

**WAPS-FM
AKRON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

Audit Report

For the Year Ended June 30, 2015





Dave Yost • Auditor of State

Board of Education
WAPS-FM, Akron City School District
65 Steiner Avenue
Akron, Ohio 44301

We have reviewed the *Independent Auditor's Report* of the WAPS-FM, Akron City School District, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2014 through June 30, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 13, 2016

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**WAPS-FM
AKRON CITY SCHOOL DISTRICT
SUMMIT COUNTY
AUDIT REPORT
For the Year Ending June 30, 2015**

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

WAPS-FM
Akron City School District, Summit County
65 Steiner Avenue
Akron, Ohio 44301

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of WAPS-FM, Akron City School District, Summit County, Ohio (the Station), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Station's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to Station's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of Station's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of WAPS-FM, Akron City School District, Summit County, Ohio, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of WAPS-FM, Akron City School District, Summit County, Ohio, are intended to present the financial position and the changes in financial position of only that portion of the governmental activities and remaining fund information of the Akron City School District that is attributable to the transactions of the Station. They do not purport to, and do not present fairly the financial position of the Akron City School District as of June 30, 2015, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 3 to the financial statements, during the year ended June 30, 2015, the Station adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2015, on our consideration of Station's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Station's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.

December 16, 2015

WAPS-FM AKRON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

The discussion and analysis of WAPS-FM's (the "Station") financial performance provides an overall review of the Station's financial activities for the fiscal year ended June 30, 2015. The Station is a segment of the Akron City School District (the "School District"). The intent of this discussion and analysis is to look at the Station's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Station's financial performance.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2015 are as follows:

- Total net position decreased \$44,080. This is a 69.1 percent decrease from fiscal year 2014.
- Total revenues decreased to \$788,731 from \$793,395. This is a decrease of \$5,442 or 0.7 percent.
- Total program expenses were \$832,811. Total program expenses increased from \$808,119 from fiscal year 2014. This is an increase of \$24,692 or 3.1 percent.
- The fund balance in the general fund decreased \$29,153. This is a 3.9 percent decrease from fiscal year 2014.

Station Highlights

Significant Station highlights for the fiscal year ended June 30, 2015 are as follows:

- Membership contributions revenue was \$197,995 in fiscal year 2015 and continues to be a major source of revenue for the Station. The Station has solidified a long-term broadcast agreement with 90.7 WKTL-FM throughout Youngstown, Warren and western Pennsylvania.
- Underwriting revenue was \$341,082 and continues to be a major source of revenue. The Station continues to attract a highly desirable, intensely loyal listening audience. Businesses are continuing to put a value in reaching these potential new customers through supporting the Station.
- During fiscal year 2015, the Station was honored with the following awards:
 - State of Ohio – Award for Advocacy Supporting Long-Term Recovery
 - State of Ohio – Auditor of State Award Exemplary Financial Reporting
 - United Way and Inside Business Magazine – Pinnacle Award Community Service
 - Margaret Clark Morgan Foundation – The Impact Award Innovation
 - Akron Life Magazine – Best Radio Station

Using this Annual Report

This annual report consists of the basic financial statements and the notes to the basic financial statements. The basic financial statements are organized so the reader can understand the Station as a financial whole, an entire operating entity. The fund financial statements then proceed to provide an increasingly detailed look at specific financial activities.

WAPS-FM AKRON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole Station, presenting both an aggregate view of the Station's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, the fund financial statements tell how services were financed in the short-term and what remains for future spending. Also, the fund financial statements look at each of the Station's funds.

Reporting the Station as a Whole – Statement of Net Position and Statement of Activities

While the basic financial statements contain the funds used by the Station to provide programs and activities, the view of the Station as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2015?" The Statement of Net Position and the Statement of Activities answer this question. These two statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the basis of accounting used by most companies in the private sector. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Station's net position and changes in that position. This change in net position is important because it tells the reader that, for the Station as a whole, the financial position of the Station has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the Station's popularity, listening area, listening audience, number of members, and other factors.

In the Statement of Net Position and the Statement of Activities, the activities of the Station's programs and services are accounted for in the following activity:

Governmental Activities – All of the Station's programs and services are reported here including program services and support services.

Reporting the Station's Most Significant Funds – Fund Financial Statements

The analysis of the Station's major funds begins on page 9. Fund financial reports provide detailed information about the Station's major funds. The Station uses funds to account for a multitude of financial transactions, and the fund financial statements focus on the Station's funds. The Station's major governmental funds are the general fund and the Corporation for Public Broadcasting (CPB) grants fund.

Governmental Funds – All of the Station's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year end available for spending in future fiscal years. These funds are reported using a basis of accounting method called the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund financial statements provide a detailed short-term view of the Station's general government operations and the basic services it provides. Governmental fund information helps a reader determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationships or differences between governmental activities reported in the Statement of Net Position and Statement of Activities and governmental fund financial statements are reconciled in the basic financial statements.

WAPS-FM AKRON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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The Station as a Whole

Recall that the Statement of Net Position provides the perspective of the Station as a whole.

