

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

SUPPLEMENTAL REPORTS

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

BRYAN M. BUNTING, TREASURER/CFO



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, 2014 through June 30, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The 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 19, 2016

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

TABLE OF CONTENTS

Schedule of Expenditures of Federal Awards.....	1
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	2 - 3
Independent Auditor’s Report on Compliance With Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by <i>OMB Circular A-133</i> and the Schedule of Expenditures of Federal Awards	4 - 5
Schedule of Findings <i>OMB Circular A-133</i> § .505	6

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**ATHENS CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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	2015	\$ 123,331
(C) (D) National School Lunch Program - Food Donation	10.555	2015	50,655
(D) (E) National School Lunch Program	10.555	2015	353,294
Total National School Lunch Program			403,949
Total U.S. Department of Agriculture and Child Nutrition Grant			527,280
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Title I Grants to Local Educational Agencies	84.010	2014	115,344
Title I Grants to Local Educational Agencies	84.010	2015	735,540
Total Title I Grants to Local Educational Agencies			850,884
<i>Special Education Grant Cluster:</i>			
(F) Special Education _Grants to States	84.027	2014	69,929
(F) Special Education _Grants to States	84.027	2015	459,654
Total Special Education _Grants to States			529,583
(F) Special Education _Preschool Grants	84.173	2014	57
(F) Special Education _Preschool Grants	84.173	2015	9,308
Total Special Education _Preschool Grants			9,366
Total Special Education Grant Cluster			538,949
Twenty-First Century Community Learning Centers	84.287	2014	94,917
Twenty-First Century Community Learning Centers	84.287	2015	113,767
Total Twenty-First Century Community Learning Centers			208,684
Rural Education	84.358	2014	1,963
Rural Education	84.358	2015	61,334
Total Rural Education			63,298
English Language Acquisition State Grant	84.365	2015	14,952
Improving Teacher Quality State Grants	84.367	2014	21,613
Improving Teacher Quality State Grants	84.367	2015	147,979
Total Improving Teacher Quality State Grants			169,592
Total U.S. Department of Education			1,846,359
Total Federal Financial Assistance			\$ 2,373,639

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

- (A) OAKS did not assign pass through numbers for fiscal year 2015 for the grants passed through the Ohio Department of Education.
- (B) This schedule was prepared on the cash basis of accounting.
- (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.

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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 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:

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, 2015, 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 14, 2015, wherein we noted as discussed in Note 3, the Athens City School District adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the 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 14, 2015



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 on Compliance With Requirements Applicable to Each
Major Federal Program and on Internal Control Over Compliance
Required by OMB Circular A-133 and the Schedule of
Expenditures of Federal Awards**

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

To the Board of Education:

Report on Compliance for Each 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) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Athens City School District's major federal programs for the fiscal year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Athens City School District's major federal programs.

Management's Responsibility

The Athens City School District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Athens City School District's compliance for each of the Athens City School District's major federal programs 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 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's major programs. However, our audit does not provide a legal determination of the Athens City School District's compliance.

Opinion on Each 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 each of its major federal programs for the fiscal year ended June 30, 2015.

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 OMB Circular A-133, 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 OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, Athens County, Ohio, as of and for the fiscal year ended June 30, 2015, 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 14, 2015. Our opinion also explained that the Athens City School District adopted *Governmental Accounting Standard No. 68 and 71* during the fiscal year. We conducted our audit to opine on the Athens City School District's basic financial statements. The accompanying schedule of expenditures of federal awards presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records 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, 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 14, 2015

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2015**

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 §.510(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Child Nutrition Grant Cluster: School Breakfast Program - CFDA #10.553 and National School Lunch Program - CFDA #10.555; Special Education Grant Cluster: Special Education_Grants to States - CFDA #84.027 and Special Education_Preschool Grants - CFDA #84.173
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</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

None

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ending June 30, 2015



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ATHENS CITY SCHOOL DISTRICT

25 South Plains Road – The Plains, Ohio 45780

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

For the fiscal year ended
June 30, 2015

Board of Education

Bruce NottkePresident
Kim Goldsberry Vice-President
Roger Brown..... Member
Chris Gerig..... Member
Scott Nisley..... Member

Superintendent of Schools

Thomas J. Gibbs, Ed. D

Issued by the Treasurer's Office

Bryan M. Bunting, CGFM
Treasurer/CFO



ATHENS CITY SCHOOL DISTRICT

Table of Contents

For the Fiscal Year Ended June 30, 2015

I. INTRODUCTORY SECTION:

Transmittal Letter..... i
List of Principal Officer's xii
Organizational Chart..... xiv
GFOA Certificate of Achievement xv

II. FINANCIAL SECTION:

Independent Auditor's Report 1
Management's Discussion and Analysis..... 3

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position..... 17
Statement of Activities 18

Fund Financial Statements:

Balance Sheet - Governmental Funds 19
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities..... 20
Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds 21
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities 22
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund..... 23
Statement of Net Position - Proprietary Fund 24
Statement of Revenues, Expenses and Change in
Net Position - Proprietary Fund 25
Statement of Cash Flows - Proprietary Fund 26
Statement of Fiduciary Assets and Liabilities - Fiduciary Fund 27

Notes to the Basic Financial Statements 28

ATHENS CITY SCHOOL DISTRICT

Table of Contents

For the Fiscal Year Ended June 30, 2015

Required Supplemental Schedules:

Schedule of the School District’s Proportionate Share of the
Net Pension Liability – SERS – Last Two Fiscal Years 66

Schedule of the School District’s Proportionate Share of the
Net Pension Liability – STRS – Last Two Fiscal Years 67

Schedule of the School District Contributions - SERS – Last Two Fiscal Years 68

Schedule of the School District Contributions - STRS – Last Two Fiscal Years 69

Combining and Individual Fund Statements and Schedules:

Combining Statements - Nonmajor Funds:

Description of Governmental Funds 71

Combining Balance Sheet - Nonmajor Governmental Funds 73

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds 74

Combining Balance Sheet - Nonmajor Special Revenue Funds 75

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Special Revenue Funds 77

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Budget Basis):

General Fund 79

Bond Retirement Fund 82

Permanent Improvement Fund 83

Food Service Fund 85

Other Local Support Fund 86

District Managed Student Activities Fund 87

Other State Support Fund 88

Title VI-B Fund 89

Title I Fund 90

Other Federal Support Fund 91

Uniform School Supplies Fund 92

Public School Support Fund 93

Termination Benefits Fund 94

Unclaimed Monies Fund 95

Description of Proprietary Fund 96

Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual (Budget Basis):

Employee Benefits Self-Insurance Fund 97

ATHENS CITY SCHOOL DISTRICT

Table of Contents

For the Fiscal Year Ended June 30, 2015

Description of Fiduciary Fund 98

Statement of Changes in Assets and Liabilities - Agency Fund 99

III. STATISTICAL SECTION

Table of Contents 101

Net Position by Component - Last Ten Fiscal Years 103

Changes in Net Position of Governmental Activities -
Last Ten Fiscal Years..... 104

Fund Balances, Governmental Funds - Last Ten Fiscal Years..... 107

Changes in Fund Balances, Governmental Funds -
Last Ten Fiscal Years..... 108

Assessed and Estimated Actual Value of Taxable Property -
Last Ten Years 110

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

- Athens Township (A01) 111
- Athens Township - City of Athens (A02) 112
- Athens Township - The Plains Fire District (A04)..... 113
- Canaan Township (E02) 114
- Canaan Township - City of Athens (E03) 115
- Dover Township (G01)..... 116
- Dover Township - Village of Chauncey (G02) 117
- Waterloo Township (N02)..... 118

Property Tax Levies and Collections - Last Ten Years 119

Principal Taxpayers

- Real Estate Tax 120
- Public Utilities Tax 121

Ratio of Debt to Assessed Value and Debt Per Capita -
Last Ten Fiscal Years..... 122

Ratio of Annual Debt Service Expenditures for General
Obligation Bonded Debt to Total General Fund Expenditures -
Last Ten Fiscal Years 123

Computation of Direct and Overlapping Debt
Attributable to Governmental Activities 124

Computation of Legal Debt Margin - Last Ten Fiscal Years 125

Demographic and Economic Statistics 126

Principal Employers - Current Year and Nine Years Ago..... 127

ATHENS CITY SCHOOL DISTRICT

Table of Contents

For the Fiscal Year Ended June 30, 2015

Personal Income - Last Ten Years	128
School District Employees by Function/Program - Last Ten Fiscal Years.....	129
Miscellaneous Statistics.....	130
Standardized Test Results.....	131

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ATHENS CITY SCHOOL DISTRICT



INTRODUCTORY SECTION

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ATHENS CITY SCHOOL DISTRICT

www.athenscity.k12.oh.us

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 14, 2015

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, 2015. This CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

THE DISTRICT AND ITS FACILITIES

The District was established in the mid 1800's and was consolidated in 1964 with the Plains Local School District and the Chauncey Local School District. It is located in Athens County, and includes the City of Athens, the Village of Chauncey and portions of the Townships of Athens, Canaan, Dover, and Waterloo. Athens is the county seat of Athens County with a population of approximately 35,026 residents. The District is the 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 2,716 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	68
East Elementary	K-6	366
Morrison-Gordon Elementary	K-6	444
The Plains Elementary	K-6	386
West Elementary	K-6	270
Athens Middle School	7-8	443
Athens High School	9-12	739

The District provides preschool programs and all-day kindergarten classes. The District serves lunches to 33.6% of the student population daily. Approximately 38.5% 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 75.5% of their student population. All educational facilities except East and Chauncey also offer breakfast programs. In these five buildings, 38.5% are eligible for Free and Reduced, and 15.2% 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, 2015 is included on page xii.

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Carl D. Martin was initially employed as Superintendent effective February 1995. Mr. Martin retired effective December 31, 1998 but returned to the position in July 2000. Mr. Martin's contract extends through July 31, 2016. Mr. Martin elected to retire July 31, 2015. The Board hired Thomas J. Gibbs, Ed.D. as Superintendent effective August 1, 2015 and his contract extends to July 31, 2019.

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 4,150 total employees with more than 1,500 full-time and 700 part-time faculty employees who live in or around the District. In fact, three of the four largest employers in the county are government operations, Ohio University, Athens County, and the Athens City School District itself. The University has an enrollment of more than 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 total assets were more than \$1,383.5 million with total operating and non-operating expenses for the 2014 fiscal year in excess of \$677 million dollars. The University has an on-going facility plan which means each year they complete a number of construction and renovation projects. Their 2014 annual report also estimates \$68.7 million in capital projects continuing after the end of their fiscal year

Athens County's largest private employers include Wal-Mart, O'Bleness Memorial Hospital, 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 2014, a new Texas Roadhouse restaurant opened and other small chain stores are negotiating lease agreements. A new Fairfield Inn & Suites hotel and a Tim Horton's restaurant opened in early 2015. 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, Sears, Rent-2-Own, AT&T, Verizon, and others with very few storefronts available. 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 taxpaying constituents. While statewide, voters have proved reluctant to increase their property taxes, the Athens City School District has received positive support from its taxpayers on more than 91% of all tax levies and 100% of all bond issues since 1964. The average passage rate for those ballot issues was 58%.

The District's management is very appreciative of this support but is constantly searching for ways to provide a more efficient means of doing business while at the same time continuing to provide excellent educational services. Evidence of this is supported by the fact the District operates more than 15 grants generating more than \$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 365 employees (full and part time) of which 219 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 2013, 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, 2014 through January 1, 2016 included wage increases and changes to district medical and prescription insurance.

During the summer of 2015, 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, 2015 through August 31, 2018 and included a wage increase in year 1 with wage and benefits to be bargained for the final two years during fiscal year 2016.

During the summer of 2013, the Board successfully concluded negotiations with the ASFCME educational aide employees on a three-year agreement for wages and fringe benefits. Wage agreements for that bargaining unit for the three year period September 1, 2013 through August 31, 2016, 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 17% 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 2015

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 2015, the District updated both its security plan and both hardware and software within the facilities. The new security measures include door locks with a computerized key-card system and upgraded security cameras.

Technology

The District entered fiscal year 2015 by completing the upgrade of the technology infrastructure. Based on the work of an outside professional consulting firm in 2014, the District network conversion into a single system and away from each facility having its own server or mini-network was completed. This involved purchase of new commercial grade servers and switches and an increase of district-wide bandwidth at each facility and overall. This gained efficiency is beginning to result in reduction of hardware and software costs while at the same time increasing the availability of technology to both students and staff.

Comprehensive Annual Financial Report

The District prepared their sixteenth Comprehensive Annual Financial Report (CAFR) for fiscal year 2015. 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 2015 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 2015 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	\$859,247	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	\$72,856	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	\$155,896	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	\$15,399	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	\$2,205	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.
Title VI-B	\$569,960	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	\$79,947	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	\$12,997	Funding is designed to provide tutoring and other focused supplemental supports for children most at risk in reading and mathematics.
Total	<u><u>\$1,968,507</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 2016. Using the recently completed process established in Ohio Law, the District was able to 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 will implement a new Ohio assessments system for the 2015-2016 academic year. As this transition is underway, the district continues to work toward increasing student performance outcomes and quality of district services through the highly structured continuous improvement model of the Ohio Improvement Process, the chief element in Ohio's Differentiated Accountability Model. Finally, the District is implementing 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.

Technology Upgrades

During 2015, the District purchased 500 Chromebook computers that were distributed throughout the various facilities and grade levels. For 2016, the District will purchase another 500 or more Chromebooks with the goal over time to have a one-to-one ratio for grades 4 through 12. A review of the needed bandwidth and additional wireless access points will be done in 2016 which will help determine what additional technology funding will be necessary to meet this goal.

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 fourteenth 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 2015.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent accountants. The Auditor of State conducted the District's audit from fiscal year 1999 to fiscal year 2003. In fiscal 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 Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. 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.

The District was also selected for the first "Attestation Report" on both the State Teachers Retirement System (STRS) and School Employees Retirement System (SERS) for fiscal year 2014. This was a new process by the Auditor of State in compliance with regulations and requirements of GASB 68 which Ohio public schools will be forced to report beginning in fiscal year 2015.

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, 2014. This was the fifteenth 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	Bruce Nottke	January 1, 2014 to December 31, 2017
Vice President	Kimberly Goldsberry	January 1, 2014 to December 31, 2017
Board Member	Chris Gerig	January 1, 2014 to December 31, 2017
Board Member	Roger Brown	January 1, 2012 to December 31, 2015
Board Member	Scott Nisley	January 1, 2012 to December 31, 2015

CENTRAL OFFICE ADMINISTRATIVE STAFF

Superintendent	Thomas J. Gibbs, Ed.D.
Treasurer	Bryan M. Bunting, CGFM
Director of Curriculum	Tom Parsons
Director of Special Services	Brandi Hawk
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

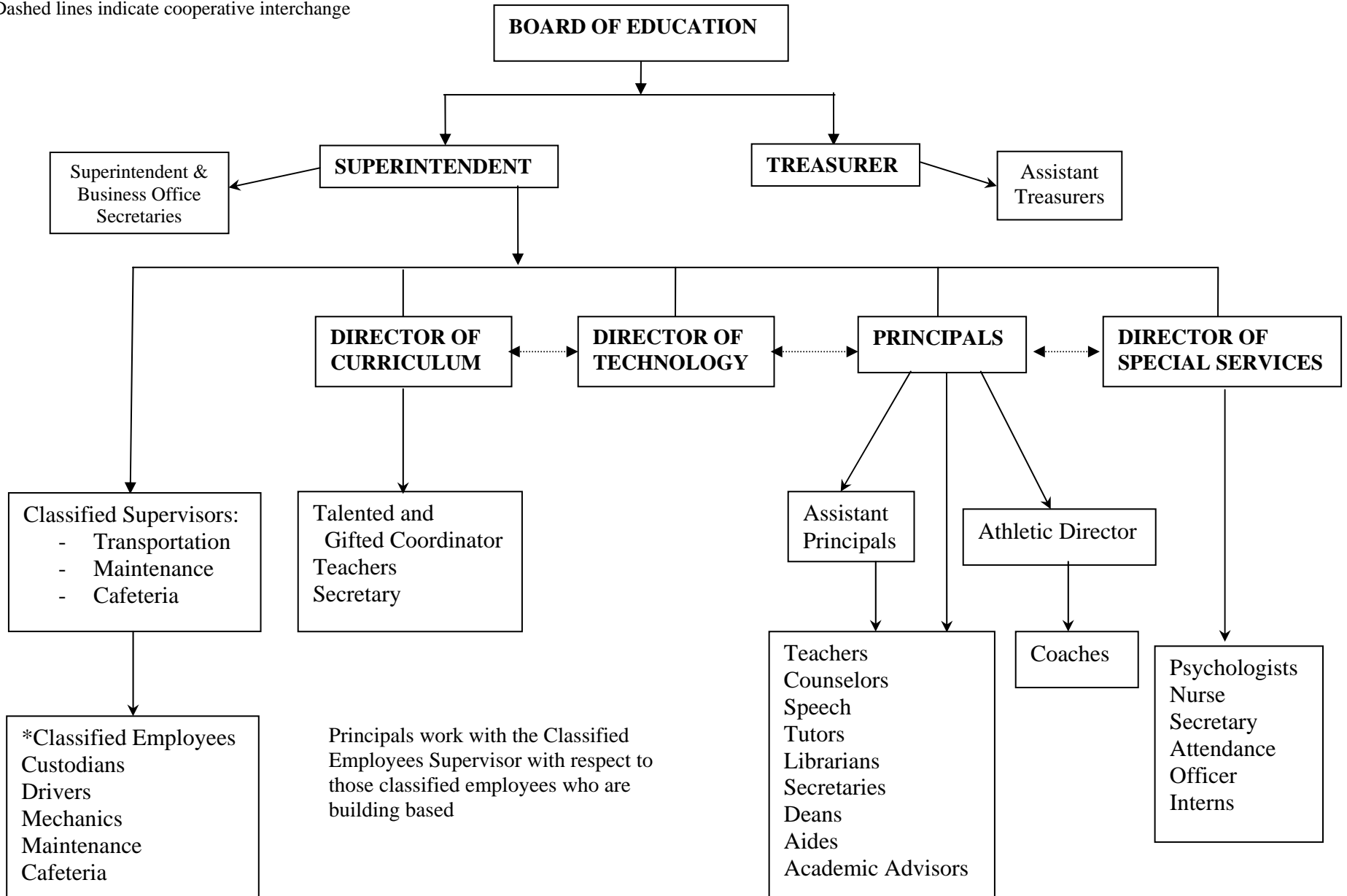
High School	David Hanning Secretary – Brenda Hamilton
Middle School.....	Kara Bolin Secretary – Nina O’Leary
East Elementary	Claire Giardino Secretary – Linda Pierce
Morrison Elementary	Penny McDowell Secretary – Tammy Kolbe
The Plains Elementary	Heather Skinner Secretary – Madelon Armstrong
West Elementary	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, 2015

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**

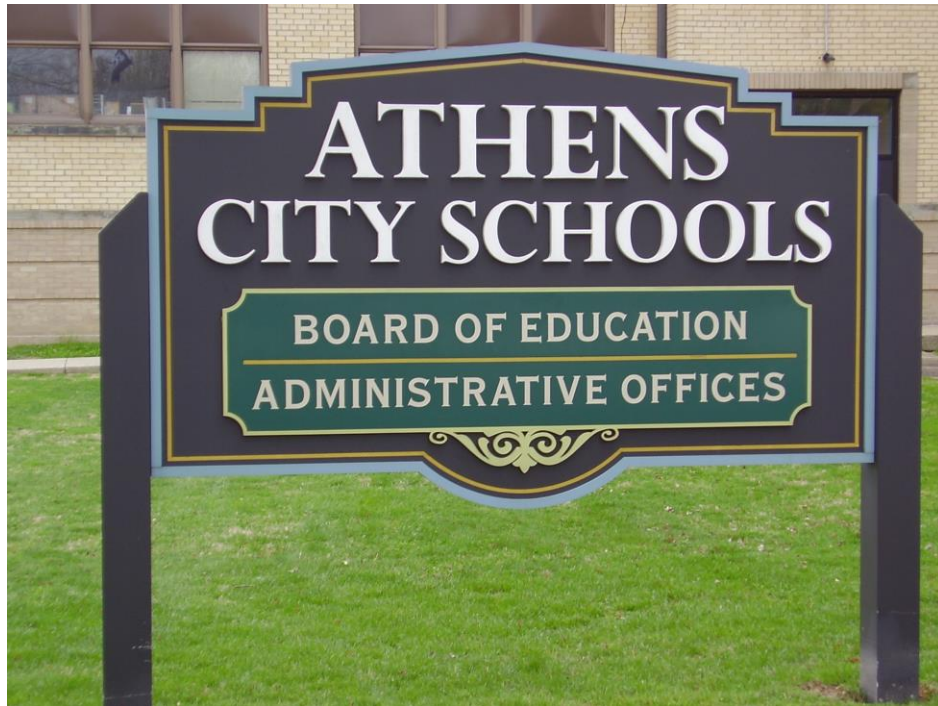
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

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, 2015, 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, 2015, 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2015, the Athens City School District adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. We did not modify our opinion regarding this matter.

