

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ending June 30, 2017



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## ATHENS CITY SCHOOL DISTRICT

25 South Plains Road – The Plains, Ohio 45780





# Dave Yost • Auditor of State

Board of Education  
Athens City School District  
25 South Plains Road  
The Plains, Ohio 45780-1333

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, 2016 through June 30, 2017. 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 8, 2018

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

For the fiscal year ended  
June 30, 2017

**Board of Education**

Roger Brown.....President  
Rusty Rittenhouse..... Vice-President  
Chris Gerig..... Member  
Kimberly Goldsberry ..... Member  
Bruce Nottke ..... 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**

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# **ATHENS CITY SCHOOL DISTRICT**



## **INTRODUCTORY SECTION**

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# ATHENS CITY SCHOOL DISTRICT

[www.athenscd.org](http://www.athenscd.org)

Thomas J. Gibbs, Ed.D  
*Superintendent*

Bryan M. Bunting CGFM  
*Treasurer*



25 South Plains Road  
The Plains, Ohio 45780

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December 20, 2017

## **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, 2017. 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.

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***THE DISTRICT AND ITS FACILITIES***

The District was established in the mid 1800's and was the first public supported High School in Athens, Ohio when it graduated nine students in 1859. The District 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 35,381 residents. The District is the 167<sup>th</sup> largest in the State of Ohio (among 612 school districts) in terms of enrollment.

Located 75 miles southeast of Columbus, Athens is home to Ohio University, the first university in the Northwest Territory founded in 1804. The University's main campus College Green is on the National Register of Historic Places and includes Cutler Hall, a National Historic Landmark, built in 1816. Each quarter, the University adds over 20,000 students to the City's population.

The Athens City School District is one of five K-12 public school districts in Athens County. With 2,615 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 6 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 coordinator.

School	Grade	Enrollment
Chauncey Learning Center	Preschool	43
East Elementary	K-6	380
Morrison-Gordon Elementary	K-6	409
The Plains Elementary	K-6	379
West Elementary	K-6	227
Athens Middle School	7-8	388
Athens High School	9-12	789

The District provides preschool programs and all-day kindergarten classes. The District serves lunches to 32.9% of the student population daily. Approximately 36.5% 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 76.2% of their student population. All educational facilities except East Elementary offer breakfast programs. In these five buildings, 36.5% are eligible for free and reduced lunches, and 13.7% 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, 2017 is included on page xii.

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

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

### ***ECONOMIC CONDITION AND OUTLOOK***

The District's largest employer is Ohio University, which employs 4,345 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 top 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 3<sup>rd</sup> largest real estate taxpayer. This has provided a foundation of stability for the District. Ohio University's 2017 fiscal year total assets were \$1,848.1 million with total operating expenses in excess of \$796.5 million dollars. The University has an on-going facility plan which means each year they complete a number of construction and renovation projects. Their 2017 annual report also estimates \$76.5 million in capital projects continuing after the end of their fiscal year. Their Board of Trustees have voted to allocate \$711 million on capital improvement projects over the next seven years.

Athens County's largest private employers include Ohio Health (O'Bleness Memorial Hospital), Wal-Mart, Kroger, Diagnostic Hybrids, and Holzer Hospital. 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 continue to open in and around the District. In the past two years, new additions include Fairfield Inn & Suites, Hampton Inn, Tim Hortons, Kay Jewelers as well as other small locally owned businesses. The Market on State shopping mall has retained all of their major retail stores and has ongoing talks with additional tenants. The areas other two shopping centers include national retail stores such as Staples, Rent-2-Own, AT&T, Verizon, and others with very few storefronts available. In addition, the area continues to see business growth in the alternative energy industry. These provide additional property tax revenue and employment to area residents. US Route 33 Bypass around Nelsonville opened in September 2013 which decreased travel time from Columbus to Athens by more than 20 minutes that has been a catalyst for business and residential opportunities for the area. A new, \$9.5 million apartment complex is under construction as well as final approval for a Menards home improvement store on the east side of Athens. The City of Athens continues infrastructure upgrades including additional traffic lanes, water, sewer, and electric service that has and will continue to entice new business to the area and areas of the City beyond the major east corridor continue to be explored for commercial development.