Table 1 provides a summary of the Station's net position for fiscal year 2015 compared to fiscal year 2014 as follows:

Table 1
Net Position at June 30,

	Governmental Activities		
	2015	Restated 2014	Change
Assets			
Current and Other Assets	\$929,698	\$929,347	\$351
Capital Assets, Net	231,911	250,321	(18,410)
<i>Total Assets</i>	<u>1,161,609</u>	<u>1,179,668</u>	<u>(18,059)</u>
Deferred Outflows of Resources			
<i>Pension</i>	37,476	34,113	3,363
Liabilities			
Current and Other Liabilities	65,913	39,835	26,078
Long-Term Liabilities:			
Due Within One Year	21,023	14,133	6,890
Due in More Than One Year:			
Net Pension Liability	426,253	500,853	(74,600)
Other Amounts Due in More Than One Year	23,277	21,443	1,834
<i>Total Liabilities</i>	<u>536,466</u>	<u>576,264</u>	<u>(39,798)</u>
Deferred Inflows of Resources			
<i>Pension</i>	69,182	0	69,182
Net Position			
Net Investment in Capital Assets	231,911	250,321	(18,410)
Restricted:			
Other Purposes	102,083	101,738	345
Unrestricted	259,443	285,458	(26,015)
<i>Total Net Position</i>	<u>\$593,437</u>	<u>\$637,517</u>	<u>(\$44,080)</u>

WAPS-FM AKRON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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During fiscal year 2015, the Station adopted Governmental Accounting Standards Board ("GASB") Statement No. 68, "Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27", which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of these basic financial statements will gain a clearer understanding of the Station's actual financial condition by adding deferred inflows related to pension.

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB Statement No. 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB Statement No. 68, the net pension liability equals the School District's proportionate share for the Station of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules, or in the case of compensated absences (i.e., sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in net pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liabilities section of the statement of net position.

In accordance with GASB Statement No. 68, the Station's statements prepared on the accrual basis of accounting include an annual pension expense for the School District's proportionate share for the Station of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

WAPS-FM AKRON CITY SCHOOL DISTRICT
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As a result of implementing GASB Statement No. 68, the Station is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014 from \$1,104,257 to \$637,517.

Total assets decreased \$18,059.

CPB grants receivable decreased \$31,149. In most fiscal years, the Station receives its entire award amount for its annual CPB grant by June 30. This was the case for the 2015 fiscal year annual CPB grant. However, in fiscal year 2014, the Radio Station received only \$61,404 of its \$92,553 award amount for the annual CPB grant by June 30. This caused a \$31,149 CPB grants receivable to be reported as of June 30, 2014.

Also, capital assets decreased \$18,410. See below for further explanation for the decrease in capital assets.

The decreases in CPB grants receivable and capital assets were offset by increases in accounts receivable and cash and cash equivalents.

Accounts receivable increased \$17,031. This increase was mainly due to an increase in the receivable for membership contributions of \$14,900. The increase in the receivable for membership contributions occurred because the Station received a significant number of pledges at the end of fiscal year 2015. The Station held a fiscal year-end direct mail campaign that brought in a large number of members. This campaign brought in more members in fiscal year 2015 than in fiscal year 2014 because of the expansion into Youngstown, Warren and western Pennsylvania. In addition, the increase in accounts receivable was partly due to an increase in the receivable for underwriting spots of \$2,131. The increase in underwriting spots also occurred because of the expansion into Youngstown, Warren and western Pennsylvania. This expansion has brought additional contractors in Mahoning County that can be solicited for business support for the Station.

Cash and cash equivalents increased \$14,469.

The increase in cash and cash equivalents occurred in the CPB grants special revenue fund, which amounted to \$40,606. This increase was due to revenues increasing by \$63,076 on the cash basis of accounting. As previously discussed, the Station received a portion of the prior fiscal year's annual CPB grant in fiscal year 2015. Receiving some the fiscal year 2014 CPB grant this fiscal year instead of last fiscal year caused cash and cash equivalents to increase significantly in the CPB grants special revenue fund.

The increase in cash and cash equivalents in the CPB grants special revenue fund was offset by a decrease in cash and cash equivalents in the general fund of \$26,137. This decrease is attributed to expenses exceeding revenues in the general fund by \$22,771 on the cash basis of accounting.

Total liabilities decreased \$39,798.

Net pension liability decreased \$74,600. See the previous discussion on how the accounting standards relate to net pension liability.

The decrease in net pension liability is offset by increases in accounts payable, long-term compensated absences liabilities and unearned revenue.

WAPS-FM AKRON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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Accounts payable increased \$17,423. This increase is mostly due to the following payments that occurred after June 30, 2015 but were for services that occurred prior to June 30, 2015: software and systems upgrade consulting services to Herlick Data Systems in the amount of \$10,450, tower rent to Spectrasite Broadcast in the amount of \$5,407 and grant writing and fundraising consulting services to Katherine Widness in the amount of \$2,473. These types of payments did not occur in the prior fiscal year.

Long-term compensated absences liabilities increased \$8,724. This increase can be mainly attributed to an increase in the vacation liability which is classified as long-term liabilities due within one year. The reason the vacation portion of long-term compensated absences liabilities increased is because the number of vacation days the Station's employees accrued as of June 30, 2015 was greatly larger than the number accrued as of June 30, 2014. The Station's employees accrued 77.5 vacation days as of June 30, 2014 versus 101.5 vacation days accrued as of June 30, 2015. In addition, the Station's employees received a 2.35 percent raise in fiscal year 2015.

Plus, unearned revenue increased \$6,811. Unearned revenue arises from underwriting payments received in one fiscal year but are for underwriting spots that will take place in future fiscal years. As of June 30, 2014, the Station had received \$38,228 in underwriting revenue where the underwriting spots occurred in future fiscal years. On the other hand, the Station received \$45,039 in underwriting revenue as of June 30, 2015 for underwriting spots that will air in future fiscal years.

Deferred inflows of resources related to pension increased \$69,182. See the previous discussion on how the accounting standards apply to deferred inflows of resources related to pension.

The net impact of the assets decrease, the liabilities decrease and the deferred inflows of resources increase was a decrease of net position of \$44,080.