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 14, 2015, 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 14, 2015

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(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, 2015. 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, 2015 by \$22.3 million. Of this amount, a deficit of \$36.3 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 \$0.6 million, which represents a increase of 2.6% from 2014.
- ▶ General revenues accounted for \$28.4 million or 78.2% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7.9 million or 21.8% of total revenues of \$36.3 million.
- ▶ The District had \$35.7 million in expenses related to governmental activities; only \$7.9 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 \$28.4 million were adequate to cover the balance of governmental programs.
- ▶ The District recognizes three major governmental funds: the General Fund, the Bond Retirement Fund, and the Permanent Improvement Fund. In terms of dollars received and spent, the General Fund is significantly larger than all the other funds of the District combined. The General Fund had \$30.6 million in revenues and \$30.7 million in expenditures in fiscal year 2015.
- ▶ The District also recognizes the self-insurance fund activity as a governmental activity and a proprietary fund. The activity for fiscal year 2015 was \$5.9 million in revenue and \$5.8 million in expenses. Net position at June 30, 2015 for the self-insurance fund increased \$0.1 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, 2015
(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, Bond Retirement, and Permanent Improvement.

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

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(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, 2015
(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 2015 compared to fiscal year 2014:

Table 1
Net Position at Year End

	<u>Governmental Activities</u>	
	2015	Restated 2014
<u>Assets:</u>		
Current and Other Assets	35,991,491	36,389,740
Capital Assets, net	16,792,186	17,934,275
<i>Total Assets</i>	<u>52,783,677</u>	<u>54,324,015</u>
<u>Deferred Outflows of Resources:</u>		
Deferred Charge of Refunding	183,501	201,851
Pension	3,181,826	2,750,299
<i>Total Deferred Outflows of Resources</i>	<u>3,365,327</u>	<u>2,952,150</u>
<u>Liabilities:</u>		
Current and Other Liabilities	3,418,301	3,429,668
Long-Term Liabilities:		
Due Within One Year	1,794,526	1,784,900
Due in More Than One Year:		
Net Pension Liability	41,294,002	49,071,803
Other Amounts	8,938,229	10,403,672
<i>Total Liabilities</i>	<u>55,445,058</u>	<u>64,690,043</u>
<u>Deferred Inflows of Resources:</u>		
Property Taxes	15,345,106	15,334,281
Payment in Lieu of Taxes	221,935	224,627
Pension	7,474,908	0
<i>Total Deferred Inflows of Resources</i>	<u>23,041,949</u>	<u>15,558,908</u>
<u>Net Position:</u>		
Net Investment in Capital Assets	8,313,450	7,932,054
Restricted	5,670,193	5,392,088
Unrestricted	(36,321,646)	(36,296,928)
<i>Total Net Position</i>	<u><u>(\$22,338,003)</u></u>	<u><u>(\$22,972,786)</u></u>

During 2015, the District adopted GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27, "which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net pension and subtracting deferred outflows related to pension. 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.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

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

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. This implementation also had the effect of restating net position of June 30, 2014, from \$23,457,132 to a deficit of \$22,972,786.

Current assets decreased by \$398,249 from fiscal year 2014 due to the decreases in cash and cash equivalents and intergovernmental receivable.

Capital assets decreased \$1,142,089 due to current year depreciation and disposals which was partially offset by capital asset additions.

Current (other) liabilities decreased \$11,367 primarily due to decreases in accounts payable.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

Long-term liabilities decreased by \$9,233,618 or 15.1 percent due to a decrease 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.

The District's smallest portion of net position is unrestricted, and carries a deficit balance of \$36,321,646. 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 \$5,670,193 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 2015 compared to changes for fiscal year 2014.

Table 2
Change in Net Position

	<u>Governmental Activities</u>	
	2015	2014
<u>Revenues:</u>		
<i>Program Revenues:</i>		
Charges for Services and Sales	\$3,032,541	\$2,918,325
Operating Grants and Contributions	4,807,505	4,201,948
Capital Grants and Contributions	60,250	88,250
<i>General Revenues:</i>		
Property Taxes	16,346,047	16,409,129
Income Taxes	3,717,583	3,713,645
Unrestricted Grants and Entitlements	7,630,166	8,393,080
Payments in Lieu of Taxes	224,627	298,028
Investment Earnings	66,584	50,787
Miscellaneous	457,132	352,373
<i>Total Revenues</i>	36,342,435	36,425,565

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

Table 2
Changes in Net Position

<u>Expenses:</u>	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
<i>Program Expenses:</i>		
<i>Instruction:</i>		
Regular	17,903,717	18,354,186
Special	4,520,384	4,147,144
Vocational	234,063	328,360
Student Intervention Services	90,459	109,975
Other	84,456	0
<i>Support Services:</i>		
Pupil	2,101,842	2,270,423
Instructional Staff	680,483	746,302
Board of Education	130,783	114,855
Administration	2,358,785	2,166,427
Fiscal	660,982	641,031
Business	409,031	447,045
Operation and Maintenance of Plant	2,940,673	2,808,961
Pupil Transportation	1,721,523	1,829,180
Central	111,100	113,334
<i>Operation of Non-Instructional Services:</i>		
Food Services	697,962	723,193
Other	6,386	9,054
Extracurricular Activities	683,852	548,371
<i>Debt Service:</i>		
Interest and Fiscal Charges	377,105	381,368
<i>Total Expenses</i>	<u>35,713,586</u>	<u>35,739,209</u>
Change in Net Position Before Extraordinary Item	628,849	686,356
Extraordinary Item	5,934	22,141
<i>Change in Net Position</i>	634,783	708,497
Net Position-Beginning of Year, As Restated	<u>(22,972,786)</u>	<u>(N/A)</u>
Net Position-End of Year	<u>(\$22,338,003)</u>	<u>(\$22,972,786)</u>

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB Statement No. 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$2,750,299 computed under GASB Statement No. 27. GASB Statement No. 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB Statement No. 68, pension expense represents additional amounts earned, adjusted by deferred inflows/ outflows. The contractually required contribution is no longer a component of pension expense. Under GASB Statement No. 68, the 2015 statements report pension expense of \$2,057,956. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB Statement No. 68	\$35,713,586
Pension expense under GASB Statement No. 68	(2,057,956)
2015 contractually required contribution	<u>2,750,299</u>
Adjusted 2015 program expenses	36,405,929
Total 2014 program expenses under GASB Statement No. 27	<u>35,739,209</u>
Increase in program expenses not related to pension	<u><u>\$666,720</u></u>

The District had program revenue increases of \$691,773 and decreases in general revenues of \$774,903. The increase in program revenue is due to an increase in operating grants and the decrease in general revenue is due to a decrease in unrestricted grants and entitlements. These changes are primarily due to grant funds that were classified as program revenue instead of unrestricted for fiscal year 2015.

The total expenses for governmental activities decreased \$25,623 or 0.1% 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 45.0% of the total revenue for governmental activities in fiscal year 2015.

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.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

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 6.83 mills for 2015 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 \$3.7 million in fiscal year 2015. 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.

Instruction accounts for 63.9% of governmental activities program expenses. Support services expenses make up 31.1% 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 2015 compared with fiscal year 2014. 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	
	2015	2014	2015	2014
<i>Program Expenses:</i>				
Instruction	\$22,833,079	\$22,939,665	\$17,201,489	\$17,185,336
Support Services	11,115,202	11,137,558	9,684,928	10,474,394
Operation of Non-Instructional Services	704,348	732,247	26,782	34,616
Extracurricular Activities	683,852	548,371	522,986	454,972
Debt Service	377,105	381,368	377,105	381,368
Total Expenses	\$35,713,586	\$35,739,209	\$27,813,290	\$28,530,686

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

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 \$36.9 million and expenditures and other financing uses of \$36.9 million.

Total governmental funds fund balances decreased by \$23,539. The decrease in fund balance for the year was most significant in the General Fund which had a decrease of \$156,995 in fund balance due to slightly increased revenues being less than the slightly increased expenditures for the fiscal year. The Permanent Improvement Fund decreased \$101,271, due to decreased revenues and expenditures that increased for the fiscal year due to continued payments for renovations due to storm damage. The fund balance in the Bond Retirement Fund, decreased \$133,948, as a result of an increase in debt service expenditures.

The District should remain stable, in fiscal years 2016 through 2017. However, projections beyond fiscal year 2017 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.

During the course of fiscal year 2015, 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 \$30,275,869 representing a \$277,369 increase from the original budget estimates of \$29,998,500. For the General Fund, the final budget basis expenditures were \$30,490,860 representing an increase of \$9,112,179 from the original budget of \$21,378,681. The final budget reflected a 42.62% increase from the original budget, which is the result of the District's increase in budget for regular instruction, operation and maintenance of plant, and pupil transportation, which are used to pay most costs associated with student education, maintaining facilities, and transporting students

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

Debt Administration and Capital Assets

Debt Administration

At June 30, 2015, the District had \$7.8 million in bonds outstanding with \$1.5 million due within one year. Table 4 summarizes bonds outstanding for fiscal year 2015 compared to fiscal year 2014. More detailed information concerning the District's debt can be found in Note 15 of the notes to the basic financial statements.

Table 4
Outstanding Debt, Governmental Activities at Year End

<u>Purpose</u>	<u>2015</u>	<u>2014</u>
2013 Facility Construction Bonds (Refunding)	\$6,050,000	\$6,675,000
2005 Facility Construction Bonds (Refunding)	275,000	385,000
Facility Renovation Bonds	<u>1,495,000</u>	<u>2,175,000</u>
Total	<u><u>\$7,820,000</u></u>	<u><u>\$9,235,000</u></u>

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

Capital Assets

At the end of fiscal year 2015, the District had \$48.5 million invested in capital assets for its governmental activities. That total carries an accumulated depreciation of \$31.7 million. Table 5 shows fiscal year 2015 balances compared to fiscal year 2014. 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>2015</u>	<u>Restated 2014</u>
<i>Nondepreciable Capital Assets:</i>		
Land	\$1,519,380	\$1,519,380
<i>Depreciable Capital Assets:</i>		
Land Improvements	3,861,506	3,831,224
Buildings and Improvements	37,554,261	37,487,121
Furniture, Fixtures and Equipment	1,702,760	1,688,126
Vehicles	2,456,145	2,456,145
Library and Textbooks	1,399,405	1,399,405
<i>Total Capital Assets</i>	<u>48,493,457</u>	<u>48,381,401</u>
<i>Less Accumulated Depreciation:</i>		
Land Improvements	(2,604,925)	(2,487,027)
Buildings and Improvements	(24,498,987)	(23,606,028)
Furniture, Fixtures and Equipment	(1,304,133)	(1,219,620)
Vehicles	(1,893,821)	(1,735,046)
Library and Textbooks	(1,399,405)	(1,399,405)
<i>Total Accumulated Depreciation</i>	<u>(31,701,271)</u>	<u>(30,447,126)</u>
Capital Assets, Net	<u><u>\$16,792,186</u></u>	<u><u>\$17,934,275</u></u>

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(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. The District had estimated an increase in state funding beginning in Fiscal Year 2016 due to changes to the funding formula and stable enrollment. Our State share of core funding is expected to decline in fiscal year 2016 but increase thereafter. Two of the 3 new components, 3rd grade Reading Bonus and Graduation Bonus, will provide small increases beginning in FY2016. The District does not receive the new Capacity Aid funding category.

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 and the triennial update for 2011. Data from the County Auditor's Office showed a 0.02% decrease in overall property values from the 2011 update. This resulted in a slight increase in voted mills to generate the same dollar amount received from voted millage received in 2011 although inside mills do not receive a similar adjustment and will see a very slight loss of revenue. The District currently has 4.0 inside mills and 16.0 additional voted mills. A full county-wide reappraisal will be conducted in 2014. 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 4%. 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 2015 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.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(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 2015 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, 2015

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$15,243,561
Investments	1,593,770
Property Taxes Receivable	17,120,651
Payment in Lieu of Taxes Receivable	221,935
Income Taxes Receivable	1,200,085
Intergovernmental Receivable	512,453
Prepaid Items	80,963
Inventory Held for Resale	12,984
Materials and Supplies Inventory	5,089
Nondepreciable Capital Assets	1,519,380
Depreciable Capital Assets, Net	15,272,806
<i>Total Assets</i>	<i>52,783,677</i>
<u>Deferred Outflows of Resources:</u>	
Deferred Charges on Refunding	183,501
Pension	3,181,826
<i>Total Deferred Outflows of Resources</i>	<i>3,365,327</i>
<u>Liabilities:</u>	
Accounts Payable	32,602
Accrued Wages and Benefits	2,402,937
Contracts Payable	27,725
Intergovernmental Payable	735,826
Accrued Interest Payable	20,281
Claims Payable	198,930
<i>Long-Term Liabilities:</i>	
Due within One Year	1,794,526
<i>Due in More Than One Year:</i>	
Net Pension Liability	41,294,002
Other Amounts Due in More Than One Year	8,938,229
<i>Total Liabilities</i>	<i>55,445,058</i>
<u>Deferred Inflows of Resources:</u>	
Property Taxes	15,345,106
Payment in Lieu of Taxes	221,935
Pension	7,474,908
<i>Total Deferred Inflows of Resources</i>	<i>23,041,949</i>
<u>Net Position:</u>	
Net Investment in Capital Assets	8,313,450
<i>Restricted for:</i>	
Capital Outlay	2,236,037
Debt Service	3,027,337
Other Purposes	406,819
Unrestricted	(36,321,646)
<i>Total Net Position</i>	<i>(\$22,338,003)</i>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2015

	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
<u>Governmental Activities:</u>					
<i>Instruction:</i>					
Regular	\$17,903,717	\$2,716,822	\$429,569	\$60,250	(\$14,697,076)
Special	4,520,384	0	2,387,223	0	(2,133,161)
Vocational	234,063	0	37,726	0	(196,337)
Student Intervention Services	90,459	0	0	0	(90,459)
Other	84,456	0	0	0	(84,456)
<i>Support Services:</i>					
Pupil	2,101,842	14,249	0	0	(2,087,593)
Instructional Staff	680,483	0	340,256	0	(340,227)
Board of Education	130,783	0	0	0	(130,783)
Administration	2,358,785	2,862	17,388	0	(2,338,535)
Fiscal	660,982	0	0	0	(660,982)
Business	409,031	0	0	0	(409,031)
Operation and Maintenance of Plant	2,940,673	0	0	0	(2,940,673)
Pupil Transportation	1,721,523	0	1,055,519	0	(666,004)
Central	111,100	0	0	0	(111,100)
<i>Operation of Non-Instructional Services:</i>					
Food Services	697,962	190,260	487,306	0	(20,396)
Other	6,386	0	0	0	(6,386)
Extracurricular Activities	683,852	108,348	52,518	0	(522,986)
<i>Debt Service:</i>					
Interest and Fiscal Charges	377,105	0	0	0	(377,105)
Total Governmental Activities	\$35,713,586	\$3,032,541	\$4,807,505	\$60,250	(27,813,290)
 <u>General Revenues:</u>					
<i>Property Taxes Levied for:</i>					
General Purposes					13,601,179
Debt Service					1,403,556
Capital Outlay					1,341,312
<i>Income Taxes Levied for:</i>					
General Purposes					3,717,583
Grants and Entitlements not Restricted to Specific Programs					7,630,166
Payments in Lieu of Taxes					224,627
Investment Earnings					66,584
Miscellaneous					457,132
Total General Revenues					28,442,139
Changes in Net Position Before Extraordinary Item					628,849
<u>Extraordinary Item:</u>					
Gain on Insurance Recovery					5,934
Change in Net Position					634,783
<i>Net Position at Beginning of Year, As Restated (See Note 3)</i>					(22,972,786)
Net Position at End of Year					(\$22,338,003)

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

*Balance Sheet
Governmental Funds
June 30, 2015*

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents and Investments	\$7,285,200	\$2,895,546	\$2,122,002	\$431,327	\$12,734,075
Property Taxes Receivable	14,340,278	1,363,778	1,416,595	0	17,120,651
Payment in Lieu of Taxes Receivable	221,935	0	0	0	221,935
Income Taxes Receivable	1,200,085	0	0	0	1,200,085
Intergovernmental Receivable	6,064	0	0	506,389	512,453
Interfund Receivable	89,620	0	0	0	89,620
Prepaid Items	80,963	0	0	0	80,963
Materials and Supplies Inventory	0	0	0	5,089	5,089
Inventory Held for Resale	0	0	0	12,984	12,984
<i>Total Assets</i>	<u>\$23,224,145</u>	<u>\$4,259,324</u>	<u>\$3,538,597</u>	<u>\$955,789</u>	<u>\$31,977,855</u>
<u>Liabilities:</u>					
Accounts Payable	\$14,007	\$0	\$4,108	\$14,487	\$32,602
Accrued Wages and Benefits	2,230,065	0	0	172,872	2,402,937
Contracts Payable	0	0	27,725	0	27,725
Intergovernmental Payable	616,001	0	0	119,825	735,826
Interfund Payable	0	0	0	89,620	89,620
<i>Total Liabilities</i>	<u>2,860,073</u>	<u>0</u>	<u>31,833</u>	<u>396,804</u>	<u>3,288,710</u>
<u>Deferred Inflows of Resources:</u>					
Property Taxes	13,290,784	1,255,766	1,312,990	0	15,859,540
Intergovernmental	0	0	0	506,389	506,389
Payment in Lieu of Taxes	221,935	0	0	0	221,935
<i>Total Deferred Inflows of Resources</i>	<u>13,512,719</u>	<u>1,255,766</u>	<u>1,312,990</u>	<u>506,389</u>	<u>16,587,864</u>
<u>Fund Balances:</u>					
Nonspendable	201,799	0	0	5,089	206,888
Restricted	0	3,003,558	2,193,774	414,381	5,611,713
Committed	10,418	0	0	0	10,418
Assigned	140,063	0	0	0	140,063
Unassigned	6,499,073	0	0	(366,874)	6,132,199
<i>Total Fund Balances</i>	<u>6,851,353</u>	<u>3,003,558</u>	<u>2,193,774</u>	<u>52,596</u>	<u>12,101,281</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$23,224,145</u>	<u>\$4,259,324</u>	<u>\$3,538,597</u>	<u>\$955,789</u>	<u>\$31,977,855</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, 2015*

