292,211	7,619,010	8,775,371	7,731,693	7,738,957	8,418,895	6,181,952
Payments in Lieu of Taxes	0	0	19,629	153,841	123,188	554,421	148,701	441,147	165,468
Gain on Sale of Capital Assets	14,896	30,800	0	0	0	0	14,932	0	0
Tuition and Fees	1,460,118	1,602,753	0	0	0	0	0	0	0
Unrestricted Contributions	6,102	9,676	4,491	0	0	0	0	0	0
Investment Earnings	331,695	712,396	195,455	237,517	423,812	698,487	712,179	429,465	217,871
Miscellaneous	179,594	133,150	106,456	123,505	63,054	78,658	49,963	72,006	85,752
Total General Revenues	25,175,511	25,565,538	22,434,524	22,857,822	25,919,992	25,435,974	27,752,514	28,450,143	25,414,559
Extraordinary Item									
Stock Received from Demutualization	7,528,879	0	0	0	0	0	0	0	0
Change in Net Assets	\$7,092,946	(\$2,558,164)	(\$503,529)	(\$1,612,432)	\$196,357	(\$676,650)	\$3,797,923	\$2,378,004	\$23,314

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

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ATHENS CITY SCHOOL DISTRICT

Fund Balances, Governmental Funds

Last Ten Fiscal Years

June 30, 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$872,361	\$872,806	\$746,596	\$741,014	\$723,265	\$548,472	\$564,388	\$359,471	\$1,015,225	\$1,448,279
Unreserved	1,851,436	2,061,070	1,450,522	2,145,784	1,414,789	1,811,035	1,971,605	4,887,743	6,068,060	5,887,880
<i>Total General Fund</i>	<u>2,723,797</u>	<u>2,933,876</u>	<u>2,197,118</u>	<u>2,886,798</u>	<u>2,138,054</u>	<u>2,359,507</u>	<u>2,535,993</u>	<u>5,247,214</u>	<u>7,083,285</u>	<u>7,336,159</u>
All Other Governmental Funds										
Reserved	3,888,332	986,290	426,708	639,481	310,220	202,777	444,678	361,965	338,594	247,292
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	638,981	522,921	591,004	137,146	148,680	(32,868)	424,466	767,962	670,826	429,182
Debt Service Funds	1,567,837	2,049,083	2,638,685	3,561,264	3,268,766	1,869,720	2,224,541	2,617,761	2,821,755	2,899,907
Capital Projects Funds	2,077,519	2,921,291	3,207,265	3,172,261	3,519,659	3,335,944	2,470,164	2,683,703	3,064,166	2,863,699
Total All Other Governmental Funds	<u>8,172,669</u>	<u>6,479,585</u>	<u>6,863,662</u>	<u>7,510,152</u>	<u>7,247,325</u>	<u>5,375,573</u>	<u>5,563,849</u>	<u>6,431,391</u>	<u>6,895,341</u>	<u>6,440,080</u>
Total Governmental Funds	<u>\$10,896,466</u>	<u>\$9,413,461</u>	<u>\$9,060,780</u>	<u>\$10,396,950</u>	<u>\$9,385,379</u>	<u>\$7,735,080</u>	<u>\$8,099,842</u>	<u>\$11,678,605</u>	<u>\$13,978,626</u>	<u>\$13,776,239</u>

ATHENS CITY SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Property Taxes	\$12,284,150	\$12,568,005	\$12,844,780	\$13,743,291	\$14,575,215	\$16,407,865	\$16,390,961	\$15,864,471	\$15,914,806	\$15,311,157
Income Taxes	0	0	0	0	0	0	186,249	3,298,754	2,983,038	3,378,878
Intergovernmental	11,800,676	12,305,056	11,400,721	13,104,365	12,510,583	11,823,440	12,845,511	12,811,242	13,710,944	13,603,267
Interest	1,415,796	331,695	397,426	184,687	201,111	364,738	623,972	638,554	421,340	188,266
Tuition and Fees	1,037,603	1,701,216	1,816,751	2,032,043	2,120,912	2,252,515	2,267,998	2,386,287	2,804,408	2,787,291
Extracurricular Activities	121,089	113,665	123,742	116,288	126,611	117,504	93,222	80,891	85,783	101,584
Contributions and Donations	15,240	30,262	21,378	22,784	42,051	36,711	20,687	20,716	13,651	21,335
Charges for Services	0	292,962	290,035	319,825	315,983	350,560	335,176	342,785	309,879	248,732
Rentals	3,588	11,105	11,590	12,888	8,914	6,572	11,259	5,277	3,621	4,637
Payments in Lieu of Taxes	0	0	0	19,629	153,841	123,188	554,421	148,701	441,147	165,468
Miscellaneous	147,810	139,859	106,221	64,682	114,591	56,482	67,399	44,686	68,385	87,181
Total Revenues	26,825,952	27,493,825	27,012,644	29,620,482	30,169,812	31,539,575	33,396,855	35,642,364	36,757,002	35,897,796
Expenditures										
Current:										
Instruction:										
Regular	9,806,160	10,651,944	10,769,274	11,218,814	12,700,867	13,212,771	13,821,226	13,723,111	14,707,142	15,169,196
Special	3,230,941	2,953,117	3,048,914	3,042,025	3,536,609	3,415,176	3,451,568	3,227,160	3,576,204	3,713,100
Vocational	358,621	343,891	381,196	367,322	381,780	274,446	326,679	286,608	338,655	417,827
Student Intervention Services	1,702	0	0	0	7,068	10,221	18,703	294,880	360,581	148,127
Support Services:										
Pupil	1,027,245	1,032,612	1,058,231	1,071,610	1,454,743	1,328,110	1,286,663	1,130,303	1,371,168	1,500,851
Instructional Staff	861,034	1,000,600	1,147,170	1,313,184	1,541,978	1,621,563	1,718,141	1,735,769	1,941,359	2,476,175
Board of Education	97,760	116,622	100,901	120,422	101,844	115,304	100,604	113,614	86,729	164,071
Administration	1,502,434	1,497,980	1,446,894	1,672,606	1,797,209	1,851,320	1,910,091	1,792,023	1,934,602	1,936,911
Fiscal	616,589	657,001	640,797	687,824	755,936	872,955	882,676	647,462	744,147	699,206
Business	110,840	138,004	142,610	148,554	163,604	168,877	177,577	610,659	617,299	601,228
Operation and Maintenance of Plant	2,402,812	2,645,547	2,654,639	2,943,676	3,209,712	3,755,493	4,086,165	3,634,522	3,754,365	4,040,823
Pupil Transportation	1,253,025	1,363,065	1,385,216	1,397,670	1,826,419	1,869,536	1,997,719	1,820,564	1,816,360	1,985,101
Central	130,865	127,306	149,992	130,060	163,914	196,460	205,314	166,590	198,932	202,738
Operation of Non-Instructional Services	0	892,808	799,724	752,722	804,615	836,516	911,829	863,253	878,266	849,821
Extracurricular Activities	326,935	382,501	388,006	407,551	425,927	463,628	432,825	414,808	487,819	438,261
Capital Outlay	11,923,859	5,074,462	1,833,136	1,032,287	16,873	182,330	432,596	342,858	373,663	491,599
Debt Service:										
Principal Retirement	820,000	455,460	447,947	2,979,118	987,448	2,285,000	565,000	595,000	620,000	650,000
Interest and Fiscal Charges	1,198,863	1,395,507	1,382,244	1,420,490	2,368,324	730,168	706,717	681,337	649,690	618,702
Issuance Costs	0	0	0	0	153,987	0	0	0	0	0
Total Expenditures	35,669,685	30,728,427	27,776,891	30,705,935	32,398,857	33,189,874	33,032,093	32,080,521	34,456,981	36,103,737