Table 2 shows the changes in net position for fiscal years 2015 and 2014 for governmental activities as follows:

Table 2			
Change in Net Position for Governmental Activities			
	2015	2014	Change
Revenues			
<i>Program Revenues:</i>			
Operating Grants, Contributions and Interest	\$93,331	\$92,553	\$778
<i>General Revenues:</i>			
Membership Contributions	197,995	202,246	(4,251)
Underwriting	341,082	342,326	(1,244)
In-Kind Contributions	57,599	57,333	266
Donated Facilities Use and Administrative Support	84,582	90,330	(5,748)
Miscellaneous	14,142	8,607	5,535
<i>Total General Revenues</i>	695,400	700,842	(5,442)
Total Revenues	788,731	793,395	(5,442)

WAPS-FM AKRON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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	<u>2015</u>	<u>2014</u>	<u>Change</u>
Program Expenses			
Program Services:			
Programming and Production	395,751	366,522	29,229
Broadcasting	46,559	43,120	3,439
Public Information	23,281	21,560	1,721
Support Services:			
Management and General	257,055	263,842	(6,787)
Fundraising and Membership	110,165	113,075	(2,910)
Total Program Expenses	<u>832,811</u>	<u>808,119</u>	<u>24,692</u>
(Decrease) in Net Position	<u>(\$44,080)</u>	<u>(\$14,724)</u>	<u>(\$30,134)</u>

While program revenues increased for governmental activities from \$92,553 to \$93,331, the vast majority of revenues supporting governmental activities are general revenues. General revenues decreased from \$700,842 in fiscal year 2014 to \$695,400 in fiscal year 2015. General revenues comprised 88.2 percent of revenues supporting governmental activities. The primary source of the decrease was donated facilities use and administrative support revenue of \$5,748.

The decrease in donated facilities and administrative support revenue can be attributed to an increase in the expenses from the cost groups of the School District that do not benefit the operations of the Station and an increase in the Station's net direct expenses. Donated facilities and administrative support from the School District consists of allocated costs based on a formula developed by CPB. Included in this formula are the aforementioned two factors which both played a part in causing donated facilities and administrative support revenue to decrease from the prior fiscal year.

The information necessary to restate the fiscal year 2014 beginning net position and the fiscal year 2014 pension expense amounts for the effects of the initial implementation of GASB Statement No. 68 is not available. Therefore, fiscal year 2014 functional expenses still include pension expense of \$34,113 computed under GASB Statement No. 27. GASB Statement No. 27 required recognizing pension expense equal to the contractually-required contributions to the plan. Under GASB Statement No. 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually-required contribution is no longer a component of pension expense. Under GASB Statement No. 68, the fiscal year 2015 basic financial statements report pension expense of \$25,067. Consequently, in order to compare fiscal year 2015 total program expenses to fiscal year 2014, the following adjustments are needed:

Total 2015 Program Expenses under GASB 68	\$832,811
Pension Expense under GASB 68	(25,067)
2015 Contractually-Required Contribution	<u>33,848</u>
Adjusted 2015 Program Expenses	841,592
Total 2014 Program Expenses under GASB 27	<u>808,119</u>
Increase in Program Expenses not Related to Pension	<u>\$33,473</u>

WAPS-FM AKRON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The increase in program expenses not related to pension is mostly because of an increase in the expenses in the CPB grants special revenue fund. The expenses in this fund increased in fiscal year 2015 due to the fact that this fund had more revenue available to spend in the current fiscal year. As previously discussed, the Station received a portion of the prior fiscal year's annual CPB grant in fiscal year 2015. Receiving some the fiscal year 2014 CPB grant this fiscal year instead of last fiscal year led to the Station having more cash and cash equivalents on hand to spend in fiscal year 2015. In addition, the increase in programs expenses not related to pension can be attributed to a 2.35 percent raise for Station employees in fiscal year 2015, as previously discussed.

While program expenses increases were consistent with expectations, the decrease in donated facilities use and administrative support revenue resulted in a reduction of net position of \$44,080.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported mainly by membership contributions and underwriting revenue.

Table 3

	<u>2015</u>		<u>2014</u>	
	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>
Program Expenses				
Program Services:				
Programming and Production	\$395,751	\$316,420	\$366,522	\$287,852
Broadcasting	46,559	37,226	43,120	33,865
Public Information	23,281	18,614	21,560	16,932
Support Services:				
Management and General	257,055	257,055	263,842	263,842
Fundraising and Membership	110,165	110,165	113,075	113,075
Total	<u>\$832,811</u>	<u>\$739,480</u>	<u>\$808,119</u>	<u>\$715,566</u>

The dependence upon general revenues for governmental activities is apparent. 88.8 percent of governmental activities are supported through underwriting and other general revenues; such revenues are 88.2 percent of total governmental revenues. The underwriters and members are by far the primary support for the Station's listening audience.

The Station's Funds

Information about the Station's major funds begins on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$785,650 and expenditures of \$814,458. The net change in fund balances for the fiscal year was a decrease of \$28,808 for all governmental funds. The general fund's net change in fund balance for fiscal year 2015 was a decrease of \$29,153 and the CPB grants fund's net change in fund balance for fiscal year 2015 was an increase of \$345. This played a significant part in causing the unassigned fund balance in the general fund to decrease from \$750,698 in fiscal year 2014 to \$724,911 in fiscal year 2015 and the restricted fund balance in the CPB grants fund to increase from \$101,738 in fiscal year 2014 to \$102,083 in fiscal year 2015.

WAPS-FM AKRON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The general fund's net change in fund balance can be attributed to expenditures exceeding revenues. Revenues in the general fund increased from \$679,623 in fiscal year 2014 to \$692,319 in fiscal year 2015 and expenditures decreased from \$730,038 in fiscal year 2014 to \$721,472 in fiscal year 2015. However, it was the disparity between revenues of \$692,319 and expenditures of \$721,472 that caused the unassigned fund balance to decrease from \$750,698 in fiscal year 2014 to \$724,911 in fiscal year 2015.

The CPB grants fund's net change in fund balance is due to an increase in revenues of \$778. The annual CPB grant award amount for fiscal year 2015 was \$93,331 as compared to \$92,553 in fiscal year 2014.