Total Governmental Funds Balances		\$12,101,281
<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.		16,792,186
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	514,434	
Intergovernmental	<u>506,389</u>	
Total		1,020,823
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.		183,501
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	(7,820,000)	
Accretion on bonds	(665,481)	
Premium on bonds issued	(842,237)	
Accrued interest on bonds	(20,281)	
Settlement obligation	(36,333)	
Compensated absences	<u>(1,368,704)</u>	
Total liabilities that are not reported in the funds		(10,753,036)
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	3,181,826	
Deferred Inflows - Pension	(7,474,908)	
Net Pension Liability	<u>(41,294,002)</u>	
Total		(45,587,084)
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.		<u>3,904,326</u>
<i>Net Position of Governmental Activities</i>		<u><u>(\$22,338,003)</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$13,807,851	\$1,423,264	\$1,362,293	\$0	\$16,593,408
Income Taxes	3,717,583	0	0	0	3,717,583
Intergovernmental	9,588,710	154,495	184,349	2,747,469	12,675,023
Interest	47,564	0	9,782	0	57,346
Tuition and Fees	2,720,349	0	0	0	2,720,349
Extracurricular Activities	13,584	0	0	108,348	121,932
Rent	70,087	0	0	0	70,087
Charges for Services	0	0	0	190,260	190,260
Payments in Lieu of Taxes	224,627	0	0	0	224,627
Contributions and Donations	3,856	0	60,250	29,312	93,418
Miscellaneous	364,269	0	16,017	6,759	387,045
<i>Total Revenues</i>	<u>30,558,480</u>	<u>1,577,759</u>	<u>1,632,691</u>	<u>3,082,148</u>	<u>36,851,078</u>
<u>Expenditures:</u>					
<i>Current:</i>					
<i>Instruction:</i>					
Regular	15,616,512	0	1,283,078	386,173	17,285,763
Special	3,444,452	0	1,050	1,197,325	4,642,827
Vocational	264,766	0	0	0	264,766
Student Intervention Services	91,981	0	1,500	0	93,481
Other	84,456	0	0	0	84,456
<i>Support Services:</i>					
Pupil	2,208,118	0	10,508	7,494	2,226,120
Instructional Staff	425,611	0	19,230	240,160	685,001
Board of Education	130,913	0	0	0	130,913
Administration	2,457,564	0	2,156	27,595	2,487,315
Fiscal	615,657	34,865	45,303	0	695,825
Business	422,814	0	0	0	422,814
Operation and Maintenance of Plant	2,926,861	0	12,770	0	2,939,631
Pupil Transportation	1,428,049	0	143,139	33,823	1,605,011
Central	114,522	0	0	0	114,522
Operation of Non-Instructional Services	4,460	0	1,926	711,914	718,300
Extracurricular Activities	435,985	0	0	133,577	569,562
Capital Outlay	0	0	219,236	0	219,236
<i>Debt Service:</i>					
Principal Retirement	18,166	1,415,000	0	0	1,433,166
Interest and Fiscal Charges	0	261,842	0	0	261,842
<i>Total Expenditures</i>	<u>30,690,887</u>	<u>1,711,707</u>	<u>1,739,896</u>	<u>2,738,061</u>	<u>36,880,551</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(132,407)</u>	<u>(133,948)</u>	<u>(107,205)</u>	<u>344,087</u>	<u>(29,473)</u>
<u>Other Financing Sources (Uses):</u>					
Transfer In	0	0	0	24,588	24,588
Transfer Out	(24,588)	0	0	0	(24,588)
<i>Total Other Financing Sources (Uses)</i>	<u>(24,588)</u>	<u>0</u>	<u>0</u>	<u>24,588</u>	<u>0</u>
Net Change in Fund Balances Before Extraordinary Item	(156,995)	(133,948)	(107,205)	368,675	(29,473)
<u>Extraordinary Item:</u>					
Insurance Recoveries	0	0	5,934	0	5,934
<i>Net Change in Fund Balances</i>	(156,995)	(133,948)	(101,271)	368,675	(23,539)
<i>Fund Balances at Beginning of Year</i>	<u>7,008,348</u>	<u>3,137,506</u>	<u>2,295,045</u>	<u>(316,079)</u>	<u>12,124,820</u>
<i>Fund Balances at End of Year</i>	<u>\$6,851,353</u>	<u>\$3,003,558</u>	<u>\$2,193,774</u>	<u>\$52,596</u>	<u>\$12,101,281</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, 2015*

Net Change in Fund Balances - Total Governmental Funds (\$23,539)

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

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

Capital Asset Additions	114,341	
Depreciation	(1,256,430)	
Total		(1,142,089)

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	(247,361)	
Intergovernmental	(270,520)	
Total		(517,881)

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	1,415,000	
Settlement obligation	18,166	
Total		1,433,166

In the statement of activities, interest is accrued on outstanding bonds, bond accretion bond 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	4,258	
Amortization of premium on bonds	126,835	
Amortization of deferred charges on refunding	(18,350)	
Accretion on bonds	(228,006)	
Total		(115,263)

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		123,822
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred revenues.

2,792,376

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

(2,057,956)

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.

142,147

Change in Net Position of Governmental Activities \$634,783

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$13,825,000	\$13,644,592	\$13,644,592	\$0
Income Taxes	3,625,000	3,725,925	3,725,925	0
Intergovernmental	9,517,000	9,582,646	9,582,646	0
Interest	30,000	42,317	47,159	4,842
Tuition and Fees	2,541,500	2,641,266	2,641,266	0
Rent	60,000	64,987	70,087	5,100
Payments in Lieu of Taxes	275,000	224,627	224,627	0
Miscellaneous	125,000	349,509	370,075	20,566
<i>Total Revenues</i>	29,998,500	30,275,869	30,306,377	30,508
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	12,236,816	15,357,346	15,323,743	33,603
Special	2,370,159	3,336,732	3,290,722	46,010
Vocational	285,235	278,163	275,833	2,330
Student Intervention Services	78,369	105,444	105,444	0
Other	83,000	82,298	82,298	0
<i>Support Services:</i>				
Pupils	1,404,130	2,196,803	2,194,466	2,337
Instructional Staff	316,898	431,136	425,029	6,107
Board of Education	105,208	149,399	130,021	19,378
Administration	1,629,815	2,467,509	2,459,906	7,603
Fiscal	442,624	636,106	623,513	12,593
Business	67,912	431,773	428,194	3,579
Operation and Maintenance of Plant	1,225,412	2,918,963	2,899,449	19,514
Pupil Transportation	694,038	1,525,679	1,424,423	101,256
Central	81,809	114,541	114,541	0
Operation of Non-Instructional Services	0	4,710	4,710	0
Extracurricular Activities	339,090	436,092	436,092	0
<i>Debt Service:</i>				
Principal Retirement	18,166	18,166	18,166	0
<i>Total Expenditures</i>	21,378,681	30,490,860	30,236,550	254,310
<i>Excess of Revenues Over (Under) Expenditures</i>	8,619,819	(214,991)	69,827	284,818
<u>Other Financing Uses:</u>				
Transfers Out	(350,000)	(176,000)	(174,588)	1,412
<i>Total Other Financing Uses</i>	(350,000)	(176,000)	(174,588)	1,412
<i>Excess of Revenues Over (Under) Expenditures and Other Financing Uses</i>	8,269,819	(390,991)	(104,761)	286,230
<i>Fund Balance at Beginning of Year</i>	7,083,881	7,083,881	7,083,881	0
Prior Year Encumbrances Appropriated	137,721	137,721	137,721	0
<i>Fund Balance at End of Year</i>	\$15,491,421	\$6,830,611	\$7,116,841	\$286,230

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Statement of Net Position

Proprietary Fund

June 30, 2015

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Assets:</u>	
<i>Current Assets:</i>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$2,509,486
Investments	<u>1,593,770</u>
<i>Total Current Assets</i>	<u>4,103,256</u>
<u>Liabilities:</u>	
<i>Current Liabilities:</i>	
Claims Payable	<u>198,930</u>
<i>Total Current Liabilities</i>	<u>198,930</u>
<u>Net Position:</u>	
Unrestricted	<u><u>\$3,904,326</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, 2015*

	Governmental Activities
	Internal Service
<u>Operating Revenues:</u>	
Charges for Services	\$5,750,638
Miscellaneous	173,090
	5,923,728
<i>Total Operating Revenues</i>	<i>5,923,728</i>
<u>Operating Expenses:</u>	
Claims	5,788,363
Other	2,456
	5,790,819
<i>Total Operating Expenses</i>	<i>5,790,819</i>
<i>Operating Income</i>	<i>132,909</i>
<u>Nonoperating Revenue:</u>	
Interest	9,238
	142,147
<i>Change in Net Position</i>	<i>142,147</i>
<i>Net Position at Beginning of Year</i>	<i>3,762,179</i>
	<i>3,904,326</i>
<i>Net Position at End of Year</i>	<i>\$3,904,326</i>

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, 2015

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Services Provided	\$5,750,638
Other Cash Receipts	173,090
Cash Payments for Other Uses	(2,456)
Cash Payments for Claims	<u>(5,798,641)</u>
<i>Net Cash from Operating Activities</i>	<u>122,631</u>
<u>Cash Flows from Investing Activities:</u>	
Cash Payment for the Purchase of Investments	(70,926)
Cash Received from Interest on Investment Activities	<u>9,238</u>
<i>Net Cash from Investing Activities</i>	<u>(61,688)</u>
<i>Net Increase in Cash and Cash Equivalents</i>	60,943
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,448,543</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$2,509,486</u></u>
 <u>Reconciliation of Operating Income</u>	
<u>to Net Cash from Operating Activities:</u>	
Operating Income	\$132,909
 <u>Adjustments to Reconcile Operating Income</u>	
<u>to Net Cash from Operating Activities:</u>	
<i>Increase (Decrease) in Liabilities:</i>	
Claims Payable	<u>(10,278)</u>
Total Adjustments	<u>(10,278)</u>
<i>Net Cash from Operating Activities</i>	<u><u>\$122,631</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
June 30, 2015

	<u>Agency</u>
<u>Assets:</u>	
Equity in Pooled Cash, Cash Equivalents and Investments	<u>\$143,623</u>
<u>Liabilities:</u>	
Due to Students	<u><u>\$143,623</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, 2015

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, 220 certificated full-time teaching personnel and 18 administrative employees who provide services to 2,716 students and other community members. The District currently operates 7 instructional buildings, 1 administrative building, 1 maintenance facility and 1 garage.

Reporting Entity

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

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

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

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, 2015

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, 2015*

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.

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

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

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

Proprietary Fund

The proprietary fund focus is on the determination of the change in net 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 only fiduciary fund is an agency fund which is used to account for student managed activities.

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, 2015

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, 2015

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, 2015, but which were levied to finance fiscal year 2016 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 2015, the District's investments were limited to the Federal Securities and State Treasury Asset Reserve of Ohio (STAROhio). Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investments the investment could be sold for on June 30, 2015.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

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 2015 amounted to \$47,564 which includes \$21,576 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 increased its capitalization threshold to two thousand dollars during fiscal year 2015. 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:

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

H. Interfund Balances

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

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, 2015

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 \$5,670,193 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.

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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

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

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 2015, 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 2015.

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

For fiscal year 2015, the District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27”, GASB Statement No. 69, “Government Combinations and Disposals of Government Operations”, GASB Statement No. 70, “Accounting and Financial Reporting for Non-exchange Financial Guarantees,” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of GASB Statement Nos. 68 and 71 had the effect on net position as reported June 30, 2014 as shown below.

During fiscal year 2015, the District increased their capital assets threshold from \$1,000 to \$2,000, which resulted in a prior period adjustment to June 30, 2014 net position.

Net position June 30, 2014	\$23,457,132
<i>Adjustments:</i>	
Net Pension Liability	(49,071,803)
Deferred Outflow - Payments Subsequent to Measurement Date	2,750,299
Increase in Threshold for Capital Assets	<u>(108,414)</u>
Restated Net Position June 30, 2014	<u><u>(\$22,972,786)</u></u>

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

The implementation of GASB Statement Nos. 69 and 70 had no effect on their prior period fund balances of the District.

NOTE 4 - ACCOUNTABILITY

The following funds had a deficit fund balance as of June 30, 2015:

<i>Nonmajor Special Revenue Funds:</i>	
Food Service	\$25,221
Other State Support	8,478
Title VI-B	70,395
Title I	105,395
Other Federal Support	152,296

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

NOTE 4 – ACCOUNTABILITY – (Continued)

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 is the result of expenditures being made in fiscal year 2015 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 non major 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.

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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING – (Continued)

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	(\$156,955)
<i>Adjustments:</i>	
Revenue Accruals	(160,729)
Expenditure Accruals	37,105
Encumbrances	(36,909)
Perspective Difference for Activity of Funds Reclassified for GAAP Reporting Purposes	<u>212,727</u>
Budget Basis	<u><u>(\$104,761)</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.

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;

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

NOTE 6 - DEPOSITS AND INVESTMENTS – (Continued)

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

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

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

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

At fiscal year end, the District had \$1,216 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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

NOTE 6 - DEPOSITS AND INVESTMENTS – (Continued)

As of June 30, 2015, all of the District’s bank balance of \$6,880,944 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, 2015, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>
STAROhio	\$2,027,109	\$2,027,109	\$0
STAROhio Plus	2,064,319	2,064,319	0
Federal Home Loan Bank Bonds	1,455,296	209,950	1,245,346
Federal Farm Credit Bank Discount Notes	1,298,748	0	1,298,748
Federal National Mortgage Association	1,487,010	245,023	1,241,987
Federal Home Loan Mortgage Corporation Notes	2,081,628	0	2,081,628
Totals	<u>\$10,414,110</u>	<u>\$4,546,401</u>	<u>\$5,867,709</u>

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

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

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

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The District’s policy minimizes concentration of credit risk by diversifying assets by issuer as necessary. The District’s investments in STAROhio, Federal Home Loan Bank Bonds, Federal Farm Credit Bank Discount Notes, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation Notes were 39%, 14%, 13%, 14% and 20%, respectively, of the District’s total investments.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

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 2015 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed value listed as of January 1, 2014, 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 2015 represents collections of calendar year 2015 taxes. Public utility real property taxes received in calendar year 2015 became a lien December 31, 2013, were levied after April 1, 2014 and are collected in 2015 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, 2015 are available to finance fiscal year 2015 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents the June 2015 personal property tax settlement, delinquent taxes outstanding and real property, and public utility taxes which become measurable as of June 30, 2015. 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, 2015 was \$1,261,111 and is recognized as revenue. Of this total amount, \$1,049,494 was available to the General Fund, \$108,012 was available to the Bond Retirement Fund, and \$103,605 was available to the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2014 taxes were collected are:

	2014 Second - Half Collections		2015 First - Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$486,146,620	94.56%	\$502,690,320	94.64%
Public Utility Personal	27,948,170	5.44%	28,485,770	5.36%
Total Assessed Value	<u>\$514,094,790</u>	<u>100.00%</u>	<u>\$531,176,090</u>	<u>100.00%</u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

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 2015, the District received \$3,717,583 from the school income tax.

NOTE 9 - RECEIVABLES

Receivables at June 30, 2015 consisted of property taxes, payment in lieu of taxes, income taxes, interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
<i>Governmental Activities :</i>	
General Fund	\$6,064
<i>Nonmajor Special Revenue Funds:</i>	
Title VI-B	131,015
Title I	195,606
Other Federal Support	<u>179,768</u>
Total Nonmajor Special Revenue Funds	<u>506,389</u>
Total Intergovernmental Receivables	<u><u>\$512,453</u></u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

NOTE 10 - CAPITAL ASSETS

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

<u>Asset Category</u>	<u>Restated Balance at July 1, 2014</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at June 30, 2015</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	3,831,224	30,282	0	3,861,506
Buildings and Improvements	37,487,121	67,140	0	37,554,261
Furniture, Fixtures and Equipment	1,688,126	16,919	(2,285)	1,702,760
Vehicles	2,456,145	0	0	2,456,145
Library and Textbooks	1,399,405	0	0	1,399,405
Total Depreciable Capital Assets	46,862,021	114,341	(2,285)	46,974,077
Total Capital Assets	48,381,401	114,341	(2,285)	48,493,457
<i>Accumulated Depreciation:</i>				
Land Improvements	(2,487,027)	(117,898)	0	(2,604,925)
Buildings and Improvements	(23,606,028)	(892,959)	0	(24,498,987)
Furniture, Fixtures and Equipment	(1,219,620)	(86,798)	2,285	(1,304,133)
Vehicles	(1,735,046)	(158,775)	0	(1,893,821)
Library and Textbooks	(1,399,405)	0	0	(1,399,405)
Total Accumulated Depreciation	(30,447,126)	(1,256,430)	2,285	(31,701,271)
Total Net Capital Assets	\$17,934,275	(\$1,142,089)	\$0	\$16,792,186

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

NOTE 10 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$892,833
Special	8,796
Vocational	1,200
<i>Support Services:</i>	
Administration	5,750
Operation and Maintenance	60,896
Pupil Transportation	161,615
Operation of Non-Instructional Services	447
Extracurricular Activities	124,893
Total Depreciation Expense	<u><u>\$1,256,430</u></u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

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 2015, 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, 2015

NOTE 11 - RISK MANAGEMENT - (Continued)

The claims liability of \$198,930 reported at June 30, 2015 is based on an estimate of claims existing at year end that will be paid in fiscal year 2015, 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>
2014	\$150,153	\$5,364,955	\$5,305,900	\$209,208
2015	209,208	5,788,363	5,798,641	198,930

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, 2015*

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 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, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District’s contractually required contribution to SERS was \$745,975 for fiscal year 2015. Of this amount \$77,191 is reported as an intergovernmental payable.

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.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)

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 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, 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 60 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.

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, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 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 2015 contribution rates were equal to the statutory maximum rates.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)

The District's contractually required contribution to STRS was \$2,046,401 for fiscal year 2015. Of this amount \$314,870 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, 2014, 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	\$7,252,483	\$34,041,518	\$41,294,001
Proportion of the Net Pension Liability	0.14330300%	0.13995343%	
Pension Expense	\$677,190	\$1,380,766	\$2,057,956

At June 30, 2015, 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	\$61,726	\$327,724	\$389,450
District contributions subsequent to the measurement date	<u>745,975</u>	<u>2,046,401</u>	<u>2,792,376</u>
Total Deferred Outflows of Resources	<u>\$807,701</u>	<u>\$2,374,125</u>	<u>\$3,181,826</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	<u>\$1,177,098</u>	<u>\$6,297,810</u>	<u>\$7,474,908</u>
Total Deferred Inflows of Resources	<u>\$1,177,098</u>	<u>\$6,297,810</u>	<u>\$7,474,908</u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)

\$2,792,376 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2016	(\$278,687)	(\$1,492,522)	(\$1,771,209)
2017	(\$278,687)	(\$1,492,522)	(1,771,209)
2018	(\$278,687)	(\$1,492,521)	(1,771,208)
2019	<u>(279,311)</u>	<u>(\$1,492,521)</u>	<u>(1,771,832)</u>
Total	<u>(\$1,115,372)</u>	<u>(\$5,970,086)</u>	<u>(\$7,085,458)</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, 2014, are presented below:

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

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	\$10,347,138	\$7,252,483	\$4,649,611

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2014, 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, 2014, 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, 2014. 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, 2014. 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, 2014.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

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	\$48,734,144	\$34,041,518	\$21,616,500

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 14 percent contribution to the Health Care Fund. For the year ended June 30, 2015, the health care allocation is 0.82 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 2015, the minimum compensation level was established at \$20,450. 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, 2015, 2014, and 2013 were \$77,191, \$85,548 and \$115,947 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, 2015*

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, 2015, 2014, and 2013 were \$0, 293,250 and 207,330 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 Post employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rates, 1 percent of covered payroll was allocated to post-employment health care for the fiscal years ended June 30, 2014, 2013, and 2012. Effective July 1, 2014, 0 percent of covered payroll was allocated to post-employment 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, 2015

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, 2015, 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, 2015

NOTE 15 - LONG-TERM LIABILITIES

During fiscal year 2015, the following changes occurred in governmental activities long-term obligations. The long-term obligations at June 30, 2014 have been restated as described in Note 3.

