

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ending June 30, 2016



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ATHENS CITY SCHOOL DISTRICT

25 South Plains Road – The Plains, Ohio 45780



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Athens City School District, Athens County, prepared by Julian & Grube, Inc., for the audit period July 1, 2015 through June 30, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

February 13, 2017

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ATHENS CITY SCHOOL DISTRICT

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

For the fiscal year ended
June 30, 2016

Board of Education

Kim GoldsberryPresident
Roger Brown..... Vice-President
Chris Gerig..... Member
Bruce Nottke Member
Rusty Rittenhouse Member

Superintendent of Schools

Thomas J. Gibbs, Ed. D

Issued by the Treasurer's Office

Bryan M. Bunting, CGFM
Treasurer/CFO



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ATHENS CITY SCHOOL DISTRICT

www.athenscd.org

Thomas J. Gibbs, Ed.D
Superintendent

Bryan M. Bunting CGFM
Treasurer



25 South Plains Road
The Plains, Ohio 45780

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

December 13, 2016

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

The Athens City School District (the District) is pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2016. This CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

THE DISTRICT AND ITS FACILITIES

The District was established in the mid 1800's and was consolidated in 1964 with the Plains Local School District and the Chauncey Local School District. It is located in Athens County, and includes the City of Athens, the Village of Chauncey and portions of the Townships of Athens, Canaan, Dover, and Waterloo. Athens is the county seat of Athens County with a population of approximately 35,328 residents. The District is the 452nd largest in the State of Ohio (among 613 school districts) in terms of enrollment.

Located 75 miles southeast of Columbus, Athens is home to Ohio University, the first university in the Northwest Territory founded in 1804. The University's main campus College Green is on the National Register of Historic Places and includes Cutler Hall, a National Historic Landmark, built in 1816. Each quarter, the University adds over 19,000 students to the City's population.

The Athens City School District is one of five K-12 public school districts in Athens County. With 2,680 pupils (including open enrollment), it has the largest enrollment in the county but is geographically one of the smallest school districts in the county encompassing only 89 square miles. The District operates 7 educational facilities, a Maintenance facility, a Transportation/Bus Garage, and a central administration building that also houses the District's Technology department and Talented and Gifted program director.

School	Grade	Enrollment
Chauncey Learning Center	Preschool	61
East Elementary	K-6	380
Morrison-Gordon Elementary	K-6	432
The Plains Elementary	K-6	375
West Elementary	K-6	259
Athens Middle School	7-8	405
Athens High School	9-12	768

The District provides preschool programs and all-day kindergarten classes. The District serves lunches to 34.7% of the student population daily. Approximately 38.6% of the District's student body qualify for free or reduced priced lunches. The Plains Elementary school is identified as a school wide Title I building and provides free and reduced lunches to 79.3% of their student population. All educational facilities except East Elementary offer breakfast programs. In these six buildings, 41.1% are eligible for Free and Reduced, and 17.5% of the total student population participates in this program.

ORGANIZATION OF THE DISTRICT

The Board of Education of the Athens City School District (the Board) is a five-member body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars, and approves the annual appropriation resolution and tax budget. A list of the current Board members as of June 30, 2016 is included on page xii.

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Thomas J. Gibbs, Ed.D. was employed as Superintendent effective August 1, 2015 and his contract extends to July 31, 2019. Dr. Gibbs had 8 years' previous experience as an Ohio public school Superintendent.

The Treasurer is the chief financial officer of the District and is responsible directly to the Board for all financial operations, investments, custody of all District funds and assets and serves as secretary to the Board. Mr. Bryan M. Bunting was appointed Treasurer effective August 1, 1998. Mr. Bunting retired effective August 31, 2014 but returned to the position September 1, 2014. Mr. Bunting's contract extends through July 31, 2019.

ECONOMIC CONDITION AND OUTLOOK

The District's largest employer is Ohio University, which employs more than 4,169 total employees with more than 1,500 full-time and 700 part-time faculty employees who live in or around the District. In fact, four of the top five largest employers in the county are government operations, Ohio University, Athens County, Hocking College, and the Athens City School District itself. The University has an enrollment of more than 20,000 students. The University also provides land for taxable retail operations and has become the District's 2nd largest real estate taxpayer. This has provided a foundation of stability for the District. Ohio University's 2016 fiscal year total assets were \$1,663.8 million with total operating expenses in excess of \$709 million dollars. The University has an on-going facility plan which means each year they complete a number of construction and renovation projects. Their 2016 annual report also estimates \$67.4 million in capital projects continuing after the end of their fiscal year.

Athens County's largest private employers include O'Bleness Memorial Hospital, Wal-Mart, Diagnostic Hybrids, and Holzer Clinic. Even during the economic downturn from 2009 through 2011, none of the large retail stores and few, if any, of the small privately owned operations closed in the District. New commercial operations are opening in and around the District. In the past two years, new additions include Texas Roadhouse restaurant, Fairfield Inn & Suites, Hampton Inn, Tim Hortons as well as other small locally owned businesses. The Market on State shopping mall has retained all of their major retail stores and has ongoing talks with additional tenants. The areas other two shopping centers include national retail stores such as Staples, Rent-2-Own, AT&T, Verizon, and others with very few storefronts available. In addition, the area continues to see business growth in the alternative energy industry. These provide additional property tax revenue and employment to area residents. US Route 33 Bypass around Nelsonville opened in September 2013. It decreases the travel time from Columbus to Athens by more than 20 minutes thus creating more business and residential opportunities for the area. The City of Athens continues infrastructure upgrades including additional traffic lanes, water, sewer, and electric service that has and will continue to entice new business to the area and areas of the City beyond the major east corridor continue to be explored for commercial development.

The District, along with many other public school systems in the state, relies heavily on local property tax as a primary source of funds. Ohio law limits the growth in real estate tax revenues by reducing millage as assessed values increase following re-appraisals. Consequently, revenues generated from each levy remain relatively constant. As a result, the District must periodically seek additional funding from its taxing constituents. While statewide, voters have proved reluctant to increase their property taxes, the Athens City School District has received positive support from its taxpayers on more than 91% of all tax levies and 100% of all bond issues since 1964. The average passage rate for those ballot issues was 59%.

The District's management is very appreciative of this support but is constantly searching for ways to provide a more efficient means of doing business while at the same time continuing to provide excellent educational services. Evidence of this is supported by the fact the District operates more than 15 grants generating nearly \$2 million in funding. These grants have provided funds to implement entry-year teacher programs, school-to-work programs, and prevention programs for drugs, alcohol and violence, as well as Professional Development Grants that have increased the competency of staff and provided research based models for instructional change.

EMPLOYEE RELATIONS

The District has more than 350 employees (full and part time) of which 209 are certificated (including school psychologists and counselors), 128 are classified, and 18 administrative. Certificated employees, including teachers and educational specialists, are represented for collective bargaining purposes by the Athens Education Association (AEA), an affiliate of the Ohio Education Association (OEA). Classified employees, including bus drivers, food service, custodial, maintenance, and clerical staff, are represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846. Educational Aides are also represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846, but under a separate negotiated agreement.

In July 2016, the Board successfully concluded negotiations with the AEA on a three-year agreement for wages and fringe benefits. Wage agreements reached for the three-year period January 1, 2017 through January 1, 2019 included wage increases and changes to district medical and prescription insurance.

During the summer of 2016, the Board successfully concluded negotiations with the ASFCME employees on a three-year agreement, one year for wages and fringe benefits. Wage agreements for that bargaining unit for the three-year period September 1, 2016 through August 31, 2019 included wage increases and changes to district medical and prescription insurance.

During the summer of 2016, the Board successfully concluded negotiations with the ASFCME educational aide employees on a three-year agreement for wages and fringe benefits. Wage agreements for that bargaining unit for the three-year period August 1, 2016 through July 31, 2019, included wage increases and changes to district medical and prescription insurance.

SERVICES PROVIDED

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

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

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

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

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

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

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

The District's special education programs are broad and comprehensive. Approximately 15% of the student population has an Individualized Education Plan (IEP). A Talented and Gifted Program is available to qualified students. Programs and services are provided at the elementary, middle, and high school levels for gifted students. The District has developed a comprehensive gifted education plan. Special programs for the multiple disabled, cognitively disabled, emotionally disabled, orthopedically impaired, learning disabled, speech and/or hearing impaired, are provided for students who meet the requirements.

TECHNOLOGY

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

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

COMMUNITY, STAFF, AND STUDENT INVOLVEMENT

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

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

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

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

MAJOR INITIATIVES AND EVENTS - FISCAL YEAR 2016

Facility Management

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

Permanent Improvements

In fiscal year 2016, the District continued upgrades of security, hardware and software within the facilities along with facility maintenance covering both buildings and grounds.

Technology

In 2016, Athens City School District migrated to a new fiber backbone managed by META-Solutions. Seven of the districts locations are now receiving gigabit (1Gbps) bandwidth with this new service. Each location was equipped with new Juniper CPE devices to route each site. The District also created new subnet and routing changes. In addition, a new filtering appliance was put in place at META-Athens to provide content filtering for the district.

Comprehensive Annual Financial Report

The District prepared their seventeenth Comprehensive Annual Financial Report (CAFR) for fiscal year 2016. All reports prior to this year have received the Certificate of Achievement from the Government Finance Officers Association. We believe that our current report also conforms to the Certificate of Achievement program requirements.

Academic and Student Group Awards

Athens High School's class of 2016 had multiple students qualify as National Merit Scholars. There were also multiple students who were recognized as National Merit Finalists. Since 1984, more than 140 Athens High School graduates have been named National Merit Scholars and more than 170 have earned commended status. More than a dozen graduates of the Athens High School class of 2016 received recognition and scholarships from the J. Warren McClure Athens Education Foundation.

Consolidated Local Plan

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

<u>Grant</u>	<u>Award Amount</u>	<u>Description of Grant</u>
Title I	\$822,922	This grant targets schools who demonstrate that they are serving an economically disadvantaged student population that exceeds 20% of the school's total student population.
Title I Sub A	\$18,728	This grant is part of the Title I federal program. It is used to provide instructional support services to the highest concentration of economically disadvantaged students.
Title II-A	\$146,237	Based on research findings that smaller class size is correlated to student success, the funds from this grant are ear-marked for class size reduction, especially in the primary grades.
Title III	\$2,002	Funds are designated for Limited-English speaking students for the purpose of teaching them the English language to a level sufficient to function in English speaking classrooms.
Title III Immigrant	\$13,096	Funds designated to Limited-English speaking immigrant students for the purpose of teaching them the English language to a level sufficient to function in English speaking classrooms.
IDEA	\$556,182	Funds are allocated to align systems of intervention and special education with scientifically based research curriculum, instruction and assessment and with the state's academic content standards. Provides tutoring and other focused supplemental supports for children.
Title VI-B Rural	\$70,840	These funds will be used for Professional Development of teachers in rural and low income schools.
21 st Century	\$200,000	Funding is designed to provide after-school learning opportunities to at-risk students.
ECSE	\$15,729	Funding is designed to provide tutoring and other focused supplemental supports for children most at risk in reading and mathematics.
Total	<u><u>\$1,845,736</u></u>	

MAJOR INITIATIVES FOR THE FUTURE

Permanent Improvements

The District intends to continue with annual maintenance and improvement projects in accordance with the Five-Year Capital Plan. The District is completing an update to its Facility Master Plan. The Ohio School Facilities Commission will likely offer a cost sharing arrangement for new facilities in fiscal year 2017. Using the recently completed process established in Ohio Law, the District could obtain a credit toward a future project of more than \$12 million. This means once the total cost of the project has been determined, the District's local share will be reduced by that amount on any taxpayer funded construction project.

Curriculum Development and Meeting the Requirements of New State Standards

The District completed a transition from the Ohio Academic Standards that have been in place for the core academic areas since 2001-2002 to the New Ohio Learning Standards which were adopted by the Ohio Board of Education in June 2010. Two of these areas, English language arts and mathematics, are the result of a multi-state initiative called the Common Core Standards, while the standards for social studies and science are an Ohio-specific revision. With the aid of teachers and administrators from Athens City School District, curricular materials to support these new standards were developed for grades K-2 and 9-12 during SY14. There will be full instructional implementation of Ohio's New Learning Standards targeted for SY15. The Ohio Department of Education implemented a new Ohio assessments system for the 2015-2016 academic year. Though the transition to new assessments is now complete, the District continues to work toward increasing student performance outcomes and quality of district services through the highly structured continuous improvement model of the Ohio Improvement Process, the chief element in Ohio's Differentiated Accountability Model. Finally, the District implemented the requirements of a teacher and principal evaluation model that is aligned with the Ohio Teacher and Principal Evaluation System (HB 153 and SB 316) and that specifically includes evaluation measures that incorporate student academic growth factors. Finally, the District Leadership Team has endorsed new vision and mission statements for the District and is currently at work formulating a strategic plan that is in concert with them.

Technology Upgrades

During 2016, the District purchased more than 300 Chromebook computers that were distributed throughout the various facilities and grade levels. For 2017, the District will purchase another 300 or more Chromebooks with the goal over time to have a one-to-one ratio for grades 4 through 12.

Additional goals are to provide enough machines to achieve 100% online testing for students and to provide laptops and/or tablets for all administrators and special education staff.

FINANCIAL INFORMATION

Internal Controls

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

Federal and State Assistance

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

Financial Condition

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

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

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

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

As a part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the District. This discussion is located in the financial section of this report following the audit opinion, and provides an assessment of the District finances for fiscal year 2016.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent auditors. The Auditor of State conducted the District's audit from fiscal year 1999 to fiscal year 2003. In fiscal years 2004-2013, the Auditor of State contracted the District's audit to a private independent public accounting firm. However, in fiscal year 2014 the Auditor of State returned to perform the audit. The Auditor of State has contracted the District's audit to a private independent public accounting firm for fiscal years 2015 through 2017. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The single audit report is not included in the comprehensive annual financial report (CAFR). The independent auditor's report on the basic financial statements and combining statements and individual fund schedules is included in the financial section of this report.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Athens City School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. This was the sixteenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

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



Bryan M. Bunting, Treasurer/CFO



Thomas J. Gibbs, Ed.D, Superintendent

List of Principal Officers

BOARD OF EDUCATION

President	Kimberly Goldsberry	January 1, 2014 to December 31, 2017
Vice President	Roger Brown	January 1, 2016 to December 31, 2019
Board Member	Chris Gerig	January 1, 2014 to December 31, 2017
Board Member	Rusty Rittenhouse	January 1, 2016 to December 31, 2019
Board Member	Bruce Nottke	January 1, 2014 to December 31, 2017

CENTRAL OFFICE ADMINISTRATIVE STAFF

Superintendent	Thomas J. Gibbs, Ed.D.
Treasurer	Bryan M. Bunting, CGFM
Director of Curriculum	Tom Parsons
Director of Special Services	Nathan Young
Director of Technology	Stephen Gunderson

TREASURER'S OFFICE STAFF

Assistant Treasurer – Accounts Payable	Lis Michael
Assistant Treasurer – Purchase Orders/Food Service	Marguerite Kostival
Assistant Treasurer – Budget/Grants/Receipts.....	Anita Alloway
Assistant Treasurer – Insurance/Benefits	Linda Sturgill
Assistant Treasurer – Payroll/Insurance/Benefits	Cea Huston
Assistant Treasurer – Payroll	Lisa Moss

CENTRAL OFFICE SUPPORT STAFF

Superintendent Secretary	Judy Stanley
Business Manager Secretary	Denise Boal
Director of Curriculum Secretary	Jackie West
Director of Special Services Secretary	Linda Bennett

BUILDING ADMINISTRATORS and SECRETARY

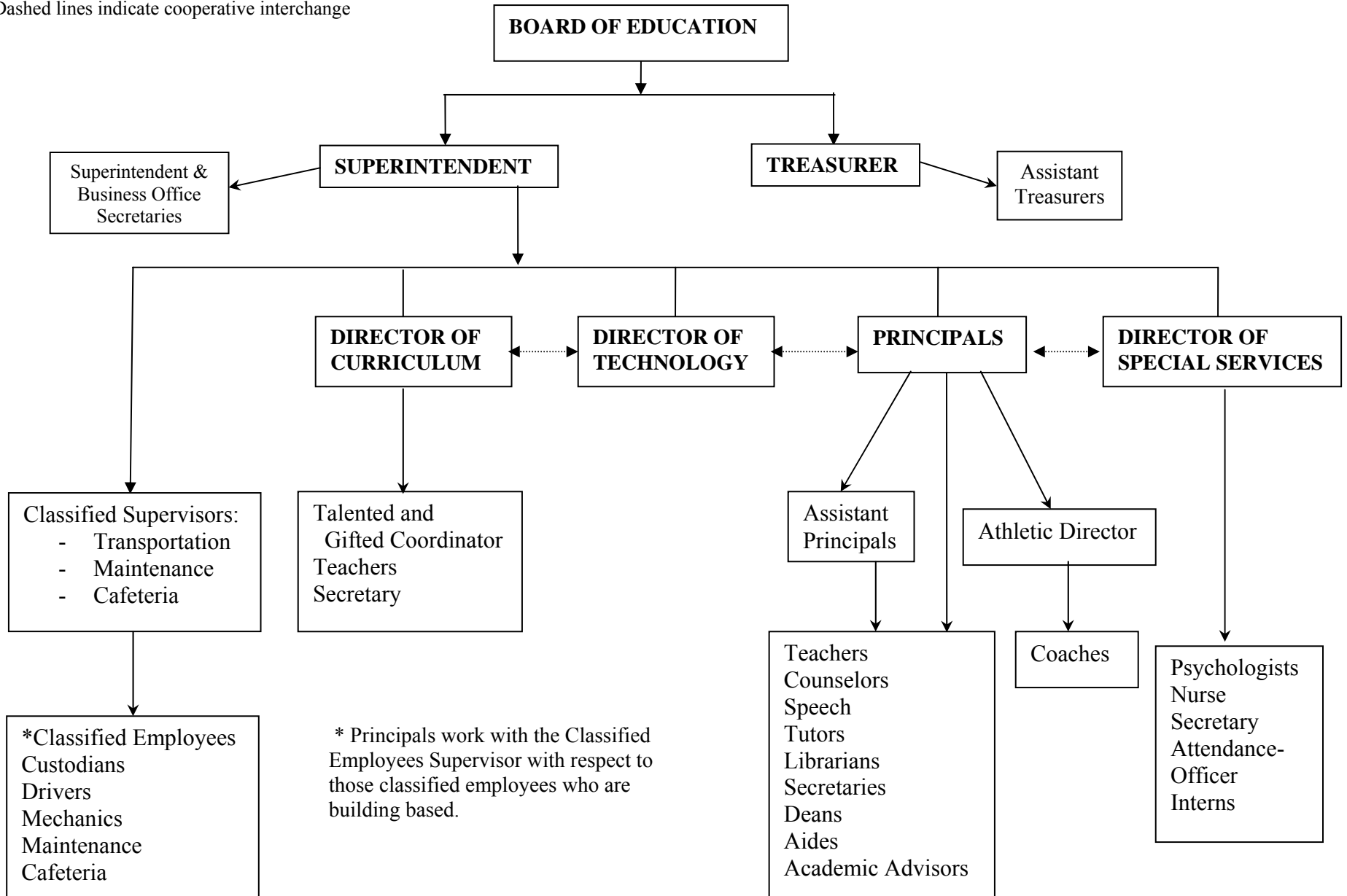
High School	David Hanning Secretary – Brenda Hamilton
Middle School.....	Kara Bolin Secretary – Nina O’Leary
East Elementary	Claire Giardino Secretary – Linda Pierce
Morrison Elementary	Penny McDowell Secretary – Tammy Kolbe
The Plains Elementary	Heather Skinner Secretary – Madelon Armstrong
West Elementary	Andrea Bobo Secretary – Amy Carder

OTHER ADMINISTRATORS

Maintenance Supervisor	Marvin Lawrence
Transportation Supervisor	Sharon Ervin
Food Service Supervisor	Tammy Dicken

ATHENS CITY SCHOOL DISTRICT ORGANIZATIONAL CHART
For the Year Ended June 30, 2016

Solid lines indicate chain of command
 Dashed lines indicate cooperative interchange





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Athens City School District
Ohio**

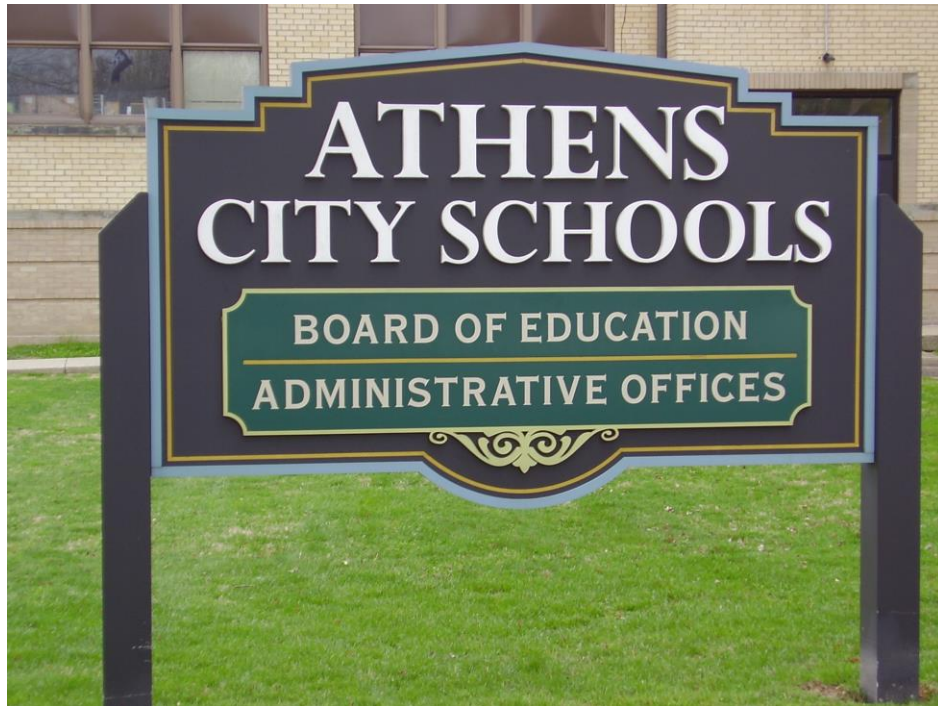
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

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ATHENS CITY SCHOOL DISTRICT



FINANCIAL SECTION

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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens City School District, Athens County, Ohio, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Athens City School District'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 the Athens City School District'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 the Athens City School District'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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens City School District, Athens County, Ohio, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

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.

Supplementary and Other Information

Our audit was conducted to opine on the Athens City School District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2016, on our consideration of the Athens City School District'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 the Athens City School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
December 13, 2016

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

The discussion and analysis of the Athens City School District's financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review our letter of transmittal, notes to the basic financial statements and the financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

- ▶ The liabilities and deferred inflows of resources of Athens City School District exceeded its assets and deferred outflows of resources at June 30, 2016 by \$20.9 million. Of this amount, a deficit of \$35.1 million may be used to meet the District's ongoing financial obligations. The remaining amount represents the difference between net investment in capital assets and net position amounts restricted for specific purposes.
- ▶ In total, net position of governmental activities increased by \$1.4 million, which represents an increase of 6.3% from 2015.
- ▶ General revenues accounted for \$28.0 million or 78.2% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7.8 million or 21.8% of total revenues of \$35.8 million.
- ▶ The District had \$34.4 million in expenses related to governmental activities; only \$7.8 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes and grants and entitlements) of \$28.0 million were adequate to cover the balance of governmental programs.
- ▶ The District recognizes two major governmental funds: the General Fund and the Permanent Improvement Fund. In terms of dollars received and spent, the General Fund is significantly larger than all the other funds of the District combined. The General Fund had \$30.5 million in revenues and \$30.0 million in expenditures in fiscal year 2016.
- ▶ The District also recognizes the self-insurance fund activity as a governmental activity and a proprietary fund. The activity for fiscal year 2016 was \$6.3 million in revenue and \$5.6 million in expenses. Net position at June 30, 2016 for the self-insurance fund increased \$0.7 million.