Capital Assets

At the end of fiscal year 2015, the Station had \$231,911 invested in furniture and fixtures, and equipment. Table 4 shows fiscal year 2015 balances compared to fiscal year 2014 as follows:

Table 4
 Capital Assets at June 30,
 (Net of Depreciation)

	Governmental Activities		
	2015	2014	Change
Furniture and Fixtures	\$16,158	\$17,150	(\$992)
Office Equipment	2,908	0	2,908
Broadcasting Equipment	212,845	233,171	(20,326)
Totals	<u>\$231,911</u>	<u>\$250,321</u>	<u>(\$18,410)</u>

This decrease was mainly due to depreciation expense of \$22,044. Depreciation expense was offset by \$4,288 in acquisitions. The Station purchased a controller card for a transmitter in the amount of \$1,230, a Microsoft surface in the amount of \$1,872 and a computer in the amount of \$1,186 during fiscal year 2015. For further information on capital assets, see Note 6 to the basic financial statements.

For the Future

The Station's music lineup, new program and community partnerships, the efforts and energy of its talented staff and advisory board, and the incredibly loyal station supporters have all contributed to another banner year.

The Station is groundbreaking, people-driven and powered mostly by the community. In fact, no Station salaries or benefits were paid by the School District. This is a rarity for many university or school-board owned radio stations.

And, in order to remain self-sustaining, the Station is determined to increase revenues, market share, and brand loyalty. Also, the goal for the future is to retain current Station members and market to potential new members.

The Station will continue to utilize the experience of the volunteer advisory board and The Friends of 91.3. Since 2006, regional community leaders have raised awareness of the Station to its listening audience while increasing member and underwriting contributions.

WAPS-FM AKRON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

In addition, The Friends of 91.3, a state of Ohio recognized public charity, raise funds through securing grants from local, state and national foundations. In fiscal year 2015, the Friends of 91.3 raised an additional \$104,959 for Station operations.

Contacting the Station's Management

This financial report is designed to provide our audience, advisory board, members, underwriters, investors, creditors, and CPB with a general overview of the Station's finances and to show the Station's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Tommy Bruno, General Manager, at WAPS, 91.3 FM, 65 Steiner Avenue, Akron, Ohio 44301 or email at tbruno@akron.k12.oh.us.

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WAPS-FM Akron City School District

Statement of Net Position

June 30, 2015

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$849,876
Accounts Receivable	79,822
Depreciable Capital Assets, Net	<u>231,911</u>
<i>Total Assets</i>	<u>1,161,609</u>
Deferred Outflows of Resources	
Pension	<u>37,476</u>
Liabilities	
Accounts Payable	19,030
Compensated Absences Payable	1,844
Unearned Revenue	45,039
Long-Term Liabilities:	
Due Within One Year	21,023
Due In More Than One Year:	
Net Pension Liability	426,253
Other Amounts Due in More Than One Year	<u>23,277</u>
<i>Total Liabilities</i>	<u>536,466</u>
Deferred Inflows of Resources	
Pension	<u>69,182</u>
Net Position	
Net Investment in Capital Assets	231,911
Restricted for:	
Other Purposes	102,083
Unrestricted	<u>259,443</u>
<i>Total Net Position</i>	<u><u>\$593,437</u></u>

See accompanying notes to the basic financial statements

WAPS-FM Akron City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2015

	Expenses	Program Revenues Operating Grants, Contributions and Interest	Net Revenues (Expenses) and Changes in Net Position Governmental Activities
Governmental Activities			
Program Services:			
Programming and Production	\$395,751	\$79,331	(\$316,420)
Broadcasting	46,559	9,333	(37,226)
Public Information	23,281	4,667	(18,614)
Support Services:			
Management and General	257,055	0	(257,055)
Fundraising and Membership	110,165	0	(110,165)
<i>Total Governmental Activities</i>	\$832,811	\$93,331	(\$739,480)
 General Revenues			
Membership Contributions			197,995
Underwriting			341,082
In-Kind Contributions			57,599
Donated Facilities Use and Administrative Support			84,582
Miscellaneous			14,142
<i>Total General Revenues</i>			695,400
Change in Net Position			(44,080)
<i>Net Position at Beginning of Fiscal Year - Restated See Note 3</i>			637,517
<i>Net Position at End of Fiscal Year</i>			\$593,437

See accompanying notes to the basic financial statements

WAPS-FM Akron City School District

Balance Sheet

Governmental Funds

June 30, 2015

	General	CPB Grants	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$738,681	\$111,195	\$849,876
Accounts Receivable	79,822	0	79,822
<i>Total Assets</i>	<u>\$818,503</u>	<u>\$111,195</u>	<u>\$929,698</u>
Liabilities			
Accounts Payable	\$9,918	\$9,112	\$19,030
Compensated Absences Payable	1,844	0	1,844
Unearned Revenue	45,039	0	45,039
<i>Total Liabilities</i>	<u>56,801</u>	<u>9,112</u>	<u>65,913</u>
Deferred Inflows of Resources			
Unavailable Revenue-Membership Contributions	34,316	0	34,316
Unavailable Revenue-Underwriting	1,129	0	1,129
<i>Total Deferred Inflows of Resources</i>	<u>35,445</u>	<u>0</u>	<u>35,445</u>
Fund Balances			
Restricted	0	102,083	102,083
Assigned	1,346	0	1,346
Unassigned	724,911	0	724,911
<i>Total Fund Balances</i>	<u>726,257</u>	<u>102,083</u>	<u>828,340</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$818,503</u>	<u>\$111,195</u>	<u>\$929,698</u>

See accompanying notes to the basic financial statements

WAPS-FM Akron City School District
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2015