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Restated Principal Outstanding at July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding at June 30, 2015</u>	<u>Amount Due In One Year</u>
<i>Governmental Activities:</i>							
Renovation Bonds	2000	6.01%	\$2,175,000	\$0	\$680,000	\$1,495,000	\$725,000
2005 Refunding Bonds							
Term Bonds	2005	4.24%	345,000	0	110,000	235,000	115,000
Capital Appreciation Bonds			40,000	0	0	40,000	0
Accretion on Capital Appreciation Bonds			337,588	106,900	0	444,488	0
2013 Refunding Bonds							
Term Bonds	2013	2.65%	6,170,000	0	625,000	5,545,000	625,000
Capital Appreciation Bonds			505,000	0	0	505,000	0
Accretion on Capital Appreciation Bonds			99,887	121,106	0	220,993	0
Add Deferred Amounts:							
Premium on Bonds			969,072	0	126,835	842,237	126,836
Total Bonds			10,641,547	228,006	1,541,835	9,327,718	1,591,836
Net Pension Liability							
STRS			40,550,033	0	6,508,515	34,041,518	0
SERS			8,521,770	0	1,269,286	7,252,484	0
Total Net Pension Liability			49,071,803	0	7,777,801	41,294,002	0
Settlement Obligation			54,499	0	18,166	36,333	18,166
Compensated Absences			1,492,526	841,748	965,570	1,368,704	184,524
Total Governmental Activities Long-Term Obligations			<u>\$61,260,375</u>	<u>\$1,069,754</u>	<u>\$10,303,372</u>	<u>\$52,026,757</u>	<u>\$1,794,526</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, 2015

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>
2016	\$115,000
2017	120,000
	<u>\$235,000</u>

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

<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 2015, \$106,900 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, 2015

NOTE 15 - LONG-TERM LIABILITIES - (Continued)

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

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2016	\$625,000
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>915,000</u>
	<u>\$5,545,000</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:

<u>Redemption Dates (Date Inclusive)</u>	<u>Redemption Prices</u>
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 2015, \$121,106 was accreted on the capital appreciation bonds.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

NOTE 15 - LONG-TERM LIABILITIES - (Continued)

Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2015, 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
2016	\$115,000	\$7,100	\$0	\$0	\$625,000	\$124,508	\$0	\$0
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
2021-2025	0	0	0	0	4,270,000	319,594	0	0
Total	<u>\$235,000</u>	<u>\$9,500</u>	<u>\$40,000</u>	<u>\$865,000</u>	<u>\$5,545,000</u>	<u>\$913,263</u>	<u>\$505,000</u>	<u>\$995,000</u>

Year Ending June 30	2000 Renovation Bonds		Totals	
	Principal	Interest	Principal	Interest
2016	\$725,000	\$75,310	\$1,465,000	\$206,918
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
2021-2025	0	0	4,270,000	319,594
Total	<u>\$1,495,000</u>	<u>\$100,912</u>	<u>\$7,820,000</u>	<u>\$2,883,675</u>

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 \$42,881,394 with an unvoted debt margin of \$531,176 at June 30, 2015.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

NOTE 16 – FUND BALANCES

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

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable</i>					
Prepays	\$80,963	\$0	\$0	\$0	\$80,963
Inventory	0	0	0	5,089	5,089
Unclaimed Monies	120,836	0	0	0	120,836
<i>Total Nonspendable</i>	<u>201,799</u>	<u>0</u>	<u>0</u>	<u>5,089</u>	<u>206,888</u>
<i>Restricted:</i>					
<i>Special Revenues:</i>					
District Managed Activities	0	0	0	68,038	68,038
Local Grants	0	0	0	346,343	346,343
Debt Service	0	3,003,558	0	0	3,003,558
Capital Projects	0	0	2,193,774	0	2,193,774
<i>Total Restricted</i>	<u>0</u>	<u>3,003,558</u>	<u>2,193,774</u>	<u>414,381</u>	<u>5,611,713</u>
<i>Committed:</i>					
Termination Benefits	10,418	0	0	0	10,418
<i>Assigned:</i>					
<i>Encumbrances:</i>					
Regular	21,555	0	0	0	21,555
Special	1,137	0	0	0	1,137
Pupils	2,645	0	0	0	2,645
Instructional Staff	2,958	0	0	0	2,958
Administration	3,432	0	0	0	3,432
Fiscal	3,000	0	0	0	3,000
Pupil Transportation	2,182	0	0	0	2,182
Uniform School Supplies	40,687	0	0	0	40,687
Public School Support	62,467	0	0	0	62,467
<i>Total Assigned</i>	<u>140,063</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>140,063</u>
<i>Unassigned</i>	<u>6,499,073</u>	<u>0</u>	<u>0</u>	<u>(366,874)</u>	<u>6,132,199</u>
Total Fund Balances	<u><u>\$6,851,353</u></u>	<u><u>\$3,003,558</u></u>	<u><u>\$2,193,774</u></u>	<u><u>\$52,596</u></u>	<u><u>\$12,101,281</u></u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

NOTE 17 - INTERFUND ACTIVITY

As of June 30, 2015, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$89,620	\$0
<i>Nonmajor Special Revenue Funds:</i>		
Title VI-B	0	21,708
Title I	0	23,476
Other Federal Support	0	44,436
Total Nonmajor Special Revenue Funds	<u>0</u>	<u>89,620</u>
Total	<u><u>\$89,620</u></u>	<u><u>\$89,620</u></u>

All balances are scheduled to be collected in the subsequent year. All balances resulted from the time between the dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balance of \$89,620 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, 2015.

	<u>Transfers To</u>
<u>Transfers From</u>	<u>Nonmajor Special Revenue</u>
General	<u><u>\$24,588</u></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 \$24,588 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, 2015

NOTE 18 - STATUTORY SET-ASIDES

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2015:

	<u>Capital Improvements</u>
Set-Aside Balance as of June 30, 2013	\$0
Current Year Set-Aside Requirement	460,318
Qualifying Disbursements	<u>(605,755)</u>
Total	<u>(145,437)</u>
Set-Aside Balance	<u>\$0</u>
Total Restricted Assets	<u>\$0</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, 2015, the District had encumbrance commitments in the Governmental Funds as follows:

<u>Major Funds</u>	
General	\$36,909
Permanent Improvement	91,970
 <u>Nonmajor Funds</u>	
Other Local Support	4,110
District Managed Activities	14,299
Title VI-B Grant	6,859
Title I Grant	1,551
Other Federal Support	<u>100,819</u>
<i>Total Nonmajor Funds</i>	<u>127,638</u>
 Total Encumbrances	 <u><u>\$256,517</u></u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS

Southeast Ohio Voluntary Education Cooperative (SEOVEC)

Southeast Ohio Voluntary Education Cooperative, is a jointly governed organization created as a regional council of governments pursuant to State statutes. SEOVEC has 25 participants consisting of 23 school districts and 2 county boards of education. SEOVEC provides financial accounting services, educational management information, and cooperative purchasing services to member districts. Each member district pays a fee annually for services provided by SEOVEC. SEOVEC is governed by a governing board which is selected by the member districts. Each district has one vote in all matters, and each member district's control over budgeting and financing of SEOVEC is limited to its voting authority and any representation it may have on the governing board. SEOVEC operates with its own Treasurer. The continued existence of SEOVEC is not dependent on the District's continued participation and no equity interest exists. SEOVEC has no outstanding debt. Financial statements for SEOVEC can be obtained from the Southeast Ohio Voluntary Education Cooperative, 221 North Columbus Road, Athens, Ohio 45701. The District made payments of \$72,226 to SEOVEC in fiscal year 2015.

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 2015, 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 2015.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

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 2015. 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, 2015, 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 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.

NOTE 23 - INSURANCE RECOVERIES

The District suffered tornado damage during a storm in September, 2010. During fiscal year 2015, the District received an additional \$5,934 for additional costs incurred related to the tornado damage. The insurance settlement is reported in the governmental funds as an extraordinary item.

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REQUIRED SUPPLEMENTAL SCHEDULES

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

	<u>2014</u>	<u>2013</u>
Schools District's Proportion of the Net Pension Liability	0.1433030%	0.1433030%
School District's Proportionate Share of the Net Pension Liability	\$7,252,483	\$8,521,769
School District's Covered-Employee Payroll	\$5,996,443	\$5,386,077
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	120.95%	158.22%
Plan Fiduciary Net Positions as a Percentage of the Total Pension Liability	71.70%	65.52%

(1) Information prior to 2013 is not available.

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

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

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

(1) Information prior to 2013 is not available.

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

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

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

(1) Information prior to 2013 is not available.

ATHENS CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of District Contributions
School Teachers Retirement System of Ohio
Last Three Fiscal Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$2,046,401	\$1,919,192	\$1,888,618
Contributions in Relation to the Contractually Required Contribution	<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>
School District's Covered-Employee Payroll	\$14,617,150	\$14,650,321	\$14,527,831
Contributions as a Percentage of Covered-Employee Payroll	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

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 2015.

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, 2015

	Nonmajor Special Revenue Funds
<u>Assets:</u>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$431,327
Intergovernmental Receivable	506,389
Materials and Supplies Inventory	5,089
Inventory Held for Resale	12,984
	<hr/>
<i>Total Assets</i>	<u><u>\$955,789</u></u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances:</u>	
<u>Liabilities:</u>	
Accounts Payable	\$14,487
Accrued Wages and Benefits	172,872
Intergovernmental Payable	119,825
Interfund Payable	89,620
	<hr/>
<i>Total Liabilities</i>	<u>396,804</u>
<i>Deferred Inflows of Resources</i>	<u>506,389</u>
<u>Fund Balances:</u>	
Nonspendable	5,089
Restricted	414,381
Unassigned	(366,874)
	<hr/>
<i>Total Fund Balances</i>	<u>52,596</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$955,789</u></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, 2015

	<u>Nonmajor Special Revenue Funds</u>
<u>Revenues:</u>	
Intergovernmental	\$2,747,469
Extracurricular Activities	108,348
Charges for Services	190,260
Contributions and Donations	29,312
Miscellaneous	<u>6,759</u>
<i>Total Revenues</i>	<u>3,082,148</u>
<u>Expenditures:</u>	
<i>Current:</i>	
<i>Instruction:</i>	
Regular	386,173
Special	1,197,325
<i>Support Services:</i>	
Pupil	7,494
Instructional Staff	240,160
Administration	27,595
Pupil Transportation	33,823
Operation of Non-Instructional Services	711,914
Extracurricular Activities	<u>133,577</u>
<i>Total Expenditures</i>	<u>2,738,061</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>344,087</u>
<u>Other Financing Sources:</u>	
Transfers In	<u>24,588</u>
<i>Total Other Financing Sources</i>	<u>24,588</u>
<i>Net Change in Fund Balances</i>	368,675
<i>Fund Balances at Beginning of Year</i>	<u>(316,079)</u>
<i>Fund Balances at End of Year</i>	<u><u>\$52,596</u></u>

ATHENS CITY SCHOOL DISTRICT

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2015

	Food Service	Other Local Support	District Managed Activities	Other State Support
<u>Assets:</u>				
Equity In Pooled Cash, Cash Equivalents and Investments	\$136	\$352,774	\$76,581	\$499
Intergovernmental Receivable	0	0	0	0
Materials and Supplies Inventory	5,089	0	0	0
Inventory Held for Resale	12,984	0	0	0
<i>Total Assets</i>	<u>\$18,209</u>	<u>\$352,774</u>	<u>\$76,581</u>	<u>\$499</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$0	3,859	\$8,543	\$0
Accrued Wages and Benefits	32,471	1,360	0	2,774
Intergovernmental Payable	10,959	1,212	0	6,203
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>43,430</u>	<u>6,431</u>	<u>8,543</u>	<u>8,977</u>
<i>Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fund Balances:</u>				
Nonspendable	5,089	0	0	0
Restricted	0	346,343	68,038	0
Unassigned	(30,310)	0	0	(8,478)
<i>Total Fund Balances</i>	<u>(25,221)</u>	<u>346,343</u>	<u>68,038</u>	<u>(8,478)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$18,209</u>	<u>\$352,774</u>	<u>\$76,581</u>	<u>\$499</u>

<u>Title VI-B</u>	<u>Title I</u>	<u>Other Federal Support</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$0	\$1,337	\$431,327
131,015	195,660	179,714	506,389
0	0	0	5,089
0	0	0	12,984
<u>\$131,015</u>	<u>\$195,660</u>	<u>\$181,051</u>	<u>\$955,789</u>
\$2,040	\$45	\$0	\$14,487
42,937	67,622	25,708	172,872
3,710	14,252	83,489	119,825
21,708	23,476	44,436	89,620
<u>70,395</u>	<u>105,395</u>	<u>153,633</u>	<u>396,804</u>
<u>131,015</u>	<u>195,660</u>	<u>179,714</u>	<u>506,389</u>
0	0	0	5,089
0	0	0	414,381
(70,395)	(105,395)	(152,296)	(366,874)
<u>(70,395)</u>	<u>(105,395)</u>	<u>(152,296)</u>	<u>52,596</u>
<u>\$131,015</u>	<u>\$195,660</u>	<u>\$181,051</u>	<u>\$955,789</u>

ATHENS CITY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2015

	Food Service	Other Local Support	District Managed Activities	Other State Support
<u>Revenues:</u>				
Intergovernmental	\$487,306	\$229,464	\$0	\$18,514
Extracurricular Activities	0	0	108,348	0
Charges for Services	190,260	0	0	0
Contributions and Donations	0	2,286	27,026	0
Miscellaneous	4,409	0	2,350	0
<i>Total Revenues</i>	<u>681,975</u>	<u>231,750</u>	<u>137,724</u>	<u>18,514</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	0	16,986	0	26,992
Special	0	0	3,500	0
<i>Support Services:</i>				
Pupil	0	0	0	
Instructional Staff	0	19,423	0	0
Administration	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	711,914	0	0	0
Extracurricular Activities	0	4,221	129,356	0
<i>Total Expenditures</i>	<u>711,914</u>	<u>40,630</u>	<u>132,856</u>	<u>26,992</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(29,939)	191,120	4,868	(8,478)
<u>Other Financing Sources:</u>				
Transfers In	24,588	0	0	0
<i>Total Other Financing Sources</i>	<u>24,588</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(5,351)	191,120	4,868	(8,478)
<i>Fund Balances (Deficits) at Beginning of Year</i>	<u>(19,870)</u>	<u>155,223</u>	<u>63,170</u>	<u>0</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u><u>(\$25,221)</u></u>	<u><u>\$346,343</u></u>	<u><u>\$68,038</u></u>	<u><u>(\$8,478)</u></u>

<u>Title VI-B</u>	<u>Title I</u>	<u>Other Federal Support</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$500,847	\$985,919	\$525,419	\$2,747,469
0	0	0	108,348
0	0	0	190,260
0	0	0	29,312
0	0	0	6,759
<u>500,847</u>	<u>985,919</u>	<u>525,419</u>	<u>3,082,148</u>
0	0	342,195	386,173
514,765	652,297	26,763	1,197,325
0	5,494	2,000	7,494
0	144,277	76,460	240,160
0	0	27,595	27,595
0	0	33,823	33,823
0	0	0	711,914
0	0	0	133,577
<u>514,765</u>	<u>802,068</u>	<u>508,836</u>	<u>2,738,061</u>
(13,918)	183,851	16,583	344,087
<u>0</u>	<u>0</u>	<u>0</u>	<u>24,588</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>24,588</u>
(13,918)	183,851	16,583	368,675
<u>(56,477)</u>	<u>(289,246)</u>	<u>(168,879)</u>	<u>(316,079)</u>
<u>(\$70,395)</u>	<u>(\$105,395)</u>	<u>(\$152,296)</u>	<u>\$52,596</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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$13,825,000	\$13,644,592	\$13,644,592	\$0
Income Taxes	3,625,000	3,725,925	3,725,925	0
Intergovernmental	9,517,000	9,582,646	9,582,646	0
Interest	30,000	42,317	47,159	4,842
Tuition and Fees	2,541,500	2,641,266	2,641,266	0
Rent	60,000	64,987	70,087	5,100
Payment in Lieu of Taxes	275,000	224,627	224,627	0
Miscellaneous	125,000	349,509	370,075	20,566
Total Revenues	29,998,500	30,275,869	30,306,377	30,508
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Salaries	9,999,303	9,766,184	9,740,835	25,349
Fringe Benefits	252,234	3,845,885	3,840,867	5,018
Purchased Services	1,904,438	1,655,985	1,654,687	1,298
Materials and Supplies	80,841	89,292	87,364	1,928
Total Regular Instruction	12,236,816	15,357,346	15,323,753	33,593
<i>Special</i>				
Salaries	2,047,729	1,964,936	1,957,718	7,218
Fringe Benefits	0	903,483	900,308	3,175
Purchased Services	302,250	454,899	420,380	34,519
Materials and Supplies	20,180	13,414	12,316	1,098
Total Special Instruction	2,370,159	3,336,732	3,290,722	46,010
<i>Vocational</i>				
Salaries	260,606	204,219	204,219	0
Fringe Benefits	0	49,332	49,332	0
Purchased Services	3,247	5,377	5,377	0
Materials and Supplies	17,382	17,825	15,495	2,330
Capital Outlay	4,000	1,410	1,410	0
Total Vocational Instruction	285,235	278,163	275,833	2,330
<i>Student Intervention Services</i>				
Salaries	78,369	76,476	76,476	0
Fringe Benefits	0	28,968	28,968	0
Total Student Intervention Services	78,369	105,444	105,444	0
<i>Other</i>				
Purchased Services	83,000	82,298	82,298	0
Total Instruction	15,053,579	19,159,983	19,078,050	81,933
<i>Support Services:</i>				
<i>Pupils</i>				
Salaries	1,367,236	1,260,400	1,260,400	0
Fringe Benefits	0	780,877	780,877	0
Purchased Services	31,894	144,200	142,093	2,107
Materials and Supplies	5,000	11,326	11,096	230
Total Pupils	1,404,130	2,196,803	2,194,466	2,337