(continued)

ATHENS CITY SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(\$8,843,733)</u>	<u>(\$3,234,602)</u>	<u>(\$764,247)</u>	<u>(\$1,085,453)</u>	<u>(\$2,229,045)</u>	<u>(\$1,650,299)</u>	<u>\$364,762</u>	<u>\$3,561,843</u>	<u>\$2,300,021</u>	<u>(\$205,941)</u>
Other Financing Sources (Uses)										
Sale of Capital Assets	9,749	14,896	35,122	0	0	0	0	1,875	0	0
Insurance Recoveries	0	0	0	0	0	0	0	15,045	0	3,554
Refunding Bonds Issued	0	0	0	0	9,305,000	0	0	0	0	0
Proceeds of Refunding Bonds	0	0	0	2,335,000	0	0	0	0	0	0
Payment to Refund Bond Escrow Agent	0	0	0	0	(9,305,000)	0	0	0	0	0
Premium on Debt Issuance	0	0	0	0	1,217,474	0	0	0	0	0
Premium on Bonds Issued	0	0	0	86,623	0	0	0	0	0	0
Transfers In	490,541	201,000	243,754	0	24,643	84,137	0	455,562	348,740	138,097
Transfers Out	(637,541)	(201,000)	(243,754)	0	(24,643)	(84,137)	0	(455,562)	(348,740)	(138,097)
<i>Total Other Financing Sources (Uses)</i>	<u>(137,251)</u>	<u>14,896</u>	<u>35,122</u>	<u>2,421,623</u>	<u>1,217,474</u>	<u>0</u>	<u>0</u>	<u>16,920</u>	<u>0</u>	<u>3,554</u>
<u>Extraordinary Item:</u>										
Stock Received from Demutualization	0	1,882,220	0	0	0	0	0	0	0	0
<i>Net Change in Fund Balances</i>	<u>(\$8,980,984)</u>	<u>(\$1,337,486)</u>	<u>(\$729,125)</u>	<u>\$1,336,170</u>	<u>(\$1,011,571)</u>	<u>(\$1,650,299)</u>	<u>\$364,762</u>	<u>\$3,578,763</u>	<u>\$2,300,021</u>	<u>(\$202,387)</u>
Ratio of Debt Service as a Percentage of Noncapital Expenditures	<u>8.50%</u>	<u>7.22%</u>	<u>7.05%</u>	<u>14.83%</u>	<u>10.84%</u>	<u>9.16%</u>	<u>3.88%</u>	<u>4.11%</u>	<u>3.75%</u>	<u>3.59%</u>

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

Collection Year	Real Property			Tangible Personal Property				Total		Weighted Average Tax Rate	
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value		Ratio
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2001	\$202,022,610	\$89,144,900	\$831,907,171	\$26,776,310	\$30,427,625	\$23,500,232	\$107,105,240	\$341,444,052	\$969,440,036	35.22%	31.19
2002	206,187,250	89,452,380	844,684,657	22,391,140	25,444,477	23,319,149	89,564,560	341,349,919	959,693,694	35.57%	30.82
2003	254,203,450	103,097,810	1,020,860,743	22,930,390	26,057,261	23,566,052	91,721,560	403,797,702	1,138,639,564	35.46%	30.24
2004	255,866,250	106,636,680	1,035,722,657	23,265,910	26,438,534	24,843,744	93,063,640	410,612,584	1,155,224,831	35.54%	27.67
2005	258,942,540	104,487,470	1,038,371,457	24,169,380	27,465,205	25,073,212	96,677,520	412,672,602	1,162,514,182	35.50%	35.56
2006	282,989,230	116,333,170	1,140,921,143	26,766,620	30,416,614	25,034,896	107,066,480	451,123,916	1,278,404,237	35.29%	33.88
2007	287,026,650	113,156,060	1,143,379,171	25,945,580	29,483,614	17,890,464	103,782,320	444,018,754	1,276,645,105	34.78%	32.92
2008	292,080,470	116,740,030	1,168,058,571	20,940,180	23,795,659	15,874,254	83,760,720	445,634,934	1,275,614,950	34.93%	30.59
2009	332,564,370	147,529,940	1,371,698,029	21,489,860	24,420,295	8,623,220	85,959,440	510,207,390	1,482,077,764	34.43%	28.39
2010	334,939,790	147,253,660	1,377,695,571	23,228,490	26,396,011	1,940,708	92,913,960	507,362,648	1,497,005,543	33.89%	28.26