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

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

### ***EMPLOYEE RELATIONS***

The District has more than 350 employees (full and part time) of which 208 are certificated (including school psychologists and counselors), 125 are classified, and 18 administrative. Certificated employees, including teachers and educational specialists, are represented for collective bargaining purposes by the Athens Education Association (AEA), an affiliate of the Ohio Education Association (OEA). Classified employees, including bus drivers, food service, custodial, maintenance, and clerical staff, are represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846. Educational Aides are also represented for collective bargaining purposes by the American Federation of State, County, and Municipal Employees (AFSCME) Local #1846, but under a separate negotiated agreement.

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

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

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

### ***SERVICES PROVIDED***

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



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

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

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

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

Athens High School is a unique four-year comprehensive high school that has been awarded accreditation by the North Central Association Commission on Accreditation and School Improvement (NCA CASI), the Northwest Accreditation Commission (NWAC) and the Southern Association of Colleges and Schools Commission on Accreditation and School Improvement (SACS CASI), the regional accrediting agencies that span the AdvacED global network. Graduation Requirements include 4 Units of English, 3.5 Units of Social Studies, Science, and Mathematics, ½ Unit of Health and Physical Education, 1 Unit of Fine Arts and 5 Units of Electives.

Athens High School offers a range of required and elective courses in which student are permitted to choose the academic difficulty of their courses which include college preparatory, honors and advanced placement. Advanced Placement courses include; English Language and Composition, US History, European History, Chemistry, Physics B, Calculus AB, US Government and Politics, Biology, Spanish and French Language, and Computer Science. The school has a number of students each year use the College Credit Plus enrollment option which enables students to take college classes for high school and college credit. This is free to the student and their parents. 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.

Athens High School offers student leadership activities; Student Council, Key Club, National Honor Society, and Interact Club. Co-Curricular activities offered are: Matrix (school newspaper), Arena (yearbook), Multicultural Club, Drama Club, Environmental Endeavors (Ecology Club), Game Club, Science Olympiad, French Club, Masquers and Thespians and Spanish Club. Music Activities include: Concert Band, Jazz Band, Marching Band, Color Guard, Vocal Music, and Chorale groups. Athens High School is a member school of the Ohio High School Athletic Association. It offers 11 boys sports (Cheerleading, Baseball, Basketball, Cross Country, Football, Golf, Swimming and Diving, Soccer, Tennis, Track and Field and Wrestling) and 11 girls sports (Cheerleading, Basketball, Cross Country, Golf, Softball, Swimming, Soccer, Tennis, Track and Field, Volleyball, and Wrestling).

The District's special education programs are broad and comprehensive. Approximately 15% of the student population has an Individualized Education Plan (IEP). 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. A Talented and Gifted. The District has developed a comprehensive gifted education plan that is available to qualified students. Programs and services are provided at the elementary, middle, and high school levels for gifted students.

### ***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 2017***

### ***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 2017, the District continued upgrades of security, hardware and software within the facilities along with facility maintenance covering both buildings and grounds.

### ***Technology***

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

In 2017, the District continued to move forward on the “one-to-one” initiative by providing Chromebook devices to each student in grades 7 through 12. The District also began a replacement of projection style interactive boards in classrooms to newer technology with LED monitors. These devices use Wi-Fi, Bluetooth, resident software programs, and have the ability to show any Windows, Apple, or Android device on the screen to improve classroom participation and education options.