Total Governmental Fund Balances	\$828,340
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	231,911
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
Membership Contributions	34,316
Underwriting	1,129
Total	35,445
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated Absences	(44,300)
The net pension liability is not due and payable in current period; therefore, the liability and related inflows/outflows are not reported in the funds:	
Deferred Outflows - Pension	37,476
Deferred Inflows - Pension	(69,182)
Net Pension Liability	(426,253)
Total	(457,959)
 <i>Net Position of Governmental Activities</i>	 <u>\$593,437</u>

See accompanying notes to the basic financial statements

WAPS-FM Akron City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General	CPB Grants	Total Governmental Funds
Revenues			
CPB Grants	\$0	\$93,331	\$93,331
Membership Contributions	193,307	0	193,307
Underwriting	342,689	0	342,689
In-Kind Contributions	57,599	0	57,599
Donated Facilities Use and Administrative Support	84,582	0	84,582
Miscellaneous	14,142	0	14,142
<i>Total Revenues</i>	<u>692,319</u>	<u>93,331</u>	<u>785,650</u>
Expenditures			
Current:			
Program Services:			
Programming and Production	301,255	79,038	380,293
Broadcasting	35,442	9,298	44,740
Public Information	17,721	4,650	22,371
Support Services:			
Management and General	256,938	0	256,938
Fundraising and Membership	110,116	0	110,116
<i>Total Expenditures</i>	<u>721,472</u>	<u>92,986</u>	<u>814,458</u>
<i>Net Change in Fund Balances</i>	(29,153)	345	(28,808)
<i>Fund Balances at Beginning of Fiscal Year</i>	<u>755,410</u>	<u>101,738</u>	<u>857,148</u>
<i>Fund Balances at End of Fiscal Year</i>	<u>\$726,257</u>	<u>\$102,083</u>	<u>\$828,340</u>

See accompanying notes to the basic financial statements

WAPS-FM Akron City School District
*Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2015*

Net Change in Fund Balances - Total Governmental Funds (\$28,808)

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

Governmental funds report capital outlays as expenditures.

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

Capital Assets Additions	4,288	
Current Fiscal Year Depreciation	(22,044)	
Total		(17,756)

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. (654)

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

Membership Contributions	4,688	
Underwriting	(1,607)	
Total		3,081

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.
Compensated Absences (8,724)

Contractually-required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows. 33,848

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (25,067)

Change in Net Position of Governmental Activities (\$44,080)

See accompanying notes to the basic financial statements

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 1 – Description of the Station and Reporting Entity

WAPS-FM (the "Station") is a non-profit, public telecommunications radio station operated by the Akron City School District (the "School District"). The Station does not have a separate governing board and the School District provides funds for the Station to the extent necessary. Portions of one of the School District's special revenue funds comprise the operations of the Station.

The Station is staffed by 4 employees. All of the Station employees are employees of the School District. The School District has provided space for the Station in one of its administrative buildings. The Station's mission is to provide the highest quality information and music programming, both national and local, to its listeners in northeast Ohio and western Pennsylvania.

Reporting Entity

A reporting entity is comprised of the primary government, segments, component units, and other organizations that are included to ensure that the basic financial statements are not misleading. The Station is a segment of the School District. The segment consists of all funds, departments and programs that are not legally separate from the Station. For the Station, this includes general operations of the Station. Budgetary statements are not required since the budgetary level of control is the responsibility of the School District and not with the Station.

Component units are legally separate organizations for which the Station is financially accountable. The Station is financially accountable for an organization if the Station appoints a voting majority of the organization's governing board and (1) the Station is able to significantly influence the programs or services performed or provided by the organization; or (2) the Station is legally entitled to or can otherwise access the organization's resources; the Station is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Station is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Station in that the Station approves the budget, the issuance of debt, or the levying of taxes. The Station does not have any component units.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the Station have been prepared in conformity with generally accepted accounting principles ("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 Station's accounting policies are described below.

A. Basis of Presentation

The Station's basic financial statements consist of government-wide statements, including a statement of net position 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 position and the statement of activities display information about the Station as a whole. These statements include the financial activities of the Station.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

The statement of net position presents the financial condition of the governmental activities of the Station at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Station'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 and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Station with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental activity is self-financing or draws from the general revenues of the Station.

Fund Financial Statements During the fiscal year, the Station segregates transactions related to certain Station 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 Station at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The Station uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Station only has governmental funds.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses 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 deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balances. The following are the Station's major governmental funds:

General Fund The general fund is the operating fund of the Station and is used to account for all financial resources except those required to be accounted for in another fund.

CPB Grants Fund The Corporation for Public Broadcasting ("CPB") Grants fund accounts for CPB grants revenue whose use is restricted by the CPB to particular purposes.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, all liabilities and deferred inflows of resources associated with the operation of the Station are included on the statement of net position. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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

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 are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Station, available means expected to be received within 60 days of fiscal year end.

Non-exchange transactions, in which the Station receives value without directly giving equal value in return, include grants, entitlements and donations. 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 Station must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Station on a reimbursement basis. On the 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 fiscal year end: underwriting and membership contributions.

Unearned Revenue Unearned revenue arises when monies are received before revenue recognition criteria have been satisfied. Underwriting payments received in the current fiscal year for underwriting spots that will occur in future fiscal years are recorded as unearned revenue. Revenue is recognized when the underwriting spot takes place.

Deferred Outflows/Inflows of Resources In addition to assets, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources related to pension are reported on the government-wide statement of net position (See Note 8).

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

In addition to liabilities, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Station, deferred inflows of resources include unavailable revenue and pension. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the Station, unavailable revenue includes membership contributions and underwriting. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 8).

Pensions For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

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 governmental funds.

E. Cash, Cash Equivalents and Investments

Cash and cash equivalents of the Station consist of monies held in the School District's cash management pool. Monies for all of the Station's funds are maintained in this pool. Individual fund integrity is maintained through School District records.