Using this Annual Report

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

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

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Reporting the District as a Whole

Government-Wide Financial Statements

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Governmental Funds

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

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

Proprietary Fund

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

Fiduciary Funds

The District's only fiduciary fund is an agency fund. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

Notes to the Basic Financial Statements

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

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Government-Wide Financial Analysis

Recall that the *Statement of Net Position* provides the perspective of the District as a whole, showing assets, deferred outflows of resources, liabilities, deferred inflows of resources and the difference between them (net position). Table 1 provides a summary of the District's net position for 2016 compared to fiscal year 2015:

Table 1
Net Position at Year End

	2016	2015
<u>Governmental Activities</u>		
<u>Assets:</u>		
Current and Other Assets	\$36,146,558	\$35,991,491
Capital Assets, net	15,897,141	16,792,186
<i>Total Assets</i>	52,043,699	52,783,677
<u>Deferred Outflows of Resources:</u>		
Deferred Charge of Refunding	165,151	183,501
Pension	4,750,657	3,181,826
<i>Total Deferred Outflows of Resources</i>	4,915,808	3,365,327
<u>Liabilities:</u>		
Current and Other Liabilities	3,603,116	3,418,301
Long-Term Liabilities:		
Due Within One Year	1,896,287	1,794,526
Due in More Than One Year:		
Net Pension Liability	46,251,750	41,294,002
Other Amounts	7,731,169	8,938,229
<i>Total Liabilities</i>	59,482,322	55,445,058
<u>Deferred Inflows of Resources:</u>		
Property Taxes	14,639,380	15,345,106
Payment in Lieu of Taxes	217,661	221,935
Pension	3,541,361	7,474,908
<i>Total Deferred Inflows of Resources</i>	18,398,402	23,041,949
<u>Net Position:</u>		
Net Investment in Capital Assets	8,991,891	8,313,450
Restricted	5,180,111	5,670,193
Unrestricted	(35,093,219)	(36,321,646)
<i>Total Net Position</i>	(\$20,921,217)	(\$22,338,003)

Governmental Accounting Standards Board 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 District's proportionate share 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.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

GASB notes that pension obligation, 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 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 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 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 the employee, because all parties enter the employment exchange with notice as to 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 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 is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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

As a result of implementing GASB Statement No. 68, the District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Current assets increased by \$155,067 from fiscal year 2015 due to the increases in cash and cash equivalents and intergovernmental receivable.

Capital assets decreased \$895,045 due to current year depreciation and disposals which was partially offset by capital asset additions.

Current (other) liabilities increased \$184,815 primarily due to increases in contracts payable and claims payable.

Long-term liabilities increased by \$3,852,449 or 7.40 percent due to an increase in net pension liability.

The District’s largest portion of net position is related to amounts net investment in capital assets. The District used these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

The District's smallest portion of net position is unrestricted, and carries a deficit balance of \$35,093,219. Unrestricted net position represents resources that may be used to meet the District's ongoing obligations to its students and creditors.

The remaining balance of \$5,180,111 is restricted assets. The restricted net position is subject to external restrictions on how they may be used.

Table 2 shows the changes in net position for fiscal year 2016 compared to changes for fiscal year 2015.

Table 2
Change in Net Position

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
<u>Revenues:</u>		
<i>Program Revenues:</i>		
Charges for Services and Sales	\$3,249,926	\$3,032,541
Operating Grants and Contributions	4,496,455	4,807,505
Capital Grants and Contributions	29,500	60,250
<i>General Revenues:</i>		
Property Taxes	15,911,187	16,346,047
Income Taxes	3,878,928	3,717,583
Unrestricted Grants and Entitlements	7,558,741	7,630,166
Payments in Lieu of Taxes	269,737	224,627
Investment Earnings	95,449	66,584
Miscellaneous	271,649	457,132
<i>Total Revenues</i>	<u>35,761,572</u>	<u>36,342,435</u>

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Table 2
Changes in Net Position

<u>Expenses:</u>	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
<i>Program Expenses:</i>		
<i>Instruction:</i>		
Regular	16,650,356	17,903,717
Special	4,904,826	4,520,384
Vocational	158,582	234,063
Student Intervention Services	81,869	90,459
Other	10,048	84,456
<i>Support Services:</i>		
Pupil	2,140,408	2,101,842
Instructional Staff	550,573	680,483
Board of Education	87,584	130,783
Administration	2,290,517	2,358,785
Fiscal	658,024	660,982
Business	475,619	409,031
Operation and Maintenance of Plant	2,965,676	2,940,673
Pupil Transportation	1,600,270	1,721,523
Central	110,506	111,100
<i>Operation of Non-Instructional Services:</i>		
Food Services	723,360	697,962
Other	8,260	6,386
Extracurricular Activities	564,768	683,852
<i>Debt Service:</i>		
Interest and Fiscal Charges	376,014	377,105
<i>Total Expenses</i>	<u>34,357,260</u>	<u>35,713,586</u>
Change in Net Position Before Extraordinary Item	1,404,312	628,849
Extraordinary Item	<u>12,474</u>	<u>5,934</u>
<i>Change in Net Position</i>	1,416,786	634,783
Net Position-Beginning of Year	<u>(22,338,003)</u>	<u>(22,972,786)</u>
Net Position-End of Year	<u><u>(\$20,921,217)</u></u>	<u><u>(\$22,338,003)</u></u>

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

The District had program revenue decreases of \$124,415 and decreases in general revenues of \$456,448. The decrease in program revenue is due to a decrease in operating grants and the decrease in general revenue is due to a decrease in property taxes.

The total expenses for governmental activities decreased \$1,356,326 or 3.80% primarily due to cost saving measures implemented by the District.

Governmental Activities

Over the past several fiscal years, the District has remained in stable financial condition. This has been accomplished through strong voter support and good fiscal management. The District is heavily dependent on property taxes and, like most Ohio schools, is hampered by a lack of revenue growth. Property taxes made up 44.5% of the total revenue for governmental activities in fiscal year 2016.

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

The District's 2.9 mill Permanent Improvement Levy is an important piece of the financial picture. It funds not only facility maintenance and upkeep issues but also provides the bulk of the District's technology needs and a large percentage of the State's set-aside requirements for both textbooks and instructional materials and capital improvements. The 5-year levy was first passed by District voters in 1991 and has been approved four times, the last time in May 2011 with a 66% approval.

The District has only one non-continuing levy for operational expenses. This is a 5-year, \$3.7 million dollar "Emergency Levy" which first passed in 2004 as a \$3.2 million dollar levy and was renewed in November 2008. The levy was renewed again in November 2012 with a \$500,000 increase, making the full levy \$3.7 million, with a 66% voter approval. An emergency levy differs from a traditional property tax levy in that it is passed for a specified dollar amount rather than a millage tax rate. Once the dollar amount is determined, the county auditor sets the millage tax rate each year that will generate that dollar amount in tax revenue. In 2004 the millage tax rate was 7.78 mills but has been estimated by the County Auditor to be 6.72 mills for 2016 collections. An emergency levy also does not count toward the 20 mill minimum for schools.

In November 2006, the voters passed a 1% Income Tax with the District promise to allow the 5.8 levy to expire. The 1% income tax applies only to earned income of District residents and collected approximately \$3.9 million in fiscal year 2016. The 1% income tax was renewed for another four year period in May 2014 with a 63% approval. Retirement, disability, and investment income are examples of income excluded from the tax. This reduces the burden on our senior citizens and others who may be less able to pay.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Instruction accounts for 63.5% of governmental activities program expenses. Support services expenses make up 31.7% of governmental activities program expenses. The Statement of Activities shows the cost of program services and charges for services and grants offsetting those services.

Table 3 shows, for governmental activities, the total cost of services and the net cost of services for fiscal year 2016 compared with fiscal year 2015. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
<i>Program Expenses:</i>				
Instruction	\$21,805,681	\$22,833,079	\$15,963,587	\$17,201,489
Support Services	10,879,177	11,115,202	9,782,732	9,684,928
Operation of Non-Instructional Services	731,620	704,348	26,070	26,782
Extracurricular Activities	564,768	683,852	432,976	522,986
Debt Service	376,014	377,105	376,014	377,105
Total Expenses	\$34,357,260	\$35,713,586	\$26,581,379	\$27,813,290

The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. (See Note 2 for discussion of significant accounting policies). All governmental funds had total revenues and other financing sources of \$35.6 million and expenditures and other financing uses of \$35.8 million.

Total governmental funds fund balances decreased by \$205,158. The decrease in fund balance for the year was the result of the Other Governmental Funds and the most significant change is in the Bond Retirement Fund which had a decrease of \$675,843 in fund balance due to increased revenues being less than the increased expenditures for the fiscal year. The Permanent Improvement Fund increased \$170,404, due to revenues exceeding expenditures. The fund balance in the General Fund, increased \$419,264, as a result of reduced expenditures.

The District should remain stable, in fiscal years 2017 through 2018. However, projections beyond fiscal year 2018 show the District may be unable to meet inflationary cost increases in the long-term without additional tax levies or a meaningful change in state funding of public schools as directed by the Ohio Supreme Court.

Budget Highlights - General Fund

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

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

During the course of fiscal year 2016, the District amended its General Fund budget several times. The District uses a modified site-based budget technique that is designed to control site budgets while providing building administrators and supervisors' flexibility for site management.

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

For the General Fund, the final budget basis revenue was \$31,056,366 representing a \$404,387 increase from the original budget estimates of \$30,651,979. For the General Fund, the final budget basis expenditures were \$30,049,763 representing a decrease of \$149,869 from the original budget of \$30,199,632. The final budget reflected a 0.50% decrease from the original budget, which is the result of the District's decrease in budget for regular instruction, administration, and pupil transportation, which are used to pay most costs associated with student education, maintaining facilities, and transporting students.

Debt Administration and Capital Assets

Debt Administration

At June 30, 2016, the District had \$6.4 million in bonds outstanding with \$1.5 million due within one year. Table 4 summarizes bonds outstanding for fiscal year 2016 compared to fiscal year 2015. More detailed information concerning the District's debt can be found in Note 15 of the notes to the basic financial statements.

Table 4
Outstanding Debt, Governmental Activities at Year End

Purpose	2016	2015
2013 Facility Construction Bonds (Refunding)	\$5,425,000	\$6,050,000
2005 Facility Construction Bonds (Refunding)	160,000	275,000
Facility Renovation Bonds	770,000	1,495,000
Total	\$6,355,000	\$7,820,000

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Capital Assets

At the end of fiscal year 2016, the District had \$48.5 million invested in capital assets for its governmental activities. That total carries an accumulated depreciation of \$32.6 million. Table 5 shows fiscal year 2016 balances compared to fiscal year 2015. More detailed information concerning the District's capital assets can be found in Note 10 of the notes to the basic financial statements.

Table 5
Capital Assets & Accumulated Depreciation at Year End

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
<i>Nondepreciable Capital Assets:</i>		
Land	\$1,519,380	\$1,519,380
<i>Depreciable Capital Assets:</i>		
Land Improvements	3,861,506	3,861,506
Buildings and Improvements	37,592,706	37,554,261
Furniture, Fixtures and Equipment	1,713,326	1,702,760
Vehicles	2,439,989	2,456,145
Library and Textbooks	1,399,405	1,399,405
<i>Total Capital Assets</i>	<u>48,526,312</u>	<u>48,493,457</u>
<i>Less Accumulated Depreciation:</i>		
Land Improvements	(2,720,071)	(2,604,925)
Buildings and Improvements	(25,354,495)	(24,498,987)
Furniture, Fixtures and Equipment	(1,360,993)	(1,304,133)
Vehicles	(1,794,207)	(1,893,821)
Library and Textbooks	(1,399,405)	(1,399,405)
<i>Total Accumulated Depreciation</i>	<u>(32,629,171)</u>	<u>(31,701,271)</u>
Capital Assets, Net	<u><u>\$15,897,141</u></u>	<u><u>\$16,792,186</u></u>

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Current Issues

Athens City School District is considered a mid-wealth district. It is financially stable, and has been over the past several years. As indicated in the preceding financial information, the District is heavily dependent on property taxes. Property tax revenue does not increase solely as a result of inflation. Therefore, in the long-term, the current program and staffing levels will be dependent on increased funding to meet inflation. Careful financial planning and the renewal of both the 1% Income Tax and \$3.7 million emergency levy permit the District to provide a quality education for our students.

The Ohio Legislature biennial budget for Fiscal Year 2016 and 2017 included a modified version of the current funding formula. The State sets the calculation and distribution parameters such as the per-pupil amounts and the state/district share of the funding and calculation methodology pursuant to provisions of AM. SUB HB 64. In this budget are the nine components with 3 newly added components. These additions are Capacity Aid, 3rd grade Reading Bonus, and Graduation Bonus. Without changes to the state funding formula, the District had estimated no increases in state funding through the Five-Year Forecast period ending 2021. Two of the 3 new components, 3rd grade Reading Bonus and Graduation Bonus, will provide small increases beginning in FY2017.

The State Legislature accelerated the phase-out of "hold harmless" provision of the state funding for local revenue lost due to the elimination of local tax on tangible personal property in the last biennial budget. They froze districts at the fiscal year 2013 remaining (if any) amount. Athens City School District has \$72,462 remaining from a revenue source that previously had been more than \$1.2 million annually.

Athens County underwent the six-year property tax reappraisal in tax year 2014. Data from the County Auditor's Office showed a 2.88% increase in overall property values as a result of inflationary factors and a 0.36% increase due to new construction. This resulted in a slight decrease in voted mills to generate the same dollar amount received from voted millage received in the prior tax-year. The District currently has 4.0 inside mills and 16.0 additional voted mills totaling 20 mills of traditional millage, the minimum permitted school district under Ohio law. In addition to that millage, the District has a \$3.7 million fixed sum levy that is not subject to the minimum traditional millage and a 1.0% income tax that generates approximately \$3.7 million in revenue. The fixed sum levy was approved by the voters on November 8, 2016 as a continuing levy and will not have to be on the ballot in the future. A county-wide triennial update of values will be conducted in 2017. Preliminary discussion with the County Auditor and her appraisal company indicate a housing market recovery in the District. Expectations are for residential property valuations to increase approximately 3.5%. It is unlikely there will be any other significant changes in local tax revenue for at least the next three years.

Athens City School District revenue projections reflect these changes for fiscal year 2017 and over the next five years forecasted. The Board of Education reduced expenses leading into fiscal year 2012 approximately \$500,000. They also closed one of the District's five elementary school facilities for fiscal year 2013 which saved an additional \$1.2 million. The Board continued to reduce the budget in fiscal year 2015 through attrition of staff. The Board of Education and the administration of the District will maintain careful financial planning and prudent fiscal management in order to preserve the financial stability of the District. A facility planning committee, made up of both school staff and local community members, was established at the end of FY2016. Their recommendations are to be made to the Board in February 2017 related to facilities, class size, and grade configurations by building.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Part of the District's financial planning includes a constant watch on the sales ratios for residential housing. Knowing the trend of home sales versus the value used by the county for tax purposes gives an ongoing picture of both new construction for current tax revenue estimates and a more precise picture of what the next property re-appraisal will be for forecasting future tax revenue. Through the months at the middle to end of calendar year 2015, the District is seeing home sales in the middle to upper price range consistently exceed the value currently on the county tax abstracts. The average home value in the Athens City School District is still above \$100,000. New construction, which had slowed from 2009 through 2012, is starting to rebound. Also, the homes being built in several subdivisions continue to be upscale in both style and price. New commercial property construction is increasing to pre-recession levels. Ohio University continues to renovate older facilities and work with private developers on student housing options off campus as an alternative to their dormitory and resident halls. These may be constructed as profit making ventures with the property remaining tax-exempt.

The City continues with improvements to streets and utilities which spawned development on the east side. Additionally, small commercial enterprises have opened during 2016 throughout the City of Athens and surrounding area.

Contacting the School District's Financial Management

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

ATHENS CITY SCHOOL DISTRICT

Statement of Net Position

June 30, 2016

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$16,827,910
Investments	1,542,644
Property Taxes Receivable	15,573,328
Payment in Lieu of Taxes Receivable	217,661
Income Taxes Receivable	1,237,955
Intergovernmental Receivable	643,076
Prepaid Items	85,282
Inventory Held for Resale	13,713
Materials and Supplies Inventory	4,989
Nondepreciable Capital Assets	1,519,380
Depreciable Capital Assets, Net	14,377,761
<i>Total Assets</i>	<u>52,043,699</u>
<u>Deferred Outflows of Resources:</u>	
Deferred Charges on Refunding Pension	165,151
	<u>4,750,657</u>
<i>Total Deferred Outflows of Resources</i>	<u>4,915,808</u>
<u>Liabilities:</u>	
Accounts Payable	79,020
Accrued Wages and Benefits	2,472,988
Contracts Payable	200,624
Intergovernmental Payable	526,929
Accrued Interest Payable	14,938
Claims Payable	308,617
<i>Long-Term Liabilities:</i>	
Due within One Year	1,896,287
<i>Due in More Than One Year:</i>	
Net Pension Liability	46,251,750
Other Amounts Due in More Than One Year	7,731,169
<i>Total Liabilities</i>	<u>59,482,322</u>
<u>Deferred Inflows of Resources:</u>	
Property Taxes	14,639,380
Payment in Lieu of Taxes	217,661
Pension	3,541,361
<i>Total Deferred Inflows of Resources</i>	<u>18,398,402</u>
<u>Net Position:</u>	
Net Investment in Capital Assets	8,991,891
<i>Restricted for:</i>	
Capital Outlay	2,410,381
Debt Service	2,345,481
Other Purposes	424,249
Unrestricted	<u>(35,093,219)</u>
<i>Total Net Position</i>	<u><u>(\$20,921,217)</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<i>Governmental Activities:</i>					
<i>Instruction:</i>					
Regular	\$16,650,356	\$2,941,850	\$446,478	\$0	(\$13,262,028)
Special	4,904,826	0	2,422,148	0	(2,482,678)
Vocational	158,582	0	31,618	0	(126,964)
Student Intervention Services	81,869	0	0	0	(81,869)
Other	10,048	0	0	0	(10,048)
<i>Support Services:</i>					
Pupil	2,140,408	2,777	0	0	(2,137,631)
Instructional Staff	550,573	0	178,282	0	(372,291)
Board of Education	87,584	0	0	0	(87,584)
Administration	2,290,517	3,028	28,106	0	(2,259,383)
Fiscal	658,024	0	0	0	(658,024)
Business	475,619	0	0	0	(475,619)
Operation and Maintenance of Plant	2,965,676	0	0	0	(2,965,676)
Pupil Transportation	1,600,270	0	884,252	0	(716,018)
Central	110,506	0	0	0	(110,506)
<i>Operation of Non-Instructional Services:</i>					
Food Services	723,360	205,581	499,969	0	(17,810)
Other	8,260	0	0	0	(8,260)
Extracurricular Activities	564,768	96,690	5,602	29,500	(432,976)
<i>Debt Service:</i>					
Interest and Fiscal Charges	376,014	0	0	0	(376,014)
<i>Total Governmental Activities</i>	<u>\$34,357,260</u>	<u>\$3,249,926</u>	<u>\$4,496,455</u>	<u>\$29,500</u>	<u>(26,581,379)</u>
 <i>General Revenues:</i>					
<i>Property Taxes Levied for:</i>					
General Purposes					13,665,531
Debt Service					902,152
Capital Outlay					1,343,504
<i>Income Taxes Levied for:</i>					
General Purposes					3,878,928
Grants and Entitlements not Restricted to Specific Programs					7,558,741
Payments in Lieu of Taxes					269,737
Investment Earnings					95,449
Miscellaneous					271,649
<i>Total General Revenues</i>					<u>27,985,691</u>
Changes in Net Position Before Extraordinary Item					1,404,312
<i>Extraordinary Item:</i>					
Gain on Insurance Recovery					12,474
Change in Net Position					1,416,786
<i>Net Position at Beginning of Year</i>					<u>(22,338,003)</u>
<i>Net Position at End of Year</i>					<u>(\$20,921,217)</u>

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT

*Balance Sheet
Governmental Funds
June 30, 2016*

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents and Investments	\$8,144,150	\$2,541,679	\$2,760,369	\$13,446,198
Property Taxes Receivable	13,359,230	1,459,562	754,536	15,573,328
Payment in Lieu of Taxes Receivable	217,661	0	0	217,661
Income Taxes Receivable	1,237,955	0	0	1,237,955
Intergovernmental Receivable	2,278	0	640,798	643,076
Interfund Receivable	195,078	0	0	195,078
Prepaid Items	85,282	0	0	85,282
Materials and Supplies Inventory	0	0	4,989	4,989
Inventory Held for Resale	0	0	13,713	13,713
<i>Total Assets</i>	<u>\$23,241,634</u>	<u>\$4,001,241</u>	<u>\$4,174,405</u>	<u>\$31,417,280</u>
<u>Liabilities:</u>				
Accounts Payable	\$27,255	\$9,320	\$42,445	\$79,020
Accrued Wages and Benefits	2,246,203	0	226,785	2,472,988
Contracts Payable	0	200,624	0	200,624
Intergovernmental Payable	450,530	0	76,399	526,929
Interfund Payable	0	0	195,078	195,078
<i>Total Liabilities</i>	<u>2,723,988</u>	<u>209,944</u>	<u>540,707</u>	<u>3,474,639</u>
<u>Deferred Inflows of Resources:</u>				
Property Taxes	13,029,368	1,427,119	731,572	15,188,059
Intergovernmental	0	0	640,798	640,798
Payment in Lieu of Taxes	217,661	0	0	217,661
<i>Total Deferred Inflows of Resources</i>	<u>13,247,029</u>	<u>1,427,119</u>	<u>1,372,370</u>	<u>16,046,518</u>
<u>Fund Balances:</u>				
Nonspendable	209,950	0	4,989	214,939
Restricted	0	2,364,178	2,779,401	5,143,579
Committed	215,529	0	0	215,529
Assigned	234,284	0	0	234,284
Unassigned	6,610,854	0	(523,062)	6,087,792
<i>Total Fund Balances</i>	<u>7,270,617</u>	<u>2,364,178</u>	<u>2,261,328</u>	<u>11,896,123</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$23,241,634</u>	<u>\$4,001,241</u>	<u>\$4,174,405</u>	<u>\$31,417,280</u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2016*

Total Governmental Funds Balances		\$11,896,123
<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.		15,897,141
Some of the District's receivables will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. These receivables consist of:		
Property taxes	548,679	
Intergovernmental	640,798	
Total		1,189,477
Unamortized deferred charges from the issuance of refunding bonds represent deferred charges which do not provide current financial resources and are therefore not reported in the funds.		165,151
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:		
General obligation bonds	(6,355,000)	
Accretion on bonds	(948,401)	
Premium on bonds issued	(715,402)	
Accrued interest on bonds	(14,938)	
Settlement obligation	(18,167)	
Compensated absences	(1,590,486)	
Total liabilities that are not reported in the funds		(9,642,394)
The net pension liability is not due and payable in the current period; therefore the liability and related deferred inflows/outflows are not reported in the governmental funds:		
Deferred Outflows - Pension	4,750,657	
Deferred Inflows - Pension	(3,541,361)	
Net Pension Liability	(46,251,750)	
Total		(45,042,454)
An internal service fund is used by management to charge the costs of insurance activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position		4,615,739
<i>Net Position of Governmental Activities</i>		(\$20,921,217)