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. General Business Personal Property tax was assessed on all tangible personal property used in business in Ohio. General business tangible personal property tax began being phased out in 2006 and was fully eliminated in 2010 except for any remaining Telephone Property Value. Telephone value will be reduced by 50% in 2011 and then completely eliminated in 2012. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

The Weighted Average Tax Rate represents operational levies only.

Source: Ohio Department of Taxation

ATHENS CITY SCHOOL DISTRICT

Property Tax Rates

(per \$1,000 of assessed value)

Last Ten Years

Athens Township (A01)

Collection Year	Athens City School District				Athens County	Tri-County		Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total		Joint Career Center	Athens Township			
2001	55.40	2.90	6.30	64.60	18.55	3.30	8.20	94.65	56.710329	62.119860
2002	55.40	2.90	6.30	64.60	18.55	3.30	8.20	94.65	58.173659	63.584096
2003	55.40	2.90	6.30	64.60	18.80	3.30	8.20	94.90	53.861848	61.423461
2004	55.40	2.90	6.30	64.60	18.80	3.30	8.20	94.90	53.903483	61.317746
2005	63.18	2.90	3.70	69.78	18.80	3.30	6.70	98.58	59.412205	66.927683
2006	62.89	2.90	3.70	69.49	20.30	3.30	6.70	99.79	59.300197	66.459368
2007	62.92	2.90	3.70	69.52	20.30	3.30	6.70	99.82	59.925045	68.110019
2008	57.16	2.90	3.70	63.76	20.30	3.30	6.70	94.06	59.042369	63.206268
2009	55.12	2.90	3.70	61.72	20.30	3.30	6.70	92.02	55.188860	55.458365
2010	55.10	2.90	3.70	61.70	20.55	3.30	6.70	92.25	55.881578	56.946993

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		City of Athens	Athens Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total		Joint Career Center						
2001	55.40	2.90	6.30	64.60	18.55	3.30	2.60	0.30	89.35	54.213092	59.454460	
2002	55.40	2.90	6.30	64.60	18.55	3.30	2.60	0.30	89.35	55.679583	60.921219	
2003	55.40	2.90	6.30	64.60	18.80	3.30	2.60	0.30	89.60	50.691695	57.778373	
2004	55.40	2.90	6.30	64.60	18.80	3.30	2.60	0.30	89.60	50.728681	57.692136	
2005	63.18	2.90	3.70	69.78	18.80	3.30	2.60	0.30	94.78	55.820893	63.224987	
2006	62.89	2.90	3.70	69.49	20.30	3.30	2.60	0.30	95.99	55.975578	62.956533	
2007	62.92	2.90	3.70	69.52	20.30	3.30	2.60	0.30	96.02	56.618703	64.566010	
2008	57.16	2.90	3.70	63.76	20.30	3.30	2.60	0.03	89.99	55.737092	59.662899	
2009	55.12	2.90	3.70	61.72	20.30	3.30	2.60	0.03	87.95	52.172203	52.194144	
2010	55.10	2.90	3.70	61.70	20.55	3.30	2.60	0.30	88.45	52.597044	53.544739	

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

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

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

ATHENS CITY SCHOOL DISTRICT

Property Tax Rates

(per \$1,000 of assessed value)

Last Ten Years

Athens Township - The Plains Fire District (A04)

Collection Year	<u>Athens City School District</u>				Athens County	Tri-County		Athens Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	<u>Operating</u>	<u>Permanent Improvement</u>	<u>Debt</u>	<u>Total</u>		Joint Career Center	The Plains Fire District				
2001	55.40	2.90	6.30	64.60	18.55	3.30	4.00	8.20	98.65	60.888887	66.798762
2002	55.40	2.90	6.30	64.60	18.55	3.30	4.00	8.20	98.65	62.347988	68.247927
2003	55.40	2.90	6.30	64.60	18.80	3.30	4.00	8.20	98.90	56.877365	64.994188
2004	55.40	2.90	6.30	64.60	18.80	3.30	4.00	8.20	98.90	56.924643	64.885480
2005	63.18	2.90	3.70	69.78	18.80	3.30	3.50	6.70	102.08	62.036397	70.044686
2006	62.89	2.90	3.70	69.49	20.30	3.30	3.50	6.70	103.29	61.768504	69.346896
2007	62.92	2.90	3.70	69.52	20.30	3.30	3.50	6.70	103.32	62.578241	71.384284
2008	57.16	2.90	3.70	63.76	20.30	3.30	3.50	6.70	97.56	61.696082	66.481027
2009	55.12	2.90	3.70	61.72	20.30	3.30	3.50	6.70	95.52	57.673188	58.592013
2010	55.10	2.90	3.70	61.70	20.55	3.30	3.50	6.70	95.75	58.376270	60.172712

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

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

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

ATHENS CITY SCHOOL DISTRICT

Property Tax Rates

(per \$1,000 of assessed value)

Last Ten Years

Canaan Township (E02)