During fiscal year 2015, the School District's investments were limited to overnight repurchase agreements, commercial paper, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Association Notes, Federal Farm Credit Bank Notes, a First American Treasury Money Market Fund, a Federated United States Treasury Money Market Fund and certificates of deposits. Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at a fair value which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the basic financial statements as cash equivalents. Investments with an original maturity of more than three months are presented on the basic financial statements as investments.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

F. Donated Inventory of Music

During the ordinary course of business, the Station receives free compact discs from record companies for promotional purposes. From the compact discs received, the Station selects music to be played on the air and compact discs to be used as incentives for membership pledges. The Station does not include the library of compact discs as an asset nor as a promotional expenditure/expense on its books and records.

G. In-Kind Contributions

The School District and the Struthers City School District (“SCSD”) entered into a license agreement during fiscal year 2013 that will continue for 8 years and will automatically renew for one or more additional 8-year terms, without limitation, unless either party notifies the other in writing of its intent not to renew at least 120 days before the end of any current term.

As part of this agreement, the Radio Station provides SCSD underwriting announcements, which identify SCSD events, SCSD sponsors and SCSD services to its community at an estimated value of \$30,000 per year. Also, as part of this agreement, the Radio Station provides SCSD public service announcements on behalf of nonprofit organizations located in the Struthers and Youngstown, Ohio area which provide information about the organizations and events they sponsor at an estimated value of \$15,000 per year. Revenue is reported for these announcements at the estimated present value when the announcements are broadcast.

In addition, the Radio Station has entered into barter agreements during the current fiscal year where the Radio Station has provided underwriting spots to local businesses for services. Barter transactions are reported at the estimated fair value of the services received. Revenue is reported when the underwriting spots are broadcast, and the services received are reported when received as expenditures/expenses. Barter transactions amounted to \$12,599 during fiscal year 2015.

Transactions associated with the license agreement and barter agreements are classified as in-kind contributions revenue and with a corresponding amount classified as support services expenditures/expenses. The collective total for these transactions for fiscal year 2015 was \$57,599.

H. Support and Revenue from the Akron City School District

Donated facilities from the School District consist of approximately 2,000 square feet of office and studio space in an administrative building to which the School District holds title. Indirect administrative support from the School District consists of allocated costs based on a formula developed by CPB. The collective total of this space and indirect administrative support was \$84,582 for fiscal year 2015, and is included in donated facilities use and administrative support revenue and support services expenditures/expenses.

I. Capital Assets

All capital assets of the Station are classified as general capital assets. These assets generally result from expenditures in the governmental funds. They are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The Station maintains a capitalization threshold of \$1,000. The Station does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and Fixtures	10 - 30 years
Office Equipment	10 years
Broadcasting Equipment	10 - 30 years
Vehicles	5 years

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

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 Station has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and the employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The Station records a liability for accumulated unused sick leave for employees after 15 years of service at any age and at age 50 with any amount of service, based on historical employment trends.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

K. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences 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 during the current fiscal year.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

L. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws and regulations of other governments. Net position restricted for other purposes represents CPB grants.

The Station applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

M. Fund Balances

In accordance with GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", the Station classifies its fund balances based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories can be used:

Nonspendable Resources that are not in spendable form (inventories and prepaid amounts) or have legal or contractual requirements to maintain the balance intact.

Restricted Resources that have external constraints imposed on them by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through enabling legislation.

Committed Resources that are constrained for specific purposes that are internally imposed by formal action by the School District at its highest level of decision making authority, the School District's Board of Education.

Assigned Resources that are constrained by the Station's and/or the School District's intent to be used specific purposes but are neither restricted or committed.

Unassigned The residual fund balance with the general fund. This classification represents fund balances that have not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund.

The Station considers restricted amounts to have been spent first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned and unassigned) fund balances are available. Similarly, within unrestricted fund balances, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

N. Estimates

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

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 3 – Change in Accounting Principle and Restatement of Net Position

For fiscal year 2015, the Station implemented GASB Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68”. GASB Statement No. 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expenses. The implementation of this pronouncement had the following effect on net position as reported at June 30, 2014:

Net Position at June 30, 2014	\$1,104,257
Adjustments:	
Net Pension Liability	(500,853)
Deferred Outflow - Payments Subsequent to Measurement Date	34,113
Restated Net Position at June 30, 2014	\$637,517

Other than employer contributions subsequent to the measurement date, the Station made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Note 4 - Deposits and Investments

The Station’s cash and cash equivalents of \$849,876 consist of monies held in the School District’s cash management pool. Thus, a determination of the breakdown of the Station’s cash and cash equivalents between deposits and investments is not practically determinable.

The following information represents disclosure for the School District. Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, the School District’s bank balance of \$38,731,592 was not exposed to custodial credit risk.

The School District has no deposit policy for custodial risk beyond the requirements of State statute.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

As of June 30, 2015, the School District had the following investments:

	Carrying Value	Maturities In Years		% to Total
		Less than 1	1-3	
Overnight Repurchase Agreements	\$42,384,080	\$42,384,080	\$0	46.75%
Federal Home Loan Bank Notes	14,130,838	3,199,782	10,931,056	15.59
Federal Home Loan Mortgage Corporation Notes	10,112,308	0	10,112,308	11.15
Federal Farm Credit Bank Notes	4,699,353	2,699,806	1,999,547	5.18
Federal National Mortgage Association Notes	2,815,711	0	2,815,711	3.11
Commercial Paper	16,479,925	16,479,925	0	18.18
Federated U.S. Treasury Money Market Fund	12,470	12,470	0	0.01
First American Treasury Money Market Fund	32,049	32,049	0	0.04
Total Investments	\$90,666,734	\$64,808,112	\$25,858,622	100.00%

The overnight repurchase agreements, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Association Notes, and Federal Farm Credit Bank Notes carry a rating of AA+ by Standard and Poor's and Aaa by Moody's Investors Service. The First American Treasury Money Market Fund and the Federated United States Treasury Money Market Fund carry a rating of AAAm by Standard and Poor's and Aaa-mf by Moody's Investors Service. The commercial paper carries a rating of A-1 by Standard and Poor's and P-1 by Moody's Investors Service. The School District has no investment policy dealing with investment credit risk beyond the requirements in state statutes.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District's investments are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the School District's name. The School District has no investment policy dealing with investment custodial risk beyond the requirements of Ohio Revised Code Section 135.14(M)(2).