### ***Comprehensive Annual Financial Report***

The District prepared their eighteenth Comprehensive Annual Financial Report (CAFR) for fiscal year 2017. 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 2017 had multiple students qualify as National Merit Scholars. There were also multiple students who were recognized as National Merit Finalists. Since 1984, more than 145 Athens High School graduates have been named National Merit Scholars and more than 175 have earned commended status. More than a dozen graduates of the Athens High School class of 2017 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><b>Grant</b></u>	<u><b>Award Amount</b></u>	<u><b>Description of Grant</b></u>
Title I	\$965,096	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 II-A	\$143,206	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	\$16,655	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	\$1,983	Funds designated to Limited-English speaking immigrant students for the purpose of teaching them the English language to a level sufficient to function in English speaking classrooms.
IDEA	\$544,927	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	\$79,548	These funds will be used for Professional Development of teachers in rural and low-income schools.
21 <sup>st</sup> Century	\$150,000	Funding is designed to provide after-school learning opportunities to at-risk students.
ECSE	\$13,606	Funding is designed to provide tutoring and other focused supplemental supports for children most at risk in reading and mathematics.
<b>Total</b>	<u><u><b>\$1,915,021</b></u></u>	

## ***MAJOR INITIATIVES FOR THE FUTURE***

### ***Permanent Improvements***

The District will continue with annual maintenance and improvement projects in accordance with the Five-Year Capital Plan. The District will also complete 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 2018 or 2019. Using the recently completed process established in Ohio Law, the District could obtain a credit toward a future project of more than \$12 million. This means once the total cost of the project has been determined, the District's local share will be reduced by that amount on any taxpayer funded construction project.

### ***Curriculum Development and Meeting the Requirements of New State Standards***

Reflecting on the analysis of past achievement results and with attention to Ohio Learning Standards, the District has embraced important curricular shifts in the past year. Notably, there has been movement toward cognitively-guided instruction in mathematics. This approach heavily supports the mindset of the current Ohio Learning Standards for Mathematics in that the emphasis moves toward deep mathematical understanding and multiple approaches to problem solving as opposed to the more traditional focus on learning standard algorithms with repetition until these become automatic. The focus becomes adapting the learner's own patterns of thinking to help the learner construct personally meaningful approaches to problems of a mathematical nature. These shifting instructional approaches over time will significantly alter both District materials purchases and the structure of courses in mathematics. A similar shift is occurring in the area of writing instruction, with an increased emphasis on writing throughout all curricular areas in all grades. Specifically, in grades K-8 the most notable change is an instructional shift toward a workshop approach to writing instruction following the Columbia University Writing Workshop model. This encourages greater student engagement and more real-world application of skills at an earlier point in instruction than in traditional settings. Significant professional development and materials purchases are expected to occur in both areas over the next two years to continue to support the educators who lead our students' learning.

### ***Technology Upgrades***

During 2017, the District purchased more than 300 Chromebook computers that were distributed throughout the various facilities and grade levels. For 2018, the District will purchase another 300 or more Chromebooks with the goal over time to have a one-to-one ratio for grades 4 through 12.

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

These initiatives will also require replacement devices and continued maintenance and upgrades to network hardware, software, bandwidth, and Wi-Fi.

## **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 sixteenth 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 2017.

## **OTHER INFORMATION**

### ***Independent Audit***

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

### ***GFOA Certificate of Achievement***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Athens City School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. This was the seventeenth 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***

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

***CENTRAL OFFICE ADMINISTRATIVE STAFF***

---

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

***TREASURER'S OFFICE STAFF***

---

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

***CENTRAL OFFICE SUPPORT STAFF***

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Superintendent Secretary .....	Denise Boal
Business Manager Secretary .....	Cea Owen
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