(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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Instructional Staff				
Salaries	224,001	219,537	219,537	0
Fringe Benefits	76,775	156,908	155,145	1,763
Purchased Services	7,300	48,677	45,811	2,866
Materials and Supplies	5,500	4,331	2,853	1,478
Capital Outlay	3,322	1,683	1,683	0
Total Instructional Staff	316,898	431,136	425,029	6,107
Board of Education				
Salaries	9,141	8,250	8,250	0
Fringe Benefits	0	1,138	1,138	0
Purchased Services	60,000	107,469	89,737	17,732
Materials and Supplies	5,000	1,591	1,591	0
Other	31,067	30,951	29,305	1,646
Total Board of Education	105,208	149,399	130,021	19,378
Administration				
Salaries	1,531,418	1,660,000	1,660,000	0
Fringe Benefits	13,500	725,265	724,489	776
Purchased Services	51,400	37,632	33,757	3,875
Materials and Supplies	26,397	16,871	14,217	2,654
Other	5,500	25,698	25,698	0
Capital Outlay	1,600	2,043	1,745	298
Total Administration	1,629,815	2,467,509	2,459,906	7,603
Fiscal				
Salaries	333,823	361,523	361,523	0
Fringe Benefits	2,500	159,645	159,455	190
Purchased Services	54,267	68,711	58,583	10,128
Materials and Supplies	9,000	8,504	6,229	2,275
Other	43,034	37,723	37,723	0
Total Fiscal	442,624	636,106	623,513	12,593
Business				
Salaries	56,912	49,062	49,062	0
Fringe Benefits	2,500	29,709	29,569	140
Purchased Services	5,000	4,600	1,952	2,648
Materials and Supplies	3,500	3,183	2,392	791
Other	0	345,219	345,219	0
Total Business	67,912	431,773	428,194	3,579
Operation and Maintenance of Plant				
Salaries	1,225,412	1,174,617	1,174,617	0
Fringe Benefits	0	655,981	655,981	0
Purchased Services	0	864,696	857,812	6,884
Materials and Supplies	0	166,048	153,418	12,630
Other	0	57,621	57,621	0
Total Operation and Maintenance of Plant	1,225,412	2,918,963	2,899,449	19,514

(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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Pupil Transportation				
Salaries	692,778	643,430	643,430	0
Fringe Benefits	0	487,128	487,128	0
Purchased Services	1,260	16,033	14,687	1,346
Materials and Supplies	0	354,539	254,629	99,910
Other	0	24,549	24,549	0
Total Pupil Transportation	<u>694,038</u>	<u>1,525,679</u>	<u>1,424,423</u>	<u>101,256</u>
Central				
Salaries	81,809	81,360	81,360	0
Fringe Benefits	0	33,181	33,181	0
Total Central	<u>81,809</u>	<u>114,541</u>	<u>114,541</u>	<u>0</u>
Total Support Services	<u>5,967,846</u>	<u>10,871,909</u>	<u>10,699,542</u>	<u>172,367</u>
<i>Operation of Non-Instructional Services:</i>				
Food Service Operations				
Fringe Benefits	0	4,710	4,710	0
Total Food Service Operations	<u>0</u>	<u>4,710</u>	<u>4,710</u>	<u>0</u>
Total Operation of Non-Instructional Services	<u>0</u>	<u>4,710</u>	<u>4,710</u>	<u>0</u>
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Salaries	68,606	76,080	76,080	0
Fringe Benefits	0	20,755	20,755	0
Total Academic Oriented Activities	<u>68,606</u>	<u>96,835</u>	<u>96,835</u>	<u>0</u>
Sport Oriented Activities				
Salaries	269,284	261,936	261,936	0
Fringe Benefits	1,200	72,546	72,546	0
Purchased Services	0	4,775	4,775	0
Total Sport Oriented Activities	<u>270,484</u>	<u>339,257</u>	<u>339,257</u>	<u>0</u>
Total Extracurricular Activities	<u>339,090</u>	<u>436,092</u>	<u>436,092</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>21,378,681</u>	<u>30,490,860</u>	<u>30,236,560</u>	<u>254,300</u>
Excess of Revenues Over (Under) Expenditures	8,619,819	(214,991)	69,817	284,808
<u>Other Financing Uses:</u>				
Transfers Out	(350,000)	(176,000)	(174,588)	1,412
Total Other Financing Uses	<u>(350,000)</u>	<u>(176,000)</u>	<u>(174,588)</u>	<u>1,412</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	8,269,819	(390,991)	(104,771)	286,220
Fund Balance at Beginning of Year	7,083,881	7,083,881	7,083,881	0
Prior Year Encumbrances Appropriated	<u>137,721</u>	<u>137,721</u>	<u>137,721</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$15,491,421</u></u>	<u><u>\$6,830,611</u></u>	<u><u>\$7,116,831</u></u>	<u><u>\$286,220</u></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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property Taxes	\$1,383,500	\$1,404,279	\$1,404,279	\$0
Intergovernmental	140,000	154,495	154,495	0
<i>Total Revenues</i>	<u>1,523,500</u>	<u>1,558,774</u>	<u>1,558,774</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Support Services:</i>				
Fiscal				
Other	35,000	34,865	34,865	0
<i>Debt Service:</i>				
Principal Retirement	1,415,000	1,415,000	1,415,000	0
Interest and Fiscal Charges	473,025	261,842	261,842	0
<i>Total Expenditures</i>	<u>1,923,025</u>	<u>1,711,707</u>	<u>1,711,707</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(399,525)	(152,933)	(152,933)	0
Fund Balance at Beginning of Year	<u>3,048,479</u>	<u>3,048,479</u>	<u>3,048,479</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,648,954</u></u>	<u><u>\$2,895,546</u></u>	<u><u>\$2,895,546</u></u>	<u><u>\$0</u></u>

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$1,373,000	\$1,346,984	\$1,346,984	\$0
Intergovernmental	152,200	184,349	184,349	0
Interest	7,000	8,571	9,782	1,211
Gifts and Donations	85,000	60,250	60,250	0
Miscellaneous	0	0	16,017	16,017
Total Revenues	1,617,200	1,600,154	1,617,382	17,228
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Purchased Services	10,000	160,416	160,416	0
Materials and Supplies	168,242	367,984	352,453	15,531
Capital Outlay	93,667	794,481	782,270	12,211
Total Regular	271,909	1,322,881	1,295,139	27,742
<i>Special</i>				
Materials and Supplies	1,100	1,050	1,050	0
<i>Student Intervention Services</i>				
Materials and Supplies	1,500	1,500	1,500	0
Total Instruction	274,509	1,325,431	1,297,689	27,742
<i>Support Services:</i>				
<i>Pupils</i>				
Capital Outlay	10,750	10,508	10,508	0
<i>Instructional Staff</i>				
Purchased Services	0	7,526	7,526	0
Materials and Supplies	17,170	14,009	13,988	21
Capital Outlay	3,230	0	0	0
Total Instructional Staff	20,400	21,535	21,514	21
<i>Administration</i>				
Purchased Services	0	2,156	2,156	0
Total Administration	0	2,156	2,156	0
<i>Fiscal</i>				
Purchased Services	4,550	17,554	14,444	3,110
Other	0	33,346	33,346	0
Capital Outlay	0	546	546	0
Total Fiscal	4,550	51,446	48,336	3,110
<i>Operation and Maintenance of Plant</i>				
Purchased Services	0	4,340	4,340	0
Materials and Supplies	0	25,479	25,479	0
Capital Outlay	0	2,500	1,522	978
Total Operation and Maintenance of Plant	0	32,319	31,341	978

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil Transportation				
Purchased Services	0	80,638	80,521	117
Materials and Supplies	0	45,000	43,496	1,504
Capital Outlay	7,131	10,731	10,683	48
Total Pupil Transportation	<u>7,131</u>	<u>136,369</u>	<u>134,700</u>	<u>1,669</u>
Total Support Services	<u>42,831</u>	<u>254,333</u>	<u>248,555</u>	<u>5,778</u>
<i>Operation of Non-Instructional Services:</i>				
Food Service Operation				
Capital Outlay	2,000	1,926	1,926	0
Total Operation of Non-Instructional Services	<u>2,000</u>	<u>1,926</u>	<u>1,926</u>	<u>0</u>
<i>Capital Outlay:</i>				
Building Improvement Services				
Purchased Services	0	163,203	161,323	1,880
Capital Outlay	0	55,000	55,000	0
Total Building Improvement Services	<u>0</u>	<u>218,203</u>	<u>216,323</u>	<u>1,880</u>
Other Facilities Acquisition and Construction				
Purchased Services	1,583	60,000	60,000	0
Total Capital Outlay	<u>0</u>	<u>278,203</u>	<u>276,323</u>	<u>1,880</u>
Total Expenditures	<u>320,923</u>	<u>1,859,893</u>	<u>1,824,493</u>	<u>35,400</u>
Excess of Revenues Over (Under) Expenditures	1,296,277	(259,739)	(207,111)	52,628
<u>Other Financing Sources:</u>				
Insurance Recoveries	0	5,934	5,934	0
Total Other Financing Sources	<u>0</u>	<u>5,934</u>	<u>5,934</u>	<u>0</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	1,296,277	(253,805)	(201,177)	52,628
Fund Balance at Beginning of Year	2,066,617	2,066,617	2,066,617	0
Prior Year Encumbrances Appropriated	164,592	164,592	164,592	0
Fund Balance at End of Year	<u>\$3,527,486</u>	<u>\$1,977,404</u>	<u>\$2,030,032</u>	<u>\$52,628</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)*
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$496,000	\$487,306	\$487,306	\$0
Customer Sales and Service	200,050	189,191	190,260	1,069
Miscellaneous	11,000	4,409	4,409	0
<i>Total Revenues</i>	707,050	680,906	681,975	1,069
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Salaries	246,921	245,257	245,257	0
Fringe Benefits	180,364	153,278	153,278	0
Purchased Services	0	6,441	6,441	0
Materials and Supplies	2,460	303,827	303,854	(27)
Other	0	48	48	0
Capital Outlay	0	1,365	1,365	0
Total Operation of Non-Instructional Services	429,745	710,216	710,243	(27)
<i>Total Expenditures</i>	429,745	710,216	710,243	(27)
Excess of Revenues Over (Under) Expenditures	277,305	(29,310)	(28,268)	1,042
<u>Other Financing Sources:</u>				
Transfers In	40,000	25,521	24,588	(933)
<i>Total Other Financing Sources</i>	40,000	25,521	24,588	(933)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	317,305	(3,789)	(3,680)	109
Fund Balance at Beginning of Year	1,356	1,356	1,356	0
Prior Year Encumbrances Appropriated	2,460	2,460	2,460	0
Fund Balance (Deficit) at End of Year	\$321,121	\$27	\$136	\$109

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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$0	\$217,730	\$229,464	\$11,734
Contributions and Donations	0	2,286	2,286	0
Total Revenues	0	220,016	231,750	11,734
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Purchased Services	0	5,581	4,575	1,006
Materials and Supplies	0	12,411	12,411	0
Total Regular	0	17,992	16,986	1,006
Total Instruction	0	17,992	16,986	1,006
<i>Support Services:</i>				
<i>Instructional Staff</i>				
Salaries	0	13,983	13,983	0
Fringe Benefits	0	2,161	2,161	0
Purchased Services	0	4,852	6,603	(1,751)
Other	0	675	13	662
Total Instructional Staff	0	21,671	22,760	(1,089)
Total Support Services	0	21,671	22,760	(1,089)
<i>Extracurricular Activities:</i>				
<i>Academic Oriented Activities</i>				
Capital Outlay	0	1,450	1,450	0
Total Academic Oriented Activities	0	1,450	1,450	0
<i>Sport Oriented Activities</i>				
Capital Outlay	0	2,334	2,334	0
Total Sport Oriented Extracurricular Activities	0	2,334	2,334	0
<i>School & Public Service Co-Curricular Activities</i>				
Materials and Supplies	0	437	437	0
Total School & Public Service Co-Curricular Activities	0	437	437	0
Total Extracurricular Activities	0	4,221	4,221	0
Total Expenditures	0	43,884	43,967	(83)
Excess of Revenues Over (Under) Expenditures	0	176,132	187,783	11,651
Fund Balance at Beginning of Year	160,881	160,881	160,881	0
Fund Balance at End of Year	\$160,881	\$337,013	\$348,664	\$11,651

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, 2015*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Extracurricular Activities	\$16,500	\$108,348	\$108,348	\$0
Contributions and Donations	900	27,026	27,026	0
Miscellaneous	0	2,350	2,350	0
<i>Total Revenues</i>	<u>17,400</u>	<u>137,724</u>	<u>137,724</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Special</i>				
Purchased Services	<u>0</u>	<u>3,500</u>	<u>3,500</u>	<u>0</u>
<i>Extracurricular Activities:</i>				
<i>Academic Oriented Activities</i>				
Purchased Services	0	1,178	953	225
Materials and Supplies	2,924	355	355	0
<i>Total Academic Oriented Extracurricular Activities</i>	<u>2,924</u>	<u>1,533</u>	<u>1,308</u>	<u>225</u>
<i>Sport Oriented Activities</i>				
Purchased Services	54,583	59,901	59,609	292
Materials and Supplies	56,846	79,784	77,761	2,023
Other	12,400	6,153	6,121	32
Capital Outlay	5,000	4,247	4,247	0
<i>Total Sport Oriented Extracurricular Activities</i>	<u>128,829</u>	<u>150,085</u>	<u>147,738</u>	<u>2,347</u>
<i>Total Extracurricular Activities</i>	<u>131,753</u>	<u>151,618</u>	<u>149,046</u>	<u>2,572</u>
<i>Total Expenditures</i>	<u>131,753</u>	<u>155,118</u>	<u>152,546</u>	<u>2,572</u>
Excess of Revenues Over (Under) Expenditures	(114,353)	(17,394)	(14,822)	2,572
Fund Balance at Beginning of Year	63,170	63,170	63,170	0
Prior Year Encumbrances Appropriated	<u>13,934</u>	<u>13,934</u>	<u>13,934</u>	<u>0</u>
Fund Balance at End of Year	<u>(\$37,249)</u>	<u>\$59,710</u>	<u>\$62,282</u>	<u>\$2,572</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, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$40,000	\$18,514	(\$21,486)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries		18,500	15,159	3,341
Fringe Benefits	0	6,342	2,857	3,485
<i>Total Expenditures</i>	<u>0</u>	<u>24,842</u>	<u>18,016</u>	<u>6,826</u>
Excess of Revenues Over (Under) Expenditures	0	15,158	498	(14,660)
Fund Balance at Beginning of Year	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>
Fund Balance at End of Year	<u>\$1</u>	<u>\$15,159</u>	<u>\$498</u>	<u>(\$14,659)</u>

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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$571,432	\$631,860	\$500,847	(\$131,013)
<u>Expenditures:</u>				
<i>Current:</i>				
Instruction:				
Special				
Salaries	64,870	344,992	291,478	53,514
Fringe Benefits	45,650	145,782	121,298	24,484
Purchased Services	10,549	110,424	110,238	186
Capital Outlay	9,284	9,152	9,152	0
Total Special Instruction	<u>130,353</u>	<u>638,887</u>	<u>536,441</u>	<u>102,446</u>
Total Instruction	<u>130,353</u>	<u>638,887</u>	<u>536,441</u>	<u>102,446</u>
<i>Total Expenditures</i>	<u>130,353</u>	<u>638,887</u>	<u>536,441</u>	<u>102,446</u>
Excess of Revenues Over (Under) Expenditures	441,079	(7,027)	(35,594)	(28,567)
Fund Balance (Deficit) at Beginning of Year	(2,125)	(2,125)	(2,125)	0
Prior Year Encumbrances Appropriated	<u>9,152</u>	<u>9,152</u>	<u>9,152</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$448,106</u>	<u>\$0</u>	<u>(\$28,567)</u>	<u>(\$28,567)</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$746,703	\$1,181,579	\$985,919	(\$195,660)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Special				
Salaries	109,845	477,040	430,572	46,468
Fringe Benefits	45,571	214,936	160,584	54,352
Purchased Services	19,831	80,000	42,951	37,049
Materials and Supplies	8,792	5,008	3,459	1,549
Capital Outlay	9,310	12,000	11,230	770
Total Special Instruction	193,349	788,984	648,796	140,188
Total Instruction	193,349	788,984	648,796	140,188
<i>Support Services:</i>				
Pupils				
Materials and Supplies	2,210	15,494	5,494	10,000
Instructional Staff				
Salaries	7,718	55,316	49,897	5,419
Fringe Benefits	1,943	13,217	13,217	0
Purchased Services	4,354	95,044	80,095	14,949
Materials and Supplies	5,000	935	430	505
Total Instructional Staff	19,015	164,512	143,639	20,873
Total Support Services	21,225	180,006	149,133	30,873
<i>Total Expenditures</i>	214,574	968,990	797,929	171,061
Excess of Revenues Over (Under) Expenditures	532,129	212,589	187,990	(24,599)
Fund Balance (Deficit) at Beginning of Year	(220,503)	(220,503)	(220,503)	0
Prior Year Encumbrances Appropriated	7,486	7,486	7,486	0
Fund Balance (Deficit) at End of Year	\$319,112	(\$428)	(\$25,027)	(\$24,599)

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$486,185	\$704,371	\$525,419	(\$178,952)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	14,364	129,364	121,936	7,428
Fringe Benefits	7,463	48,146	47,656	490
Purchased Services	197,769	213,269	213,269	0
Materials and Supplies	3,700	1,363	1,363	0
Total Regular Instruction	<u>223,296</u>	<u>392,142</u>	<u>384,224</u>	<u>7,918</u>
Special				
Salaries	0	7,218	7,218	0
Fringe Benefits	0	3,175	3,175	0
Purchased Services	50	1,576	1,576	0
Materials and Supplies	6,686	10,985	6,563	4,422
Capital Outlay	1,000	0	0	0
Total Special Instruction	<u>7,736</u>	<u>22,954</u>	<u>18,532</u>	<u>4,422</u>
Total Instruction	<u>231,032</u>	<u>415,096</u>	<u>402,756</u>	<u>12,340</u>
<i>Support Services:</i>				
Pupils				
Purchased Services	13,224	4,033	4,033	0
Total Pupils	<u>13,224</u>	<u>4,033</u>	<u>4,033</u>	<u>0</u>
Instructional Staff				
Salaries	5,714	49,241	40,657	8,584
Fringe Benefits	1,737	9,842	9,842	0
Purchased Services	40,041	67,789	56,555	11,234
Materials and Supplies	4,994	29,484	19,627	9,857
Total Instructional Staff	<u>52,486</u>	<u>156,356</u>	<u>126,681</u>	<u>29,675</u>
Administration				
Purchased Services	36,349	36,349	36,348	1
Capital Outlay	1,000	0	0	0
Total Administration	<u>37,349</u>	<u>36,349</u>	<u>36,348</u>	<u>1</u>
Pupil Transportation				
Purchased Services	27,673	27,673	27,673	0
Other	23,105	23,725	23,725	0
Total Pupil Transportation	<u>50,778</u>	<u>51,398</u>	<u>51,398</u>	<u>0</u>
Total Support Services	<u>153,837</u>	<u>248,136</u>	<u>218,460</u>	<u>29,676</u>
Total Expenditures	<u>384,869</u>	<u>663,232</u>	<u>621,216</u>	<u>42,016</u>
Excess of Revenues Over (Under) Expenditures	101,316	41,139	(95,797)	(136,936)
Fund Balance (Deficit) at Beginning of Year	(143,985)	(143,985)	(143,985)	0
Prior Year Encumbrances Appropriated	<u>102,734</u>	<u>102,734</u>	<u>102,734</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$60,065</u>	<u>(\$112)</u>	<u>(\$137,048)</u>	<u>(\$136,936)</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Tuition and Fees	\$32,500	\$61,821	\$61,951	\$130
<u>Expenditures:</u>				
<i>Current:</i>				
Instruction:				
Regular				
Materials and Supplies	49,860	40,648	40,021	627
Other	796	2,553	2,553	0
Total Instruction	<u>50,656</u>	<u>43,201</u>	<u>42,574</u>	<u>627</u>
Support Services:				
Pupils				
Materials and Supplies	0	12,996	12,451	545
Total Support Services	<u>0</u>	<u>12,996</u>	<u>12,451</u>	<u>545</u>
<i>Total Expenditures</i>	<u>50,656</u>	<u>56,197</u>	<u>55,025</u>	<u>1,172</u>
Excess of Revenues Over Expenditures	(18,156)	5,624	6,926	1,302
Fund Balance at Beginning of Year	32,408	32,408	32,408	0
Prior Year Encumbrances Appropriated	<u>152</u>	<u>152</u>	<u>152</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$14,404</u></u>	<u><u>\$38,184</u></u>	<u><u>\$39,486</u></u>	<u><u>\$1,302</u></u>