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$13,623,870	\$1,339,564	\$913,508	\$15,876,942
Income Taxes	3,878,928	0	0	3,878,928
Intergovernmental	9,404,648	173,969	2,329,307	11,907,924
Interest	66,039	15,286	0	81,325
Tuition and Fees	2,897,714	0	0	2,897,714
Extracurricular Activities	15,504	0	96,690	112,194
Rent	75,007	0	0	75,007
Charges for Services	34,437	0	205,581	240,018
Payments in Lieu of Taxes	269,737	0	0	269,737
Contributions and Donations	5,204	29,500	7,659	42,363
Miscellaneous	190,473	0	6,169	196,642
<i>Total Revenues</i>	<u>30,461,561</u>	<u>1,558,319</u>	<u>3,558,914</u>	<u>35,578,794</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	14,615,899	538,279	453,499	15,607,677
Special	3,826,050	0	1,216,594	5,042,644
Vocational	163,615	0	0	163,615
Student Intervention Services	84,573	1,500	0	86,073
Other	10,048	0	0	10,048
<i>Support Services:</i>				
Pupil	2,248,053	0	7,050	2,255,103
Instructional Staff	447,649	16,102	128,490	592,241
Board of Education	87,912	0	0	87,912
Administration	2,398,937	5,290	8,411	2,412,638
Fiscal	604,512	43,475	25,742	673,729
Business	480,086	0	0	480,086
Operation and Maintenance of Plant	2,995,672	0	0	2,995,672
Pupil Transportation	1,471,412	256,045	24,801	1,752,258
Central	115,146	0	564	115,710
Operation of Non-Instructional Services	4,757	3,503	738,925	747,185
Extracurricular Activities	433,810	0	113,744	547,554
Capital Outlay	0	536,195	0	536,195
<i>Debt Service:</i>				
Principal Retirement	18,166	0	1,465,000	1,483,166
Interest and Fiscal Charges	0	0	206,920	206,920
<i>Total Expenditures</i>	<u>30,006,297</u>	<u>1,400,389</u>	<u>4,389,740</u>	<u>35,796,426</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>455,264</u>	<u>157,930</u>	<u>(830,826)</u>	<u>(217,632)</u>
<u>Other Financing Sources (Uses):</u>				
Transfer In	0	0	36,000	36,000
Transfer Out	(36,000)	0	0	(36,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(36,000)</u>	<u>0</u>	<u>36,000</u>	<u>0</u>
Net Change in Fund Balances Before Extraordinary Item	419,264	157,930	(794,826)	(217,632)
<u>Extraordinary Item:</u>				
Insurance Recoveries	0	12,474	0	12,474
<i>Net Change in Fund Balances</i>	419,264	170,404	(794,826)	(205,158)
<i>Fund Balances at Beginning of Year</i>	<u>6,851,353</u>	<u>2,193,774</u>	<u>3,056,154</u>	<u>12,101,281</u>
<i>Fund Balances at End of Year</i>	<u>\$7,270,617</u>	<u>\$2,364,178</u>	<u>\$2,261,328</u>	<u>\$11,896,123</u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
June 30, 2016*

Net Change in Fund Balances - Total Governmental Funds	(\$205,158)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital asset additions in the current period.	
Capital Asset Additions	304,269
Depreciation	<u>(1,196,159)</u>
Total	(891,890)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	
	(3,155)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These revenues consist of:	
Property taxes	34,245
Intergovernmental	<u>134,409</u>
Total	168,654
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current fiscal year, these amounts consist of:	
Bond payments	1,465,000
Settlement obligation	<u>18,166</u>
Total	1,483,166
In the statement of activities, interest is accrued on outstanding bonds, bond accretion premium, and loss on refunding amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when due and premiums and loss on refunding are reported when the bonds are issued:	
Accrued interest	5,343
Amortization of premium on bonds	126,835
Amortization of deferred charges on refunding	(18,350)
Accretion on bonds	<u>(282,920)</u>
Total	(169,092)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:	
Compensated absences	(221,782)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred revenues.	
	2,870,690
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	
	(2,326,060)
An internal service fund is used by management to charge the costs of insurance to individual funds. The net revenue of the internal service fund is reported as governmental activities.	
	<u>711,413</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$1,416,786</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$13,781,038	\$14,343,502	\$14,343,502	\$0
Income Taxes	3,763,185	3,840,045	3,840,045	0
Intergovernmental	9,678,474	9,408,434	9,408,434	0
Interest	42,740	64,946	64,946	0
Customer Sales and Services	0	34,437	34,437	0
Tuition and Fees	2,667,679	2,839,304	2,839,304	0
Rent	65,637	75,007	75,007	0
Payments in Lieu of Taxes	226,873	269,737	269,737	0
Miscellaneous	426,353	180,954	180,954	0
<i>Total Revenues</i>	30,651,979	31,056,366	31,056,366	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	15,739,377	14,709,983	14,709,983	0
Special	3,458,218	3,736,495	3,736,495	0
Vocational	253,572	177,655	177,655	0
Student Intervention Services	95,612	94,836	94,836	0
<i>Support Services:</i>				
Pupils	2,242,943	2,267,865	2,267,865	0
Instructional Staff	465,632	452,433	452,433	0
Board of Education	152,199	89,833	89,833	0
Administration	2,531,098	2,346,946	2,346,946	0
Fiscal	633,971	603,855	603,855	0
Business	434,384	481,688	481,688	0
Operation and Maintenance of Plant	2,095,080	3,018,402	3,018,402	0
Pupil Transportation	1,526,579	1,494,705	1,494,705	0
Central	118,808	117,875	117,875	0
Operation of Non-Instructional Services	4,768	4,257	4,257	0
Extracurricular Activities	429,225	434,769	434,769	0
<i>Debt Service:</i>				
Principal Retirement	18,166	18,166	18,166	0
<i>Total Expenditures</i>	30,199,632	30,049,763	30,049,763	0
<i>Excess of Revenues Over (Under) Expenditures</i>	452,347	1,006,603	1,006,603	0
<u>Other Financing Uses:</u>				
Transfers Out	(250,000)	(386,000)	(386,000)	0
<i>Total Other Financing Uses</i>	(250,000)	(386,000)	(386,000)	0
<i>Excess of Revenues Over (Under) Expenditures and Other Financing Uses</i>	202,347	620,603	620,603	0
<i>Fund Balance at Beginning of Year</i>	7,116,841	7,116,841	7,116,841	0
Prior Year Encumbrances Appropriated	16,680	16,680	16,680	0
<i>Fund Balance at End of Year</i>	\$7,335,868	\$7,754,124	\$7,754,124	\$0

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT

Statement of Net Position

Proprietary Fund

June 30, 2016

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Assets:</u>	
<i>Current Assets:</i>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$3,381,712
Investments	<u>1,542,644</u>
<i>Total Current Assets</i>	<u>4,924,356</u>
<u>Liabilities:</u>	
<i>Current Liabilities:</i>	
Claims Payable	<u>308,617</u>
<i>Total Current Liabilities</i>	<u>308,617</u>
<u>Net Position:</u>	
Unrestricted	<u><u>\$4,615,739</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
*Statement of Revenues,
Expenses and Change in Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2016*

	Governmental Activities
	Internal Service
<u>Operating Revenues:</u>	
Charges for Services	\$6,144,172
Miscellaneous	194,179
	6,338,351
<i>Total Operating Revenues</i>	6,338,351
<u>Operating Expenses:</u>	
Purchased Services	3,024
Claims	5,634,632
Other	3,406
	5,641,062
<i>Total Operating Expenses</i>	5,641,062
<i>Operating Income</i>	697,289
<u>Nonoperating Revenue:</u>	
Interest	14,124
	14,124
<i>Change in Net Position</i>	711,413
<i>Net Position at Beginning of Year</i>	3,904,326
	3,904,326
<i>Net Position at End of Year</i>	\$4,615,739

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Cash Flows

Proprietary Fund

For the Fiscal Year Ended June 30, 2016

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Services Provided	\$6,144,172
Other Cash Receipts	194,179
Cash Payments for Goods and Services	(3,024)
Cash Payments for Other Uses	(3,406)
Cash Payments for Claims	(5,524,945)
	<u>806,976</u>
<i>Net Cash from Operating Activities</i>	
<u>Cash Flows from Investing Activities:</u>	
Cash Received from Interest on Investment Activities	14,124
Purchase of Investments	51,126
	<u>65,250</u>
<i>Net Cash from Investing Activities</i>	
<i>Net Increase in Cash and Cash Equivalents</i>	872,226
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,509,486</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$3,381,712</u></u>
 <u>Reconciliation of Operating Income to Net Cash from Operating Activities:</u>	
Operating Income	\$697,289
 <u>Adjustments to Reconcile Operating Income to Net Cash from Operating Activities:</u>	
<i>Increase (Decrease) in Liabilities:</i>	
Claims Payable	<u>109,687</u>
Total Adjustments	<u>109,687</u>
<i>Net Cash from Operating Activities</i>	<u><u>\$806,976</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Fiduciary Net Position

Fiduciary Fund

June 30, 2016

	<u>Agency</u>
<u>Assets:</u>	
Equity in Pooled Cash, Cash Equivalents and Investments	<u>\$148,483</u>
<u>Liabilities:</u>	
Due to Students	<u><u>\$148,483</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2016

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Description of the School District

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

The District was established in the mid 1800's and in 1960 the District was consolidated with the portion of the Athens Local School District located in the City of Athens. The District was consolidated in 1964 with the Plains Local School District and the Chauncey Local School District. The District serves an area of approximately 89 square miles. It is located in Athens County, and includes the City of Athens and portions of the Village of Chauncey and the Townships of Athens, Canaan, Dover, and Waterloo. The District is the 170th largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by 128 non-certificated employees, 209 certificated full-time teaching personnel and 18 administrative employees who provide services to 2,680 students and other community members. The District currently operates 7 instructional buildings, 1 administrative building, 1 maintenance facility and 1 garage.

Reporting Entity

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

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

The District is associated with four organizations, three of which are defined as jointly governed organizations and one as an insurance purchasing pool. These organizations are the Meta Solutions, the Tri-County Career Center, the Coalition of Rural and Appalachian Schools and the SchoolComp Worker's Compensation Group Rating Plan. These organizations are presented in Notes 20 and 21 to the basic financial statements.

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2016

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

The following are the District's major governmental funds:

General Fund- This fund is the operating fund of the District and is used to account for all financial resources not accounted for and reported in another fund. The General Fund is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Permanent Improvement Fund- This fund is used to account for financial resources to be used for the acquisition, construction or improvement of capital facilities. The primary source of funding for this fund is property taxes.

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

Proprietary Fund

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

Fiduciary Funds

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

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, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

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

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

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents 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. For the District, deferred outflows of resources include a deferred charge on refunding and for pension that are reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 12.

In addition to the liabilities, the statement of net position reports 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 District, deferred inflows of resources include property taxes, unavailable revenue, and pension. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. 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 District unavailable revenue includes delinquent property taxes and intergovernmental grants. 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 12)

Expenses/Expenditures

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

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

E. Cash, Cash Equivalents and Investments

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

During the fiscal year 2016, the District's investments were limited to the Federal Securities and State Treasury Asset Reserve of Ohio (STAROhio). Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investments could be sold for on June 30, 2016.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2016 amounted to \$66,039 which includes \$22,604 assigned from other District funds.

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

F. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used.

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

G. Capital Assets

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

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

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

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

H. Interfund Balances

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

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

I. Compensated Absences

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

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

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

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

J. Accrued Liabilities and Long-Term Liabilities

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

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

K. 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.

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, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2016

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

Net position restricted for other purposes are primarily from federal and state grants reported in the Special Revenue Funds. Of the District's \$5,180,111 in total restricted net position, none are restricted by enabling legislation.

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

M. Fund Balances

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

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

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

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

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

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

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

N. Operating Revenues and Expenses

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

O. Interfund Transactions

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

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

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. For fiscal year 2016, the District reported an extraordinary item in the financial statements. See Note 23 for additional information regarding the extraordinary item.

Q. Estimates

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

R. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2016.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2016

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

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

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2016, the District implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 38", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Government", and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants." The implementation of GASB Statements Nos. 72, 73, 76 and 79 had no effect on the prior period fund balances of the District.

NOTE 4 - ACCOUNTABILITY

The following funds had a deficit fund balance as of June 30, 2016:

<i>Nonmajor Special Revenue Funds:</i>	
Food Service	\$18,446
Other State Support	22,460
Title VI-B	138,496
Title I	188,715
Other Federal Support	149,956

The deficits in the Food Service and Other State Support Funds are the result of the application of generally accepted accounting principles and the requirement to accrue liabilities when incurred. The deficits in the Title VI-B, Title I and Other Federal Support Funds are the result of expenditures being made in fiscal year 2016 that exceeded the federal grants received during the year. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur. The deficits in the Food Service and Other State Support Funds do not exist on the cash basis. The deficits in the Title VI-B, Title I, and Other Federal Support Funds do exist on the cash basis. The District may maintain negative cash balances in nonmajor special revenue fund if two criteria are met: (1) the General Fund must have available and unencumbered funds to cover the negative amounts; and (2) a reimbursement request must have been submitted by the fiscal year-end. The District has met these two requirements.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The major differences between the budget basis and modified accrual GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a restricted, committed or assigned fund balance (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Certain funds are maintained as separate funds for accounting and budgetary purposes (budget basis) but do not meet the criteria for separate reporting in the financial statements (GAAP basis) and are reported in the General Fund in accordance with GASB Statement No. 54.

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$419,264
<i>Adjustments:</i>	
Revenue Accruals	594,805
Expenditure Accruals	(119,543)
Other Financing Uses	(350,000)
Encumbrances	(131,998)
Perspective Difference for Activity of Funds Reclassified for GAAP Reporting Purposes	<u>208,075</u>
Budget Basis	<u><u>\$620,603</u></u>

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

At fiscal year end, the District had \$2,000 in undeposited cash on hand which is included on the balance sheet and statement of net position of District as part of "Equity in Pooled Cash, Cash Equivalents and Investments."

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

As of June 30, 2016, all of the District's bank balance of \$4,201,375 was either covered by Federal Deposit Insurance or collateral was held by the pledging banks trust department not in the District's name.

Investments: As of June 30, 2016, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>
STAROhio	\$6,398,911	\$6,398,911	\$0
STAROhio Plus	2,070,109	2,070,109	0
Federal Home Loan Bank Bonds	1,744,171	746,178	997,993
Federal Farm Credit Bank Discount Notes	1,296,420	0	1,296,420
Federal National Mortgage Association	1,551,813	0	1,551,813
Federal Home Loan Mortgage Corporation Notes	1,551,552	249,715	1,301,837
Totals	<u>\$14,612,976</u>	<u>\$9,464,913</u>	<u>\$5,148,063</u>

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

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

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy minimizes concentration of credit risk by diversifying assets by issuer as necessary. The District's investments in STAROhio, Federal Home Loan Bank Bonds, Federal Farm Credit Bank Discount Notes, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation Notes were 58%, 12%, 9%, 11% and 10%, respectively, of the District's total investments.

For fiscal year 2016, Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application," was effective. These GASB pronouncements had no effect on beginning net position. Accordingly, the District has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the District's recurring fair value measurements as of June 30, 2016. All of the District's investments measured at fair value are valued using quoted market prices (Level 1 inputs).

NOTE 7 - PROPERTY TAXES

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar 2016 represents collections of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed value listed as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2016 represents collections of calendar year 2016 taxes. Public utility real property taxes received in calendar year 2016 became a lien December 31, 2014, were levied after April 1, 2015 and are collected in 2016 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Athens County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2016 are available to finance fiscal year 2016 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 7 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable represents the June 2016 personal property tax settlement, delinquent taxes outstanding and real property, and public utility taxes which become measurable as of June 30, 2016. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The total amount available as an advance at June 30, 2016 was \$385,269 and is recognized as revenue. Of this total amount, \$329,862 was available to the General Fund, \$22,964 was available to the Bond Retirement Fund, and \$32,443 was available to the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2016 taxes were collected are:

	2015 Second - Half Collections		2016 First - Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$502,690,320	94.64%	\$507,782,780	94.01%
Public Utility Personal	28,485,770	5.36%	32,376,160	5.99%
Total Assessed Value	<u>\$531,176,090</u>	<u>100.00%</u>	<u>\$540,158,940</u>	<u>100.00%</u>

NOTE 8 - SCHOOL INCOME TAXES

The District currently benefits from a 1.00% income tax, which is assessed on earned income only for all residents of the District. The District apportions all the proceeds to the General Fund. During fiscal year 2016, the District received \$3,878,928 from the school income tax.

NOTE 9 - RECEIVABLES

Receivables at June 30, 2016 consisted of property taxes, payment in lieu of taxes, income taxes, interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
<u>Governmental Activities</u> :	
General Fund	\$2,278
<u>Nonmajor Special Revenue Funds</u> :	
Title VI-B	146,929
Title I	298,470
Other Federal Support	195,399
Total Nonmajor Special Revenue Funds	<u>640,798</u>
Total Intergovernmental Receivables	<u>\$643,076</u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 10 - CAPITAL ASSETS

Capital asset governmental activity for the fiscal year ended June 30, 2016 was as follows:

<u>Asset Category</u>	<u>Balance at June 30, 2015</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at June 30, 2016</u>
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,519,380	\$0	\$0	\$1,519,380
Total Nondepreciable Capital Assets	1,519,380	0	0	1,519,380
<i>Depreciable Capital Assets:</i>				
Land Improvements	3,861,506	0	0	3,861,506
Buildings and Improvements	37,554,261	38,445	0	37,592,706
Furniture, Fixtures and Equipment	1,702,760	39,772	(29,206)	1,713,326
Vehicles	2,456,145	226,052	(242,208)	2,439,989
Library and Textbooks	1,399,405	0	0	1,399,405
Total Depreciable Capital Assets	46,974,077	304,269	(271,414)	47,006,932
Total Capital Assets	48,493,457	304,269	(271,414)	48,526,312
<i>Accumulated Depreciation:</i>				
Land Improvements	(2,604,925)	(115,146)	0	(2,720,071)
Buildings and Improvements	(24,498,987)	(855,508)	0	(25,354,495)
Furniture, Fixtures and Equipment	(1,304,133)	(82,911)	26,051	(1,360,993)
Vehicles	(1,893,821)	(142,594)	242,208	(1,794,207)
Library and Textbooks	(1,399,405)	0	0	(1,399,405)
Total Accumulated Depreciation	(31,701,271)	(1,196,159)	268,259	(32,629,171)
Total Net Capital Assets	<u>\$16,792,186</u>	<u>(\$891,890)</u>	<u>(\$3,155)</u>	<u>\$15,897,141</u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2016

NOTE 10 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$942,329
Special	5,954
Vocational	1,200
<i>Support Services:</i>	
Administration	5,750
Operation and Maintenance of Plant	60,786
Pupil Transportation	144,493
Operation of Non-Instructional Services	139
Extracurricular Activities	<u>35,508</u>
Total Depreciation Expense	<u><u>\$1,196,159</u></u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2016

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2016, the District contracted with Reed and Baur Insurance Agency of Athens, Ohio for liability insurance, property insurance, fleet and inland marine insurance through the Ohio Casualty Insurance and Mathews Insurance for boiler and machinery insurance. Coverage's provided are as follows:

Building and Contents - replacement cost (90% co-insurance) (\$5,000 deductible)	\$93,831,871
Boiler and Machinery (\$1,000 deductible)	10,000,000
Automobile Liability (\$2,000 deductible for collision and comprehensive)	1,000,000
Uninsured Motorists (\$2,000 deductible for collision and comprehensive) Each Accident	100,000
General Liability:	
Per Occurrence (per location)	1,000,000
Aggregate Limit (per location)	2,000,000
Umbrella Liability:	
Per Occurrence (per location)	5,000,000
Aggregate Limit (per location)	5,000,000
Self Insured Retention	10,000
Employee Benefits Liability Coverage:	
Per Employee (\$1,000 deductible)	1,000,000
Aggregate Limit	3,000,000

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

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

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

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

The claims liability of \$308,617 reported at June 30, 2016 is based on an estimate of claims existing at year end that will be paid in fiscal year 2016, provided by the third party administrators and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2015	\$209,208	\$5,788,363	\$5,798,641	\$198,930
2016	198,930	5,634,632	5,524,945	308,617

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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.

The net pension liability represents the District's proportionate share 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.

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the 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 (1) they benefit from employee services; and (2) 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 year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)

Plan Description - School Employees Retirement System (SERS)

Plan Description –District non-teaching 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 Ohio Revised Code Chapter 3309. 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 can 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 65 with 5 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.

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. 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 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 B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. None of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$791,424 for fiscal year 2016.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)

Plan Description - State Teachers Retirement System (STRS)

Plan Description –District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 65 with five years of qualifying service credit, or age 55 with 25 years of service, or 31 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2017, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 65 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2015, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$2,079,266 for fiscal year 2016. Of this amount \$313,096 is reported as an intergovernmental payable.

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, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$7,873,415	\$38,378,335	\$46,251,750
Proportion of the Net Pension Liability	0.13798250%	0.13886540%	
Pension Expense	\$652,148	\$1,673,912	\$2,326,060

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$128,489	\$1,751,478	\$1,879,967
District contributions subsequent to the measurement date	791,424	2,079,266	2,870,690
Total Deferred Outflows of Resources	<u>\$919,913</u>	<u>\$3,830,744</u>	<u>\$4,750,657</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$293,648	\$2,796,849	\$3,090,497
Changes in proportion and differences between District Contributions and Proportionate share of Contributions	235,454	215,410	450,864
Total Deferred Inflows of Resources	<u>\$529,102</u>	<u>\$3,012,259</u>	<u>\$3,541,361</u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)

\$2,870,690 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. 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:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2017	(\$180,308)	(\$688,325)	(\$868,633)
2018	(180,308)	(688,325)	(868,633)
2019	(180,932)	(688,328)	(869,260)
2020	<u>140,935</u>	<u>\$804,197</u>	<u>945,132</u>
Total	<u>(\$400,613)</u>	<u>(\$1,260,781)</u>	<u>(\$1,661,394)</u>

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 (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., 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, 2015, 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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)

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.

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 averaged 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 assets 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	<u>15.00</u>	7.50
Total	<u><u>100.00 %</u></u>	

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 earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those 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 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 of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a 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%)
District's proportionate share of the net pension liability	\$10,917,598	\$7,873,415	\$5,309,963

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015 valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS’ investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -

The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a 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%)
District's proportionate share of the net pension liability	\$53,310,402	\$38,378,335	\$25,751,045

NOTE 13 - POSTEMPLOYMENT BENEFITS

School Employees Retirement System

Postemployment Benefits – In addition to a cost-sharing multiple employer defined benefit pension plan the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

Health Care Plan – ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage.

SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code Section 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 0 percent contribution to the Health Care Fund. For the year ended June 30, 2016, the health care allocation is 0 percent. An addition health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the minimum compensation level was established at \$23,000. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contributions assigned to health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$64,430, \$77,191, and \$85,548 respectively.

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 13 - POSTEMPLOYMENT BENEFITS – (Continued)

The financial reports of SERS' Health Care plans are included in its Comprehensive Annual Financial Report. The report can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

State Teachers Retirement System

Plan Description – State Teachers Retirement System of Ohio (STRS Ohio) administers a pension plan that is comprised of: a Defined Benefits Plan, a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefits Plan and the Defined Contribution Plan.

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

Pursuant to Chapter 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0 and \$293,250 respectively.

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

Under Ohio Law, funding for Postemployment health care may be deducted from employer contributions. Of the 14 percent employer contribution rates, 0 percent of covered payroll was allocated to postemployment health care for the fiscal years ended June 30, 2016 and 2015, and 0.9 percent of covered payroll was in 2014. Effective July 1, 2014, 0 percent of covered payroll was allocated to postemployment health care. The 14 percent employer contribution rate is the maximum rate established under Ohio law.

NOTE 14 - EMPLOYEE BENEFITS

Compensated Absences

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

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

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 14 - EMPLOYEE BENEFITS – (Continued)

Dental, Vision, and Life Insurance

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

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

Retirement Incentive

On January 16, 1999, the District Board of Education approved a Retirement Incentive Program. Participation is open to members of the Athens Education Association the year in which the member first attains thirty years of service credit with the STRS. Such members must retire at the end of the first year of eligibility (June 30) in order to receive the retirement incentive. The Board has elected to make the retirement incentive a lump sum payment of \$20,000 for full-time employees and a prorated amount for part-time employees. Members who do not retire in the first year of eligibility will not receive the retirement incentive. The retirement incentive program is a part of the negotiated union contract. As of June 30, 2016, there were no retirement incentives recorded as a fund liability by the District.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 15 - LONG-TERM LIABILITIES

During fiscal year 2016, the following changes occurred in governmental activities long-term obligations.