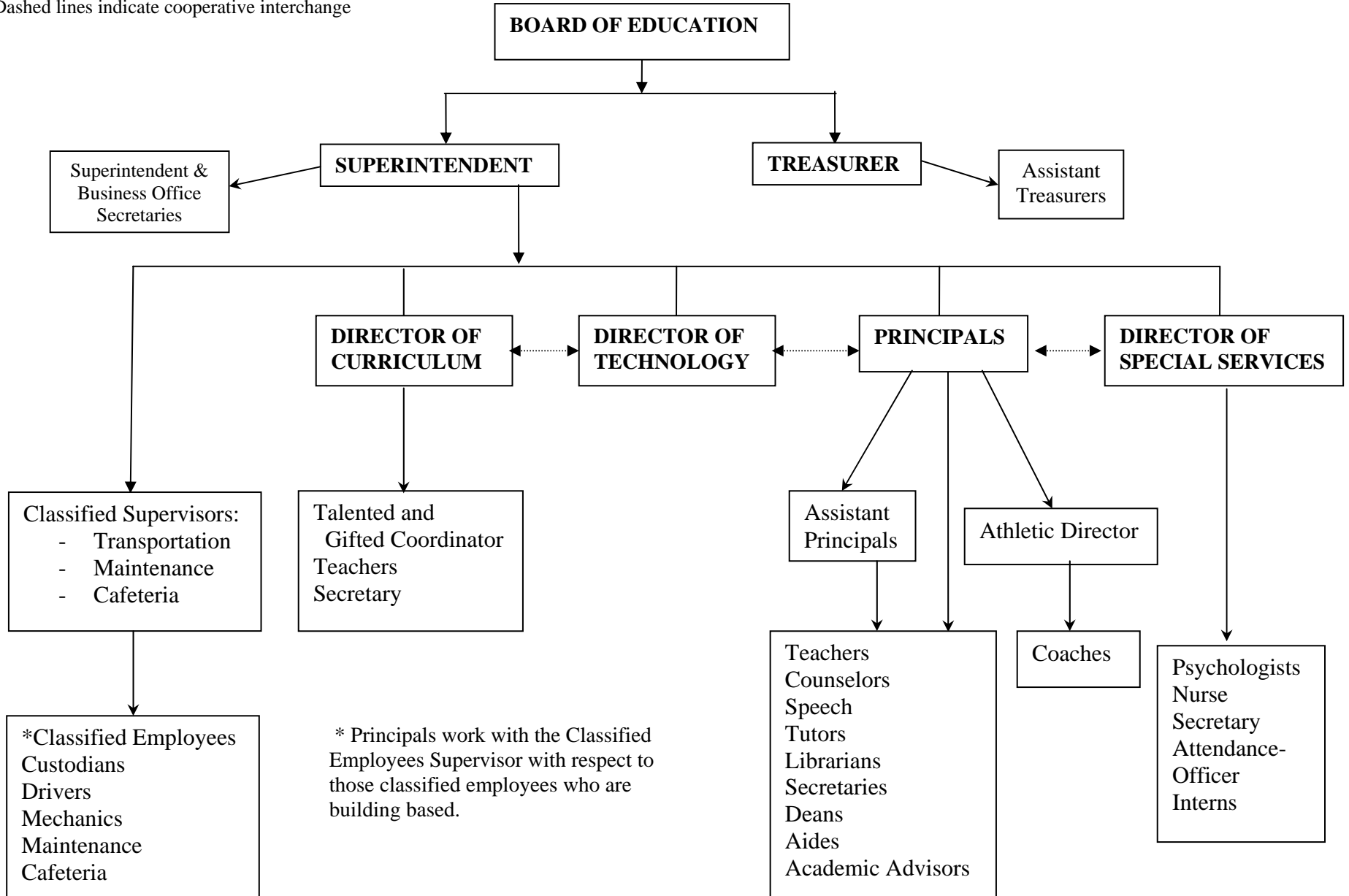
***OTHER ADMINISTRATORS***

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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, 2017*