The School District places no limit on the amount that may be invested in any one issuer.

Note 5 – Receivables

Receivables at June 30, 2015, consisted of accounts (membership contributions and underwriting). All receivables are considered collectible in full due to the ability to collect all of the pledges from members and underwriters based on historical trends. All receivables are expected to be collected within one fiscal year.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 6 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Balance 6/30/2014	Additions	Deletions	Balance 6/30/2015
Governmental Activities				
<i>Capital Assets, being depreciated:</i>				
Furniture and Fixtures	\$26,208	\$0	\$0	\$26,208
Office Equipment	1,475	3,058	0	4,533
Broadcasting Equipment	451,394	1,230	(1,585)	451,039
Vehicles	5,000	0	0	5,000
<i>Total Capital Assets, being depreciated</i>	<u>484,077</u>	<u>4,288</u>	<u>(1,585)</u>	<u>486,780</u>
Less Accumulated Depreciation:				
Furniture and Fixtures	(9,058)	(992)	0	(10,050)
Office Equipment	(1,475)	(150)	0	(1,625)
Broadcasting Equipment	(218,223)	(20,902)	931	(238,194)
Vehicles	(5,000)	0	0	(5,000)
Total Accumulated Depreciation	<u>(233,756)</u>	<u>(22,044)</u>	<u>* 931</u>	<u>(254,869)</u>
Governmental Activities Capital Assets, Net	<u>\$250,321</u>	<u>(\$17,756)</u>	<u>(\$654)</u>	<u>\$231,911</u>

* Depreciation expense was charged to governmental functions as follows:

Program Services:	
Programming and Production	\$18,577
Broadcasting	2,186
Public Information	1,093
Support Services:	
Management and General	132
Fundraising and Membership	56
Total Depreciation Expense	<u>\$22,044</u>

Note 7 - Risk Management

The Station 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. The School District contracted for property, inland marine, crime, general liability, excess liability, educators legal liability, employment practices liability and automobile coverage during fiscal year 2015. Coverage provided is as follows:

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Type of Coverage	Coverage Amount
Commercial Property (\$50,000 deductible)	
Building and Contents	\$761,044,630
Earthquake	5,000,000
Flood	5,000,000
Commercial Inland Marine (\$5,000 deductible)	750,000
Commercial Crime (\$5,000 deductible)	200,000
Commercial General Liability (\$25,000 deductible)	
General Aggregate Limit	3,000,000
Each Occurrence Limit	1,000,000
Employers Liability	1,000,000
Commercial Excess Liability (No deductible)	
General Aggregate Limit	1,000,000
Each Occurrence Limit	1,000,000
Educators Legal Liability (\$25,000 deductible)	
Annual Aggregate	2,000,000
Each Wrongful Act	1,000,000
Employment Practices Liability (\$25,000 deductible)	
Annual Aggregate	3,000,000
Each Wrongful Act	1,000,000
Automobile (\$25,000 deductible)	
Liability	1,000,000
Uninsured/Underinsured Motorists	1,000,000

Settled claims have not exceeded commercial coverage in any of the past three fiscal years, and there has not been a significant reduction in coverage from the prior fiscal year.

The School District began participating in the Ohio Bureau of Workers' Compensation Retrospective Rating Plan (the "Plan") for calendar year 2004. This Plan involves the payment of: (1) a minimum premium to cover safety and hygiene costs, surplus costs, premium payment security costs, and the costs of losses exceeding the per claim and the maximum premium limitations; (2) a premium based on covered claims for up to ten years; and, (3) a premium based on reserves for evaluated claims at the end of the tenth year.

Note 8 – Defined Benefit Pension Plan

A. Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

The net pension liability represents the School District's proportionate share for the Station of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension.

GASB Statement No. 68 assumes the liability is solely the obligation of the employer because they benefit from employee services and State statute requires all funding to come from these employers. All contributions to date have come solely from these employers, which also includes costs paid in the form of withholdings from employees. State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the fiscal year is included in intergovernmental payable on both the accrued and modified accrual bases of accounting.

B. Plan Description – School Employees Retirement System (“SERS”)

Plan Description Station employees participate in SERS, a cost-sharing, multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly-available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report may be obtained by visiting the SERS website at www.ohsers.org, under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017 will be included in this plan.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30 years. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment ("COLA"). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy Plan members are required to contribute 10 percent of their annual covered salary, and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare Part B Fund and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits and Medicare Part B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The School District's contractually-required contribution for the Station to SERS was \$33,848. 100 percent has been contributed for fiscal year 2015.

D. Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Station's proportion of the net pension liability was based on the School District's share of contributions for the Station to the pension plan relative to the contributions of all participating entities. Following is the information related to the proportionate share and pension expense:

Proportionate Share of the Net Pension Liability	\$426,253
Proportion of the Net Pension Liability	0.008422%
Pension Expense	\$25,067

At June 30, 2015, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources

Differences between expected and actual experience	\$3,628
School District contributions for the Station subsequent to the measurement date	33,848
Total Deferred Outflows of Resources	<u>\$37,476</u>

Deferred Inflows of Resources

Net difference between projected and actual earnings on pension plan investments	<u>\$69,182</u>
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WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

\$33,848 reported as deferred outflows of resources related to pension resulting from School District contributions for the Station subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	
2016	(\$16,379)
2017	(16,379)
2018	(16,379)
2019	(16,416)
Total	<u>(65,553)</u>

E. Actuarial Assumptions – SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (i.e., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (i.e., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00%	0.00%
US Stocks	22.50%	5.00%
Non-US Stocks	22.50%	5.50%
Fixed Income	19.00%	1.50%
Private Equity	10.00%	10.00%
Real Assets	10.00%	5.00%
Multi-Asset Strategies	15.00%	7.50%
Total	100.00%	

Discount Rate The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.75 percent). Based on these assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate:

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
School District's proportionate share for the Station of the net pension liability	\$608,130	\$426,253	\$273,271

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 9 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Employees working 52 weeks per year earn 1 day to 25 days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid upon termination of employment. Employees working less than 52 weeks per year do not earn vacation. Employees earn sick leave at the rate of one and one-fourth days per month or the equivalent in hours per month. Sick leave may be accumulated up to a maximum of 425 days. Upon retirement, payment is made for one-fourth of the total sick leave accumulation. Employees receive 1) two additional days for each year of perfect attendance commencing July 1, 1976 through June 30, 1981; and 2) one additional day for each year of perfect attendance commencing July 1, 1981.

B. Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through the Ohio Schools Council and American United Life Insurance Company. Also, the School District offers medical/surgical, prescription, dental and vision insurance to its employees through several different providers.

Note 10 - Long-Term Obligations

The changes in the Station's long-term obligations during the fiscal year consist of the following:

Governmental Activities:	Principal Outstanding 6/30/2014	Additions	Reductions	Principal Outstanding 6/30/2015	Amount Due in One Year
Net Pension Liability - SERS	\$500,853	\$0	(\$74,600)	\$426,253	\$0
Compensated Absences	35,576	22,857	(14,133)	44,300	21,023
Total Long-Term Obligations	\$536,429	\$22,857	(\$88,733)	\$470,553	\$21,023

The Station pays obligations related to employee compensation from the general fund.

Note 11 – Fund Balances

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

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Fund Balances	General Fund	CPB Grants	Total
<u>Restricted for:</u>			
National Public Radio programming	\$0	\$36,851	\$36,851
Commissions for underwriting sales	0	5,040	5,040
Production services and on-air talent	0	25,474	25,474
Tower rent	0	15,148	15,148
Office supplies	0	5,070	5,070
Equipment	0	5,000	5,000
Electricity	0	1,500	1,500
Audit costs	0	8,000	8,000
<i>Total Restricted</i>	<u>0</u>	<u>102,083</u>	<u>102,083</u>
<u>Assigned to:</u>			
Employer contributions to SERS	1,056	0	1,056
Unemployment compensation	290	0	290
<i>Total Assigned</i>	<u>1,346</u>	<u>0</u>	<u>1,346</u>
Unassigned (Deficits)	<u>724,911</u>	<u>0</u>	<u>724,911</u>
Total Fund Balances	<u>\$726,257</u>	<u>\$102,083</u>	<u>\$828,340</u>

The School District's Treasurer authorized the assignment of fund balances to SERS employer contributions and unemployment compensation.

Note 12 - Contingencies

A. Grants

The Station received financial assistance from grantor agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are 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 disallowed claims will not have a material adverse effect on the overall financial position of the Station at June 30, 2015.

B. Litigation

The Station is not currently a party to any legal proceedings.

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WAPS-FM Akron City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share for the Station of the Net Pension Liability
School Employees Retirement System of Ohio
Last Two Fiscal Years (1)

	2014	2013
School District's Proportion of the Net Pension Liability for the Station	0.008422%	0.008422%
School District's Proportionate Share of the Net Pension Liability for the Station	\$426,253	\$500,853
School District's Covered-Employee Payroll for the Station	\$235,310	\$231,019
School District's Proportionate Share of the Net Pension Liability for the Station as a Percentage of its Covered-Employee Payroll	181.15%	216.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.70%	65.52%

(1) Information prior to fiscal year 2013 is not available

WAPS-FM Akron City School District
Required Supplementary Information
Schedule of School District Contributions for the Station
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2015	2014	2013	2012
Contractually Required Contribution	\$33,848	\$32,614	\$31,973	\$30,626
Contributions in Relation to the Contractually Required Contribution	(33,848)	(32,614)	(31,973)	(30,626)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0
School District Covered-Employee Payroll	\$256,813	\$235,310	\$231,019	\$227,703
Contributions as a Percentage of Covered-Employee Payroll	13.18%	13.86%	13.84%	13.45%

2011	2010	2009	2008	2007	2006
\$24,154	\$25,258	\$16,698	\$16,774	\$16,737	\$19,708
(24,154)	(25,258)	(16,698)	(16,774)	(16,737)	(19,708)
\$0	\$0	\$0	\$0	\$0	\$0
\$192,156	\$186,544	\$169,695	\$170,815	\$156,713	\$186,276
12.57%	13.54%	9.84%	9.82%	10.68%	10.58%

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

WAPS-FM
Akron City School District
Summit County
65 Steiner Avenue
Akron, Ohio 44301

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and each major fund of WAPS-FM, Akron City School District, Summit County, (the Station) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements and have issued our report thereon dated December 16, 2015, wherein we noted the Station is part of the Akron City School District. We also noted the Station adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Station's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Station's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Station's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

However, we noted certain other matters involving internal controls that we have communicated to management in a separate letter dated December 16, 2015.

Compliance and Other Matters

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Station's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Station's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
December 16, 2015



Dave Yost • Auditor of State

WAPS-FM AKRON CITY SCHOOL DISTRICT

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 26, 2016