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Tuition and Fees	\$0	\$10,264	\$10,264	\$0
Extracurricular Activities	12,800	13,459	13,581	122
Gifts and Donations	0	3,856	3,856	0
<i>Total Revenues</i>	<u>12,800</u>	<u>27,579</u>	<u>27,701</u>	<u>122</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Purchased Services	15,275	9,846	9,390	456
Materials and Supplies	21,844	17,214	16,538	676
Other	6,300	3,305	3,256	49
Capital Outlay	12,882	469	469	0
Total Regular	<u>56,301</u>	<u>30,834</u>	<u>29,653</u>	<u>1,181</u>
<i>Support Services:</i>				
<i>Administration</i>				
Materials and Supplies	9,664	4,113	4,047	66
Capital Outlay	5,507	0	0	0
Total Administration	<u>15,171</u>	<u>4,113</u>	<u>4,047</u>	<u>66</u>
Total Support Services	<u>15,171</u>	<u>4,113</u>	<u>4,047</u>	<u>66</u>
<i>Total Expenditures</i>	<u>71,472</u>	<u>34,947</u>	<u>33,700</u>	<u>1,247</u>
Excess of Revenues Over (Under) Expenditures	(58,672)	(7,368)	(5,999)	1,369
Fund Balance at Beginning of Year	<u>68,468</u>	<u>68,468</u>	<u>68,468</u>	<u>0</u>
Fund Balance at End of Year	<u>\$9,796</u>	<u>\$61,100</u>	<u>\$62,469</u>	<u>\$1,369</u>

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)*
Termination Benefits Fund
For the Fiscal Year Ended June 30, 2015

	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	0	205,129	205,129	0
Fringe Benefits	0	3,422	3,422	0
Total Regular	0	208,551	208,551	0
Special				
Salaries	0	141,068	141,068	0
Fringe Benefits	0	4,104	4,104	0
Total Special	0	145,172	145,172	0
Total Instruction	0	353,723	353,723	0
Support Services:				
Fiscal				
Salaries	0	10,391	10,391	0
Fringe Benefits	0	482	482	0
Total Fiscal	0	10,873	10,873	0
Operation and Maintenance of Plant				
Salaries	0	598	598	0
Fringe Benefits	0	6	6	0
Total Operation and Maintenance of Plant	0	604	604	0
Total Support Services	0	11,477	11,477	0
Total Expenditures	0	365,200	365,200	0
Excess of Revenues Over (Under) Expenditures	0	(365,200)	(365,200)	0
<u>Other Financing Sources:</u>				
Transfers In	300,000	150,000	150,000	0
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	300,000	(215,200)	(215,200)	0
Fund Balance at Beginning of Year	225,618	225,618	225,618	0
Fund Balance at End of Year	\$525,618	\$10,418	\$10,418	\$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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$1,719	\$1,719	\$0
<u>Expenditures</u>				
<i>Current:</i>				
Support Services:				
Fiscal				
Other	0	1,524	1,524	0
<i>Total Expenditures</i>	0	1,524	1,524	0
Excess of Revenues Over Expenditures	0	195	195	0
Fund Balance at Beginning of Year	120,641	120,641	120,641	0
Fund Balance at End of Year	\$120,641	\$120,836	\$120,836	\$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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$5,800,000	\$5,333,095	\$5,750,638	\$417,543
Other Revenues	150,000	173,090	173,090	0
<i>Total Revenues</i>	5,950,000	5,506,185	5,923,728	417,543
<u>Expenses:</u>				
Purchased Services	4,517	6,267	0	6,267
Claims	5,815,000	5,792,892	5,798,641	(5,749)
Other	3,500	2,456	2,456	0
<i>Total Expenses</i>	5,823,017	5,801,615	5,801,097	518
Operating Income (Loss)	126,983	(295,430)	122,631	418,061
<u>Nonoperating Revenues:</u>				
Interest	7,500	8,709	9,238	529
<i>Total Nonoperating Revenues</i>	7,500	8,709	9,238	529
Excess of Revenues Over (Under) Expenses	134,483	(286,721)	131,869	418,590
Fund Equity at Beginning of Year	3,969,871	3,969,871	3,969,871	0
Prior Year Encumbrances Appropriated	1,516	1,516	1,516	0
Fund Equity at End of Year	\$4,105,870	\$3,684,666	\$4,103,256	\$418,590

ATHENS CITY SCHOOL DISTRICT
Description of Fiduciary Fund

FIDUCIARY FUND

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

Agency Fund

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

Student Managed Activities

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

ATHENS CITY SCHOOL DISTRICT
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2015

	July 1, 2014 Balance	Additions	Deductions	June 30, 2015 Balance
<u>Student Activity Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash, Cash Equivalents and Investments	\$128,920	\$122,513	\$107,810	\$143,623
<u>Liabilities:</u>				
Due to Students	\$128,920	\$122,513	\$107,810	\$143,623

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.	103 - 109
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).	110 - 121
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.	122 - 125
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.	126 - 128
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.	129 - 131

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, 2015

	<u>2006</u>	<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>
Net Investment in Capital Assets	\$7,101,713	\$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
Restricted for:										
Capital Projects	3,439,769	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
Debt Service	2,076,548	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
Other Purposes	663,460	592,779	586,240	620,310	979,006	215,322	139,963	97,930	294,537	406,819
Unrestricted	<u>4,888,125</u>	<u>5,089,174</u>	<u>7,952,675</u>	<u>9,867,464</u>	<u>9,446,253</u>	<u>9,868,898</u>	<u>9,008,001</u>	<u>9,537,143</u>	<u>(36,296,928)</u>	<u>(36,321,646)</u>
Total Net Position	<u><u>\$18,169,615</u></u>	<u><u>\$17,492,965</u></u>	<u><u>\$21,239,590</u></u>	<u><u>\$23,617,594</u></u>	<u><u>\$23,764,182</u></u>	<u><u>\$25,016,777</u></u>	<u><u>\$23,531,102</u></u>	<u><u>\$22,586,582</u></u>	<u><u>(\$22,972,786)</u></u>	<u><u>(\$22,338,003)</u></u>

ATHENS CITY SCHOOL DISTRICT
Changes in Net Position of Governmental Activities
Last Ten Fiscal Years
June 30, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Regular Instruction	\$14,178,578	\$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
Special Instruction	3,393,969	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
Vocational Instruction	256,282	307,970	289,528	343,739	419,445	508,534	426,089	355,167	328,360	234,063
Student Intervention Services	10,221	18,611	295,882	362,017	148,213	133,738	140,530	136,099	109,975	90,459
Other Instruction	0	0	0	0	0	0	0	0	0	84,456
Pupil Support	1,315,904	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
Instructional Staff Support	1,635,083	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
Board of Education	116,190	100,408	114,815	87,678	164,636	123,282	124,844	105,858	114,855	130,783
Administration	1,841,002	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
Fiscal	909,318	852,201	661,973	717,860	702,311	664,616	663,653	674,254	641,031	660,982
Business	166,720	203,064	603,907	610,723	602,219	548,213	512,174	530,625	447,045	409,031
Operation and Maintenance of Plant	3,756,393	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
Pupil Transportation	1,722,528	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
Central	195,915	200,975	167,721	200,597	203,103	124,258	240,493	105,958	113,334	111,100
Operation of Food Services	834,670	929,162	843,310	869,551	849,165	823,199	804,940	739,455	723,193	697,962
Other Non-Instructional Services	13,077	4,810	22,370	300	5,398	33,650	11,221	4,791	9,054	6,386
Extracurricular Activities	500,172	455,568	461,995	526,387	475,833	617,610	520,707	498,454	548,371	683,852
Interest and Fiscal Charges	625,872	769,066	625,504	683,439	678,788	819,837	696,149	485,943	381,368	377,105
Issuance Costs	0	0	0	0	0	0	0	145,225	0	0
Total Expenses	31,471,894	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
Program Revenues										
Charges for Services										
Regular Instruction	2,269,227	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
Special Instruction	0	0	0	3,510	4,350	0	5,013	0	0	0
Pupil Support	57	749	7,996	8,846	6,529	0	0	11,902	10,933	14,249
Instructional Staff Support	8,059	499	395	902	11,264	0	0	0	0	0
Administration Support	4,001	5,427	0	2,120	1,725	0	11,585	0	1,745	2,862
Pupil Transportation	0	0	0	0	0	0	10,921	0	0	0
Central	0	0	1,678	1,330	1,200	0	0	0	0	0
Operation of Food Service	350,560	335,176	342,785	309,879	248,732	250,086	230,843	207,608	198,606	190,260
Extracurricular Activities	88,675	66,609	57,919	58,325	82,654	91,329	95,246	86,766	93,381	108,348
Operating Grants and Contributions										
Regular Instruction	215,458	1,165,862	1,438,977	1,425,892	3,061,087	3,470,501	906,437	218,087	411,819	429,569
Special Instruction	1,443,815	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
Vocational Instruction	38,995	50,204	59,979	55,179	55,593	56,010	56,010	56,010	44,679	37,726
Student Intervention Services	0	0	126,955	238,606	0	0	0	0	0	0
Pupil Support	53,537	158,187	108,089	119,433	203,840	71,976	50,907	0	0	0
Instructional Staff Support	57,415	668,021	538,356	508,912	485,938	315,404	312,686	309,357	548,089	340,256
Board of Education	0	0	0	0	0	0	2,300	0	0	0
Administration	50,428	15,834	31,135	84,423	267,015	279,671	39,588	29,633	24,130	17,388
Fiscal	0	0	0	0	4,599	4,941	0	0	0	0
Business	0	0	5,740	0	0	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	361,017	364,594	0	0	0	0
Pupil Transportation	670,745	653,958	669,750	703,910	830,122	762,255	72,456	41,171	78,267	1,055,519
Central	35,163	65,898	59,131	62,034	62,609	31,305	50,591	0	0	0
Operation of Food Service	446,030	441,861	513,761	491,403	496,980	487,611	525,116	508,717	499,025	487,306
Extracurricular Activities	16,094	3,121	1,299	925	1,471	15,307	3,082	4,589	18	52,518

(continued)

ATHENS CITY SCHOOL DISTRICT
Changes in Net Position of Governmental Activities (continued)
 Last Ten Fiscal Years
 June 30, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Capital Grants and Contributions										
Regular Instruction	0	0	18,122	0	0	0	0	103,250	88,250	60,250
Operation and Maintenance of Plant	0	0	0	0	0	0	0	0	0	0
Pupil Transportation	0	0	0	0	0	225,000	0	0	0	0
<i>Total Program Revenues</i>	<u>5,748,259</u>	<u>7,385,278</u>	<u>7,843,595</u>	<u>8,505,770</u>	<u>10,586,323</u>	<u>11,231,836</u>	<u>6,519,122</u>	<u>5,714,308</u>	<u>7,208,523</u>	<u>7,900,296</u>
Net Expense	<u>(25,723,635)</u>	<u>(26,112,624)</u>	<u>(23,936,469)</u>	<u>(26,072,139)</u>	<u>(25,391,245)</u>	<u>(24,660,996)</u>	<u>(30,676,845)</u>	<u>(30,287,223)</u>	<u>(28,530,686)</u>	<u>(27,813,290)</u>
General Revenues										
Property Taxes Levied for:										
General Purposes	14,127,682	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
Debt Service	1,443,662	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
Capital Outlay	963,223	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
Income Taxes	0	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
Grants and Entitlements not										
Restricted to Specific Programs	8,775,371	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
Payments in Lieu of Taxes	123,188	554,421	148,701	441,147	165,468	317,647	215,968	256,784	298,028	224,627
Gain on Sale of Capital Assets	0	0	14,932	0	0	0	0	0	0	0
Investment Earnings	423,812	698,487	712,179	429,465	217,871	177,670	81,616	59,974	50,787	66,584
Miscellaneous	63,054	78,658	49,963	72,006	85,752	198,597	96,522	179,225	352,373	457,132
<i>Total General Revenues</i>	<u>25,919,992</u>	<u>25,435,974</u>	<u>27,752,514</u>	<u>28,450,143</u>	<u>25,414,559</u>	<u>25,065,522</u>	<u>28,679,826</u>	<u>28,996,884</u>	<u>29,217,042</u>	<u>28,442,139</u>
Extraordinary Item										
Gain on Insurance Recovery	0	0	0	0	0	848,069	611,436	345,819	22,141	5,934
<i>Change in Net Position</i>	<u>\$196,357</u>	<u>(\$676,650)</u>	<u>\$3,816,045</u>	<u>\$2,378,004</u>	<u>\$23,314</u>	<u>\$1,252,595</u>	<u>(\$1,385,583)</u>	<u>(\$944,520)</u>	<u>\$708,497</u>	<u>\$634,783</u>

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ATHENS CITY SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$548,472	\$564,388	\$359,471	\$1,015,225	\$1,448,279	\$0	\$0	\$0	\$0	\$0
Unreserved	1,811,035	1,971,605	4,887,743	6,068,060	6,289,341	0	0	0	0	0
<i>Total General Fund</i>	<u>2,359,507</u>	<u>2,535,993</u>	<u>5,247,214</u>	<u>7,083,285</u>	<u>7,737,620</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
All Other Governmental Funds										
Reserved	202,777	444,678	361,965	338,594	247,292	0	0	0	0	0
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	(32,868)	424,466	767,962	670,826	150,995	0	0	0	0	0
Debt Service Funds	1,869,720	2,224,541	2,617,761	2,821,755	2,899,907	0	0	0	0	0
Capital Projects Funds	3,335,944	2,470,164	2,683,703	3,064,166	2,863,699	0	0	0	0	0
<i>Total All Other Governmental Funds</i>	<u>5,375,573</u>	<u>5,563,849</u>	<u>6,431,391</u>	<u>6,895,341</u>	<u>6,161,893</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund										
Nonspendable	0	0	0	0	0	0	108,633	185,532	197,602	201,799
Committed	0	0	0	0	0	0	0	38,575	225,618	10,418
Assigned	0	0	0	0	0	262,310	566,558	282,817	238,597	140,063
Unassigned	0	0	0	0	0	7,856,897	6,895,607	6,587,565	6,346,531	6,499,073
<i>Total General Fund</i>	<u>0</u>	<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>
All Other Governmental Funds										
Nonspendable	0	0	0	0	0	5,842	6,414	4,727	5,904	5,089
Restricted	0	0	0	0	0	6,333,627	5,585,440	5,555,329	5,650,944	5,611,713
Unassigned	0	0	0	0	0	(876,412)	(317,735)	(209,493)	(540,376)	(366,874)
<i>Total All Other Governmental Funds</i>	<u>0</u>	<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>
<i>Total Governmental Funds</i>	<u>\$7,735,080</u>	<u>\$8,099,842</u>	<u>\$11,678,605</u>	<u>\$13,978,626</u>	<u>\$13,899,513</u>	<u>\$13,582,264</u>	<u>\$12,844,917</u>	<u>\$12,445,052</u>	<u>\$12,124,820</u>	<u>\$12,101,281</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, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property Taxes	\$16,407,865	\$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
Income Taxes	0	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
Intergovernmental	11,823,440	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
Interest	364,738	623,972	638,554	421,340	188,266	144,536	62,159	50,855	41,857	57,346
Tuition and Fees	2,252,515	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
Extracurricular Activities	117,504	93,222	80,891	85,783	101,584	91,329	134,032	110,977	108,033	121,932
Contributions and Donations	36,711	20,687	20,716	13,651	21,335	235,266	11,814	112,788	98,405	93,418
Charges for Services	350,560	335,176	342,785	309,879	248,732	250,086	230,843	207,608	198,606	190,260
Rentals	6,572	11,259	5,277	3,621	4,637	7,005	215,968	71,494	67,379	70,087
Payments in Lieu of Taxes	123,188	554,421	148,701	441,147	165,468	317,647	35,004	256,784	298,028	224,627
Miscellaneous	56,482	67,399	44,686	68,385	87,181	189,285	84,708	107,731	284,994	387,045
Total Revenues	31,539,575	33,396,855	35,642,364	36,757,002	35,897,796	36,081,595	35,101,583	34,724,940	35,815,478	36,851,078
Expenditures										
Current:										
Instruction:										
Regular	13,212,771	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
Special	3,415,176	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
Vocational	274,446	326,679	286,608	338,655	417,827	506,924	439,824	349,872	364,865	264,766
Student Intervention Services	10,221	18,703	294,880	360,581	148,127	133,998	138,420	121,426	112,118	93,481
Other	0	0	0	0	0	0	0	13,783	0	84,456
Support Services:										
Pupil	1,328,110	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
Instructional Staff	1,621,563	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
Board of Education	115,304	100,604	113,614	86,729	164,071	122,756	124,322	105,761	115,105	130,913
Administration	1,851,320	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
Fiscal	872,955	882,676	647,462	744,147	699,206	663,287	655,113	686,601	640,386	695,825
Business	168,877	177,577	610,659	617,299	601,228	544,321	505,633	527,909	451,602	422,814
Operation and Maintenance of Plant	3,755,493	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
Pupil Transportation	1,869,536	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
Central	196,460	205,314	166,590	198,932	202,738	124,471	238,024	104,974	115,572	114,522
Operation of Non-Instructional Services	836,516	911,829	863,253	878,266	849,821	853,286	810,905	736,409	738,087	718,300
Extracurricular Activities	463,628	432,825	414,808	487,819	438,261	578,538	475,561	457,094	526,788	569,562
Capital Outlay	182,330	432,596	342,858	373,663	491,599	2,410,483	1,569,423	621,601	469,809	219,236
Debt Service:										
Principal Retirement	2,285,000	565,000	595,000	620,000	650,000	685,000	685,000	733,166	1,358,166	1,433,166
Interest and Fiscal Charges	730,168	706,717	681,337	649,690	618,702	585,621	556,182	544,195	311,315	261,842
Issuance Costs	0	0	0	0	0	0	0	145,225	0	0
Total Expenditures	33,189,874	33,032,093	32,080,521	34,456,981	36,103,737	37,491,544	36,450,366	35,615,849	36,157,851	36,880,551