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Principal Outstanding at June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding at June 30, 2016</u>	<u>Amount Due In One Year</u>
<i>Governmental Activities:</i>							
Renovation Bonds	2000	6.01%	\$1,495,000	\$0	\$725,000	\$770,000	\$770,000
2005 Refunding Bonds							
Term Bonds	2005	4.24%	235,000	0	115,000	120,000	120,000
Capital Appreciation Bonds			40,000	0	0	40,000	0
Accretion on Capital Appreciation Bonds			444,488	137,567	0	582,055	0
2013 Refunding Bonds							
Term Bonds	2013	2.65%	5,545,000	0	625,000	4,920,000	650,000
Capital Appreciation Bonds			505,000	0	0	505,000	0
Accretion on Capital Appreciation Bonds			220,993	145,353	0	366,346	0
Add Deferred Amounts:							
Premium on Bonds			842,237	0	126,835	715,402	126,835
Total Bonds			9,327,718	282,920	1,591,835	8,018,803	1,666,835
Net Pension Liability							
STRS			34,041,518	4,336,817	0	38,378,335	0
SERS			7,252,484	620,932	0	7,873,415	0
Total Net Pension Liability			41,294,002	4,957,749	0	46,251,750	0
Settlement Obligation			36,333	0	18,166	18,167	18,167
Compensated Absences			1,368,704	903,287	681,505	1,590,486	211,285
Total Governmental Activities Long-Term Obligations			<u>\$52,026,757</u>	<u>\$6,143,956</u>	<u>\$2,291,506</u>	<u>\$55,879,206</u>	<u>\$1,896,287</u>

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

Refunding General Obligation Bonds - During fiscal year 2005, the District issued \$9,305,000 of general obligation bonds for the current refunding of \$9,305,000 of the 2000 series bonds. The \$1,217,474 premium on the issuance of the refunding bonds is netted against this debt and is being amortized over the life of this debt, which has the same remaining life of the refunded debt of 4 years with a final maturity of December 1, 2016. The refunding was undertaken to reduce total future debt service payments. The refunding bonds are retired through the Bond Retirement Fund using tax revenues.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 15 - LONG-TERM LIABILITIES - (Continued)

The term bonds maturing on December 1, 2016 (fiscal year 2017) are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed plus accrued interest to the date of redemption, on December 1, in the fiscal years and respective principal amounts as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2017	\$120,000

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

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

The capital appreciation bonds are not subject to a mandatory sinking fund or optional redemption prior to stated maturity. The capital appreciation bonds will mature in fiscal year 2018. The maturity amount of the bonds is \$905,000. For fiscal year 2016, \$137,567 was accreted on the capital appreciation bonds.

Refunding General Obligation Bonds - During fiscal year 2013, the District issued \$7,270,000 of general obligation bonds for the advance refunding of \$7,270,000 of the 2005 series bonds. The bonds were issued as federally taxable bonds. The \$791,540 premium on the issuance of the refunding bonds is netted against this debt and is being amortized over the life of this debt, which has the same remaining life of the refunded debt of 12 years with a final maturity of December 1, 2024. The refunding was undertaken to reduce total future debt service payments over the life of the bonds by \$805,784 and to obtain an economic gain of \$438,231. The refunding bonds are retired through the Bond Retirement Fund using tax revenues.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 15 - LONG-TERM LIABILITIES - (Continued)

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

Fiscal Year Ending June 30	Amount
2017	\$650,000
2018	0
2019	0
2020	0
2021	805,000
2022	820,000
2023	840,000
2024	890,000
2025	915,000
	<u>\$4,920,000</u>

Term bonds maturing on or after December 1, 2021, are subject to optional redemption, in whole or in part on any date at the option of the issuer on or after December 1, 2013, as follows:

Redemption Dates (Date Inclusive)	Redemption Prices
December 1, 2013 and thereafter	100%

The capital appreciation bonds are not subject to a mandatory sinking fund or optional redemption prior to stated maturity. The capital appreciation bonds will mature in fiscal years 2019 and 2020. The maturity amount of the bonds is \$1,500,000. For fiscal year 2016, \$145,353 was accreted on the capital appreciation bonds.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 15 - LONG-TERM LIABILITIES - (Continued)

Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2016, are as follows:

Year Ending June 30	2005 Refunding Bonds				2013 Refunding Bonds			
	Term Bonds		Capital Appreciation Bonds		Term Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$120,000	\$2,400	\$0	\$0	\$650,000	\$119,460	\$0	\$0
2018	0	0	40,000	865,000	0	116,567	0	0
2019	0	0	0	0	0	116,567	275,000	475,000
2020	0	0	0	0	0	116,567	230,000	520,000
2021	0	0	0	0	805,000	107,632	0	0
2022-2025	0	0	0	0	3,465,000	211,962	0	0
Total	\$120,000	\$2,400	\$40,000	\$865,000	\$4,920,000	\$788,755	\$505,000	\$995,000

Year Ending June 30	2000 Renovation Bonds		Totals	
	Principal	Interest	Principal	Interest
2017	\$770,000	\$25,602	\$1,540,000	\$147,462
2018	0	0	40,000	981,567
2019	0	0	275,000	591,567
2020	0	0	230,000	636,567
2021	0	0	805,000	107,632
2022-2025	0	0	3,465,000	211,962
Total	\$770,000	\$25,602	\$6,355,000	\$2,676,757

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

The District had the opportunity for savings by changing utility suppliers. To receive the savings the District entered into an agreement with Energy USA to cancel their contract. The District has agreed to pay Energy USA \$18,166 for five years to cancel the utility supplier contract. This settlement obligation is being paid from the General Fund.

The District pays obligations related to employee compensation from the fund benefitting from their service. The compensated absences are paid from the fund from which the respective employees' salaries are paid. Most of the District's employees are paid from the General Fund, with the remainder being paid from the Food Service, Title VI-B, Title I and Other Federal Support Funds.

The District's overall legal debt margin was \$44,564,056 with an unvoted debt margin of \$540,159 at June 30, 2016.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 16 – FUND BALANCES

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

	<u>General</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable</i>				
Prepays	\$85,282	\$0	\$0	\$85,282
Inventory	0	0	4,989	4,989
Unclaimed Monies	124,668	0	0	124,668
<i>Total Nonspendable</i>	<u>209,950</u>	<u>0</u>	<u>4,989</u>	<u>214,939</u>
<i>Restricted:</i>				
<i>Special Revenues:</i>				
District Managed Activities	0	0	55,055	55,055
Local Grants	0	0	396,631	396,631
Debt Service	0	0	2,327,715	2,327,715
Capital Projects	0	2,364,178	0	2,364,178
<i>Total Restricted</i>	<u>0</u>	<u>2,364,178</u>	<u>2,779,401</u>	<u>5,143,579</u>
<i>Committed:</i>				
Termination Benefits	215,529	0	0	215,529
<i>Assigned:</i>				
<i>Encumbrances:</i>				
Regular	86,939	0	0	86,939
Special	22,146	0	0	22,146
Vocational	140	0	0	140
Pupils	4,582	0	0	4,582
Instructional Staff	303	0	0	303
Board of Education	3,066	0	0	3,066
Administration	1,213	0	0	1,213
Fiscal	175	0	0	175
Operation and Maintenance of Plant	8,688	0	0	8,688
Pupil Transportation	4,746	0	0	4,746
Uniform School Supplies	43,547	0	0	43,547
Public School Support	58,739	0	0	58,739
<i>Total Assigned</i>	<u>234,284</u>	<u>0</u>	<u>0</u>	<u>234,284</u>
<i>Unassigned</i>	<u>6,610,854</u>	<u>0</u>	<u>(523,062)</u>	<u>6,087,792</u>
Total Fund Balances	<u><u>\$7,270,617</u></u>	<u><u>\$2,364,178</u></u>	<u><u>\$2,261,328</u></u>	<u><u>\$11,896,123</u></u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 17 - INTERFUND ACTIVITY

As of June 30, 2016, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$195,078	\$0
<i>Nonmajor Special Revenue Funds:</i>		
Other State Support	0	17,022
Title VI-B	0	64,127
Title I	0	86,896
Other Federal Support	0	27,033
Total Nonmajor Special Revenue Funds	<u>0</u>	<u>195,078</u>
Total	<u>\$195,078</u>	<u>\$195,078</u>

All balances are scheduled to be collected in the subsequent year. All balances resulted from the time between the dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balance of \$195,078 due to the General Fund from the funds listed is a result of advances made to these funds by the General Fund, which were not repaid as of June 30, 2016.

	<u>Transfers To</u>
<u>Transfers From</u>	<u>Nonmajor Special Revenue</u>
General	<u>\$36,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, and (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The total of \$36,000 is the result of transfers from the General Fund to the Food Service Fund to subsidize that program.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 18 - STATUTORY SET-ASIDES

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2016:

	<u>Capital Improvements</u>
Set-Aside Balance as of June 30, 2015	\$0
Current Year Set-Aside Requirement	471,754
Qualifying Disbursements	<u>(889,031)</u>
Total	<u>(417,277)</u>
Set-Aside Balance as of June 30, 2016	<u><u>\$0</u></u>
Total Restricted Assets	<u><u>\$0</u></u>

Although the District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital improvements set-aside, this amount may not be used to reduce the set-aside requirement for future years. The negative balance is therefore not presented as being carried forward to future years.

NOTE 19 – ENCUMBRANCE COMMITMENTS

At June 30, 2016, the District had encumbrance commitments in the Governmental Funds as follows:

<u>Major Funds</u>	
General	\$131,998
Permanent Improvement	358,866
 <u>Nonmajor Funds</u>	
Food Service	1,327
District Managed Activities	408
Title I Grant	8,834
Other Federal Support	<u>109,098</u>
<i>Total Nonmajor Funds</i>	<u>119,667</u>
 Total Encumbrances	 <u><u>\$610,531</u></u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2016

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS

Meta Solutions

On January 1, 2016, the Southeast Ohio Voluntary Education Cooperative (SEOVEC), and three other Information Technology Centers around the State of Ohio, merged with Meta Solutions. Meta Solutions is a jointly governed organization as a regional council of governments pursuant to State statutes. Meta Solutions develops, implements, and supports the technology and instructional needs of member districts including financial accounting services, educational management information services, and cooperative purchasing services. Meta Solutions membership consists of 152 public schools, 11 educational service centers, 15 career technology centers, and more than 200 non-public chartered schools. Non-public charter schools are not members but receive services based on contractual agreements and are not eligible for seats on the board of directors. Each member district pays an annual fee for services provided by Meta Solutions. Meta Solutions is governed by an 11-member board of directors made up of Superintendents and School Business Officials selected from the 178 member public school districts. The board of directors controls the budget and finances of Meta Solutions. The continued existence of META Solutions is not dependent on the District's continued participation and no equity interest exists. Financial statements for SEOVEC through December 31, 2015 and for META Solutions can be obtained from the META Solutions office, 2100 Citygate Drive, Columbus, Ohio 43219. The District made payments of \$79,947 to SEOVEC prior to the merger. The payments covered the entire fiscal-year 2016. Future payments will be made to META Solutions.

Tri-County Career Center

The Tri-County Career Center is a jointly governed organization providing vocational services to its eight member Districts. The Center is governed by a board of education comprised of eleven members appointed by the participating schools. The board controls the financial activity of the Center and reports to the Ohio Department of Education and the Auditor of State of Ohio. The continued existence of the Center is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2016, the District made no contributions to the Center. Financial information can be obtained from the Tri-County Career Center, 15676 State Route 691, Nelsonville, Ohio 45764.

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization including over 100 school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of fourteen members. The board members are composed of one superintendent from each county elected by the school districts within that county. The Council provides various in service for school district administrative personnel; gathers of data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Council is not dependent on the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for the Council. The District made no significant payments for membership in fiscal year 2016.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2016

NOTE 21 - INSURANCE PURCHASING POOL

SchoolComp Worker's Compensation Group Rating Plan

The District participates in a workers' compensation program jointly sponsored by the Ohio Association of School Business Officials (OASBO) and the Ohio School Board Association (OSBA), known as SchoolComp. Comp Management, Inc. (CMI) is the program's third party administrator. SchoolComp serves to group its members' risks for the purpose of obtaining a favorable experience rating to determine its premium liability to the Ohio Bureau of Workers' Compensation (OBWC) and the Ohio Workers' Compensation Fund. This may be accomplished through participation in a group rating program or through group retrospective rating. The District has chosen to participate in the group rating program for 2016. Participation in SchoolComp is restricted to members who meet enrollment criteria and are jointly in good standing with OASBO and OSBA. OASBO and OSBA are certified sponsors recognized by OBWC.

NOTE 22 - CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2016, if applicable, cannot be determined at this time.

B. Litigation

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

C. School Foundation

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 or June 30, 2016 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District. ODE expects to make the Final #5 June 30, 2015 Adjustment in November 2016 and the Final #3 June 30, 2016 Adjustment tentatively in December 2016.

NOTE 23 - INSURANCE RECOVERIES

During fiscal year 2016, the District received \$12,474 for an insurance settlement from a bus wreck. The insurance settlement is reported in the governmental funds as an extraordinary item.

REQUIRED SUPPLEMENTAL SCHEDULES

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ATHENS CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Three Fiscal Years (1)

	2015	2014	2013
District's Proportion of the Net Pension Liability	0.1379825%	0.1433030%	0.1433030%
District's Proportionate Share of the Net Pension Liability	\$7,873,415	\$7,252,483	\$8,521,769
District's Covered-Employee Payroll	\$5,659,901	\$5,996,443	\$5,386,077
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	139.11%	120.95%	158.22%
Plan Fiduciary Net Positions as a Percentage of the Total Pension Liability	69.16%	71.70%	65.52%

(1) Information prior to 2013 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

ATHENS CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Three Fiscal Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.13886540%	0.13995343%	0.13995343%
District's Proportionate Share of the Net Pension Liability	\$38,378,335	\$34,041,518	\$40,550,033
District's Covered-Employee Payroll	\$14,617,150	\$14,650,321	\$14,527,831
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	262.56%	232.36%	279.12%
Plan Fiduciary Net Positions as a Percentage of the Total Pension Liability	72.10%	74.70%	69.30%

(1) Information prior to 2013 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

ATHENS CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
School Employees Retirement System of Ohio
Last Four Fiscal Years (1)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contributor	\$791,424	\$745,975	\$831,107	\$745,433
Contributions in Relation to the Contractually Required Contribution	<u>(791,424)</u>	<u>(745,975)</u>	<u>(831,107)</u>	<u>(745,433)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's Covered-Employee Payroll	\$5,653,029	\$5,659,901	\$5,996,443	\$5,386,077
Contributions as a Percentage of Covered-Employee Payrol	14.00%	13.18%	13.86%	13.84%

(1) Information prior to 2013 is not available.

ATHENS CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
State Teachers Retirement System of Ohio
Last Four Fiscal Years (1)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$2,079,266	\$2,046,401	\$1,919,192	\$1,888,618
Contributions in Relation to the Contractually Required Contribution	<u>(2,079,266)</u>	<u>(2,046,401)</u>	<u>(1,919,192)</u>	<u>(1,888,618)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's Covered-Employee Payroll	\$14,851,900	\$14,617,150	\$14,650,321	\$14,527,831
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.10%	13.00%

(1) Information prior to 2013 is not available.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

ATHENS CITY SCHOOL DISTRICT
Description of Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than amounts related to debt service or capital projects) that are restricted or committed to expenditures for specified purposes. The term proceeds of specific sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The following are descriptions of the District's nonmajor special revenue funds:

Nonmajor Special Revenue Funds

Food Service

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

Other Local Support

A fund used to account for the proceeds of specific revenue sources, except for state and federal grants, that are legally restricted to expenditures for specified purposes. These sources include Staff Accounts and Martha Jennings Holden Grant.

District Managed Student Activities

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

Other State Support

A fund used to account for various restricted monies received from State agencies which are not classified elsewhere. This state funding includes: Auxiliary Services Grant, Management Information Systems, Preschool Grant, and other miscellaneous state grants.

Title VI-B

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

Title I

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

Other Federal Support

A fund used to account for monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. This federal funding includes: Title III Grant, School Improvement Grant, Title VI-R Grant, Title II-D Grant, Preschool Grants, and other miscellaneous federal grants.

ATHENS CITY SCHOOL DISTRICT
Description of Governmental Funds

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of financial resources for, and the payment of, general long-term obligation principle, interest, and related costs. The following is the description of the District's nonmajor debt service fund:

Bond Retirement

A fund used to account for financial resources accumulated for the payment of long-term debt principle, interest, and related costs. The primary source of funding for this fund is property taxes.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The District had no nonmajor capital project fund during 2016.

FUNDS REPORTED SEPARATELY FOR BUDGETARY PURPOSES

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

Uniform School Supplies

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

Public School Support

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

Termination Benefits

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

Unclaimed Monies

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

ATHENS CITY SCHOOL DISTRICT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash, Cash Equivalents and Investments	\$455,618	\$2,304,751	\$2,760,369
Property Taxes Receivable	0	754,536	754,536
Intergovernmental Receivable	640,798	0	640,798
Materials and Supplies Inventory	4,989	0	4,989
Inventory Held for Resale	13,713	0	13,713
<i>Total Assets</i>	<u>\$1,115,118</u>	<u>\$3,059,287</u>	<u>\$4,174,405</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	42,445	\$0	\$42,445
Accrued Wages and Benefits	226,785	0	226,785
Intergovernmental Payable	76,399	0	76,399
Interfund Payable	195,078	0	195,078
<i>Total Liabilities</i>	<u>540,707</u>	<u>0</u>	<u>540,707</u>
<i>Deferred Inflows of Resources</i>	<u>640,798</u>	<u>731,572</u>	<u>1,372,370</u>
<u>Fund Balances:</u>			
Nonspendable	4,989	0	4,989
Restricted	451,686	2,327,715	2,779,401
Unassigned	(523,062)	0	(523,062)
<i>Total Fund Balances</i>	<u>(66,387)</u>	<u>2,327,715</u>	<u>2,261,328</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,115,118</u>	<u>\$3,059,287</u>	<u>\$4,174,405</u>

ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Taxes	\$0	\$913,508	\$913,508
Intergovernmental	2,220,996	108,311	2,329,307
Extracurricular Activities	96,690	0	96,690
Charges for Services	205,581	0	205,581
Contributions and Donations	7,659	0	7,659
Miscellaneous	6,169	0	6,169
<i>Total Revenues</i>	<u>2,537,095</u>	<u>1,021,819</u>	<u>3,558,914</u>
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	453,499	0	453,499
Special	1,216,594	0	1,216,594
<i>Support Services:</i>			
Pupil	7,050	0	7,050
Instructional Staff	128,490	0	128,490
Administration	8,411	0	8,411
Fiscal	0	25,742	25,742
Pupil Transportation	24,801	0	24,801
Central	564	0	564
Operation of Non-Instructional Services	738,925	0	738,925
Extracurricular Activities	113,744	0	113,744
<i>Debt Service:</i>			
Principal Retirement	0	1,465,000	1,465,000
Interest and Fiscal Charges	0	206,920	206,920
<i>Total Expenditures</i>	<u>2,692,078</u>	<u>1,697,662</u>	<u>4,389,740</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(154,983)</u>	<u>(675,843)</u>	<u>(830,826)</u>
<u>Other Financing Sources:</u>			
Transfers In	36,000	0	36,000
<i>Total Other Financing Sources</i>	<u>36,000</u>	<u>0</u>	<u>36,000</u>
<i>Net Change in Fund Balances</i>	(118,983)	(675,843)	(794,826)
<i>Fund Balances at Beginning of Year</i>	<u>52,596</u>	<u>3,003,558</u>	<u>3,056,154</u>
<i>Fund Balances at End of Year</i>	<u>(\$66,387)</u>	<u>\$2,327,715</u>	<u>\$2,261,328</u>

ATHENS CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Food Service	Other Local Support	District Managed Activities	Other State Support
<u>Assets:</u>				
Equity In Pooled Cash, Cash Equivalents and Investments	\$1,749	\$398,555	\$55,314	\$0
Intergovernmental Receivable	0	0	0	0
Materials and Supplies Inventory	4,989	0	0	0
Inventory Held for Resale	13,713	0	0	0
<i>Total Assets</i>	<u>\$20,451</u>	<u>\$398,555</u>	<u>\$55,314</u>	<u>\$0</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$0	0	\$259	\$0
Accrued Wages and Benefits	32,587	1,360	0	5,287
Intergovernmental Payable	6,310	564	0	151
Interfund Payable	0	0	0	17,022
<i>Total Liabilities</i>	<u>38,897</u>	<u>1,924</u>	<u>259</u>	<u>22,460</u>
<i>Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fund Balances:</u>				
Nonspendable	4,989	0	0	0
Restricted	0	396,631	55,055	0
Unassigned	(23,435)	0	0	(22,460)
<i>Total Fund Balances</i>	<u>(18,446)</u>	<u>396,631</u>	<u>55,055</u>	<u>(22,460)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$20,451</u>	<u>\$398,555</u>	<u>\$55,314</u>	<u>\$0</u>

Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$455,618
146,929	298,470	195,399	640,798
0	0	0	4,989
0	0	0	13,713
<u>\$146,929</u>	<u>\$298,470</u>	<u>\$195,399</u>	<u>\$1,115,118</u>

\$0	\$8,641	\$33,545	\$42,445
72,483	90,815	24,253	226,785
1,886	2,363	65,125	76,399
64,127	86,896	27,033	195,078

<u>138,496</u>	<u>188,715</u>	<u>149,956</u>	<u>540,707</u>
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<u>146,929</u>	<u>298,470</u>	<u>195,399</u>	<u>640,798</u>
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0	0	0	4,989
0	0	0	451,686
<u>(138,496)</u>	<u>(188,715)</u>	<u>(149,956)</u>	<u>(523,062)</u>

<u>(138,496)</u>	<u>(188,715)</u>	<u>(149,956)</u>	<u>(66,387)</u>
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<u>\$146,929</u>	<u>\$298,470</u>	<u>\$195,399</u>	<u>\$1,115,118</u>
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ATHENS CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016

	Food Service	Other Local Support	District Managed Activities	Other State Support
<u>Revenues:</u>				
Intergovernmental	\$499,969	\$143,632	\$0	\$33,576
Extracurricular Activities	0	0	96,690	0
Charges for Services	205,581	0	0	0
Contributions and Donations	0	2,057	5,602	0
Miscellaneous	4,150	0	2,019	0
<i>Total Revenues</i>	<u>709,700</u>	<u>145,689</u>	<u>104,311</u>	<u>33,576</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	0	77,116	0	47,558
Special	0	0	3,550	0
<i>Support Services:</i>				
Pupil	0	0	0	
Instructional Staff	0	17,721	0	0
Administration	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	738,925	0	0	0
Extracurricular Activities	0	0	113,744	0
<i>Total Expenditures</i>	<u>738,925</u>	<u>95,401</u>	<u>117,294</u>	<u>47,558</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(29,225)	50,288	(12,983)	(13,982)
<u>Other Financing Sources:</u>				
Transfers In	36,000	0	0	0
<i>Total Other Financing Sources</i>	<u>36,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	6,775	50,288	(12,983)	(13,982)
<i>Fund Balances (Deficits) at Beginning of Year</i>	<u>(25,221)</u>	<u>346,343</u>	<u>68,038</u>	<u>(8,478)</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u>(\$18,446)</u>	<u>\$396,631</u>	<u>\$55,055</u>	<u>(\$22,460)</u>

Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$494,645	\$643,328	\$405,846	\$2,220,996
0	0	0	96,690
0	0	0	205,581
0	0	0	7,659
0	0	0	6,169
<u>494,645</u>	<u>643,328</u>	<u>405,846</u>	<u>2,537,095</u>
0	0	328,825	453,499
562,746	629,525	20,773	1,216,594
0	4,650	2,400	7,050
0	92,473	18,296	128,490
0	0	8,411	8,411
0	0	24,801	24,801
0	0	0	738,925
0	0	0	113,744
<u>562,746</u>	<u>726,648</u>	<u>403,506</u>	<u>2,692,078</u>
(68,101)	(83,320)	2,340	(154,983)
<u>0</u>	<u>0</u>	<u>0</u>	<u>36,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>36,000</u>
(68,101)	(83,320)	2,340	(118,983)
<u>(70,395)</u>	<u>(105,395)</u>	<u>(152,296)</u>	<u>52,596</u>
<u>(\$138,496)</u>	<u>(\$188,715)</u>	<u>(\$149,956)</u>	<u>(\$66,387)</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$13,781,038	\$14,343,502	\$14,343,502	\$0
Income Taxes	3,763,185	3,840,045	3,840,045	0
Intergovernmental	9,678,474	9,408,434	9,408,434	0
Interest	42,740	64,946	64,946	0
Tuition and Fees	2,667,679	2,839,304	2,839,304	0
Rent	65,637	75,007	75,007	0
Customer Sales and Services	0	34,437	34,437	0
Payment in Lieu of Taxes	226,873	269,737	269,737	0
Miscellaneous	426,353	180,954	180,954	0
Total Revenues	30,651,979	31,056,366	31,056,366	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Salaries	10,073,313	9,315,990	9,315,990	0
Fringe Benefits	3,890,687	3,741,844	3,741,844	0
Purchased Services	1,688,816	1,563,018	1,563,018	0
Materials and Supplies	86,561	89,131	89,131	0
Total Regular Instruction	15,739,377	14,709,983	14,709,983	0
<i>Special</i>				
Salaries	2,013,035	2,085,649	2,085,649	0
Fringe Benefits	917,812	1,296,860	1,296,860	0
Purchased Services	493,900	321,368	321,368	0
Materials and Supplies	33,471	32,618	32,618	0
Total Special Instruction	3,458,218	3,736,495	3,736,495	0
<i>Vocational</i>				
Salaries	198,773	134,991	134,991	0
Fringe Benefits	30,799	21,197	21,197	0
Purchased Services	3,905	3,943	3,943	0
Materials and Supplies	15,595	15,040	15,040	0
Capital Outlay	4,500	2,484	2,484	0
Total Vocational Instruction	253,572	177,655	177,655	0
<i>Student Intervention Services</i>				
Salaries	68,110	67,470	67,470	0
Fringe Benefits	27,502	27,366	27,366	0
Total Student Intervention Services	95,612	94,836	94,836	0
Total Instruction	19,546,779	18,718,969	18,718,969	0
<i>Support Services:</i>				
<i>Pupils</i>				
Salaries	1,297,995	1,321,365	1,321,365	0
Fringe Benefits	805,403	797,354	797,354	0
Purchased Services	125,634	135,690	135,690	0
Materials and Supplies	13,911	13,456	13,456	0
Total Pupils	2,242,943	2,267,865	2,267,865	0