Collection Year	<u>Athens City School District</u>				Athens County	<u>Tri-County</u>		Canaan Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	<u>Operating</u>	<u>Permanent Improvement</u>	<u>Debt</u>	<u>Total</u>		<u>Joint Career Center</u>					
2001	55.40	2.90	6.30	64.60	18.55	3.30	6.60	93.05	57.067981	62.693727	
2002	55.40	2.90	6.30	64.60	18.55	3.30	6.60	93.05	59.305377	64.594136	
2003	55.40	2.90	6.30	64.60	18.80	3.30	6.60	93.30	53.877320	61.329580	
2004	55.40	2.90	6.30	64.60	18.80	3.30	6.60	93.30	53.923556	61.169246	
2005	63.18	2.90	3.70	69.78	18.80	3.30	7.60	99.48	60.012848	67.924987	
2006	62.89	2.90	3.70	69.49	20.30	3.30	7.60	100.69	59.834813	66.981209	
2007	62.92	2.90	3.70	69.52	20.30	3.30	7.60	100.72	61.052371	69.266010	
2008	57.16	2.90	3.70	63.76	20.30	3.30	7.60	94.96	60.359554	64.359217	
2009	55.12	2.90	3.70	61.72	20.30	3.30	7.60	92.92	56.242214	55.356666	
2010	55.10	2.90	3.70	61.70	20.55	3.30	7.60	93.15	56.866672	57.590742	

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

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

ATHENS CITY SCHOOL DISTRICT

Property Tax Rates

(per \$1,000 of assessed value)

Last Ten Years

Canaan Township - City of Athens (E03)

Collection Year	<u>Athens City School District</u>				Athens County	Tri-County		City of Athens	Canaan Township	Total Full Rate	Total Residential/ Agriculture	Total Commercial/ Industrial
	<u>Operating</u>	<u>Permanent Improvement</u>	<u>Debt</u>	<u>Total</u>		Joint Career Center	<u>Effective Rate</u>				<u>Effective Rate</u>	
2001	55.40	2.90	6.30	64.60	18.55	3.30	2.40	4.70	93.55	57.567981	63.193727	
2002	55.40	2.90	6.30	64.60	18.55	3.30	2.40	4.70	93.55	59.805715	65.094136	
2003	55.40	2.90	6.30	64.60	18.80	3.30	2.40	4.70	93.80	54.377320	61.829580	
2004	55.40	2.90	6.30	64.60	18.80	3.30	2.40	4.70	93.80	54.423556	61.669246	
2005	63.18	2.90	3.70	69.78	18.80	3.30	2.40	5.70	99.98	60.512848	68.429870	
2006	62.89	2.90	3.70	69.49	20.30	3.30	2.40	5.70	101.19	60.334813	67.481209	
2007	62.92	2.90	3.70	69.52	20.30	3.30	2.40	5.70	101.22	61.552371	69.766010	
2008	57.16	2.90	3.70	63.76	20.30	3.30	2.40	5.70	95.46	60.859554	64.859217	
2009	55.12	2.90	3.70	61.72	20.30	3.30	2.40	5.70	93.42	56.742214	55.856666	
2010	55.10	2.90	3.70	61.70	20.55	3.30	2.40	5.70	93.65	57.366672	58.090742	

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

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

ATHENS CITY SCHOOL DISTRICT

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

Dover Township (G01)

Collection Year	<u>Athens City School District</u>				Athens County	<u>Tri-County</u>		Dover Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	<u>Operating</u>	<u>Permanent Improvement</u>	<u>Debt</u>	<u>Total</u>		<u>Joint Career Center</u>					
2001	55.40	2.90	6.30	64.60	18.55	3.30	8.70	95.15	59.728240	65.070822	
2002	55.40	2.90	6.30	64.60	18.55	3.30	8.70	95.15	61.175868	66.538118	
2003	55.40	2.90	6.30	64.60	18.80	3.30	11.20	97.90	57.607682	65.217816	
2004	55.40	2.90	6.30	64.60	18.80	3.30	11.20	97.90	57.929292	65.347525	
2005	63.18	2.90	3.70	69.78	18.80	3.30	11.20	103.08	63.024514	73.114369	
2006	62.89	2.90	3.70	69.49	20.30	3.30	11.20	104.29	62.618758	69.999672	
2007	62.92	2.90	3.70	69.52	20.30	3.30	8.70	101.82	61.330527	69.520334	
2008	57.16	2.90	3.70	63.76	20.30	3.30	8.70	96.06	60.447246	64.617237	
2009	55.12	2.90	3.70	61.72	20.30	3.30	8.70	94.02	56.496130	57.005898	
2010	55.10	2.90	3.70	61.70	20.55	3.30	8.70	94.25	56.927015	58.362117	

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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 - Village of Chauncey (G02)

Collection Year	<u>Athens City School District</u>				Athens County	<u>Tri-County</u>		Village of Chauncey	Dover Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	<u>Operating</u>	<u>Permanent Improvement</u>	<u>Debt</u>	<u>Total</u>		<u>Joint Career Center</u>						
2001	55.40	2.90	6.30	64.60	18.55	3.30	7.90	3.30	97.65	62.354574	67.656663	
2002	55.40	2.90	6.30	64.60	18.55	3.30	7.90	3.30	97.65	63.813636	69.132517	
2003	55.40	2.90	6.30	64.60	18.80	3.30	7.90	5.80	100.40	59.382383	67.451832	
2004	55.40	2.90	6.30	64.60	18.80	3.30	7.90	5.80	100.40	59.817088	67.581528	
2005	63.18	2.90	3.70	69.78	18.80	3.30	7.90	5.80	105.58	64.916072	73.114369	
2006	62.89	2.90	3.70	69.49	20.30	3.30	2.90	5.80	101.79	60.859320	68.058353	
2007	62.92	2.90	3.70	69.52	20.30	3.30	7.90	3.30	104.32	64.567213	72.579015	
2008	57.16	2.90	3.70	63.76	20.30	3.30	7.90	3.30	98.56	63.684866	67.675909	
2009	55.12	2.90	3.70	61.72	20.30	3.30	7.90	3.30	96.52	59.578636	60.149544	
2010	55.10	2.90	3.70	61.70	20.55	3.30	7.90	3.30	96.75	60.020906	61.502556	