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**

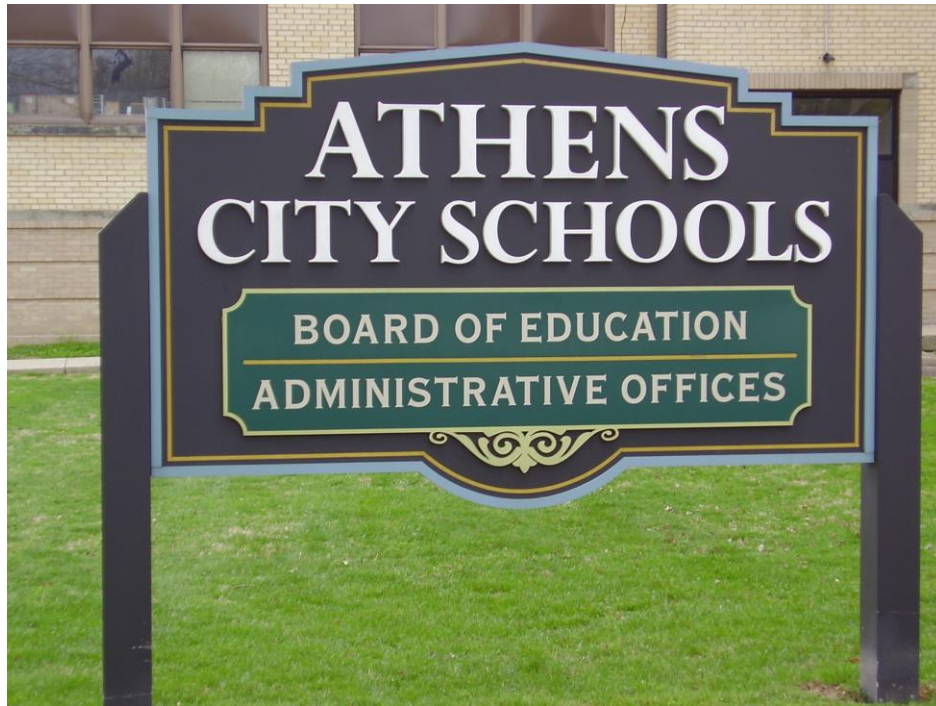
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

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, 2017, 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 such 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2017, 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 20, 2017



**ATHENS CITY SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*(Unaudited)*

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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, 2017. 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, 2017 by \$19.7 million. Of this amount, a deficit of \$34.7 million is considered unrestricted and may be used to meet the District's ongoing financial obligations. The remaining amount represents the difference between net investment in capital assets and net position amounts restricted for specific purposes.
- ▶ In total, net position of governmental activities increased by \$1.2 million, which represents an increase of 5.89% from 2016.
- ▶ General revenues accounted for \$30.2 million or 81.8% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6.7 million or 18.2% of total revenues of \$36.9 million.
- ▶ The District had \$35.6 million in expenses related to governmental activities; only \$6.7 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 \$30.2 million were adequate to cover the balance of governmental programs.
- ▶ The District recognizes two major governmental funds: the General Fund and the Permanent Improvement Fund. In terms of dollars received and spent, the General Fund is significantly larger than all the other funds of the District combined. The General Fund had \$32.1 million in revenues and \$30.4 million in expenditures in fiscal year 2017.
- ▶ The District also recognizes the self-insurance fund activity as a governmental activity and a proprietary fund. The activity for fiscal year 2017 was \$5.8 million in revenue and \$4.9 million in expenses. Net position at June 30, 2017 for the self-insurance fund increased \$1.0 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, 2017*  
*(Unaudited)*

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**Reporting the District as a Whole**

**Government-Wide Financial Statements**

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

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

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

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

**Reporting the District's Most Significant Funds**

**Fund Financial Statements**

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

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

**ATHENS CITY SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*(Unaudited)*

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**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, 2017*  
*(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 2017 compared to fiscal year 2016:

Table 1  
**Net Position at Year End**

	<u>Governmental Activities</u>	
	2017	2016
<b><u>Assets:</u></b>		
Current and Other Assets	\$37,799,584	\$36,146,558
Capital Assets, net	15,586,732	15,897,141
<i>Total Assets</i>	<u>53,386,316</u>	<u>52,043,699</u>
<b><u>Deferred Outflows of Resources:</u></b>		
Deferred Charge of Refunding	146,801	165,151
Pension	10,017,998	4,750,657
<i>Total Deferred Outflows of Resources</i>	<u>10,164,799</u>	<u>4,915,808</u>
<b><u>Liabilities:</u></b>		
Current and Other Liabilities	3,239,942	3,603,116
Long-Term Liabilities:		
Due Within One Year	1,232,539	1,896,287
Due in More Than One Year:		
Net Pension Liability	56,036,352	46,251,750
Other Amounts	7,191,941	7,731,169
<i>Total Liabilities</i>	<u>67,700,774</u>	<u>59,482,322</u>
<b><u>Deferred Inflows of Resources:</u></b>		
Property Taxes	14,857,370	14,639,380
Payment in Lieu of Taxes	217,249	217,661
Pension	464,355	3,541,361
<i>Total Deferred Inflows of Resources</i>	<u>15,538,974</u>	<u>18,398,402</u>
<b><u>Net Position:</u></b>		
Net Investment in Capital Assets	10,329,966	8,991,891
Restricted	4,674,628	5,180,111
Unrestricted	(34,693,227)	(35,093,219)
<i>Total Net Position</i>	<u>(\$19,688,633)</u>	<u>(\$20,921,217)</u>

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

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

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

**ATHENS CITY SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
(Unaudited)

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

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

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

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

Current assets increased by \$1,653,026 from fiscal year 2016 due to the increases in cash and cash equivalents and intergovernmental receivable.

Capital assets decreased \$310,409 due to current year depreciation and disposals which was partially offset by capital asset additions.

Current (other) liabilities decreased \$363,174 primarily due to decreases in contracts payable and claims payable.

Long-term liabilities increased by \$8,581,626 or 15.36 percent due to an increase in net pension liability.

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

**ATHENS CITY SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*(Unaudited)*

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The District's smallest portion of net position is unrestricted, and carries a deficit balance of \$34,693,227. 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 \$4,674,628 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 2017 compared to changes for fiscal year 2016.

Table 2  
**Change in Net Position**

	<b><u>Governmental Activities</u></b>	
	<u>2017</u>	<u>2016</u>
<b><u>Revenues:</u></b>		
<i>Program Revenues:</i>		
Charges for Services and Sales	\$3,131,541	\$3,249,926
Operating Grants and Contributions	3,560,238	4,496,455
Capital Grants and Contributions	0	29,500
<i>General Revenues:</i>		
Property Taxes	17,057,086	15,911,187
Income Taxes	4,216,968	3,878,928
Unrestricted Grants and Entitlements	8,257,853	7,558,741
Payments in Lieu of Taxes	242,629	269,737
Investment Earnings	165,568	95,449
Miscellaneous	<u>221,594</u>	<u>271,649</u>
<i>Total Revenues</i>	<u>36,853,477</u>	<u>35,761,572</u>

(Continued)

**ATHENS CITY SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*(Unaudited)*

Table 2  
**Changes in Net Position**

	<b><u>Governmental Activities</u></b>	
<b><u>Expenses:</u></b>	2017	2016
<i>Program Expenses:</i>		
<i>Instruction:</i>		
Regular	16,851,510	16,650,356
Special	4,994,128	4,904,826
Vocational	186,116	158,582
Student Intervention Services	106,173	81,869
Other	0	10,048
<i>Support Services:</i>		
Pupil	2,479,998	2,140,408
Instructional Staff	750,700	550,573
Board of Education	122,726	87,584
Administration	2,460,475	2,290,517
Fiscal	597,760	658,024
Business	42,639	475,619
Operation and Maintenance of Plant	3,072,962	2,965,676
Pupil Transportation	1,628,415	1,600,270
Central	17,328	110,506
<i>Operation of Non-Instructional Services:</i>		
Food Services	655,495	723,360
Other	578,641	8,260
Extracurricular Activities	691,919	564,768
<i>Debt Service:</i>		
Interest and Fiscal Charges	383,908	376,014
<b>Total Expenses</b>	<b>35,620,893</b>	<b>34,357,260</b>
Change in Net Position Before Extraordinary Item	1,232,584	1,404,312
Extraordinary Item	0	12,474
<b>Change in Net Position</b>	<b>1,232,584</b>	<b>1,416,786</b>
Net Position-Beginning of Year	(20,921,217)	(22,338,003)
Net Position-End of Year	(\$19,688,633)	(\$20,921,217)

**ATHENS CITY SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*(Unaudited)*

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The District had program revenue decreases of \$1,084,102 and increases in general revenues of \$2,176,007. The decrease in program revenue is due to a decrease in operating grants and the increase in general revenue is due to an increase in property taxes.