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Instructional Staff				
Salaries	226,123	231,350	231,350	0
Fringe Benefits	182,995	169,670	169,670	0
Purchased Services	50,800	48,695	48,695	0
Materials and Supplies	5,714	2,718	2,718	0
Total Instructional Staff	465,632	452,433	452,433	0
Board of Education				
Salaries	8,498	7,488	7,488	0
Fringe Benefits	1,201	1,034	1,034	0
Purchased Services	115,000	52,465	52,465	0
Other	27,500	28,846	28,846	0
Total Board of Education	152,199	89,833	89,833	0
Administration				
Salaries	1,709,798	1,566,901	1,566,901	0
Fringe Benefits	745,953	711,297	711,297	0
Purchased Services	44,458	28,775	28,775	0
Materials and Supplies	29,489	12,329	12,329	0
Other	0	27,269	27,269	0
Capital Outlay	1,400	375	375	0
Total Administration	2,531,098	2,346,946	2,346,946	0
Fiscal				
Salaries	337,604	326,881	326,881	0
Fringe Benefits	168,033	172,043	172,043	0
Purchased Services	71,000	57,818	57,818	0
Materials and Supplies	15,500	6,531	6,531	0
Other	41,834	40,582	40,582	0
Total Fiscal	633,971	603,855	603,855	0
Business				
Salaries	50,534	50,570	50,570	0
Fringe Benefits	29,750	29,906	29,906	0
Purchased Services	1,000	128	128	0
Materials and Supplies	3,100	674	674	0
Other	350,000	400,410	400,410	0
Total Business	434,384	481,688	481,688	0
Operation and Maintenance of Plant				
Salaries	1,208,051	1,210,881	1,210,881	0
Fringe Benefits	664,029	769,720	769,720	0
Purchased Services	38,000	812,009	812,009	0
Materials and Supplies	185,000	164,857	164,857	0
Other	0	60,935	60,935	0
Total Operation and Maintenance of Plant	2,095,080	3,018,402	3,018,402	0

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Pupil Transportation				
Salaries	662,733	668,046	668,046	0
Fringe Benefits	513,914	580,139	580,139	0
Purchased Services	14,500	10,668	10,668	0
Materials and Supplies	335,432	208,869	208,869	0
Other	0	26,983	26,983	0
Total Pupil Transportation	<u>1,526,579</u>	<u>1,494,705</u>	<u>1,494,705</u>	<u>0</u>
Central				
Salaries	83,801	82,917	82,917	0
Fringe Benefits	35,007	34,958	34,958	0
Total Central	<u>118,808</u>	<u>117,875</u>	<u>117,875</u>	<u>0</u>
Total Support Services	<u>10,200,694</u>	<u>10,873,602</u>	<u>10,873,602</u>	<u>0</u>
<i>Operation of Non-Instructional Services:</i>				
Food Service Operations				
Fringe Benefits	4,768	4,257	4,257	0
Total Food Service Operations	<u>4,768</u>	<u>4,257</u>	<u>4,257</u>	<u>0</u>
Total Operation of Non-Instructional Services	<u>4,768</u>	<u>4,257</u>	<u>4,257</u>	<u>0</u>
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Salaries	77,724	74,283	74,283	0
Fringe Benefits	20,823	20,280	20,280	0
Total Academic Oriented Activities	<u>98,547</u>	<u>94,563</u>	<u>94,563</u>	<u>0</u>
Sport Oriented Activities				
Salaries	258,912	267,310	267,310	0
Fringe Benefits	71,766	72,896	72,896	0
Total Sport Oriented Activities	<u>330,678</u>	<u>340,206</u>	<u>340,206</u>	<u>0</u>
Total Extracurricular Activities	<u>429,225</u>	<u>434,769</u>	<u>434,769</u>	<u>0</u>
<i>Debt Service:</i>				
Principal Retirement	18,166	18,166	18,166	0
Total Debt Service	<u>18,166</u>	<u>18,166</u>	<u>18,166</u>	<u>0</u>
<i>Total Expenditures</i>	<u>30,199,632</u>	<u>30,049,763</u>	<u>30,049,763</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	452,347	1,006,603	1,006,603	0
<i>Other Financing Uses:</i>				
Transfers Out	(250,000)	(386,000)	(386,000)	0
Total Other Financing Uses	<u>(250,000)</u>	<u>(386,000)</u>	<u>(386,000)</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	202,347	620,603	620,603	0
Fund Balance at Beginning of Year	7,116,841	7,116,841	7,116,841	0
Prior Year Encumbrances Appropriated	16,680	16,680	16,680	0
Fund Balance at End of Year	<u>\$7,335,868</u>	<u>\$7,754,124</u>	<u>\$7,754,124</u>	<u>\$0</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$1,360,453	\$1,410,726	\$1,410,726	\$0
Intergovernmental	186,193	173,969	173,969	0
Interest	8,657	15,286	15,286	0
Gifts and Donations	60,853	29,500	29,500	0
<i>Total Revenues</i>	<u>1,616,156</u>	<u>1,629,481</u>	<u>1,629,481</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Purchased Services	120,000	178,825	178,825	0
Materials and Supplies	101,586	148,486	148,486	0
Capital Outlay	174,031	212,095	212,095	0
Total Regular	<u>395,617</u>	<u>539,406</u>	<u>539,406</u>	<u>0</u>
Student Intervention Services				
Materials and Supplies	2,500	1,500	1,500	0
Total Instruction	<u>398,117</u>	<u>540,906</u>	<u>540,906</u>	<u>0</u>
<i>Support Services:</i>				
Instructional Staff				
Purchased Services	8,000	7,353	7,353	0
Materials and Supplies	14,280	11,439	11,439	0
Capital Outlay	1,000	314	314	0
Total Instructional Staff	<u>23,280</u>	<u>19,106</u>	<u>19,106</u>	<u>0</u>
Administration				
Purchased Services	1,500	3,390	3,390	0
Capital Outlay	2,000	1,900	1,900	0
Total Administration	<u>3,500</u>	<u>5,290</u>	<u>5,290</u>	<u>0</u>
Fiscal				
Purchased Services	12,500	7,850	7,850	0
Other	0	35,625	35,625	0
Total Fiscal	<u>12,500</u>	<u>43,475</u>	<u>43,475</u>	<u>0</u>
Operation and Maintenance of Plant				
Purchased Services	90,000	77,868	77,868	0
Materials and Supplies	54,000	11,201	11,201	0
Capital Outlay	192,750	182,546	182,546	0
Total Operation and Maintenance of Plant	<u>336,750</u>	<u>271,615</u>	<u>271,615</u>	<u>0</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Support Services	376,030	339,486	339,486	0
<i>Operation of Non-Instructional Services:</i>				
Food Service Operation				
Capital Outlay	5,000	3,503	3,503	0
Total Operation of Non-Instructional Services	5,000	3,503	3,503	0
<i>Capital Outlay:</i>				
Site Improvement Services				
Capital Outlay	0	398,223	398,223	0
Total Site Improvement Services	0	398,223	398,223	0
Architecture and Engineering Services				
Purchased Services	0	6,400	6,400	0
Building Improvement Services				
Purchased Services	165,886	202,924	202,924	0
Materials and Supplies	65,000	50,261	50,261	0
Capital Outlay	114,926	39,441	39,441	0
Total Building Improvement Services	345,812	292,626	292,626	0
Total Capital Outlay	345,812	697,249	697,249	0
Total Expenditures	1,124,959	1,581,144	1,581,144	0
Excess of Revenues Over (Under) Expenditures	491,197	48,337	48,337	0
<u>Other Financing Sources:</u>				
Insurance Recoveries	5,993	12,474	12,474	0
Total Other Financing Sources	5,993	12,474	12,474	0
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	497,190	60,811	60,811	0
Fund Balance at Beginning of Year	2,030,032	2,030,032	2,030,032	0
Prior Year Encumbrances Appropriated	91,970	91,970	91,970	0
Fund Balance at End of Year	\$2,619,192	\$2,182,813	\$2,182,813	\$0

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)*
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$0	\$499,969	\$499,969	\$0
Customer Sales and Service	183,656	205,581	205,581	0
Miscellaneous	0	4,150	4,150	0
<i>Total Revenues</i>	<u>183,656</u>	<u>709,700</u>	<u>709,700</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Salaries	249,606	248,843	248,843	0
Fringe Benefits	156,698	185,938	185,938	0
Purchased Services	7,648	7,754	7,754	0
Materials and Supplies	317,250	300,278	300,278	0
Other	250	134	134	0
Capital Outlay	1,500	2,467	2,467	0
Total Operation of Non-Instructional Services	<u>732,952</u>	<u>745,414</u>	<u>745,414</u>	<u>0</u>
<i>Total Expenditures</i>	<u>732,952</u>	<u>745,414</u>	<u>745,414</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(549,296)	(35,714)	(35,714)	0
<u>Other Financing Sources:</u>				
Transfers In	40,000	36,000	36,000	0
<i>Total Other Financing Sources</i>	<u>40,000</u>	<u>36,000</u>	<u>36,000</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(509,296)	286	286	0
Fund Balance at Beginning of Year	<u>136</u>	<u>136</u>	<u>136</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>(\$509,160)</u>	<u>\$422</u>	<u>\$422</u>	<u>\$0</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other Local Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$0	\$143,632	\$143,632	\$0
Contributions and Donations	0	2,057	2,057	0
<i>Total Revenues</i>	0	145,689	145,689	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Salaries	0	70,300	70,300	0
Fringe Benefits	0	5,000	5,000	0
Purchased Services	0	1,816	1,816	0
<i>Total Regular</i>	0	77,116	77,116	0
<i>Total Instruction</i>	0	77,116	77,116	0
<i>Support Services:</i>				
<i>Instructional Staff</i>				
Salaries	0	13,995	13,995	0
Fringe Benefits	0	2,162	2,162	0
Purchased Services	2,219	6,503	6,503	0
Materials and Supplies	0	132	132	0
<i>Total Instructional Staff</i>	2,219	22,792	22,792	0
<i>Total Support Services</i>	2,219	22,792	22,792	0
<i>Total Expenditures</i>	2,219	99,908	99,908	0
Excess of Revenues Over (Under) Expenditures	(2,219)	45,781	45,781	0
Fund Balance at Beginning of Year	348,664	348,664	348,664	0
Prior Year Encumbrances Appropriated	4,110	4,110	4,110	0
Fund Balance at End of Year	\$350,555	\$398,555	\$398,555	\$0

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
District Managed Student Activities Special Revenue Fund
For the Fiscal Year Ended June 30, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Extracurricular Activities	\$13,600	\$96,690	\$96,690	\$0
Contributions and Donations	500	5,602	5,602	0
Miscellaneous	0	2,019	2,019	0
<i>Total Revenues</i>	<u>14,100</u>	<u>104,311</u>	<u>104,311</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Special</i>				
Purchased Services	<u>0</u>	<u>3,550</u>	<u>3,550</u>	<u>0</u>
<i>Extracurricular Activities:</i>				
<i>Academic Oriented Activities</i>				
Purchased Services	0	800	800	0
Materials and Supplies	1,700	8,705	8,705	0
<i>Total Academic Oriented Extracurricular Activities</i>	<u>1,700</u>	<u>9,505</u>	<u>9,505</u>	<u>0</u>
<i>Sport Oriented Activities</i>				
Purchased Services	10,100	49,486	49,486	0
Materials and Supplies	31,793	53,865	53,865	0
Other	0	6,839	6,839	0
Capital Outlay	2,506	2,741	2,741	0
<i>Total Sport Oriented Extracurricular Activities</i>	<u>44,399</u>	<u>112,931</u>	<u>112,931</u>	<u>0</u>
<i>Total Extracurricular Activities</i>	<u>46,099</u>	<u>122,436</u>	<u>122,436</u>	<u>0</u>
<i>Total Expenditures</i>	<u>46,099</u>	<u>125,986</u>	<u>125,986</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(31,999)	(21,675)	(21,675)	0
Fund Balance at Beginning of Year	62,282	62,282	62,282	0
Prior Year Encumbrances Appropriated	<u>14,299</u>	<u>14,299</u>	<u>14,299</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$44,582</u></u>	<u><u>\$54,906</u></u>	<u><u>\$54,906</u></u>	<u><u>\$0</u></u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual (Budget Basis)
 Other State Support Special Revenue Fund
 For the Fiscal Year Ended June 30, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$50,598	\$33,576	(\$17,022)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	0	33,668	33,668	0
Fringe Benefits	3,485	17,428	17,428	0
Total Regular Instruction	3,485	51,096	51,096	0
Total Instruction	3,485	51,096	51,096	0
<i>Total Expenditures</i>	3,485	51,096	51,096	0
Excess of Revenues Over (Under) Expenditures	(3,485)	(498)	(17,520)	(17,022)
Fund Balance at Beginning of Year	498	498	498	0
Fund Balance (Deficit) at End of Year	(\$2,987)	\$0	(\$17,022)	(\$17,022)

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
 Title VI-B Special Revenue Fund
 For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$641,613	\$558,772	\$494,645	(\$64,127)
<u>Expenditures:</u>				
<i>Current:</i>				
Instruction:				
Special				
Salaries	59,971	445,921	445,921	0
Fringe Benefits	27,659	18,706	18,706	0
Purchased Services	7,045	71,013	71,013	0
Materials and Supplies	0	1,424	1,424	0
Total Special Instruction	94,675	537,064	537,064	0
Total Instruction	94,675	537,064	537,064	0
<i>Total Expenditures</i>	94,675	537,064	537,064	0
Excess of Revenues Over (Under) Expenditures	546,938	21,708	(42,419)	(64,127)
Fund Balance (Deficit) at Beginning of Year	(28,567)	(28,567)	(28,567)	0
Prior Year Encumbrances Appropriated	6,859	6,859	6,859	0
Fund Balance (Deficit) at End of Year	\$525,230	\$0	(\$64,127)	(\$64,127)

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)*
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$941,803	\$730,223	\$643,328	(\$86,895)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Special				
Salaries	0	566,924	566,924	0
Fringe Benefits	0	22,391	22,391	0
Purchased Services	58,349	11,141	11,141	0
Materials and Supplies	2,000	8,087	8,087	0
Total Special Instruction	<u>60,349</u>	<u>608,543</u>	<u>608,543</u>	<u>0</u>
Total Instruction	60,349	608,543	608,543	0
<i>Support Services:</i>				
Pupils				
Purchased Services	0	3,650	3,650	0
Materials and Supplies	7,500	1,000	1,000	0
Total Pupils	<u>7,500</u>	<u>4,650</u>	<u>4,650</u>	<u>0</u>
Instructional Staff				
Salaries	5,419	8,012	8,012	0
Fringe Benefits	0	5,344	5,344	0
Purchased Services	89,993	78,050	78,050	0
Materials and Supplies	10,757	10,983	10,983	0
Total Instructional Staff	<u>106,169</u>	<u>102,389</u>	<u>102,389</u>	<u>0</u>
Total Support Services	<u>113,669</u>	<u>107,039</u>	<u>107,039</u>	<u>0</u>
<i>Total Expenditures</i>	<u>174,018</u>	<u>715,582</u>	<u>715,582</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	767,785	14,641	(72,254)	(86,895)
Fund Balance (Deficit) at Beginning of Year	(25,027)	(25,027)	(25,027)	0
Prior Year Encumbrances Appropriated	<u>1,551</u>	<u>1,551</u>	<u>1,551</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$744,309</u>	<u>(\$8,835)</u>	<u>(\$95,730)</u>	<u>(\$86,895)</u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Other Federal Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$573,618	\$432,880	\$405,846	(\$27,034)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	0	136,027	136,027	0
Fringe Benefits	0	489	489	0
Purchased Services	46,886	181,010	181,010	0
Materials and Supplies	4,500	10,889	10,889	0
Total Regular Instruction	<u>51,386</u>	<u>328,415</u>	<u>328,415</u>	<u>0</u>
Special				
Salaries	3,668	16,729	16,729	0
Purchased Services	0	2,354	2,354	0
Materials and Supplies	0	1,950	1,950	0
Total Special Instruction	<u>3,668</u>	<u>21,033</u>	<u>21,033</u>	<u>0</u>
Total Instruction	<u>55,054</u>	<u>349,448</u>	<u>349,448</u>	<u>0</u>
<i>Support Services:</i>				
Pupils				
Purchased Services	<u>2,000</u>	<u>4,500</u>	<u>4,500</u>	<u>0</u>
Total Pupils	<u>2,000</u>	<u>4,500</u>	<u>4,500</u>	<u>0</u>
Instructional Staff				
Salaries	4,896	5,325	5,325	0
Fringe Benefits	0	327	327	0
Purchased Services	48,764	56,030	56,030	0
Materials and Supplies	12,264	11,818	11,818	0
Total Instructional Staff	<u>65,924</u>	<u>73,500</u>	<u>73,500</u>	<u>0</u>
Administration				
Purchased Services	<u>17,772</u>	<u>33,150</u>	<u>33,150</u>	<u>0</u>
Total Administration	<u>17,772</u>	<u>33,150</u>	<u>33,150</u>	<u>0</u>
Pupil Transportation				
Purchased Services	11,259	28,182	28,182	0
Other	5,880	16,968	16,968	0
Total Pupil Transportation	<u>17,139</u>	<u>45,150</u>	<u>45,150</u>	<u>0</u>
Total Support Services	<u>102,835</u>	<u>156,300</u>	<u>156,300</u>	<u>0</u>
<i>Total Expenditures</i>	<u>157,889</u>	<u>505,748</u>	<u>505,748</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	415,729	(72,868)	(99,902)	(27,034)
Fund Balance (Deficit) at Beginning of Year	(137,048)	(137,048)	(137,048)	0
Prior Year Encumbrances Appropriated	<u>100,819</u>	<u>100,819</u>	<u>100,819</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$379,500</u>	<u>(\$109,097)</u>	<u>(\$136,131)</u>	<u>(\$27,034)</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
Bond Retirement Debt Service Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$1,418,323	\$998,556	\$998,556	\$0
Intergovernmental	156,040	108,311	108,311	0
<i>Total Revenues</i>	1,574,363	1,106,867	1,106,867	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Support Services:</i>				
Fiscal				
Other	40,000	25,742	25,742	0
<i>Debt Service:</i>				
Principal Retirement	1,465,000	1,465,000	1,465,000	0
Interest and Fiscal Charges	206,920	206,920	206,920	0
<i>Total Expenditures</i>	1,711,920	1,697,662	1,697,662	0
Excess of Revenues Over (Under) Expenditures	(137,557)	(590,795)	(590,795)	0
Fund Balance at Beginning of Year	2,895,546	2,895,546	2,895,546	0
Fund Balance at End of Year	\$2,757,989	\$2,304,751	\$2,304,751	\$0

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Tuition and Fees	\$0	\$55,546	\$55,546	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
Instruction:				
Regular				
Materials and Supplies	64,518	51,016	51,016	0
Other	0	15	15	0
Total Instruction	64,518	51,031	51,031	0
Support Services:				
Pupils				
Materials and Supplies	0	1,873	1,873	0
Total Support Services	0	1,873	1,873	0
<i>Total Expenditures</i>	64,518	52,904	52,904	0
Excess of Revenues Over Expenditures	(64,518)	2,642	2,642	0
Fund Balance at Beginning of Year	39,486	39,486	39,486	0
Prior Year Encumbrances Appropriated	1,411	1,411	1,411	0
Fund Balance at End of Year	(\$23,621)	\$43,539	\$43,539	\$0

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Public School Support Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Tuition and Fees	\$0	\$9,732	\$9,732	\$0
Extracurricular Activities	0	15,504	15,504	0
Gifts and Donations	0	5,204	5,204	0
<i>Total Revenues</i>	0	30,440	30,440	0
<u>Expenditures:</u>				
<i>Current:</i>				
Instruction:				
Regular				
Purchased Services	10,850	9,384	9,384	0
Materials and Supplies	20,497	11,673	11,673	0
Other	3,319	3,851	3,851	0
Capital Outlay	11,000	4,881	4,881	0
Total Regular	45,666	29,789	29,789	0
Support Services:				
Administration				
Materials and Supplies	4,622	1,467	1,467	0
Capital Outlay	4,500	3,013	3,013	0
Total Administration	9,122	4,480	4,480	0
Total Support Services	9,122	4,480	4,480	0
<i>Total Expenditures</i>	54,788	34,269	34,269	0
Excess of Revenues Over (Under) Expenditures	(54,788)	(3,829)	(3,829)	0
Fund Balance at Beginning of Year	62,469	62,469	62,469	0
Prior Year Encumbrances Appropriated	40	40	40	0
Fund Balance at End of Year	\$7,721	\$58,680	\$58,680	\$0

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)*
Termination Benefits Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
Instruction:				
Regular				
Salaries	135,000	59,982	59,982	0
Fringe Benefits	8,500	0	0	0
Total Regular	143,500	59,982	59,982	0
Special				
Salaries	100,000	84,907	84,907	0
Fringe Benefits	6,500	0	0	0
Total Special	106,500	84,907	84,907	0
Total Instruction	250,000	144,889	144,889	0
<i>Total Expenditures</i>	250,000	144,889	144,889	0
Excess of Revenues Over (Under) Expenditures	(250,000)	(144,889)	(144,889)	0
<u>Other Financing Sources:</u>				
Transfers In	260,000	350,000	350,000	0
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	10,000	205,111	205,111	0
Fund Balance at Beginning of Year	10,418	10,418	10,418	0
Fund Balance at End of Year	\$20,418	\$215,529	\$215,529	\$0

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
Unclaimed Monies Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$9,519	\$9,519	\$0
<u>Expenditures</u>				
<i>Current:</i>				
Support Services:				
Fiscal				
Other	2,500	5,687	5,687	0
<i>Total Expenditures</i>	2,500	5,687	5,687	0
Excess of Revenues Over Expenditures	(2,500)	3,832	3,832	0
Fund Balance at Beginning of Year	120,836	120,836	120,836	0
Fund Balance at End of Year	\$118,336	\$124,668	\$124,668	\$0

ATHENS CITY SCHOOL DISTRICT
Description of Proprietary Fund

INTERNAL SERVICE FUND

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

Employee Benefits Self-Insurance

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

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenses and
Changes in Fund Equity - Budget and Actual (Budget Basis)
Employee Benefits Self-Insurance Internal Service Fund
For the Fiscal Year Ended June 30, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$0	\$6,144,172	\$6,144,172	\$0
Other Revenues	0	194,179	194,179	0
<i>Total Revenues</i>	0	6,338,351	6,338,351	0
<u>Expenses:</u>				
Purchased Services	4,500	3,024	3,024	0
Claims	2,700,000	5,524,945	5,524,945	0
Other	4,586	3,406	3,406	0
<i>Total Expenses</i>	2,709,086	5,531,375	5,531,375	0
Operating Income (Loss)	(2,709,086)	806,976	806,976	0
<u>Nonoperating Revenues:</u>				
Interest	0	14,124	14,124	0
<i>Total Nonoperating Revenues</i>	0	14,124	14,124	0
Excess of Revenues Over (Under) Expenses	(2,709,086)	821,100	821,100	0
Fund Equity at Beginning of Year	4,103,256	4,103,256	4,103,256	0
Fund Equity at End of Year	\$1,394,170	\$4,924,356	\$4,924,356	\$0

ATHENS CITY SCHOOL DISTRICT
Description of Fiduciary Fund

FIDUCIARY FUND

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

Agency Fund

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

Student Managed Activities

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

Retirement Holding Account

A fund used to account for retirement amounts held until paid to the state retirement systems.