ATHENS CITY SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<i>Excess of Revenues Over (Under) Expenditures</i>	(\$1,650,299)	\$364,762	\$3,561,843	\$2,300,021	(\$205,941)	(\$1,409,949)	(\$1,348,783)	(\$890,909)	(\$342,373)	(\$29,473)
Other Financing Sources (Uses)										
Sale of Capital Assets	0	0	1,875	0	0	0	0	0	0	0
Insurance Recoveries	0	0	15,045	0	3,554	0	0	0	0	0
Refunding Bonds Issued	0	0	0	0	0	0	0	7,270,000	0	0
Proceeds of Refunding Bonds	0	0	0	0	0	0	0	0	0	0
Payment to Refund Bond Escrow Agent	0	0	0	0	0	0	0	(7,916,315)	0	0
Premium on Debt Issuance	0	0	0	0	0	0	0	0	0	0
Premium on Bonds Issued	0	0	0	0	0	0	0	791,540	0	0
Transfers In	84,137	0	455,562	348,740	138,097	74,825	51,520	3,300	21,430	24,588
Transfers Out	(84,137)	0	(455,562)	(348,740)	(138,097)	(74,825)	(51,520)	(3,300)	(21,430)	(24,588)
<i>Total Other Financing Sources (Uses)</i>	0	0	16,920	0	3,554	0	0	145,225	0	0
<u>Extraordinary Item:</u>										
Insurance Recoveries	0	0	0	0	0	1,092,700	611,436	345,819	22,141	5,934
<i>Net Change in Fund Balances</i>	(\$1,650,299)	\$364,762	\$3,578,763	\$2,300,021	(\$202,387)	(\$317,249)	(\$737,347)	(\$399,865)	(\$320,232)	(\$23,539)
Ratio of Debt Service as a Percentage of Noncapital Expenditures	9.16%	3.88%	4.11%	3.75%	3.59%	3.59%	3.56%	4.02%	4.63%	4.61%

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 (1)	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value				
2006	\$282,989,230	\$116,333,170	\$1,140,921,143	\$26,766,620	\$30,416,614	\$25,034,896	\$107,066,480	\$451,123,916	\$1,278,404,237	35.29%	\$33.88
2007	287,026,650	113,156,060	1,143,379,171	25,945,580	29,483,614	17,890,464	103,782,320	444,018,754	1,276,645,105	34.78%	32.92
2008	292,080,470	116,740,030	1,168,058,571	20,940,180	23,795,659	15,874,254	83,760,720	445,634,934	1,275,614,950	34.93%	30.59
2009	332,564,370	147,529,940	1,371,698,029	21,489,860	24,420,295	8,623,220	85,959,440	510,207,390	1,482,077,764	34.43%	28.39
2010	334,939,790	147,253,660	1,377,695,571	23,228,490	26,396,011	1,940,708	92,913,960	507,362,648	1,497,005,543	33.89%	28.26
2011	335,814,280	145,448,660	1,375,036,971	24,462,666	27,798,484	970,354	97,850,664	506,695,960	1,500,686,120	33.76%	28.21
2012	334,938,150	144,707,270	1,370,415,486	26,048,300	29,600,341	0	104,193,200	505,693,720	1,504,209,027	33.62%	28.60
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%	33.01

-10-

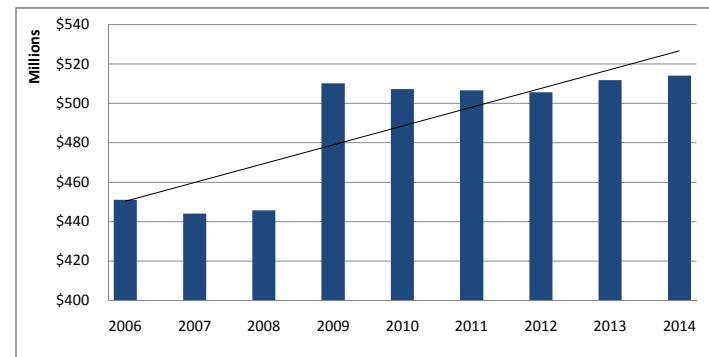
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

(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)

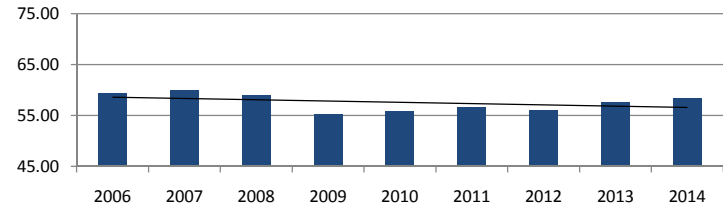
Collection Year	Athens City School District				Athens County	Tri-County Career Center	Athens Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total						
2006	62.89	2.90	3.70	69.49	20.30	3.30	6.70	99.79	59.300197	66.459368
2007	62.92	2.90	3.70	69.52	20.30	3.30	6.70	99.82	59.925045	68.110019
2008	57.16	2.90	3.70	63.76	20.30	3.30	6.70	94.06	59.042369	63.206268
2009	55.12	2.90	3.70	61.72	20.30	3.30	6.70	92.02	55.188860	55.458365
2010	55.10	2.90	3.70	61.70	20.55	3.30	6.70	92.25	55.881578	56.946993
2011	55.08	2.90	3.70	61.68	20.55	3.30	6.70	92.23	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

- III -

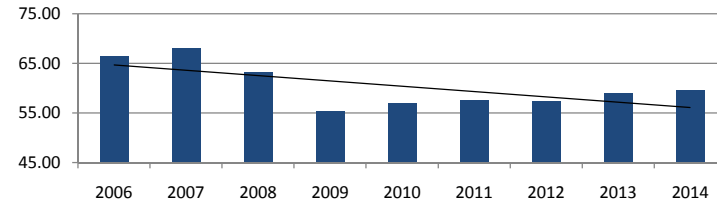
Note: The Athens City School District consists of eight taxing districts:

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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 - City of Athens (A02)

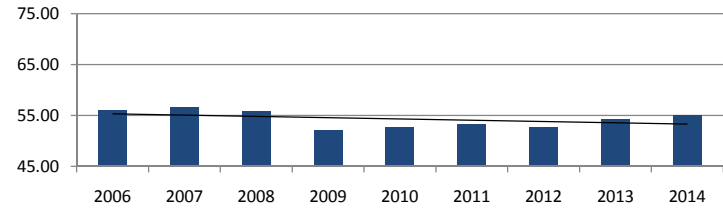
Collection Year	Athens City School District				Athens County	Tri-County Career Center	City of Athens	Athens Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total							
2006	62.89	2.90	3.70	69.49	20.30	3.30	2.60	0.30	95.99	55.975578	62.956533
2007	62.92	2.90	3.70	69.52	20.30	3.30	2.60	0.30	96.02	56.618703	64.566010
2008	57.16	2.90	3.70	63.76	20.30	3.30	2.60	0.03	89.99	55.737092	59.662899
2009	55.12	2.90	3.70	61.72	20.30	3.30	2.60	0.03	87.95	52.172203	52.194144
2010	55.10	2.90	3.70	61.70	20.55	3.30	2.60	0.30	88.45	52.597044	53.544739
2011	55.08	2.90	3.70	61.68	20.55	3.30	2.60	0.30	88.43	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

-112-

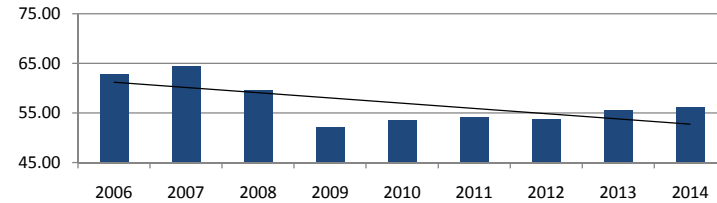
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- N02 Waterloo Township

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*

Athens Township - The Plains Fire District (A04)

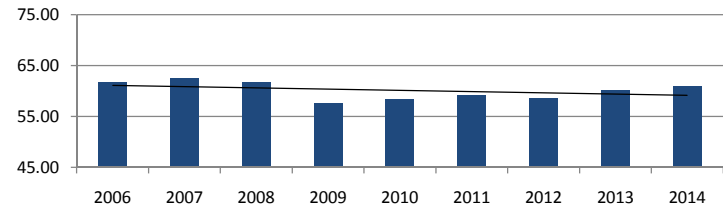
Collection Year	Athens City School District				Athens County	Tri-County Career Center	The Plains Fire District	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total							
2006	62.89	2.90	3.70	69.49	20.30	3.30	3.50	6.70	103.29	61.768504	69.346896
2007	62.92	2.90	3.70	69.52	20.30	3.30	3.50	6.70	103.32	62.578241	71.384284
2008	57.16	2.90	3.70	63.76	20.30	3.30	3.50	6.70	97.56	61.696082	66.481027
2009	55.12	2.90	3.70	61.72	20.30	3.30	3.50	6.70	95.52	57.673188	58.592013
2010	55.10	2.90	3.70	61.70	20.55	3.30	3.50	6.70	95.75	58.376270	60.172712
2011	55.08	2.90	3.70	61.68	20.55	3.30	3.50	6.70	95.73	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

-113-

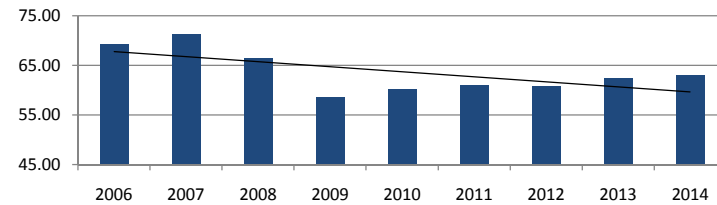
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- N02 Waterloo Township

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*

Canaan Township (E02)

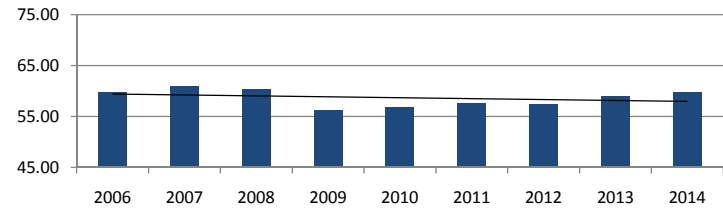
Collection Year	Athens City School District				Athens County	Tri-County Career Center	Canaan Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total						
2006	62.89	2.90	3.70	69.49	20.30	3.30	7.60	100.69	59.834813	66.981209
2007	62.92	2.90	3.70	69.52	20.30	3.30	7.60	100.72	61.052371	69.266010
2008	57.16	2.90	3.70	63.76	20.30	3.30	7.60	94.96	60.359554	64.359217
2009	55.12	2.90	3.70	61.72	20.30	3.30	7.60	92.92	56.242214	55.356666
2010	55.10	2.90	3.70	61.70	20.55	3.30	7.60	93.15	56.866672	57.590742
2011	55.08	2.90	3.70	61.68	20.55	3.30	7.60	93.13	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

-114-

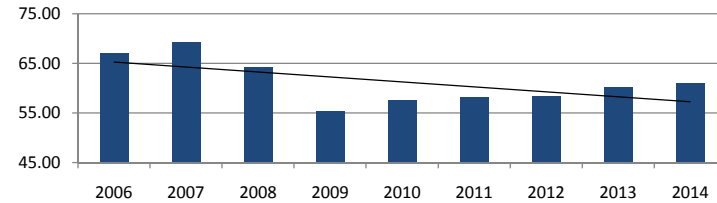
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Residential Effective Rate over Time



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)

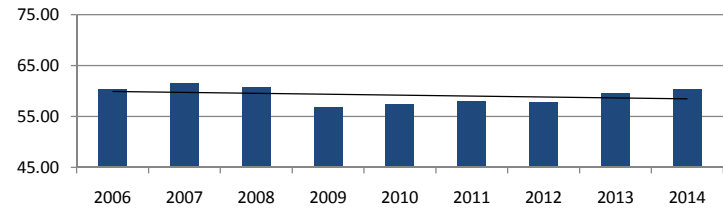
Collection Year	Athens City School District				Athens County	Tri-County Career Center	City of Athens	Canaan Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total							
2006	62.89	2.90	3.70	69.49	20.30	3.30	2.40	5.70	101.19	60.334813	67.481209
2007	62.92	2.90	3.70	69.52	20.30	3.30	2.40	5.70	101.22	61.552371	69.766010
2008	57.16	2.90	3.70	63.76	20.30	3.30	2.40	5.70	95.46	60.859554	64.859217
2009	55.12	2.90	3.70	61.72	20.30	3.30	2.40	5.70	93.42	56.742214	55.856666
2010	55.10	2.90	3.70	61.70	20.55	3.30	2.40	5.70	93.65	57.366672	58.090742
2011	55.08	2.90	3.70	61.68	20.55	3.30	2.40	5.70	93.63	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

-115-

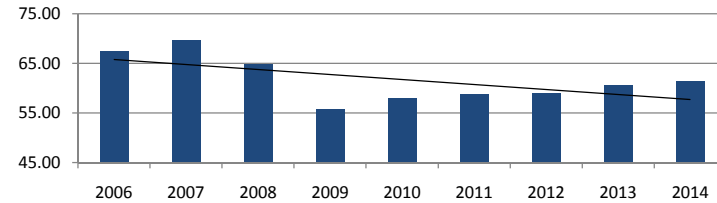
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- N02 Waterloo Township

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 (G01)

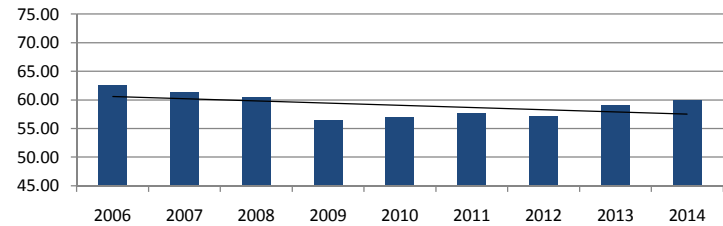
Collection Year	Athens City School District				Athens County	Tri-County Career Center	Dover Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Total Commercial/ Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total						
2006	62.89	2.90	3.70	69.49	20.30	3.30	11.20	104.29	62.618758	69.999672
2007	62.92	2.90	3.70	69.52	20.30	3.30	8.70	101.82	61.330527	69.520334
2008	57.16	2.90	3.70	63.76	20.30	3.30	8.70	96.06	60.447246	64.617237
2009	55.12	2.90	3.70	61.72	20.30	3.30	8.70	94.02	56.496130	57.005898
2010	55.10	2.90	3.70	61.70	20.55	3.30	8.70	94.25	56.927015	58.362117
2011	55.08	2.90	3.70	61.68	20.55	3.30	8.70	94.23	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

-911-

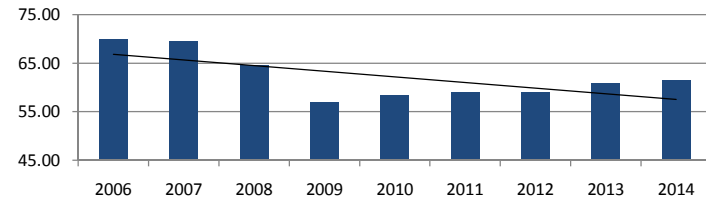
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Residential Effective Rate over Time



Commercial Effective Rate over Time



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

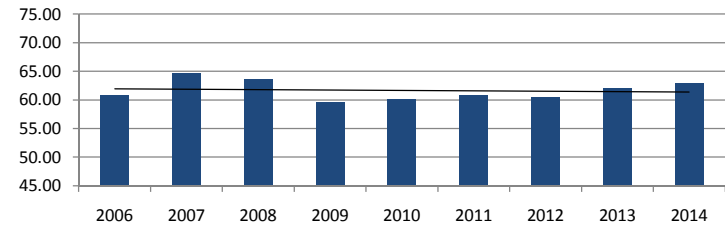
ATHENS CITY SCHOOL DISTRICT

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

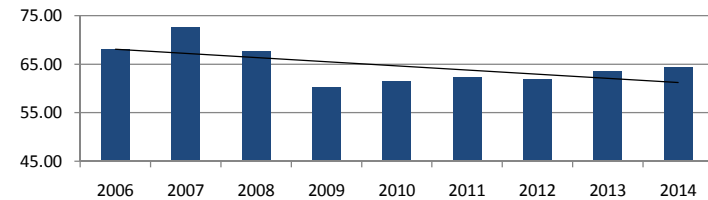
Dover Township - Village of Chauncey (G02)

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							
2006	62.89	2.90	3.70	69.49	20.30	3.30	2.90	5.80	101.79	60.859320	68.058353
2007	62.92	2.90	3.70	69.52	20.30	3.30	7.90	3.30	104.32	64.567213	72.579015
2008	57.16	2.90	3.70	63.76	20.30	3.30	7.90	3.30	98.56	63.684866	67.675909
2009	55.12	2.90	3.70	61.72	20.30	3.30	7.90	3.30	96.52	59.578636	60.149544
2010	55.10	2.90	3.70	61.70	20.55	3.30	7.90	3.30	96.75	60.020906	61.502556
2011	55.08	2.90	3.70	61.68	20.55	3.30	7.90	3.30	96.73	60.777224	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

Residential Effective Rate over Time



Commercial Effective Rate over Time



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

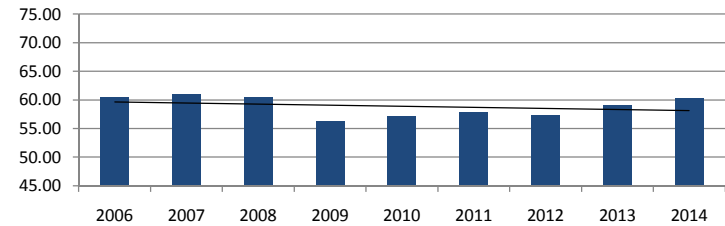
ATHENS CITY SCHOOL DISTRICT

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

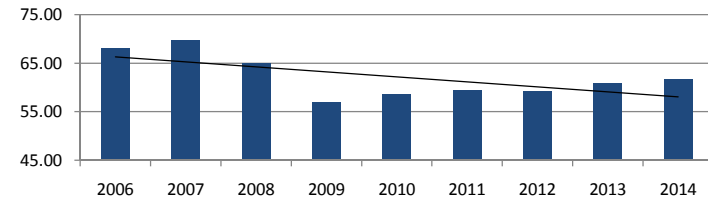
Waterloo Township (N02)

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						
2006	62.89	2.90	3.70	69.49	20.30	3.30	9.90	102.99	60.408076	68.133558
2007	62.92	2.90	3.70	69.52	20.30	3.30	9.90	103.02	61.054314	69.743035
2008	57.16	2.90	3.70	63.76	20.30	3.30	9.90	97.26	60.496486	65.031093
2009	55.12	2.90	3.70	61.72	20.30	3.30	9.90	95.22	56.288589	57.027685
2010	55.10	2.90	3.70	61.70	20.55	3.30	9.90	95.45	57.151544	58.651535
2011	55.08	2.90	3.70	61.68	20.55	3.30	9.90	95.43	57.883058	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

Residential Effective Rate over Time



Commercial Effective Rate over Time



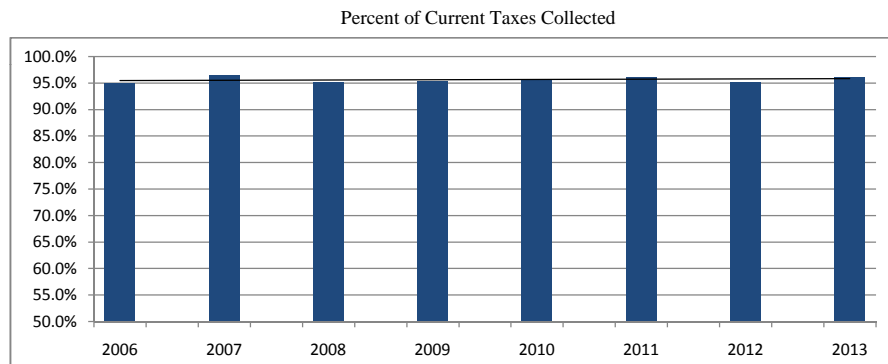
Note: The Athens City School District consists of eight taxing districts:

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

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

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

Collection Year	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
2006	\$16,254,562	\$15,427,198	94.91%	\$478,391	\$15,905,589	97.85%	\$1,271,415	7.82%
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%	Not Available	Not Available



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

Historic data from 2005 through 2012 has been changed. Prior to 2013 data was calculated by the County Auditor based on the District's percent of collections using the Full Tax Rate. Beginning in 2013 it was changed to be based on the District's percent of the Effective Tax Rate. Since this should be a more accurate calculation the historic years were re-calculated to be the same as will be used from 2013 into the future.