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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

Waterloo Township (N02)

Collection Year	<u>Athens City School District</u>				Athens County	<u>Tri-County</u>		Waterloo Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	<u>Operating</u>	<u>Permanent Improvement</u>	<u>Debt</u>	<u>Total</u>		<u>Joint Career Center</u>					
2001	55.40	2.90	6.30	64.60	18.55	3.30	9.90	96.35	60.165682	65.327257	
2002	55.40	2.90	6.30	64.60	18.55	3.30	9.90	96.35	61.579783	66.794016	
2003	55.40	2.90	6.30	64.60	18.80	3.30	9.90	96.60	55.708064	63.386606	
2004	55.40	2.90	6.30	64.60	18.80	3.30	9.90	96.60	55.744979	63.300369	
2005	63.18	2.90	3.70	69.78	18.80	3.30	9.90	101.78	60.842498	68.854259	
2006	62.89	2.90	3.70	69.49	20.30	3.30	9.90	102.99	60.408076	68.133558	
2007	62.92	2.90	3.70	69.52	20.30	3.30	9.90	103.02	61.054314	69.743035	
2008	57.16	2.90	3.70	63.76	20.30	3.30	9.90	97.26	60.496486	65.031093	
2009	55.12	2.90	3.70	61.72	20.30	3.30	9.90	95.22	56.288589	57.027685	
2010	55.10	2.90	3.70	61.70	20.55	3.30	9.90	95.45	57.151544	58.651535	

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

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

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

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 2010 information cannot be presented because all collections have not been made by June 30, 2010.
- (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 2010 (1)	
		Assessed Value	Percent of Real Property Assessed Value
Ohio University	Retail Sales	\$12,380,230	2.57%
AAC Athens LLC	Apartments	7,413,890	1.54%
Southeast Ohio Management Company	Retail Sales	5,110,840	1.06%
Sheltering Arms Hospital	Hospital	3,288,670	0.68%
McCoady Properties Ltd.	Various	2,341,470	0.49%
Inn-Ohio of Athens, Inc.	Motel	2,235,170	0.46%
City of Athens	Various	2,150,930	0.45%
TS Tech North America Inc.	Manufacturing	1,804,370	0.37%
Diversified Properties of Athens	Apartments	1,704,330	0.35%
36 South Court Investors LLC	Apartments	1,680,120	0.35%
Total		\$40,110,020	8.32%
Total Assessed Valuation		\$482,193,450	

Name of Taxpayer	Type of Business	Collection Year 2001 (1)	
		Assessed Value	Percent of Real Property Assessed Value
Ohio University	Retail Sales	\$5,845,170	2.01%
University Mall Associates	Retail Sales	4,444,910	1.53%
AAC Athens LLC	Apartments	3,779,450	1.30%
Inn-Ohio of Athens, Inc.	Motel	1,812,330	0.62%
City of Athens	Various	1,575,760	0.54%
Bromley Athens LLC Ltd	Apartments	1,418,570	0.49%
Southeast Development Co. 2	Apartments	1,286,810	0.44%
Hickory Creek of Athens, Inc.	Nursing Home	1,261,790	0.43%
Diversified Properties	Grocery Store	1,132,260	0.39%
TS Trim Industries Inc.	Automotive Parts Mfg.	992,100	0.34%
Total		\$23,549,150	8.09%
Total Assessed Valuation		\$291,167,510	

(1) The amounts presented represent the assessed values upon which 2010 and 2001 collections were based.

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

ATHENS CITY SCHOOL DISTRICT

Principal Taxpayers

Tangible Personal Property Tax

Current Year and Nine Years Ago

Name of Taxpayer	Type of Business	Collection Year 2010 (1) (2)	
		Assessed Value	Percent of Tangible Personal Property Assessed Value
Verizon North, Inc.	Communications	\$813,150	41.90%
New Par	Communications	179,500	9.25%
Alltel Communications of Ohio	Communications	201,480	10.38%
New Cingular Wireless PCS LLC	Communications	124,040	6.39%
T Mobile Central LLC	Communications	74,690	3.85%
Ohio Telephone & Telegraph	Communications	68,780	3.54%
Horizon Personal Comm. LLC	Communications	27,140	1.40%
Zayo Bandwidth Central LLC	Communications	13,600	0.70%
Sprint Nextel Corp.	Communications	10,570	0.54%
TWC Digital Phone LLC	Communications	10,120	0.52%
Total		\$1,523,070	78.48%
Total Assessed Valuation		\$1,940,708	

Name of Taxpayer	Type of Business	Collection Year 2001 (1) (2)	
		Assessed Value	Percent of Tangible Personal Property Assessed Value
TS Trim Industries Inc.	Automotive Parts Mfg.	\$1,981,410	8.43%
Don Wood Fors-Lincoln-Mercury Inc.	Automobiles Sales & Service	1,360,120	5.79%
Athens Mold & Machine Inc.	Machine Shop	570,030	2.43%
K Mart Corp.	Retail	562,380	2.39%
Taylor Motors	Automobiles Sales & Service	452,820	1.93%
Ames Merchandising Inc.	Retail	436,830	1.86%
Kroger Company	Grocery	411,790	1.75%
J C Penny Company Inc.	Retail	383,330	1.63%
Elder Beerman Stores Corp.	Retail	374,330	1.59%
On Call Medical Associates	Medical	345,512	1.47%
Total		\$6,878,552	29.27%
Total Assessed Valuation		\$23,500,232	

(1) The amounts presented represent the assessed values upon which 2010 and 2001 collections were based.