OHSAA Tournament

A fund used to account for the activity of Ohio High School Athletic Association tournaments operated by the District.

ATHENS CITY SCHOOL DISTRICT
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2016

	July 1, 2015 Balance	Additions	Deductions	June 30, 2016 Balance
<u>Student Activity Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash, Cash Equivalents and Investments	\$143,623	\$117,360	\$112,580	\$148,403
<u>Liabilities:</u>				
Due to Students	\$143,623	\$117,360	\$112,580	\$148,403
<u>Retirement Holding Account Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash, Cash Equivalents and Investments	\$0	\$2,915,724	\$2,915,724	\$0
<u>Liabilities:</u>				
Intergovernmental Payable	\$0	\$2,915,724	\$2,915,724	\$0
<u>OHSAA Tournament Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash, Cash Equivalents and Investments	\$0	\$21,656	\$21,576	\$80
<u>Liabilities:</u>				
Due to Others	\$0	\$21,656	\$21,576	\$80
<u>All Agency Funds</u>				
<u>Assets:</u>				
Equity in Pooled Cash, Cash Equivalents and Investments	\$143,623	\$3,054,740	\$3,049,880	\$148,483
<u>Liabilities:</u>				
Due to Students	\$143,623	\$117,360	\$112,580	\$148,403
Intergovernmental Payable	0	2,915,724	2,915,724	0
Due to Others	0	21,656	21,576	80
<i>Total Liabilities</i>	\$143,623	\$3,054,740	\$3,049,880	\$148,483

ATHENS CITY SCHOOL DISTRICT



STATISTICAL SECTION

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Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	101 - 107
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax (and the income tax).	108 - 119
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	120 - 123
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	124 - 126
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	127 - 129

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

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ATHENS CITY SCHOOL DISTRICT

Net Position by Component

Last Ten Fiscal Years

June 30, 2

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net Investment in Capital Assets	\$6,458,995	\$6,958,111	\$6,735,851	\$7,315,598	\$8,786,488	\$8,857,380	\$7,467,696	\$7,932,054	\$8,313,450	\$8,991,891
Restricted for:										
Capital Projects	2,887,943	2,958,786	3,322,849	3,015,336	3,065,004	2,283,355	2,151,335	2,358,289	2,236,037	2,410,381
Debt Service	2,464,074	2,783,778	3,071,120	3,007,989	3,081,065	3,242,403	3,332,478	2,739,262	3,027,337	2,345,481
Other Purposes	592,779	586,240	620,310	979,006	215,322	139,963	97,930	294,537	406,819	424,249
Unrestricted 5,089,174		<u>7,952,675</u>	<u>9,867,464</u>	<u>9,446,253</u>	<u>9,868,898</u>	<u>9,008,001</u>	<u>9,537,143</u>	<u>(36,296,928)</u>	<u>(36,321,646)</u>	<u>(35,093,219)</u>
Total Net Position	<u>\$17,492,965</u>	<u>\$21,239,590</u>	<u>\$23,617,594</u>	<u>\$23,764,182</u>	<u>\$25,016,777</u>	<u>\$23,531,102</u>	<u>\$22,586,582</u>	<u>(\$22,972,786)</u>	<u>(\$22,338,003)</u>	<u>(\$20,921,217)</u>

ATHENS CITY SCHOOL DISTRICT
Changes in Net Position of Governmental Activities
Last Ten Fiscal Years
June 30, 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Regular Instruction	\$15,026,568	\$14,593,578	\$15,652,902	\$16,382,027	\$16,821,330	\$18,187,080	\$18,020,393	\$18,354,186	\$17,903,717	\$16,650,356
Special Instruction	3,498,510	3,223,201	3,653,542	3,685,796	3,563,124	3,860,753	4,028,772	4,147,144	4,520,384	4,904,826
Vocational Instruction	307,970	289,528	343,739	419,445	508,534	426,089	355,167	328,360	234,063	158,582
Student Intervention Services	18,611	295,882	362,017	148,213	133,738	140,530	136,099	109,975	90,459	81,869
Other Instruction	0	0	0	0	0	0	0	0	84,456	10,048
Pupil Support	1,269,746	1,085,787	1,386,740	1,520,110	1,419,013	1,424,781	1,396,533	2,270,423	2,101,842	2,140,408
Instructional Staff Support	1,741,938	1,744,564	1,929,428	2,479,736	2,583,514	2,585,026	2,139,691	746,302	680,483	550,573
Board of Education	100,408	114,815	87,678	164,636	123,282	124,844	105,858	114,855	130,783	87,584
Administration	1,869,748	1,890,289	1,907,707	1,938,680	1,794,241	1,893,072	1,724,782	2,166,427	2,358,785	2,290,517
Fiscal	852,201	661,973	717,860	702,311	664,616	663,653	674,254	641,031	660,982	658,024
Business	203,064	603,907	610,723	602,219	548,213	512,174	530,625	447,045	409,031	475,619
Operation and Maintenance of Plant	4,090,802	3,500,974	3,725,763	3,798,711	3,427,110	3,352,531	2,908,958	2,808,961	2,940,673	2,965,676
Pupil Transportation	2,158,755	1,654,666	1,919,536	1,923,397	1,887,563	1,751,924	2,000,573	1,829,180	1,721,523	1,600,270
Central	200,975	167,721	200,597	203,103	124,258	240,493	105,958	113,334	111,100	110,506
Operation of Food Services	929,162	843,310	869,551	849,165	823,199	804,940	739,455	723,193	697,962	723,360
Other Non-Instructional Services	4,810	22,370	300	5,398	33,650	11,221	4,791	9,054	6,386	8,260
Extracurricular Activities	455,568	461,995	526,387	475,833	617,610	520,707	498,454	548,371	683,852	564,768
Interest and Fiscal Charges	769,066	625,504	683,439	678,788	819,837	696,149	485,943	381,368	377,105	376,014
Issuance Costs	0	0	0	0	0	0	145,225	0	0	0
Total Expenses	33,497,902	31,780,064	34,577,909	35,977,568	35,892,832	37,195,967	36,001,531	35,739,209	35,713,586	34,357,260
Program Revenues										
Charges for Services										
Regular Instruction	2,287,936	2,399,190	2,815,158	2,788,133	2,570,188	2,467,045	2,590,938	2,613,660	2,716,822	2,941,850
Special Instruction	0	0	3,510	4,350	0	5,013	0	0	0	0
Pupil Support	749	7,996	8,846	6,529	0	0	11,902	10,933	14,249	2,777
Instructional Staff Support	499	395	902	11,264	0	0	0	0	0	0
Administration Support	5,427	0	2,120	1,725	0	11,585	0	1,745	2,862	3,028
Pupil Transportation	0	0	0	0	0	10,921	0	0	0	0
Central	0	1,678	1,330	1,200	0	0	0	0	0	0
Operation of Food Service	335,176	342,785	309,879	248,732	250,086	230,843	207,608	198,606	190,260	205,581
Extracurricular Activities	66,609	57,919	58,325	82,654	91,329	95,246	86,766	93,381	108,348	96,690
Operating Grants and Contributions										
Regular Instruction	1,165,862	1,438,977	1,425,892	3,061,087	3,470,501	906,437	218,087	411,819	429,569	446,478
Special Instruction	1,465,936	1,462,338	1,614,983	1,611,465	2,235,658	1,679,296	1,546,280	2,595,921	2,387,223	2,422,148
Vocational Instruction	50,204	59,979	55,179	55,593	56,010	56,010	56,010	44,679	37,726	31,618
Student Intervention Services	0	126,955	238,606	0	0	0	0	0	0	0
Pupil Support	158,187	108,089	119,433	203,840	71,976	50,907	0	0	0	0
Instructional Staff Support	668,021	538,356	508,912	485,938	315,404	312,686	309,357	548,089	340,256	178,282
Board of Education	0	0	0	0	0	2,300	0	0	0	0
Administration	15,834	31,135	84,423	267,015	279,671	39,588	29,633	24,130	17,388	28,106
Fiscal	0	0	0	4,599	4,941	0	0	0	0	0
Business	0	5,740	0	0	0	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	361,017	364,594	0	0	0	0	0
Pupil Transportation	653,958	669,750	703,910	830,122	762,255	72,456	41,171	78,267	1,055,519	884,252
Central	65,898	59,131	62,034	62,609	31,305	50,591	0	0	0	0
Operation of Food Service	441,861	513,761	491,403	496,980	487,611	525,116	508,717	499,025	487,306	499,969
Extracurricular Activities	3,121	1,299	925	1,471	15,307	3,082	4,589	18	52,518	5,602

(continued)

ATHENS CITY SCHOOL DISTRICT
Changes in Net Position of Governmental Activities (continued)
 Last Ten Fiscal Years
 June 30, 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Capital Grants and Contributions										
Regular Instruction	0	18,122	0	0	0	0	103,250	88,250	60,250	0
Operation and Maintenance of Plant	0	0	0	0	0	0	0	0	0	0
Pupil Transportation	0	0	0	0	225,000	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0	0	0	0	29,500
Total Program Revenues	7,385,278	7,843,595	8,505,770	10,586,323	11,231,836	6,519,122	5,714,308	7,208,523	7,900,296	7,775,881
Net Expense	(26,112,624)	(23,936,469)	(26,072,139)	(25,391,245)	(24,660,996)	(30,676,845)	(30,287,223)	(28,530,686)	(27,813,290)	(26,581,379)
General Revenues										
Property Taxes Levied for:										
General Purposes	13,629,210	13,084,533	13,460,513	13,028,423	12,674,696	13,064,362	13,519,257	13,649,758	13,601,179	13,665,531
Debt Service	1,484,806	1,513,731	1,413,518	1,201,213	1,191,370	1,243,495	1,204,329	1,382,006	1,403,556	902,152
Capital Outlay	1,072,450	1,190,764	1,231,561	1,155,002	1,139,281	1,258,171	1,356,453	1,377,365	1,341,312	1,343,504
Income Taxes	186,249	3,298,754	2,983,038	3,378,878	3,260,583	3,463,108	3,534,523	3,713,645	3,717,583	3,878,928
Grants and Entitlements not Restricted to Specific Programs	7,731,693	7,738,957	8,418,895	6,181,952	6,105,678	9,256,584	8,886,339	8,393,080	7,630,166	7,558,741
Payments in Lieu of Taxes	554,421	148,701	441,147	165,468	317,647	215,968	256,784	298,028	224,627	269,737
Gain on Sale of Capital Assets	0	14,932	0	0	0	0	0	0	0	0
Investment Earnings	698,487	712,179	429,465	217,871	177,670	81,616	59,974	50,787	66,584	95,449
Miscellaneous	78,658	49,963	72,006	85,752	198,597	96,522	179,225	352,373	457,132	271,649
Total General Revenues	25,435,974	27,752,514	28,450,143	25,414,559	25,065,522	28,679,826	28,996,884	29,217,042	28,442,139	27,985,691
Extraordinary Item										
Gain on Insurance Recovery	0	0	0	0	848,069	611,436	345,819	22,141	5,934	12,474
Change in Net Position	(\$676,650)	\$3,816,045	\$2,378,004	\$23,314	\$1,252,595	(\$1,385,583)	(\$944,520)	\$708,497	\$634,783	\$1,416,786

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ATHENS CITY SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$564,388	\$359,471	\$1,015,225	\$1,448,279	\$0	\$0	\$0	\$0	\$0	\$0
Unreserved	1,971,605	4,887,743	6,068,060	6,289,341	0	0	0	0	0	0
<i>Total General Fund</i>	<u>2,535,993</u>	<u>5,247,214</u>	<u>7,083,285</u>	<u>7,737,620</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
All Other Governmental Funds										
Reserved	444,678	361,965	338,594	247,292	0	0	0	0	0	0
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	424,466	767,962	670,826	150,995	0	0	0	0	0	0
Debt Service Funds	2,224,541	2,617,761	2,821,755	2,899,907	0	0	0	0	0	0
Capital Projects Funds	2,470,164	2,683,703	3,064,166	2,863,699	0	0	0	0	0	0
<i>Total All Other Governmental Funds</i>	<u>5,563,849</u>	<u>6,431,391</u>	<u>6,895,341</u>	<u>6,161,893</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund										
Nonspendable	0	0	0	0	0	108,633	185,532	197,602	201,799	209,950
Committed	0	0	0	0	0	0	38,575	225,618	10,418	215,529
Assigned	0	0	0	0	262,310	566,558	282,817	238,597	140,063	234,284
Unassigned	0	0	0	0	7,856,897	6,895,607	6,587,565	6,346,531	6,499,073	6,610,854
<i>Total General Fund</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,119,207</u>	<u>7,570,798</u>	<u>7,094,489</u>	<u>7,008,348</u>	<u>6,851,353</u>	<u>7,270,617</u>
All Other Governmental Funds										
Nonspendable	0	0	0	0	5,842	6,414	4,727	5,904	5,089	4,989
Restricted	0	0	0	0	6,333,627	5,585,440	5,555,329	5,650,944	5,611,713	5,143,579
Unassigned	0	0	0	0	(876,412)	(317,735)	(209,493)	(540,376)	(366,874)	(523,062)
<i>Total All Other Governmental Funds</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,463,057</u>	<u>5,274,119</u>	<u>5,350,563</u>	<u>5,116,472</u>	<u>5,249,928</u>	<u>4,625,506</u>
<i>Total Governmental Funds</i>	<u>\$8,099,842</u>	<u>\$11,678,605</u>	<u>\$13,978,626</u>	<u>\$13,899,513</u>	<u>\$13,582,264</u>	<u>\$12,844,917</u>	<u>\$12,445,052</u>	<u>\$12,124,820</u>	<u>\$12,101,281</u>	<u>\$11,896,123</u>

Note: The School District implemented GASB 54 in 2011.

ATHENS CITY SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property Taxes	\$16,390,961	\$15,864,471	\$15,914,806	\$15,311,157	\$15,048,753	\$15,372,031	\$16,083,953	\$16,493,888	\$16,593,408	\$15,876,942
Income Taxes	186,249	3,298,754	2,983,038	3,378,878	3,260,583	3,463,108	3,534,523	3,713,645	3,717,583	3,878,928
Intergovernmental	12,845,511	12,811,242	13,710,944	13,603,267	13,966,917	13,036,138	11,609,598	11,898,957	12,675,023	11,907,924
Interest	623,972	638,554	421,340	188,266	144,536	62,159	50,855	41,857	57,346	81,325
Tuition and Fees	2,267,998	2,386,287	2,804,408	2,787,291	2,570,188	2,455,778	2,578,629	2,611,686	2,720,349	2,897,714
Extracurricular Activities	93,222	80,891	85,783	101,584	91,329	134,032	110,977	108,033	121,932	112,194
Contributions and Donations	20,687	20,716	13,651	21,335	235,266	11,814	112,788	98,405	93,418	42,363
Charges for Services	335,176	342,785	309,879	248,732	250,086	230,843	207,608	198,606	190,260	240,018
Rentals	11,259	5,277	3,621	4,637	7,005	215,968	71,494	67,379	70,087	75,007
Payments in Lieu of Taxes	554,421	148,701	441,147	165,468	317,647	35,004	256,784	298,028	224,627	269,737
Miscellaneous	67,399	44,686	68,385	87,181	189,285	84,708	107,731	284,994	387,045	196,642
<i>Total Revenues</i>	<i>33,396,855</i>	<i>35,642,364</i>	<i>36,757,002</i>	<i>35,897,796</i>	<i>36,081,595</i>	<i>35,101,583</i>	<i>34,724,940</i>	<i>35,815,478</i>	<i>36,851,078</i>	<i>35,578,794</i>
Expenditures										
Current:										
Instruction:										
Regular	13,821,226	13,723,111	14,707,142	15,169,196	15,518,842	15,702,414	16,550,252	17,051,008	17,285,763	15,607,677
Special	3,451,568	3,227,160	3,576,204	3,713,100	3,557,573	3,772,027	4,045,592	4,188,735	4,642,827	5,042,644
Vocational	326,679	286,608	338,655	417,827	506,924	439,824	349,872	364,865	264,766	163,615
Student Intervention Services	18,703	294,880	360,581	148,127	133,998	138,420	121,426	112,118	93,481	86,073
Other	0	0	0	0	0	0	13,783	0	84,456	10,048
Support Services:										
Pupil	1,286,663	1,130,303	1,371,168	1,500,851	1,425,414	1,366,840	1,378,400	2,347,062	2,226,120	2,255,103
Instructional Staff	1,718,141	1,735,769	1,941,359	2,476,175	2,587,722	2,527,120	2,145,878	732,139	685,001	592,241
Board of Education	100,604	113,614	86,729	164,071	122,756	124,322	105,761	115,105	130,913	87,912
Administration	1,910,091	1,792,023	1,934,602	1,936,911	1,808,306	1,851,728	1,728,609	2,178,499	2,487,315	2,412,638
Fiscal	882,676	647,462	744,147	699,206	663,287	655,113	686,601	640,386	695,825	673,729
Business	177,577	610,659	617,299	601,228	544,321	505,633	527,909	451,602	422,814	480,086
Operation and Maintenance of Plant	4,086,165	3,634,522	3,754,365	4,040,823	3,549,628	3,169,448	2,821,868	2,791,673	2,939,631	2,995,672
Pupil Transportation	1,997,719	1,820,564	1,816,360	1,985,101	1,835,374	1,862,382	1,797,234	1,664,922	1,605,011	1,752,258
Central	205,314	166,590	198,932	202,738	124,471	238,024	104,974	115,572	114,522	115,710
Operation of Non-Instructional Services	911,829	863,253	878,266	849,821	853,286	810,905	736,409	738,087	718,300	747,185
Extracurricular Activities	432,825	414,808	487,819	438,261	578,538	475,561	457,094	526,788	569,562	547,554
Capital Outlay	432,596	342,858	373,663	491,599	2,410,483	1,569,423	621,601	469,809	219,236	536,195
Debt Service:										
Principal Retirement	565,000	595,000	620,000	650,000	685,000	685,000	733,166	1,358,166	1,433,166	1,483,166
Interest and Fiscal Charges	706,717	681,337	649,690	618,702	585,621	556,182	544,195	311,315	261,842	206,920
Issuance Costs	0	0	0	0	0	0	145,225	0	0	0
<i>Total Expenditures</i>	<i>33,032,093</i>	<i>32,080,521</i>	<i>34,456,981</i>	<i>36,103,737</i>	<i>37,491,544</i>	<i>36,450,366</i>	<i>35,615,849</i>	<i>36,157,851</i>	<i>36,880,551</i>	<i>35,796,426</i>

ATHENS CITY SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<i>Excess of Revenues Over (Under) Expenditures</i>	\$364,762	\$3,561,843	\$2,300,021	(\$205,941)	(\$1,409,949)	(\$1,348,783)	(\$890,909)	(\$342,373)	(\$29,473)	(\$217,632)
Other Financing Sources (Uses)										
Sale of Capital Assets	0	1,875	0	0	0	0	0	0	0	0
Insurance Recoveries	0	15,045	0	3,554	0	0	0	0	0	0
Refunding Bonds Issued	0	0	0	0	0	0	7,270,000	0	0	0
Payment to Refund Bond Escrow Agent	0	0	0	0	0	0	(7,916,315)	0	0	0
Premium on Bonds Issued	0	0	0	0	0	0	791,540	0	0	0
Transfers In	0	455,562	348,740	138,097	74,825	51,520	3,300	21,430	24,588	36,000
Transfers Out	0	(455,562)	(348,740)	(138,097)	(74,825)	(51,520)	(3,300)	(21,430)	(24,588)	(36,000)
<i>Total Other Financing Sources (Uses)</i>	0	16,920	0	3,554	0	0	145,225	0	0	0
<u>Extraordinary Item:</u>										
Insurance Recoveries	0	0	0	0	1,092,700	611,436	345,819	22,141	5,934	12,474
<i>Net Change in Fund Balances</i>	\$364,762	\$3,578,763	\$2,300,021	(\$202,387)	(\$317,249)	(\$737,347)	(\$399,865)	(\$320,232)	(\$23,539)	(\$205,158)
Ratio of Debt Service as a Percentage of Noncapital Expenditures	3.88%	4.11%	3.75%	3.59%	3.59%	3.56%	4.02%	4.02%	4.61%	4.76%

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

Collection Year	Real Property			Tangible Personal Property				Total		Ratio	Weighted Average Tax Rate (2)
	Assessed Value (1)		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value		
	Residential/Agricultural	Commercial/Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2007	\$287,026,650	\$113,156,060	\$1,143,379,171	\$25,945,580	\$29,483,614	\$17,890,464	\$103,782,320	\$444,018,754	\$1,276,645,105	34.78%	\$32.92
2008	292,080,470	116,740,030	1,168,058,571	20,940,180	23,795,659	15,874,254	83,760,720	445,634,934	1,275,614,950	34.93%	30.59
2009	332,564,370	147,529,940	1,371,698,029	21,489,860	24,420,295	8,623,220	85,959,440	510,207,390	1,482,077,764	34.43%	28.39
2010	334,939,790	147,253,660	1,377,695,571	23,228,490	26,396,011	1,940,708	92,913,960	507,362,648	1,497,005,543	33.89%	28.26
2011	335,814,280	145,448,660	1,375,036,971	24,462,666	27,798,484	970,354	97,850,664	506,695,960	1,500,686,120	33.76%	28.21
2012	334,938,150	144,707,270	1,370,415,486	26,048,300	29,600,341	0	104,193,200	505,693,720	1,504,209,027	33.62%	28.60
2013	337,408,841	147,845,708	1,386,441,570	26,665,040	30,301,182	0	106,660,160	511,919,590	1,523,402,912	33.60%	29.00
2014	335,298,630	150,847,990	1,388,990,343	27,948,170	31,759,284	0	111,792,680	514,094,790	1,532,542,307	33.55%	29.09
2015	346,975,780	155,714,540	1,436,258,057	28,485,770	32,370,193	0	113,943,080	531,176,090	1,582,571,330	33.56%	34.08
2016	347,995,270	159,787,510	1,450,807,943	32,376,160	36,791,091	0	129,504,640	540,158,940	1,617,103,674	33.40%	32.86

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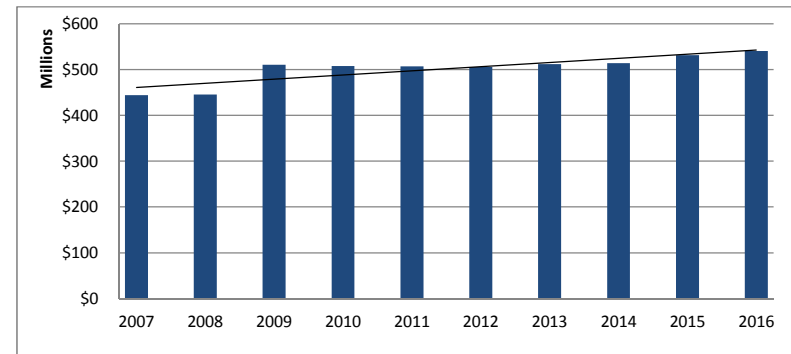
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

(2) The Weighted Average Tax Rate represents Effective Rates for Operational Levies only. In Ohio, Tax Rates for Real Property are adjusted annually to eliminate inflationary tax revenue growth but tax rates for Tangible Property are always taxed at the Full Rate. The Weighted Average tax rate is the blending of the tax rates actually charged the taxpayer using a weighted average of the taxable property values for both property types.