The total expenses for governmental activities increased \$1,263,633 or 3.68% 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 46.3% of the total revenue for governmental activities in fiscal year 2017.

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 and 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 March 2016 with a 74.7% approval.

The District had only one non-continuing levy for operational expenses. This was a 5-year, \$3.7 million dollar "Emergency Levy" which first passed in 2004 as a \$3.2 million-dollar levy. It was renewed in November 2008 and in November 2012 with a \$500,000 increase, making the full levy \$3.7 million. It was renewed again in November 2016 as a Substitute Emergency Levy, with a 64.1% voter approval. The Substitute language allows the levy amount to increase annually based on the increase in property value that is new construction and permitted the District to make the levy continuing. An emergency levy differs from a traditional property tax levy in that it is passed for a specified dollar amount rather than a millage tax rate. Once the dollar amount is determined, the county auditor sets the millage tax rate each year that will generate that dollar amount in tax revenue. In 2004 the millage tax rate was 7.78 mills but has been estimated by the County Auditor to be 6.72 mills for 2017 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 \$4.08 million in fiscal year 2017. The 1% income tax was renewed for another four year period in May 2014 with a 63% approval and was renewed again on the November 2017 ballot for a 10-year term with a 65% approval. Retirement, disability, and investment income are examples of income excluded from the tax. This reduces the burden on our senior citizens and others who may be less able to pay.



**ATHENS CITY SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*(Unaudited)*

Instruction accounts for 62.1% of governmental activities program expenses. Support services expenses make up 31.4% 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 2017 compared with fiscal year 2016. 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	
	2017	2016	2017	2016
<i>Program Expenses:</i>				
Instruction	\$22,137,927	\$21,805,681	\$17,144,370	\$15,963,587
Support Services	11,173,003	10,879,177	10,142,967	9,782,732
Operation of Non-Instructional Services	1,234,136	731,620	666,738	26,070
Extracurricular Activities	691,919	564,768	591,131	432,976
Debt Service	383,908	376,014	383,908	376,014
Total Expenses	\$35,620,893	\$34,357,260	\$28,929,114	\$26,581,379

**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 \$37.2 million and expenditures and other financing uses of \$36.1 million.

Total governmental funds fund balances increased by \$1,146,396. The increase in fund balance for the year was the result of an increase in the General Fund and Permanent Improvement Funds balance and a decrease in the Other Governmental Funds. The fund balance in the General Fund, increased \$1,650,171, as a result of an increase in property tax revenue. The Permanent Improvement Fund increased \$334,177, due to an increase in property tax revenue. The decrease in fund balance in Other Governmental Funds is most significant in the Bond Retirement Fund with a decrease of \$888,691, which is the result of a decrease in property tax revenue and an increase in debt payments.

The District should remain stable, in fiscal years 2018 through 2019. However, projections beyond fiscal year 2019 show the District may be unable to meet inflationary cost increases in the long-term without additional tax levies, meaningful change in state funding of public schools as directed by the Ohio Supreme Court, or reductions to expenses.

**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.

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During the course of fiscal year 2017, the District amended its General Fund budget several times. The District uses a modified site-based budget technique that is designed to control site budgets while providing building administrators and supervisors' flexibility for site management.

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

For the General Fund, the final budget basis revenue was \$31,498,469 representing a \$761,553 increase from the original budget estimates of \$30,736,916. For the General Fund, the final budget basis expenditures were \$38,396,823 representing an increase of \$6,789,358 from the original budget of \$31,607,465. The final budget reflected a 21.48% increase from the original budget, which is the result of the District's increase in budget for regular instruction, pupils, administration, operation and maintenance of plant, and pupil transportation, which are used to pay most costs associated with student education, maintaining facilities, and transporting students.