(2) Prior to Collection Year 2009 Business Tangible Personal Property was taxed locally. All that remains in this tax category is Telephone and Communication Personal Property

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 2010 (1)	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Columbus Southern Power	Electricity	\$16,750,720	72.11%
Tennessee Gas Pipeline Co.	Natural Gas	2,487,330	10.71%
Texas Eastern Transmission	Natural Gas	1,588,540	6.84%
Columbia Gas of Ohio Inc.	Natural Gas	1,125,420	4.84%
Columbia Gas Transmission	Natural Gas	717,180	3.09%
Norfolk Southern	Transportations	236,530	1.02%
Ohio Power Co.	Electricity	217,730	0.94%
Buckeye Rural Electric	Electricity	32,260	0.14%
Southeastern Natural Gas Co.	Natural Gas	1,290	0.01%
Buckeye Power Inc.	Electricity	200	0.00%
Total		\$23,157,200	99.69%
Total Assessed Valuation		\$23,228,490	

Name of Taxpayer	Type of Business	Collection Year 2001 (1)	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Columbus Southern Power	Electricity	\$13,178,670	49.22%
GTE North Inc.	Communications	5,833,320	21.79%
Columbia Gas of Ohio Inc.	Natural Gas	3,017,180	11.27%
Texas Eastern Transmission	Natural Gas	1,093,390	4.08%
Tennessee Gas Pipeline Co.	Natural Gas	866,570	3.24%
Ohio Telephone & Telegraph	Communications	792,050	2.96%
Consolidated Rail Corp.	Transportation	704,880	2.63%
Columbia Gas Transmission	Natural Gas	403,180	1.51%
Orange County Cellular	Communications	145,330	0.54%
Ohio Power Company	Electricity	131,250	0.49%
Total		\$26,165,820	97.72%
Total Assessed Valuation		\$26,776,310	

(1) The amounts presented represent the assessed values upon which 2010 and 2001 collections were based

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

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

Fiscal Year	Population (1)	Assessed Value of Taxable Property (2)	General Bonded Debt			General Debt				
			General Bonded Debt Outstanding	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita	General Bonded Debt Outstanding	HB 264 Debt	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita
2001	32,596	\$341,444,052	\$18,684,973	5.47%	\$573.23	\$18,684,973	\$185,000	\$18,869,973	5.53%	\$578.90
2002	32,596	341,349,919	18,424,513	5.40%	565.24	18,424,513	195,000	18,619,513	5.45%	571.22
2003	33,790	403,797,702	18,176,566	4.50%	537.93	18,176,566	200,000	18,376,566	4.55%	543.85
2004	33,790	410,612,584	17,747,449	4.32%	525.23	17,747,449	215,000	17,962,449	4.37%	531.59
2005	33,790	412,672,602	16,620,000	4.03%	491.86	16,620,000	0	16,620,000	4.03%	491.86
2006	33,790	451,123,916	14,335,000	3.18%	424.24	14,335,000	0	14,335,000	3.18%	424.24
2007	33,790	444,018,754	13,910,000	3.13%	411.66	13,910,000	0	13,910,000	3.13%	411.66
2008	33,790	445,634,934	13,315,000	2.99%	394.05	13,315,000	0	13,315,000	2.99%	394.05
2009	33,790	510,207,390	12,695,000	2.49%	375.70	12,695,000	0	12,695,000	2.49%	375.70
2010	33,790	507,362,648	12,045,000	2.37%	356.47	12,045,000	0	12,045,000	2.37%	356.47

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

(2) Ohio Department of Taxation - Collection Year

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

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio Debt Service to General Fund Expenditures (Percentage)
2001	\$635,000	\$1,099,065	\$1,734,065	\$19,179,237	9.04%
2002	260,460	1,370,137	1,630,597	20,314,792	8.03%
2003	247,947	1,366,651	1,614,598	20,831,388	7.75%
2004	409,118	1,363,380	1,772,498	21,451,979	8.26%
2005	1,272,552	1,019,733	2,292,285	23,740,736	9.66%
2006	2,285,000	730,168	3,015,168	24,670,213	12.22%
2007	565,000	706,717	1,271,717	25,630,290	4.96%
2008	595,000	681,337	1,276,337	25,200,403	5.06%
2009	620,000	649,690	1,269,690	27,202,891	4.67%
2010	650,000	618,702	1,268,702	29,476,320	4.30%

Source: School District Fund Financial Statements

ATHENS CITY SCHOOL DISTRICT
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2010*