Source: Ohio Department of Taxation

Total Assessed Valuation - Last Ten Years



ATHENS CITY SCHOOL DISTRICT

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

Athens Township (A01)

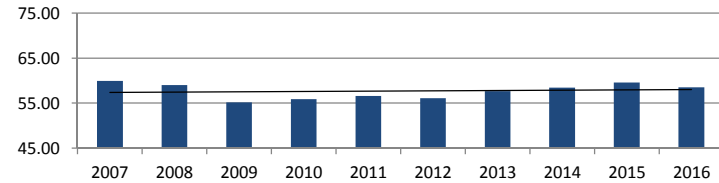
Collection Year	Athens City School District				Athens County	Tri-County Career Center	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total						
2007	62.92	2.90	3.70	69.52	20.30	3.30	6.70	99.82	59.925045	68.110019
2008	57.16	2.90	3.70	63.76	20.30	3.30	6.70	94.06	59.042369	63.206268
2009	55.12	2.90	3.70	61.72	20.30	3.30	6.70	92.02	55.188860	55.458365
2010	55.10	2.90	3.70	61.70	20.55	3.30	6.70	92.25	55.881578	56.946993
2011	55.08	2.90	3.70	61.68	20.55	3.30	6.70	92.23	56.610854	57.633008
2012	56.12	2.90	2.74	61.76	19.05	3.30	6.70	90.81	56.066723	57.295416
2013	56.69	2.90	2.45	62.04	20.05	3.30	6.70	92.09	57.624814	58.947701
2014	56.69	2.90	3.28	62.87	19.80	3.30	6.70	92.67	58.454435	59.665539
2015	56.43	2.90	2.75	62.08	23.05	3.30	6.70	95.13	59.590550	60.595136
2016	56.32	2.90	1.44	60.66	22.95	3.30	6.70	93.61	58.491683	59.394425

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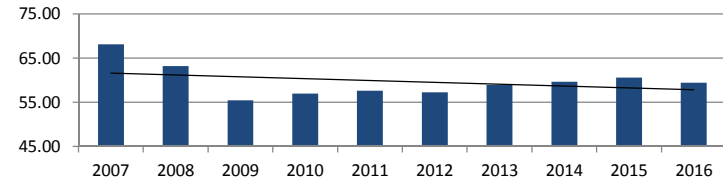
Note: The Athens City School District consists of eight taxing districts:

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

Residential Effective Rate over Time



Commercial Effective Rate over Time



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

ATHENS CITY SCHOOL DISTRICT

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

Athens Township - City of Athens (A02)

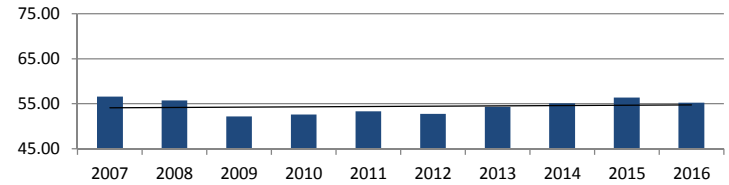
Collection Year	Athens City School District				Athens County	Tri-County Career Center	City of Athens	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total							
2007	62.92	2.90	3.70	69.52	20.30	3.30	2.60	0.30	96.02	56.618703	64.566010
2008	57.16	2.90	3.70	63.76	20.30	3.30	2.60	0.03	89.99	55.737092	59.662899
2009	55.12	2.90	3.70	61.72	20.30	3.30	2.60	0.03	87.95	52.172203	52.194144
2010	55.10	2.90	3.70	61.70	20.55	3.30	2.60	0.30	88.45	52.597044	53.544739
2011	55.08	2.90	3.70	61.68	20.55	3.30	2.60	0.30	88.43	53.324366	54.231950
2012	56.12	2.90	2.74	61.76	19.05	3.30	2.60	0.30	87.01	52.744743	53.860088
2013	56.69	2.90	2.45	62.04	20.05	3.30	2.60	0.30	88.29	54.300344	55.504571
2014	56.69	2.90	3.28	62.87	19.80	3.30	2.60	0.30	88.87	55.128099	56.222535
2015	56.43	2.90	2.75	62.08	23.05	3.30	2.60	0.30	91.33	56.363471	57.232014
2016	56.32	2.90	1.44	60.66	22.95	3.30	2.60	0.30	89.81	55.260838	56.031303

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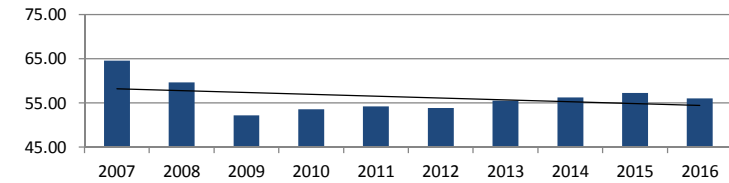
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- E02 Canaan Township
- E03 Canaan Township - City of Athens
- G01 Dover Township
- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

Residential Effective Rate over Time



Commercial Effective Rate over Time



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

ATHENS CITY SCHOOL DISTRICT

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

Athens Township - The Plains Fire District (A04)

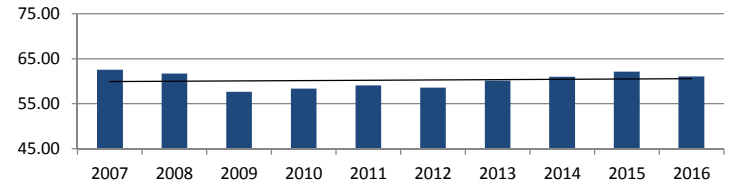
Collection Year	Athens City School District				Athens County	Tri-County Career Center	The Plains Fire District	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total							
2007	62.92	2.90	3.70	69.52	20.30	3.30	3.50	6.70	103.32	62.578241	71.384284
2008	57.16	2.90	3.70	63.76	20.30	3.30	3.50	6.70	97.56	61.696082	66.481027
2009	55.12	2.90	3.70	61.72	20.30	3.30	3.50	6.70	95.52	57.673188	58.592013
2010	55.10	2.90	3.70	61.70	20.55	3.30	3.50	6.70	95.75	58.376270	60.172712
2011	55.08	2.90	3.70	61.68	20.55	3.30	3.50	6.70	95.73	59.106771	61.009601
2012	56.12	2.90	2.74	61.76	19.05	3.30	5.50	4.70	94.31	58.611939	60.760369
2013	56.69	2.90	2.45	62.04	20.05	3.30	5.50	4.70	95.59	60.172662	62.404851
2014	56.69	2.90	3.28	62.87	19.80	3.30	5.50	4.70	96.17	61.011494	63.125997
2015	56.43	2.90	2.75	62.08	23.05	3.30	5.50	4.70	98.63	62.153181	64.041708
2016	56.32	2.90	1.44	60.66	22.95	3.30	5.50	4.70	97.11	61.052993	62.840991

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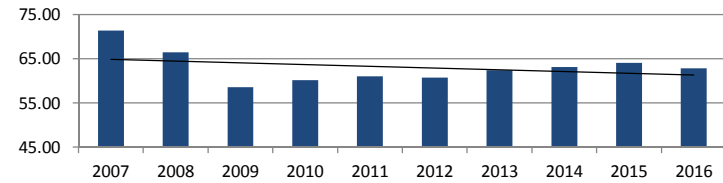
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Residential Effective Rate over Time



Commercial Effective Rate over Time



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

ATHENS CITY SCHOOL DISTRICT

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

Canaan Township (E02)

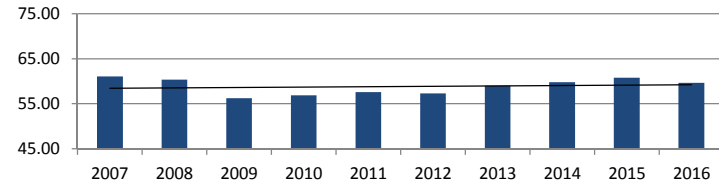
Collection Year	Athens City School District				Athens County	Tri-County Career Center	Canaan Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total						
2007	62.92	2.90	3.70	69.52	20.30	3.30	7.60	100.72	61.052371	69.266010
2008	57.16	2.90	3.70	63.76	20.30	3.30	7.60	94.96	60.359554	64.359217
2009	55.12	2.90	3.70	61.72	20.30	3.30	7.60	92.92	56.242214	55.356666
2010	55.10	2.90	3.70	61.70	20.55	3.30	7.60	93.15	56.866672	57.590742
2011	55.08	2.90	3.70	61.68	20.55	3.30	7.60	93.13	57.595381	58.296039
2012	56.12	2.90	2.74	61.76	19.05	3.30	7.60	91.71	57.312496	58.412943
2013	56.69	2.90	2.45	62.04	20.05	3.30	7.60	92.99	58.987737	60.204571
2014	56.69	2.90	3.28	62.87	19.80	3.30	7.60	93.57	59.828099	60.922535
2015	56.43	2.90	2.75	62.08	23.05	3.30	7.60	96.03	60.763725	61.085415
2016	56.32	2.90	1.44	60.66	22.95	3.30	7.60	94.51	59.662131	59.915641

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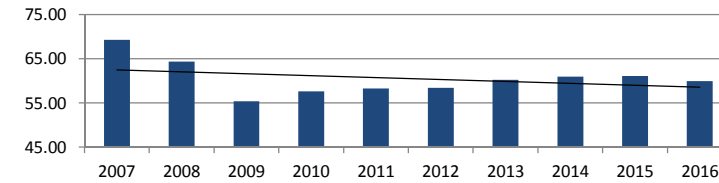
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Residential Effective Rate over Time



Commercial Effective Rate over Time



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

ATHENS CITY SCHOOL DISTRICT

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

Canaan Township - City of Athens (E03)

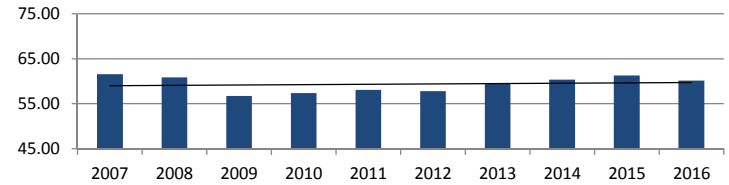
Collection Year	Athens City School District				Athens County	Tri-County Career Center	City of Athens	Canaan Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total							
2007	62.92	2.90	3.70	69.52	20.30	3.30	2.40	5.70	101.22	61.552371	69.766010
2008	57.16	2.90	3.70	63.76	20.30	3.30	2.40	5.70	95.46	60.859554	64.859217
2009	55.12	2.90	3.70	61.72	20.30	3.30	2.40	5.70	93.42	56.742214	55.856666
2010	55.10	2.90	3.70	61.70	20.55	3.30	2.40	5.70	93.65	57.366672	58.090742
2011	55.08	2.90	3.70	61.68	20.55	3.30	2.40	5.70	93.63	58.095381	58.796039
2012	56.12	2.90	2.74	61.76	19.05	3.30	2.40	5.70	92.21	57.812496	58.912943
2013	56.69	2.90	2.45	62.04	20.05	3.30	2.40	5.70	93.49	59.487737	60.704571
2014	56.69	2.90	3.28	62.87	19.80	3.30	2.40	5.70	94.07	60.328099	61.422535
2015	56.43	2.90	2.75	62.08	23.05	3.30	2.40	5.70	96.53	61.263725	61.585415
2016	56.32	2.90	1.44	60.66	22.95	3.30	2.40	5.70	95.01	60.162131	60.415645

-113-

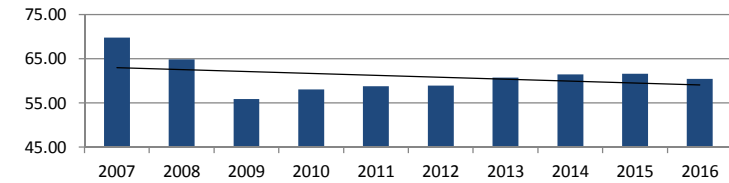
Note: The Athens City School District consists of eight taxing districts:

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

Residential Effective Rate over Time



Commercial Effective Rate over Time



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

ATHENS CITY SCHOOL DISTRICT

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

Dover Township (G01)

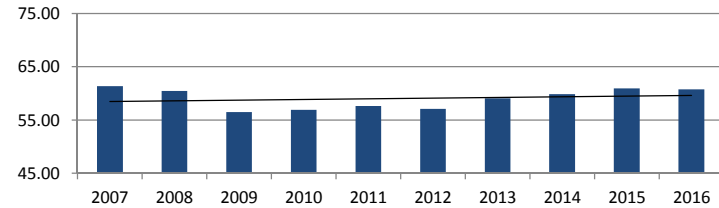
Collection Year	Athens City School District				Athens County	Tri-County Career Center	Dover Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total						
2007	62.92	2.90	3.70	69.52	20.30	3.30	8.70	101.82	61.330527	69.520334
2008	57.16	2.90	3.70	63.76	20.30	3.30	8.70	96.06	60.447246	64.617237
2009	55.12	2.90	3.70	61.72	20.30	3.30	8.70	94.02	56.496130	57.005898
2010	55.10	2.90	3.70	61.70	20.55	3.30	8.70	94.25	56.927015	58.362117
2011	55.08	2.90	3.70	61.68	20.55	3.30	8.70	94.23	57.653432	59.069903
2012	56.12	2.90	2.74	61.76	19.05	3.30	8.70	92.81	57.112053	58.904408
2013	56.69	2.90	2.45	62.04	20.05	3.30	8.70	94.09	59.044634	60.772454
2014	56.69	2.90	3.28	62.87	19.80	3.30	8.70	94.67	59.875366	61.490418
2015	56.43	2.90	2.75	62.08	23.05	3.30	8.70	97.13	60.943708	62.347053
2016	56.32	2.90	1.44	60.66	22.95	3.30	8.70	95.61	60.764510	61.686165

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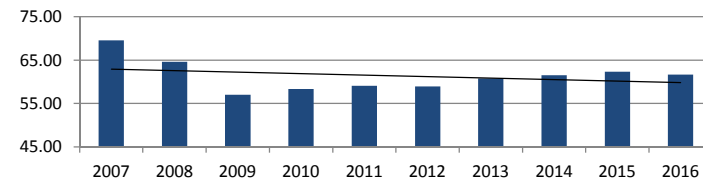
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- E03 Canaan Township - City of Athens
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- N02 Waterloo Township

Residential Effective Rate over Time



Commercial Effective Rate over Time



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

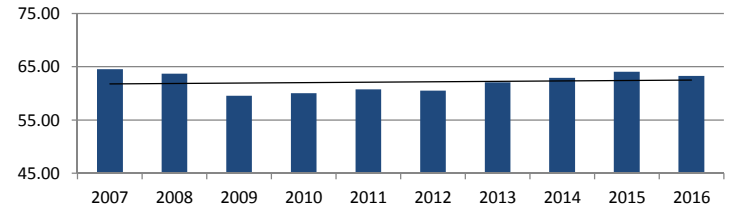
ATHENS CITY SCHOOL DISTRICT

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

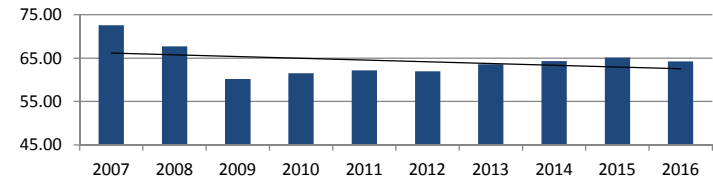
Dover Township - Village of Chauncey (G02)

Collection Year	Athens City School District				Athens County	Tri-County Career Center	Village of Chauncey	Dover Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total							
2007	62.92	2.90	3.70	69.52	20.30	3.30	7.90	3.30	104.32	64.567213	72.579015
2008	57.16	2.90	3.70	63.76	20.30	3.30	7.90	3.30	98.56	63.684866	67.675909
2009	55.12	2.90	3.70	61.72	20.30	3.30	7.90	3.30	96.52	59.578636	60.149544
2010	55.10	2.90	3.70	61.70	20.55	3.30	7.90	3.30	96.75	60.020906	61.502556
2011	55.08	2.90	3.70	61.68	20.55	3.30	7.90	3.30	96.73	60.777224	62.198613
2012	56.12	2.90	2.74	61.76	19.05	3.30	7.90	3.30	95.31	60.543284	61.936559
2013	56.69	2.90	2.45	62.04	20.05	3.30	7.90	3.30	96.59	62.102704	63.581042
2014	56.69	2.90	3.28	62.87	19.80	3.30	7.90	3.30	97.17	62.933368	64.299006
2015	56.43	2.90	2.75	62.08	23.05	3.30	7.90	3.30	99.63	64.045185	65.086692
2016	56.32	2.90	1.44	60.66	22.95	3.30	7.90	3.30	98.11	63.268365	64.216964

Residential Effective Rate over Time



Commercial Effective Rate over Time



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

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

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

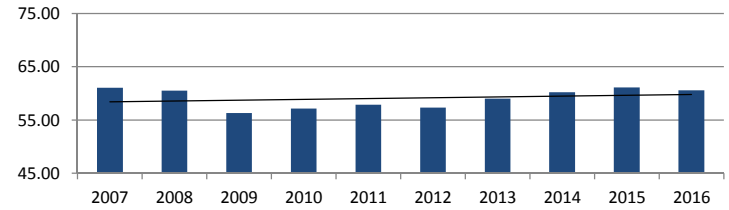
ATHENS CITY SCHOOL DISTRICT

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

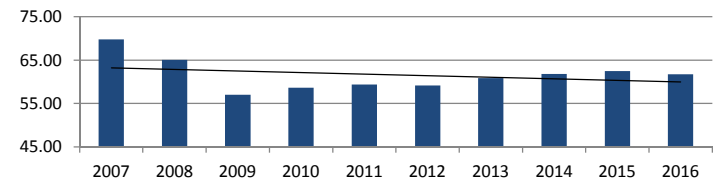
Waterloo Township (N02)

Collection Year	Athens City School District				Athens County	Tri-County Career Center	Waterloo Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total						
2007	62.92	2.90	3.70	69.52	20.30	3.30	9.90	103.02	61.054314	69.743035
2008	57.16	2.90	3.70	63.76	20.30	3.30	9.90	97.26	60.496486	65.031093
2009	55.12	2.90	3.70	61.72	20.30	3.30	9.90	95.22	56.288589	57.027685
2010	55.10	2.90	3.70	61.70	20.55	3.30	9.90	95.45	57.151544	58.651535
2011	55.08	2.90	3.70	61.68	20.55	3.30	9.90	95.43	57.883058	59.338746
2012	56.12	2.90	2.74	61.76	19.05	3.30	9.90	94.01	57.351888	59.114189
2013	56.69	2.90	2.45	62.04	20.05	3.30	9.90	95.29	59.037458	60.827128
2014	56.69	2.90	3.28	62.87	19.80	3.30	9.90	95.87	60.239932	61.766975
2015	56.43	2.90	2.75	62.08	23.05	3.30	9.90	98.33	61.135785	62.490758
2016	56.32	2.90	1.44	60.66	22.95	3.30	9.90	96.81	60.579427	61.745166

Residential Effective Rate over Time



Commercial Effective Rate over Time



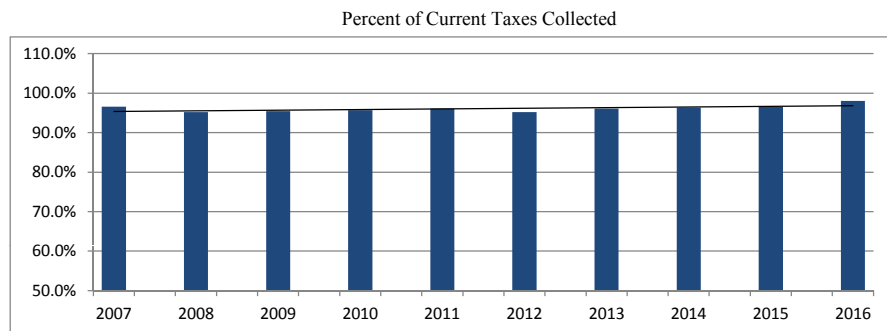
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Source: Office of the County Auditor, Athens County, Ohio

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

Collection Year	Current Taxes Levied	Current Tax Collections	Percent of Current Tax Collections to Current Taxes Levied	Delinquent Tax Collections (2)	Total Tax Collections	Percent of Total Tax Collections to Current Taxes Levied	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Current Taxes Levied
2007	\$16,321,490	\$15,761,906	96.57%	\$642,025	\$16,403,931	100.51%	\$1,032,087	6.32%
2008	15,345,232	14,614,466	95.24%	779,906	15,394,372	100.32%	903,878	5.89%
2009	16,242,201	15,508,006	95.48%	534,863	16,042,869	98.77%	1,036,736	6.38%
2010	16,791,005	16,065,407	95.68%	695,947	16,761,354	99.82%	1,257,045	7.49%
2011	16,636,129	15,981,997	96.07%	616,158	16,598,155	99.77%	1,455,295	8.75%
2012	16,927,371	16,115,771	95.21%	723,147	16,838,918	99.48%	1,444,405	8.53%
2013	17,337,596	16,664,392	96.12%	720,981	17,385,373	100.28%	1,466,396	8.46%
2014	17,874,119	17,221,242	96.35%	737,863	17,959,105	100.48%	1,415,603	7.92%
2015	17,795,308	17,177,431	96.53%	743,499	17,920,931	100.71%	1,109,026	6.23%
2016	17,381,196	17,036,475	98.02%	754,531	17,791,007	102.36%	Not Available	Not Available



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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) Under Ohio law the County is not required to identify delinquent tax collections by the tax year they were due. Delinquent tax collections are reported in the year they are collected. Therefore, "Total Tax Collections" may exceed the "Current Taxes Levied" in some years.

"Not Available": Delinquent Tax Collections are permitted through December 31st of each year. The Current Collection year cannot be reported accurately until after the date of this report.