- (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.

ATHENS CITY SCHOOL DISTRICT

Principal Taxpayers

Real Estate Tax

Current Year and Ten Years Ago

Name of Taxpayer	Type of Business	Collection Year 2015(1)	
		Assessed Value	Percent of Real Property Assessed Value
CPP Athens I LLC	Apartments	\$ 12,865,060	2.56%
Ohio University	Retail Sales	9,353,720	1.86%
Coates Run Property LL LLC	Apartments	4,430,090	0.88%
McCoady Properties LTD	Apartments	4,430,090	0.88%
Athens Health Realty LLC	Nursing Home	4,367,380	0.87%
Hayes Cornwell LTD	Apartments	2,671,590	0.53%
Grande Vista Village, LLC	Apartments	2,671,590	0.53%
Sheltering Arms Hospital	Hospital	2,306,490	0.46%
Inn-Ohio of Athens Inc	Hotel/Motel	2,235,570	0.44%
Diversified Properties	Apartments	2,098,650	0.42%
Total Top Ten		47,430,230	9.44%
All Others		455,260,090	90.56%
Total Assessed Valuation		\$ 502,690,320	100.00%

Name of Taxpayer	Type of Business	Collection Year 2006 (1)	
		Assessed Value	Percent of Real Property Assessed Value
Ohio University	Retail Sales	\$6,447,849	1.61%
AAC Athens LLC	Apartments	3,948,830	0.99%
Random Properties Acquisition	Retail Sales	2,977,850	0.75%
Continental 72 Fund LLC	Retail Sales	2,465,440	0.62%
Inn-Ohio of Athens, Inc.	Motel	1,903,740	0.48%
McCoady Properties Ltd.	Various	1,850,044	0.46%
The President and Trustees of the Ohio University	Apartments	1,611,589	0.40%
City of Athens	Various	1,598,419	0.40%
Southeast Development Co. 2	Apartments	1,422,900	0.36%
Hickory Creek of Athens, Inc.	Nursing Home	1,378,520	0.35%
Total Top Ten		25,605,181	6.41%
All Others		373,717,219	93.59%
Total Assessed Valuation		\$399,322,400	100.00%

(1) The amounts presented represent the assessed values upon which 2015 and 2006 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 2015 (1)	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Ohio Power Co.	Electricity	\$ 21,362,840	75.00%
Tennessee Gas Pipeline Co.	Natural Gas	3,229,310	11.34%
Columbia Gas of Ohio Inc.	Natural Gas	1,782,880	6.26%
Texas Eastern Transmission Corp	Natural Gas	1,379,660	4.84%
Columbia Gas Transmission Corp	Natural Gas	577,310	2.03%
General Electric Capital Commercial Inc.	Electricity	78,620	0.28%
Buckeye Rural Electric	Electricity	36,030	0.13%
RBS Asset Finance Corp. Tax	Lessor	29,200	0.10%
BLX 13 Inc.	Natural Gas	6,540	0.02%
Southeastern Natural Gas Co.	Natural Gas	2,380	0.01%
Total Top Ten		28,484,770	100.00%
All Others		-	0.00%
Total Assessed Valuation		\$ 28,484,770	100.00%

Name of Taxpayer	Type of Business	Collection Year 2006 (1)	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Columbus Southern Power	Electricity	\$12,670,170	47.34%
Verizon North Inc.	Telephone	4,001,770	14.95%
Tennessee Gas Pipeline Co.	Natural Gas	1,654,860	6.18%
Texas Eastern Transmission	Natural Gas	1,493,650	5.58%
Columbia Gas of Ohio Inc.	Natural Gas	897,090	3.35%
Ohio Telephone & Telegraph	Telephone	775,080	2.90%
Horizon Personal	Telephone	576,700	2.15%
Norfolk Southern	Transportations	551,290	2.06%
Alltel Communications of Ohio	Telephone	457,210	1.71%
Columbia Gas Transmission	Natural Gas	437,330	1.63%
Total Top Ten		23,515,150	87.85%
All Others		3,251,470	12.15%
Total Assessed Valuation		\$26,766,620	100.00%

(1) The amounts presented represent the assessed values upon which 2015 and 2006 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	Total Debt	Ratio of General Debt to Assessed Value	General Debt Per Capita
2006	33,790	\$451,123,916	\$441,950,195	\$14,335,000	\$2,076,548	\$12,258,452	2.72%	2.77%	\$362.78	\$14,335,000	\$14,335,000	3.18%	\$424.24
2007	33,790	444,018,754	467,983,086	13,910,000	2,464,074	11,445,926	2.58%	2.45%	338.74	13,910,000	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	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	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	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	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	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	11,925,181	2.33%	340.47
2014	35,026	514,094,790	N/A	10,641,547	2,739,262	7,902,285	1.54%	N/A	225.61	10,641,547	10,641,547	2.07%	303.82
2015	35,026	531,176,090	N/A	9,327,718	3,027,737	6,299,981	1.19%	N/A	179.87	9,327,718	9,327,718	1.76%	266.31

Sources: (1) U.S. Bureau of Census, 2000 Census of Population for 2006 - 2010
2010 Census for 2011 - 2015

(2) Ohio Department of Taxation - Collection Year

(3) Ohio Department of Taxation

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

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio Debt Service to General Fund Expenditures (Percentage)
2006	\$2,285,000	\$730,168	\$3,015,168	\$24,670,213	12.22%
2007	565,000	706,717	1,271,717	25,630,290	4.96%
2008	595,000	681,337	1,276,337	25,200,403	5.06%
2009	620,000	649,690	1,269,690	27,202,891	4.67%
2010	650,000	618,702	1,268,702	29,476,320	4.30%
2011	685,000	585,471	1,270,471	28,938,170	4.39%
2012	685,000	556,182	1,241,182	29,262,568	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%

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, 2015*

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	\$9,327,718	100.0%	\$9,327,718
<u>Overlapping Debt:</u>			
Athens County	1,961,827	52.93% (2)	1,038,395
City of Athens	3,320,000	97.79% (3)	3,246,628
Total Overlapping Debt			4,285,023
Total Direct and Overlapping Debt			\$13,612,741

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Tax Valuation	\$451,123,916	\$444,018,754	\$445,634,934	\$510,207,390	\$507,362,648	\$506,695,960	\$505,693,720	\$511,919,590	\$514,094,790	\$531,176,090
Debt Limit - 9% of Taxable Valuation (1)	\$40,601,152	\$39,961,688	\$40,107,144	\$45,918,665	\$45,662,638	\$45,602,636	\$45,512,435	\$46,072,763	\$46,268,531	\$47,805,848
Amount of Debt Applicable to Debt Limit										
General Obligation Bonds	14,335,000	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
Less Amount Available in Debt Service	(1,869,721)	(2,224,541)	(2,617,762)	(2,821,755)	(2,899,907)	(2,989,214)	(3,130,652)	(3,202,124)	(3,048,479)	(2,895,546)
Amount of Debt Subject to Limit	12,465,279	11,685,459	10,697,238	9,873,245	9,145,093	8,915,786	7,404,348	7,372,876	6,186,521	4,924,454
Legal Debt Margin	\$28,135,873	\$28,276,229	\$29,409,906	\$36,045,420	\$36,517,545	\$36,686,851	\$38,108,087	\$38,699,887	\$40,082,010	\$42,881,394
Legal Debt Margin as a Percentage of the Debt Limit	69.30%	70.76%	73.33%	78.50%	79.97%	80.45%	83.73%	84.00%	86.63%	89.70%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$451,124	\$444,019	\$445,635	\$510,207	\$507,363	\$506,696	\$505,694	\$511,920	\$514,095	\$531,176
Amount of Debt Subject to Limit	0	0	0	0	0	0	0	0	0	0
Unvoted Legal Debt Margin	\$451,124	\$444,019	\$445,635	\$510,207	\$507,363	\$506,696	\$505,694	\$511,920	\$514,095	\$531,176
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>
2006	33,790	6.40%	\$441,950,195	\$13,079
2007	33,790	6.70%	467,983,086	13,850
2008	33,790	6.80%	453,172,771	13,411
2009	33,790	8.80%	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%	N/A	N/A
2015	35,026	7.10%	N/A	N/A

Sources:

(1) 2011-2015 data from the 2010 US Census. Prior data from the Ohio Municipal Advisory Council

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

(3) Ohio Department of Taxation

Note:

The 2014 and 2015 Personal Income information was not available

ATHENS CITY SCHOOL DISTRICT

Principal Employers

2015 and 2006

Employer	Nature of Business	2015			2006		
		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	682	2	2.64%	448	5	1.64%
Athens County Government	Government	567	3	2.20%	621	2	2.27%
Athens City School District	Education	365	4	1.22%	475	3	1.74%
Wal-Mart	Retail	315	5	1.41%	450	4	1.65%
Athens City Government	Government	175	6	0.68%	255	6	0.93%
Diagnostic Hybrids, Inc / A. Quidel Co.	Research	170	7	0.66%	145	8	0.53%
Holzer Clinic	Health Care	140	8	0.54%	Data Not Available		
Athens Messenger	Newspaper	100	9	0.39%	102	10	0.37%
Sunpower, Inc.	Research	96	10	0.37%	Data Not Available		
Total		<u>6,779</u>		<u>26.28%</u>	<u>6,196</u>		<u>22.70%</u>
Total Employment within Athens County (1)		<u>25,800</u>			<u>27,300</u>		

(1) Data not readily available in rural communities.

ATHENS CITY SCHOOL DISTRICT

Personal Income

Last Ten Years

<u>Calendar Year (1)</u>	<u>Number of Income Tax Returns</u>	<u>Number of Personal Exemptions</u>	<u>Total Federal Adjusted Gross Income</u>	<u>Average Federal Adjusted Gross Income</u>	<u>Rank Among Ohio Schools (2)</u>
2004	10,021	17,876	\$400,624,424	\$39,978	294
2005	9,991	17,872	422,654,278	42,304	267
2006	9,990	17,703	441,950,195	44,239	267
2007	10,214	17,931	467,983,086	45,818	273
2008	9,985	17,508	453,172,771	45,385	273
2009	9,617	17,077	433,130,009	45,038	263
2010	9,597	16,964	502,892,243	52,401	144
2011	9,457	16,679	463,164,982	48,976	247
2012	9,585	16,776	508,657,893	53,068	210
2013	9,744	16,955	505,212,040	51,849	258

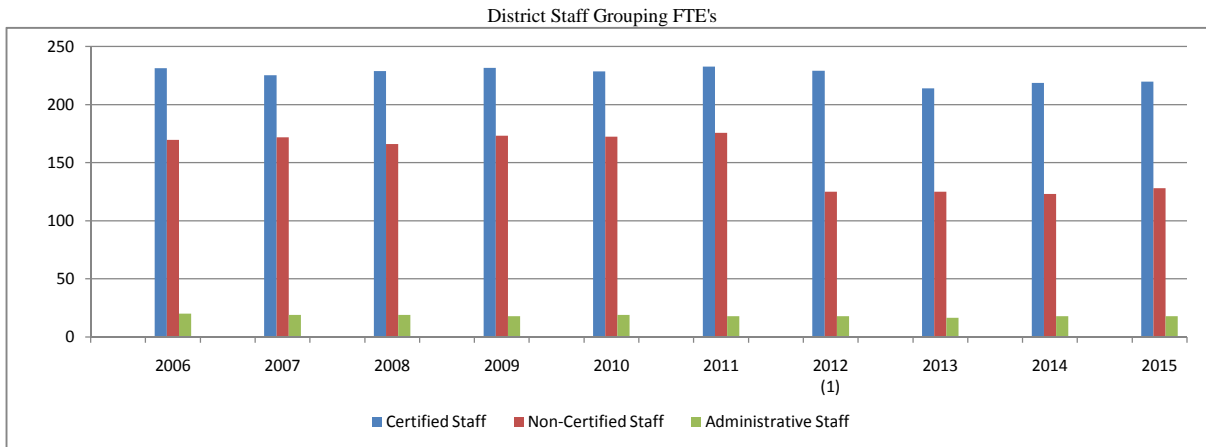
Source: Ohio Department of Taxation

(1) Income Tax information after 2013 is not yet available.

(2) 613 Total Ohio Public K-12 School Districts

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

Function/Program	2006	2007	2008	2009	2010	2011	2012 (1)	2013	2014	2015
Teaching Staff:										
Elementary (K-6) Classroom Teachers	84.00	83.00	83.00	84.00	84.00	85.00	85.00	76.00	76.00	82.35
Secondary (7-12) Classroom Teachers	67.50	66.00	68.50	69.50	67.25	67.75	67.33	65.25	66.50	67.88
Special Education Teachers	45.20	40.20	38.20	37.25	37.00	38.75	36.87	35.75	38.00	35.00
Vocational Education Teachers	7.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	6.00	4.00
Specialist Teachers (Art, PE, Music, Literacy)	15.20	14.40	16.20	17.20	17.20	17.20	18.30	17.00	17.00	16.00
Talented & Gifted / LEP Teachers	1.50	1.50	2.00	2.70	3.00	3.00	3.00	3.00	3.00	2.00
Pre-School Teachers	2.00	2.00	3.00	3.00	3.00	3.00	2.50	2.00	3.00	3.50
Pupil Support Services:										
Secretarial/Office Support Staff	21.00	21.00	21.50	21.50	21.50	21.50	21.69	21.69	22.18	21.93
Guidance/Counselors	5.00	6.00	6.00	6.00	5.00	6.00	5.00	4.00	5.00	5.00
Librarians/Audio Visual	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Psychologists	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Nurses	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Educational Aides	69.00	69.00	64.00	69.00	68.00	70.70	50.44	45.75	46.94	47.81
Administrators/Supervisors:										
Elementary (K-6)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	5.00	4.00
Secondary (7-12)	5.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Central/Districtwide	10.00	10.00	10.00	10.00	11.00	10.00	10.00	9.60	9.00	10.00
Operation of Plant:										
Custodians	25.00	26.00	26.50	26.50	26.50	26.48	18.00	23.00	22.50	23.31
Maintenance	4.00	4.00	4.00	5.00	5.00	4.00	4.00	5.00	5.00	5.00
Pupil Transportation:										
Bus Drivers	30.00	33.00	31.00	31.00	31.00	31.00	18.25	16.88	14.38	16.86
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)	12.00	9.50	9.50	10.80	11.05	10.00	5.33	5.33	5.07	5.57
Secondary (7-12)	6.50	7.40	7.40	7.40	7.40	10.00	5.33	5.33	5.00	5.50
Total	420.90	416.00	413.80	422.85	419.90	426.38	372.04	355.58	359.57	365.71



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, 2015

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		219.7	
Non-Certificated		127.9	
Administrative		18.0	
Area - square miles		89 Square Miles	
State Funded Average Daily Membership		2,499	
		Comparison	State
	<u>District</u>	<u>Group</u>	<u>Average</u>
% of Funds Spent on Classroom Instruction (a)	73.4%	68.2%	67.4%
Classroom Funding % Rank (a)	3 of 105		
Average Number of Years Teaching Experience		13.8 Years	
Percentage of Teaching Staff Holding a Master's Degree		86.4% Master or Higher	

(a) *Ranking determined by the Ohio Department of Education and are grouped by district enrollment size.
This data is for fiscal-year 2014 which is the most current data available from the Ohio Department of Education.*

<u>Building</u>	<u>Grades Level</u>	<u>Enrollment (1)</u>	<u>Capacity (2)</u>	<u>Percentage of Capacity</u>	<u>Number of Regular Teachers (3)</u>	<u>Pupil/ Teacher Ratio (4)</u>	<u>Year Building Completed</u>	<u>Date of Additions</u>
Athens High School	9 - 12	739	1,200	61.58%	63.0	12.3 :1	1968	2002
Athens Middle School	7 & 8	443	625	70.88%	41.0	11.7 :1	1923	1936, 1956 1973, 2002
Chauncey Elementary (5)	PS	68	500	13.60%	3.5	11.3 :1	1964	1978
East Elementary	K-6	366	575	63.65%	26.5	14.9 :1	1956	1980
Morrison Elementary	K-6	444	650	68.31%	31.0	14.8 :1	1979	-
The Plains Elementary	K-6	386	650	59.38%	33.0	12.1 :1	1990	-
West Elementary	K-6	<u>270</u>	<u>400</u>	<u>67.50%</u>	<u>21.0</u>	14.2 :1	1956	1978
District Totals		2,716	4,600	59.04%	219	13.2 :1		

- (1) Total Enrollment - All Students including Special Education - as of June 30th
Chauncey Elementary was converted to a Preschool only building in FY2013. Students attend 1/2 day reducing the Teacher Ratio by 1/2.
- (2) Based on Ohio School Facility Commission standard class size of 25 students
- (3) Includes Regular Classroom Teachers, Vocational Teachers, Special Education Teachers, and Specialist Teachers
- (4) Building Average with exclusions listed above

ATHENS CITY SCHOOL DISTRICT

Standardized Test Results

June 30, 2015

	<u>Athens High School</u>	<u>State Mean</u>	<u>National Mean</u>
<u>S.A.T.</u>			
Critical Reading	593	557	495
Mathematics	568	563	511
Writing	555	537	484
<u>A.C.T.</u>			
English	24.1	21.4	20.4
Mathematics	24.1	21.7	20.8
Reading	25.5	22.5	21.4
Science	23.6	22.1	20.9
Composite	24.5	22.0	21.0

Ohio Public School Report Card Data:

	<u>Athens City Schools</u>	<u>Similar Districts (2)</u>	<u>State Average</u>
<u>3rd Grade Achievement Test</u>			
Reading			
Mathematics			
<u>4th Grade Achievement Test</u>			
Reading			
Mathematics			
<u>5th Grade Achievement Test</u>			
Reading			
Mathematics			
Science			
<u>6th Grade Achievement Test</u>			
Reading			
Mathematics			
<u>7th Grade Achievement Test</u>			
Reading			
Mathematics			
<u>8th Grade Achievement Test</u>			
Reading			
Mathematics			
Science			
<u>10th Grade Ohio Graduation Test</u>			
Reading			
Writing			
Mathematics			
Social Studies			
Science			
<u>11th Grade Ohio Graduation Test</u>			
Reading			
Writing			
Mathematics			
Social Studies			
Science			
<u>Graduation Rate (1):</u>			
4-Year Rate			
5-Year Rate			

As of December 1, 2015 the Ohio Department of Education does not have this data published for the 2014-2015 Academic Year. The only data available is listed on their website with the following comment:

"The preliminary results could be different from your local report figures because none of the accountability rules are applied in the preliminary results."

Since the data available has not be verified nor includes Similar District data for comparison, the District has not included it in our Annual Financial Report.

- (1) Graduation Rate was changed to a Cohort method in FY2012 and changed again in FY2013. Graduation Rates are now based on the number of 9th Graders who completed in 4-Years and 5-Years.
- (2) 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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Dave Yost • Auditor of State

ATHENS CITY SCHOOL DISTRICT

ATHENS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 17, 2016**