Jurisdiction	Net General Obligation Bonded Debt Outstanding (1)	Percentage Applicable To School District	Amount Applicable To School District
<u>Direct Debt:</u>			
Athens City School District	\$12,045,000	100.0%	\$12,045,000
<u>Overlapping Debt:</u>			
Athens County	665,000	54.8% (2)	\$364,420
City of Athens	5,710,000	98.0% (3)	5,597,513
Total Direct and Overlapping Debt			<u>\$18,006,933</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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Tax Valuation	\$341,444,052	\$341,349,919	\$403,797,702	\$410,612,584	\$412,672,602	\$451,123,916	\$444,018,754	\$445,634,934	\$510,207,390	\$507,362,648
Debt Limit - 9% of Taxable Valuation (1)	\$30,729,965	\$30,721,493	\$36,341,793	\$36,955,133	\$37,140,534	\$40,601,152	\$39,961,688	\$40,107,144	\$45,918,665	\$45,662,638
Amount of Debt Applicable to Debt Limit										
General Obligation Bonds	18,684,973	18,424,513	18,176,566	17,747,449	16,620,000	14,335,000	13,910,000	13,315,000	12,695,000	12,045,000
Less Amount Available in Debt Service	(1,654,485)	(2,152,841)	(2,638,685)	(3,561,263)	(3,268,767)	(1,869,721)	(2,224,541)	(2,617,762)	(2,821,755)	(2,899,907)
Amount of Debt Subject to Limit	17,030,488	16,271,672	15,537,881	14,186,186	13,351,233	12,465,279	11,685,459	10,697,238	9,873,245	9,145,093
Legal Debt Margin	\$13,699,477	\$14,449,821	\$20,803,912	\$22,768,947	\$23,789,301	\$28,135,873	\$28,276,229	\$29,409,906	\$36,045,420	\$36,517,545
Legal Debt Margin as a Percentage of the Debt Limit	44.58%	47.03%	57.25%	61.61%	64.05%	69.30%	70.76%	73.33%	78.50%	79.97%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$341,444	\$341,350	\$403,798	\$410,613	\$412,673	\$451,124	\$444,019	\$445,635	\$510,207	\$507,363
Amount of Debt Subject to Limit	0	0	0	0	0	0	0	0	0	0
Unvoted Legal Debt Margin	\$341,444	\$341,350	\$403,798	\$410,613	\$412,673	\$451,124	\$444,019	\$445,635	\$510,207	\$507,363
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>
2001	32,596	4.80%	\$385,379,159	\$11,823
2002	32,596	5.80%	403,778,171	12,387
2003	33,790	6.10%	383,046,787	11,336
2004	33,790	6.30%	400,624,424	11,856
2005	33,790	6.00%	422,654,278	12,508
2006	33,790	6.40%	441,950,195	13,079
2007	33,790	6.70%	467,983,086	13,850
2008	33,790	6.80%	453,172,771	13,411
2009	33,790	8.90%	N/A	N/A
2010	33,790	9.50%	N/A	N/A

Sources:

(1) Ohio Municipal Advisory Council

(2) U.S. Department of Labor. Data is for Athens County in January 2010. Statistic is not available by school district.

(3) Ohio Department of Taxation

Note:

The 2009 and 2010 Personal Income information was not available

ATHENS CITY SCHOOL DISTRICT

Principal Employers

Current Year and Nine Years Ago

Employer	Nature of Business	2010			2001		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Ohio University	Education	4,023	1	13.64%	Data Not Available		
Athens County Government	Government	611	2	2.07%			
O'Bleness Memorial Hospital	Health Care	470	4	1.59%			
Wal-Mart	Retail	428	5	1.45%			
Athens City School District	Education	424	5	1.44%			
Athens City Government	Government	255	6	0.86%			
Health Recovery Services	Health Care	175	7	0.59%			
Diagnostic Hybrids, Inc.	Manufacturing	160	8	0.54%			
Athens Messenger	Newspaper	115	9	0.39%			
Kroger Company	Retail	102	10	0.35%			
Total		<u>6,763</u>		<u>22.93%</u>			
Total Employment within the School District		<u>29,500</u>					

Source: Athens Area Chamber of Commerce

ATHENS CITY SCHOOL DISTRICT

Personal Income

Last Ten Years

<u>Calendar Year (1)</u>	<u>Number of Income Tax Returns</u>	<u>Number of Personal Exemptions</u>	<u>Total Federal Adjusted Gross Income</u>	<u>Average Federal Adjusted Gross Income</u>	<u>Rank Among Ohio Schools (2)</u>
1999	9,585	17,414	\$361,112,962	\$37,675	248
2000	9,883	17,816	384,268,026	38,882	246
2001	10,103	18,025	385,379,159	38,145	268
2002	10,195	18,355	403,778,171	39,606	227
2003	9,987	17,924	383,046,787	38,355	283
2004	10,021	17,876	400,624,424	39,978	294
2005	9,991	17,872	422,654,278	42,304	267
2006	9,990	17,703	441,950,195	44,239	267
2007	10,214	17,931	467,983,086	45,818	273
2008	9,985	17,508	453,172,771	45,385	273

Source: Ohio Department of Taxation

(1) The 2009 Income Tax information was not available.

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

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Teaching Staff:										
Elementary (K-6) Classroom Teachers	112.10	108.80	108.80	107.80	94.00	92.00	92.00	94.20	94.20	95.20
Secondary (7-12) Classroom Teachers	81.20	81.50	82.50	81.50	80.50	79.50	79.50	75.50	76.50	77.50
Special /Vocational Education Teachers	35.50	39.00	39.00	40.00	51.90	51.90	52.10	47.20	47.20	46.20
Pupil Support Services:										
Secretarial/Office Support Staff	22.50	22.50	22.50	21.50	21.00	21.00	21.00	21.50	21.50	21.50
Guidance/Counselors	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00
Librarians/Audio Visual	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Psychologists	3.00	2.00	2.00	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	55.50	60.50	63.50	65.60	69.00	69.00	69.00	64.00	69.00	68.00
Administrators/Supervisors:										
Elementary (K-6)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Secondary (7-12)	4.00	4.00	3.00	4.00	4.00	4.00	4.00	4.00	2.00	2.00
Central/Districtwide	9.00	9.00	9.00	9.00	10.00	10.00	9.00	10.00	10.00	10.00
Operation of Plant:										
Custodians	24.50	24.50	24.50	25.50	25.00	25.00	26.00	26.50	26.50	26.50
Maintenance	6.00	6.00	5.00	5.00	4.00	4.00	4.00	4.00	5.00	5.00
Pupil Transportation:										
Bus Drivers	30.00	28.00	29.50	29.50	30.00	30.00	33.00	31.00	31.00	31.00
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Food Service Program:										
Elementary (K-6)	15.00	15.00	15.00	12.20	12.00	12.00	9.50	9.50	10.80	11.05
Secondary (7-12)	6.50	6.50	6.50	6.50	6.50	6.50	7.40	7.40	7.40	7.40
Total	418.80	421.30	424.80	424.10	423.90	420.90	423.50	411.80	418.10	418.35