ATHENS CITY SCHOOL DISTRICT

Principal Taxpayers

Real Estate Tax

Current Year and Ten Years Ago

Name of Taxpayer	Type of Business	Collection Year 2016 (1)	
		Assessed Value	Percent of Real Property Assessed Value
CPP Athens I LLC	Apartments	\$ 12,865,060	2.79%
Ohio University	Retail Sales	9,274,120	2.01%
Coates Run Property LL LLC	Apartments	4,430,090	0.96%
Athens Health Realty LLC	Nursing Home	4,367,380	0.95%
City of Athens	Parking Garage, etc.	3,884,780	0.84%
McCoady Properties LTD	Apartments	2,678,720	0.58%
Hayes Cornwell LTD	Apartments	2,671,590	0.58%
Sheltering Arms Hospital	Hospital	2,449,380	0.53%
Grande Vista Village, LLC	Apartments	2,334,440	0.51%
Inn-Ohio of Athens Inc	Hotel/Motel	2,306,490	0.50%
Total Top Ten		47,262,050	9.31%
All Others		460,520,730	90.69%
Total Assessed Valuation		\$ 507,782,780	100.00%

Name of Taxpayer	Type of Business	Collection Year 2007 (1)	
		Assessed Value	Percent of Real Property Assessed Value
Ohio University	Retail Sales	\$7,514,590	1.88%
AAC Athens LLC	Apartments	4,560,250	1.14%
Sheltering Arms Hospital	Hospital	3,208,850	0.80%
Inn-Ohio of Athens, Inc.	Motel	2,048,820	0.51%
McCoady Properties Ltd.	Various	1,932,530	0.48%
City of Athens	Various	1,850,290	0.46%
TS Tech North America Inc.	Manufacturing	1,674,170	0.42%
Southeast Development Co. 2	Apartments	1,523,970	0.38%
Hickory Creek of Athens, Inc.	Nursing Home	1,502,480	0.38%
Southeast Ohio Management Company	Retail Sales	1,470,000	0.37%
Total Top Ten		27,285,950	6.82%
All Others		372,896,760	93.18%
Total Assessed Valuation		\$400,182,710	100.00%

(1) The amounts presented represent the assessed values upon which 2016 and 2007 collections were based

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

ATHENS CITY SCHOOL DISTRICT

Principal Taxpayers

Public Utilities Tax

Current Year and Ten Years Ago

Name of Taxpayer	Type of Business	Collection Year 2016 (1)	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Ohio Power Co.	Electricity	\$ 21,249,270	65.63%
Tennessee Gas Pipeline Co.	Natural Gas	4,450,640	13.75%
AEP Ohio Transmission	Electricity	2,582,430	7.98%
Columbia Gas of Ohio Inc.	Natural Gas	1,994,320	6.16%
Texas Eastern Transmission Corp	Natural Gas	1,365,810	4.22%
Columbia Gas Transmission Corp	Natural Gas	608,030	1.88%
General Electric Capital Commercial Inc.	Electricity	56,980	0.18%
Buckeye Rural Electric	Electricity	36,490	0.11%
Citizens Asset Finance, Inc.	Lessor	28,890	0.09%
Southeastern Natural Gas Co.	Natural Gas	2,310	0.01%
Total Top Ten		32,375,170	100.00%
All Others		990	0.00%
Total Assessed Valuation		\$ 32,376,160	100.00%

Name of Taxpayer	Type of Business	Collection Year 2007 (1)	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Columbus Southern Power	Electricity	\$12,782,160	49.27%
Voicestream Columbus Inc.	Communications	3,049,550	11.75%
Verizon North Inc.	Telephone	2,697,150	10.40%
Tennessee Gas Pipeline Co.	Natural Gas	2,394,170	9.23%
Texas Eastern Transmission	Natural Gas	1,414,130	5.45%
Columbia Gas of Ohio Inc.	Natural Gas	900,830	3.47%
Alltel Communications of Ohio	Telephone	704,790	2.72%
Norfolk Southern	Transportations	548,530	2.11%
Columbia Gas Transmission	Natural Gas	450,780	1.74%
New Cingular Wireless PCS LLC	Telephone	224,170	0.86%
Total Top Ten		25,166,260	97.00%
All Others		779,320	3.00%
Total Assessed Valuation		\$25,945,580	100.00%

(1) The amounts presented represent the assessed values upon which 2016 and 2007 collections were based

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

ATHENS CITY SCHOOL DISTRICT

*Ratio of Debt
to Assessed Value and Debt per Capita
Last Ten Fiscal Years*

Fiscal Year	Population (1)	Assessed Value of Taxable Property (2)	Personal Income (3)	General Bonded Debt					General Debt					
				General Bonded Debt Outstanding	Net Available General Bonded Debt	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Percentage of Personal Income	Net Bonded Debt per Capita	General Bonded Debt Outstanding	HB 264 Debt	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita
2007	33,790	\$444,018,754	\$467,983,086	\$13,910,000	\$2,464,074	\$11,445,926	2.58%	2.45%	\$338.74	\$13,910,000	0	\$13,910,000	3.13%	\$411.66
2008	33,790	445,634,934	453,172,771	13,315,000	2,783,778	10,531,222	2.36%	2.32%	311.67	13,315,000	0	13,315,000	2.99%	394.05
2009	33,790	510,207,390	433,130,009	12,695,000	3,071,120	9,623,880	1.89%	2.22%	284.81	12,695,000	0	12,695,000	2.49%	375.70
2010	33,790	507,362,648	483,402,647	12,045,000	3,007,989	9,037,011	1.78%	1.87%	267.45	12,045,000	0	12,045,000	2.37%	356.47
2011	33,120	506,695,960	442,503,264	11,905,000	3,081,065	8,823,935	1.74%	1.99%	266.42	11,905,000	0	11,905,000	2.35%	359.45
2012	35,026	505,693,720	485,647,343	10,535,000	3,242,453	7,292,547	1.44%	1.50%	208.20	10,535,000	0	10,535,000	2.08%	300.78
2013	35,026	511,919,590	467,079,140	11,925,181	3,332,478	8,592,703	1.68%	1.84%	245.32	11,925,181	0	11,925,181	2.33%	340.47
2014	35,026	514,094,790	475,461,577	10,641,547	2,739,262	7,902,285	1.54%	1.66%	225.61	10,641,547	0	10,641,547	2.07%	303.82
2015 (4)	35,328	531,176,090	N/A	9,327,718	3,027,737	6,299,981	1.19%	N/A	178.33	9,327,718	0	9,327,718	1.76%	264.03
2016 (4)	35,328	540,158,940	N/A	8,018,803	2,345,481	5,673,322	1.05%	N/A	160.59	8,018,803	0	8,018,803	1.48%	226.98

Sources: (1) U.S. Bureau of Census, 2000 Census of Population for 2006 - 2010
2010 Census for 2011 - 2016

(2) Ohio Department of Taxation - Collection Year

(3) Ohio Department of Taxation

(4) Ohio Municipal Council

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

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio Debt Service to General Fund Expenditures (Percentage)
2007	\$565,000	\$706,717	\$1,271,717	\$25,630,290	4.96%
2008	595,000	681,337	1,276,337	25,200,403	5.06%
2009	620,000	649,690	1,269,690	27,202,891	4.67%
2010	650,000	618,702	1,268,702	29,476,320	4.30%
2011	685,000	585,471	1,270,471	28,938,170	4.39%
2012	685,000	556,182	1,241,182	29,262,568	4.24%
2013 (1)	715,000	544,195	1,259,195	29,874,138	4.22%
2014	1,340,000	311,315	1,651,315	30,418,922	5.43%
2015	1,415,000	261,842	1,676,842	30,690,887	5.46%
2016	1,465,000	206,920	1,671,920	30,006,297	5.57%

Source: School District Fund Financial Statements

(1) Excludes bond issuance cost of \$145,225

ATHENS CITY SCHOOL DISTRICT
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2016*

Jurisdiction	Net General Obligation Bonded Debt Outstanding (1)	Percentage Applicable To School District	Amount Applicable To School District
<u>Direct Debt:</u>			
Athens City School District	\$8,018,803	100.0%	\$8,018,803
<u>Overlapping Debt:</u>			
Athens County	1,862,228	53.12% (2)	989,216
City of Athens	4,049,794	96.74% (3)	<u>3,917,771</u>
Total Overlapping Debt			<u>4,906,987</u>
Total Direct and Overlapping Debt			<u><u>\$12,925,790</u></u>

Source: Ohio Municipal Advisory Council

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tax Valuation	<u>\$444,018,754</u>	<u>\$445,634,934</u>	<u>\$510,207,390</u>	<u>\$507,362,648</u>	<u>\$506,695,960</u>	<u>\$505,693,720</u>	<u>\$511,919,590</u>	<u>\$514,094,790</u>	<u>\$531,176,090</u>	<u>\$540,158,940</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>\$39,961,688</u>	<u>\$40,107,144</u>	<u>\$45,918,665</u>	<u>\$45,662,638</u>	<u>\$45,602,636</u>	<u>\$45,512,435</u>	<u>\$46,072,763</u>	<u>\$46,268,531</u>	<u>\$47,805,848</u>	<u>\$48,614,305</u>
Amount of Debt Applicable to Debt Limit										
General Obligation Bonds	13,910,000	13,315,000	12,695,000	12,045,000	11,905,000	10,535,000	10,575,000	9,235,000	7,820,000	6,355,000
Less Amount Available in Debt Service	<u>(2,224,541)</u>	<u>(2,617,762)</u>	<u>(2,821,755)</u>	<u>(2,899,907)</u>	<u>(2,989,214)</u>	<u>(3,130,652)</u>	<u>(3,202,124)</u>	<u>(3,048,479)</u>	<u>(2,895,546)</u>	<u>(2,304,751)</u>
Amount of Debt Subject to Limit	<u>11,685,459</u>	<u>10,697,238</u>	<u>9,873,245</u>	<u>9,145,093</u>	<u>8,915,786</u>	<u>7,404,348</u>	<u>7,372,876</u>	<u>6,186,521</u>	<u>4,924,454</u>	<u>4,050,249</u>
Legal Debt Margin	<u>\$28,276,229</u>	<u>\$29,409,906</u>	<u>\$36,045,420</u>	<u>\$36,517,545</u>	<u>\$36,686,851</u>	<u>\$38,108,087</u>	<u>\$38,699,887</u>	<u>\$40,082,010</u>	<u>\$42,881,394</u>	<u>\$44,564,056</u>
Legal Debt Margin as a Percentage of the Debt Limit	70.76%	73.33%	78.50%	79.97%	80.45%	83.73%	84.00%	86.63%	89.70%	91.67%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$444,019	\$445,635	\$510,207	\$507,363	\$506,696	\$505,694	\$511,920	\$514,095	\$531,176	\$540,159
Amount of Debt Subject to Limit	0	0	0	0	0	0	0	0	0	0
Unvoted Legal Debt Margin	<u>\$444,019</u>	<u>\$445,635</u>	<u>\$510,207</u>	<u>\$507,363</u>	<u>\$506,696</u>	<u>\$505,694</u>	<u>\$511,920</u>	<u>\$514,095</u>	<u>\$531,176</u>	<u>\$540,159</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Ohio Department of Taxation and School District Financial Records

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

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

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

ATHENS CITY SCHOOL DISTRICT

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Unemployment Rate (2)</u>	<u>Personal Income (3)</u>	<u>Per Capital Personal Income</u>
2007	33,790	6.70%	467,983,086	13,850
2008	33,790	6.80%	453,172,771	13,411
2009	33,790	8.80%	433,130,009	12,818
2010	33,790	9.60%	483,402,647	14,306
2011	35,026	10.60%	442,503,264	12,634
2012	35,026	8.70%	485,647,343	13,865
2013	35,026	9.20%	467,079,140	13,335
2014	35,026	6.80%	475,461,577	13,575
2015	35,328	7.10%	N/A	N/A
2016	35,328	6.80%	N/A	N/A

Sources:

(1) 2011-2014 data from the 2010 US Census. 2007-2010 and

2015-2016 data from the Ohio Municipal Advisory Council

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

(3) Ohio Department of Taxation

Note:

The 2015 and 2016 Personal Income information was not available

ATHENS CITY SCHOOL DISTRICT
Principal Employers
2016 and 2007

Employer	Nature of Business	2016			2007		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Ohio University (#)	Education	4,169	1	16.16%	3,700	1	13.55%
O'Bleness Memorial Hospital (#)	Health Care	758	2	2.94%	448	5	1.64%
Athens County Government (#)	Government	547	3	2.12%	621	2	2.27%
Hocking College	Education	500	4	1.62%	505	3	1.85%
Athens City School District (#)	Education	417	5	1.20%	475	4	1.74%
Wal-Mart (#)	Retail	310	6	1.62%	450	6	1.65%
Athens City Government (#)	Government	180	7	0.70%	255	7	0.93%
Diagnostic Hybrids, Inc / A. Quidel Co.	Research	172	8	0.67%	145	8	0.53%
Holzer Clinic	Health Care	140	9	0.54%	Was not on the Top Ten list		
Athens Messenger (#)	Newspaper	100	10	0.39%	102	10	0.37%
Total		<u>7,293</u>		<u>28.27%</u>	<u>6,701</u>		<u>24.55%</u>
Total Employment within Athens County (1)		<u>25,800</u>			<u>27,300</u>		

(1) Data not readily available in rural communities.

(#) Located within the Athens City School District

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

ATHENS CITY SCHOOL DISTRICT

Personal Income

Last Ten Years

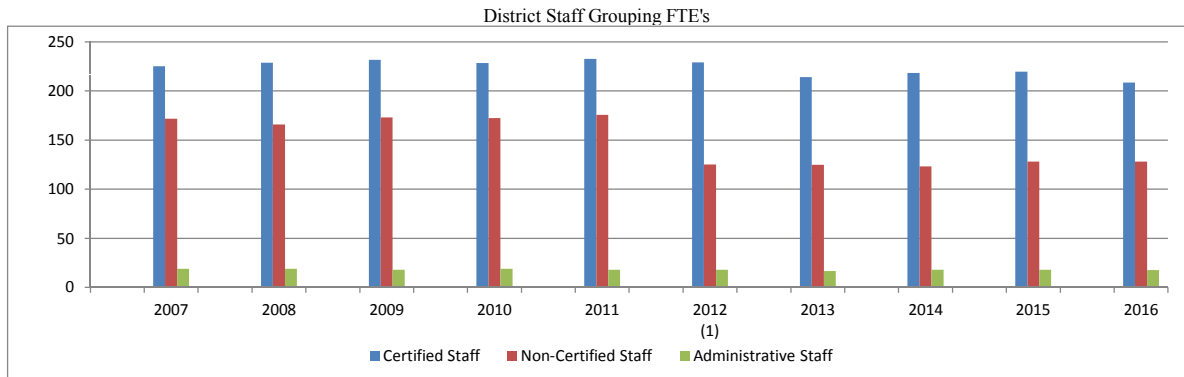
<u>Calendar Year</u>	<u>Number of Income Tax Returns</u>	<u>Number of Personal Exemptions</u>	<u>Total Federal Adjusted Gross Income</u>	<u>Average Federal Adjusted Gross Income</u>	<u>Rank Among Ohio Schools (1)</u>
2007	9,991	17,872	\$422,654,278	\$42,304	267
2008	9,990	17,703	441,950,195	44,239	267
2009	10,214	17,931	467,983,086	45,818	273
2010	9,985	17,508	453,172,771	45,385	273
2011	9,617	17,077	433,130,009	45,038	263
2012	9,597	16,964	502,892,243	52,401	144
2013	9,457	16,679	463,164,982	48,976	247
2014	9,585	16,776	508,657,893	53,068	210
2015	9,744	16,955	505,212,040	51,849	258
2016	9,779	15,972	523,413,087	58,524	261

Source: Ohio Department of Taxation

(1) 614 Total Ohio Public K-12 School Districts

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

Function/Program	2007	2008	2009	2010	2011	2012 (1)	2013	2014	2015	2016
Teaching Staff:										
Elementary (K-6) Classroom Teachers	83.00	83.00	84.00	84.00	85.00	85.00	76.00	76.00	82.35	79.00
Secondary (7-12) Classroom Teachers	66.00	68.50	69.50	67.25	67.75	67.33	65.25	66.50	67.88	68.00
Special Education Teachers	40.20	38.20	37.25	37.00	38.75	36.87	35.75	38.00	35.00	32.00
Vocational Education Teachers	8.00	8.00	8.00	8.00	8.00	7.00	7.00	6.00	4.00	3.00
Specialist Teachers (Art, PE, Music, Literacy)	14.40	16.20	17.20	17.20	17.20	18.30	17.00	17.00	16.00	12.00
Talented & Gifted / LEP Teachers	1.50	2.00	2.70	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Pre-School Teachers	2.00	3.00	3.00	3.00	3.00	2.50	2.00	3.00	3.50	3.00
Pupil Support Services:										
Secretarial/Office Support Staff	21.00	21.50	21.50	21.50	21.50	21.69	21.69	22.18	21.93	21.93
Guidance/Counselors	6.00	6.00	6.00	5.00	6.00	5.00	4.00	5.00	5.00	4.00
Librarians/Audio Visual	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Psychologists	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Nurses	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.70
Educational Aides	69.00	64.00	69.00	68.00	70.70	50.44	45.75	46.94	47.81	48.04
Administrators/Supervisors:										
Elementary (K-6)	5.00	5.00	5.00	5.00	5.00	5.00	4.00	5.00	4.00	4.00
Secondary (7-12)	4.00	4.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	5.00
Central/Districtwide	10.00	10.00	10.00	11.00	10.00	10.00	9.60	9.00	10.00	8.80
Operation of Plant:										
Custodians	26.00	26.50	26.50	26.50	26.48	18.00	23.00	22.50	23.31	23.00
Maintenance	4.00	4.00	5.00	5.00	4.00	4.00	5.00	5.00	5.00	5.00
Pupil Transportation:										
Bus Drivers	33.00	31.00	31.00	31.00	31.00	18.25	16.88	14.38	16.86	17.97
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Food Service Program:										
Elementary (K-6)	9.50	9.50	10.80	11.05	10.00	5.33	5.33	5.07	5.57	5.11
Secondary (7-12)	7.40	7.40	7.40	7.40	10.00	5.33	5.33	5.00	5.50	5.00
Total	416.00	413.80	422.85	419.90	426.38	372.04	355.58	359.57	365.71	354.55



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

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

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

ATHENS CITY SCHOOL DISTRICT

*Miscellaneous Statistics
June 30, 2016*

Year of Establishment	Established in the Mid 1800's Consolidated with The Plains and Chauncey School Districts in 1964		
Form of Government	Locally-elected five member Board		
Number of Employees:			
Certificated		208.7	
Non-Certificated		128.1	
Administrative		17.8	
Area - square miles		89 Square Miles	
State Funded Average Daily Membership		2,438	
Funded students are resident students only and this number will not match Total Enrollment below.			
	<u>District</u>	<u>Comparison Group</u>	<u>State Average</u>
% of Funds Spent on Classroom Instruction (a)	73.3%	68.6%	66.8%
Classroom Funding % Rank (a)	2nd of 108		
Average Number of Years Teaching Experience		13.7 Years	
Percentage of Teaching Staff Holding a Master's Degree or Higher		86.6%	

(a) *Ranking determined by the Ohio Department of Education and are grouped by district enrollment size.
Data is for FY2015, the Ohio Dept. of Education has not yet released FY2016.*

<u>Building</u>	<u>Grades Level</u>	<u>Enrollment (1)</u>	<u>Capacity (2)</u>	<u>Percentage of Capacity</u>	<u>Number of Classroom Teachers (3)</u>	<u>Pupil/ Teacher Ratio (4)</u>	<u>Year Building Completed</u>	<u>Date of Additions</u>
Athens High School	9 - 12	768	1,200	64.00%	54.0	14.2 :1	1968	2002
Athens Middle School	7 & 8	405	625	64.80%	32.0	12.7 :1	1923	1936, 1956 1973, 2002
Chauncey Elementary (5)	PS	61	300	20.33%	4.0	7.6 :1	1964	1978
East Elementary	K-6	380	575	66.09%	25.0	15.2 :1	1956	1980
Morrison Elementary	K-6	432	650	66.46%	29.5	14.6 :1	1979	-
The Plains Elementary	K-6	375	650	57.69%	31.0	12.1 :1	1990	-
West Elementary	K-6	<u>259</u>	<u>400</u>	<u>64.75%</u>	<u>20.5</u>	12.6 :1	1956	1978
District Totals		2,680	4,400	60.91%	196	13.7 :1		

- (1) Total Enrollment - All Students including Special Education - as of June 30th
- (2) Based on Ohio School Facility Commission standard class size of 25 student
- (3) Includes Regular Classroom Teachers, Vocational Teachers, Special Education Teachers, and Specialist Teacher
- (4) Building Average with exclusions listed above
- (5) Chauncey Elementary was converted to a Preschool only building in FY2013. Students attend 1/2 day reducing the Teacher Ratio by 1/2
40% of this facility is now leased to the Athens-Meigs Educational Service Center. The Capacity has been adjusted accordingly

ATHENS CITY SCHOOL DISTRICT
Standardized Test Results
June 30, 2016

	<u>Athens High School</u>	<u>State Mean</u>	<u>National Mean</u>
<u>S.A.T.</u>			
Critical Reading	591	556	494
Mathematics	589	563	508
Writing	563	534	482
<u>A.C.T.</u>			
English	23.9	21.2	20.1
Mathematics	24.3	21.6	20.6
Reading	25.2	22.5	21.3
Science	23.8	22.0	20.8
Composite	24.5	22.0	20.8

Ohio Public School Report Card Data:

	<u>Athens City Schools</u>	<u>Similar Districts (1)</u>	<u>State Average</u>
<u>3rd Grade Achievement Test</u>			
Reading	65.0%	64.9%	54.9%
Mathematics	70.0%	74.5%	65.8%
<u>4th Grade Achievement Test</u>			
Reading	68.3%	66.0%	57.5%
Mathematics	60.7%	79.1%	69.2%
Social Studies	77.8%	85.4%	75.8%
<u>5th Grade Achievement Test</u>			
Reading	65.3%	69.6%	60.2%
Mathematics	64.5%	74.1%	62.4%
Science	66.9%	78.2%	67.5%
<u>6th Grade Achievement Test</u>			
Reading	71.9%	64.1%	54.0%
Mathematics	62.6%	68.2%	56.7%
Social Studies	71.6%	72.9%	61.2%
<u>7th Grade Achievement Test</u>			
Reading	66.7%	61.2%	53.6%
Mathematics	60.0%	63.3%	55.3%
<u>8th Grade Achievement Test</u>			
Reading	54.5%	53.8%	47.5%
Mathematics	57.1%	63.9%	52.7%
Science	67.1%	74.6%	64.9%
<u>11th Grade Ohio Graduation Test</u>			
Reading	94.4%	97.0%	92.1%
Writing	94.4%	95.4%	89.6%
Mathematics	92.7%	94.9%	88.0%
Social Studies	92.7%	94.8%	87.5%
Science	90.4%	92.7%	83.3%
<u>High School</u>			
Government	79.1%	77.4%	67.6%
History	79.7%	83.5%	74.5%
English I	67.9%	68.4%	55.4%
English II	63.5%	62.0%	53.4%
Algebra I	56.9%	57.5%	48.0%
Geometry	67.0%	60.6%	49.0%
Math II	0.0%	50.1%	36.1%
Biology	64.0%	75.0%	65.4%
<u>Graduation Rate:</u>			
4-Year Rate	91.1%	93.5%	83.0%
5-Year Rate	95.0%	95.1%	84.9%

(1) Determined by the Ohio Dept. of Education based on demographic, socioeconomic, and geographic factors
Ohio Similar District Groupings can be found at: http://webapp2.ode.state.oh.us/similar_districts/similar_districts.asp

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**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

SUPPLEMENTAL REPORTS

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

MATT BUNTING, TREASURER

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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**ATHENS CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
<i>Child Nutrition Grant Cluster:</i>			
(D) (E) School Breakfast Program	10.553	2016	\$ 123,302
Total School Breakfast Program			<u>123,302</u>
(C) (D) National School Lunch Program - Food Donation	10.555	2016	53,041
(D) (E) National School Lunch Program	10.555	2016	367,023
Total National School Lunch Program			<u>420,064</u>
<i>Total Nutrition Grant Cluster</i>			<u>543,366</u>
Total U.S. Department of Agriculture and Child Nutrition Grant			<u>543,366</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Title I Grants to Local Educational Agencies	84.010	2015	101,052
Title I Grants to Local Educational Agencies	84.010	2016	617,329
Total Title I Grants to Local Educational Agencies			<u>718,381</u>
<i>Special Education Grant Cluster:</i>			
(F) Special Education_Grants to States	84.027	2015	63,684
(F) Special Education_Grants to States	84.027	2016	473,381
Total Special Education _Grants to States			<u>537,065</u>
(F) Special Education_Preschool Grants	84.173	2015	967
(F) Special Education_Preschool Grants	84.173	2016	6,263
Total Special Education_Preschool Grants			<u>7,230</u>
<i>Total Special Education Grant Cluster</i>			<u>544,295</u>
Twenty-First Century Community Learning Centers	84.287	2015	85,596
Twenty-First Century Community Learning Centers	84.287	2016	118,635
Total Twenty-First Century Community Learning Centers			<u>204,231</u>
Rural Education	84.358	2016	26,083
English Language Acquisition Grants	84.365	2016	12,705
Improving Teacher Quality State Grants	84.367	2015	7,918
Improving Teacher Quality State Grants	84.367	2016	128,599
Total Improving Teacher Quality State Grants			<u>136,517</u>
Total U.S. Department of Education			<u>1,642,212</u>
Total Federal Financial Assistance			<u>\$ 2,185,578</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

- (A) OAKS did not assign pass-through numbers for fiscal year 2016.
- (B) This schedule includes the federal award activity of the Athens City School District under programs of the federal government for the fiscal year ended June 30, 2016 and is prepared in accordance with the cash basis of accounting. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Athens City School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Athens City School District.
- (C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.
- (D) Included as part of "Child Nutrition Grant Cluster" in determining major programs.
- (E) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (F) Included as part of "Special Education Grant Cluster" in determining major programs.
- (G) CFR 200.414 allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. Athens City School District has not elected to use the 10% de minimis indirect cost rate.



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**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Required by *Government Auditing Standards***

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

To the Board of Education:

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, each major fund, and the aggregate remaining fund information of the Athens City School District, Athens County, Ohio, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Athens City School District's basic financial statements and have issued our report thereon dated December 13, 2016.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Athens City School District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Athens City School District'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 Athens City School District'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.

Board of Education
Athens City School District

Compliance and Other Matters

As part of reasonably assuring whether the Athens City School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 Athens City School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Athens City School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
December 13, 2016



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Independent Auditor's Report on Compliance With Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance and Schedule of Expenditures of Federal Awards Required by The Uniform Guidance

Athens City School District
Athens County
107 Lancaster Drive
Heath, Ohio 43056

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Athens City School District's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Athens City School District's major federal program for the fiscal year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Athens City School District's major federal program.

Management's Responsibility

The Athens City School District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Athens City School District's compliance for the Athens City School District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Athens City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Athens City School District major program. However, our audit does not provide a legal determination of the Athens City School District's compliance.

Opinion on the Major Federal Program

In our opinion, the Athens City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2016.

Board of Education
Athens City School District

Report on Internal Control Over Compliance

The Athens City School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Athens City School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Athens City School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Athens City School District as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Athens City School District's basic financial statements. We issued our unmodified report thereon dated December 13, 2016. We conducted our audit to opine on the Athens City School District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.
December 13, 2016

**ATHENS CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

**SCHEDULE OF FINDINGS
UNIFORM GUIDANCE 2 CFR § 200.515
JUNE 30, 2016**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Special Education Grant Cluster
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None



Dave Yost • Auditor of State

ATHENS CITY SCHOOL DISTRICT

ATHENS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 28, 2017**