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

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

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

Fiscal Year	Grade	Number Of Graduates (1)	Average Daily Membership (ADM) (2)	ADM Percentage Change	Cost per Pupil (3)		Teaching Staff	Pupil/Teacher Ratio (4)	% of Students Qualifying for Free or Reduced Lunch Program
					District Average	State Average			
1998	Kindergarten	242	2,705	-3.15%	\$6,116	\$5,673	218.6	18.5	n/a
1999	1st Grade	234	2,966	9.65%	6,681	6,642	221.8	17.8	n/a
2000	2nd Grade	235	2,823	-4.82%	6,972	7,057	230.8	17.1	n/a
2001	3rd Grade	235	2,757	-2.34%	7,832	7,591	228.8	16.9	n/a
2002	4th Grade	233	2,544	-7.73%	8,608	8,073	229.3	15.9	n/a
2003	5th Grade	209	2,481	-2.48%	8,713	8,441	230.3	14.3	n/a
2004	6th Grade	205	2,482	0.04%	8,999	8,768	229.3	15.3	36%
2005	7th Grade	194	2,408	-2.98%	9,617	9,048	226.4	15.8	35%
2006	8th Grade	204	2,423	0.61%	10,337	9,356	223.4	15.9	34%
2007	9th Grade	214	2,430	0.30%	10,295	9,586	223.6	16.0	33%
2008	10th Grade	220	2,423	-0.29%	10,757	9,939	216.9	16.5	33%
2009	11th Grade	198	2,582	6.56%	10,580	10,184	217.9	13.6	37%
2010	12th Grade	227	2,566	-0.62%	11,476	10,513	218.9	13.4	39%
					<u>\$116,983</u>	<u>\$110,871</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 "District School Report Card"

(4) Ohio Department of Education Interactive Data Web Site

ATHENS CITY SCHOOL DISTRICT

Miscellaneous Statistics

June 30, 2010

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	227.9
Non-Certificated	173.2
Administrative	18.0
Area - square miles	58 Square Miles
State Funded Average Daily Membership	2,566
Cost per Pupil	\$11,476
Average Number of Years Teaching Experience	13.3 Years
Percentage of Teaching Staff Holding a Master's Degree	77.6% 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	894	1,200	74.50%	56.6	15.7 :1	1968	2002
Athens Middle School	7 & 8	426	675	63.11%	38	11.2 :1	1923	1936, 1956 1973, 2002
Chauncey Elementary	PS - 6	171	500	34.20%	22.4	7.6 :1	1964	1978
East Elementary	PS - 6	286	600	47.67%	21	13.6 :1	1956	1980
Morrison Elementary	PS - 6	401	650	61.69%	27.4	14.6 :1	1979	-
The Plains Elementary	PS - 6	378	650	58.15%	31.5	12.0 :1	1990	-
West Elementary	PS - 6	<u>286</u>	<u>400</u>	71.50%	<u>21</u>	13.6 :1	1956	1978
District Totals		2,842	4,675	60.79%	217.9	13.0 :1		

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

ATHENS CITY SCHOOL DISTRICT

Standardized Test Results

June 30, 2010

	<u>Athens High School</u>	<u>State Mean</u>	<u>National Mean</u>
<u>S.A.T.</u>			
Critical Reading	586	538	501
Mathematics	599	548	516
Writing	571	522	492
<u>A.C.T.</u>			
English	24.1	21.2	20.5
Mathematics	24.5	21.5	21.0
Reading	25.3	22.1	21.3
Science	24.2	21.8	20.9
Composite	24.6	21.8	21.0

Ohio Public School Report Card Data:

	<u>Athens City Schools</u>	<u>Similar Districts *</u>	<u>State Average</u>
<u>3rd Grade Achievement Test</u>			
Reading	78.2	85.9	78.4
Mathematics	72.9	83.4	76.9
<u>4th Grade Achievement Test</u>			
Reading	82.3	87.8	81.0
Mathematics	74.4	83.9	76.2
<u>5th Grade Achievement Test</u>			
Reading	77.4	79.1	71.8
Mathematics	65.2	75.1	67.0
Science	73.9	79.6	69.9
<u>6th Grade Achievement Test</u>			
Reading	84.2	89.3	84.1
Mathematics	72.3	84.1	77.4
<u>7th Grade Achievement Test</u>			
Reading	78.7	86.3	80.2
Mathematics	67.1	79.6	71.1
<u>8th Grade Achievement Test</u>			
Reading	87.2	87.0	80.9
Mathematics	69.8	77.8	69.2
Science	64.3	74.7	64.8
<u>10th Grade Ohio Graduation Test</u>			
Reading	83.5	88.2	83.0
Mathematics	81.6	86.5	80.4
Writing	81.6	88.4	84.1
Science	79.1	80.6	73.0
Social Studies	81.5	86.4	79.6
<u>11th Grade Ohio Graduation Test</u>			
Reading	92.7	95.0	91.6
Mathematics	93.2	93.8	89.2
Writing	92.7	96.0	93.2
Science	91.7	92.0	85.1
Social Studies	91.1	93.5	88.7
<u>Attendance Rate (All Grades)</u>	94.7	95.0	94.3
<u>Graduation Rate</u>	97.9	95.0	83.0

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

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