**Debt Administration and Capital Assets**

**Debt Administration**

At June 30, 2017, the District had \$4.8 million in bonds outstanding with \$40,000 due within one year. Table 4 summarizes bonds outstanding for fiscal year 2017 compared to fiscal year 2016. More detailed information concerning the District's debt can be found in Note 15 of the notes to the basic financial statements.

Table 4  
**Outstanding Debt, Governmental Activities at Year End**

Purpose	2017	2016
2013 Facility Construction Bonds (Refunding)	\$4,775,000	\$5,425,000
2005 Facility Construction Bonds (Refunding)	40,000	160,000
Facility Renovation Bonds	0	770,000
Total	\$4,815,000	\$6,355,000

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**Capital Assets**

At the end of fiscal year 2017, the District had \$49.4 million invested in capital assets for its governmental activities. That total carries an accumulated depreciation of \$33.8 million. Table 5 shows fiscal year 2017 balances compared to fiscal year 2016. 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**

	<b><u>Governmental Activities</u></b>	
	<u>2017</u>	<u>2016</u>
<i>Nondepreciable Capital Assets:</i>		
Land	\$1,519,380	\$1,519,380
<i>Depreciable Capital Assets:</i>		
Land Improvements	4,244,590	3,861,506
Buildings and Improvements	37,638,692	37,592,706
Furniture, Fixtures and Equipment	1,985,042	1,713,326
Vehicles	2,623,989	2,439,989
Library and Textbooks	<u>1,399,405</u>	<u>1,399,405</u>
<i>Total Capital Assets</i>	<u>49,411,098</u>	<u>48,526,312</u>
<i>Less Accumulated Depreciation:</i>		
Land Improvements	(2,843,638)	(2,720,071)
Buildings and Improvements	(26,179,676)	(25,354,495)
Furniture, Fixtures and Equipment	(1,460,397)	(1,360,993)
Vehicles	(1,941,250)	(1,794,207)
Library and Textbooks	<u>(1,399,405)</u>	<u>(1,399,405)</u>
<i>Total Accumulated Depreciation</i>	<u>(33,824,366)</u>	<u>(32,629,171)</u>
Capital Assets, Net	<u><u>\$15,586,732</u></u>	<u><u>\$15,897,141</u></u>

**ATHENS CITY SCHOOL DISTRICT**  
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**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 the 1% Income Tax permit the District to provide a quality education for our students.

The Ohio Legislature biennial budget for Fiscal Year 2018 and 2019 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. In this budget are the nine funding components. Without changes to the state funding formula, the District has estimated no increases in state funding through the Five-Year Forecast period ending Fiscal Year 2022.

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 prior biennial budgets. They froze districts at the fiscal year 2013 remaining (if any) amount. Athens City School District has \$66,040 remaining from a revenue source that previously had been more than \$1.2 million annually.

Athens County underwent the six-year property tax reappraisal in tax year 2014. Data from the County Auditor's Office showed a 2.88% increase in overall property values as a result of inflationary factors and a 0.36% increase due to new construction. This resulted in a slight decrease in voted mills to generate the same dollar amount received from voted millage received in the prior tax-year. The District currently has 4.0 inside mills and 16.0 additional voted mills totaling 20 mills of traditional millage, the minimum permitted school district under Ohio law. In addition to that millage, the District has a \$3.7 million fixed sum levy that is not subject to the minimum traditional millage and a 1.0% income tax that generates approximately \$4.08 million in revenue. The fixed sum levy was approved by the voters on November 8, 2016 as a continuing levy and will not have to be on the ballot in the future. A county-wide triennial update of values will be conducted in 2017. Preliminary discussion with the County Auditor and her appraisal company indicate a housing market recovery in the District. Expectations are for residential property valuations to increase approximately 8.5%. It is unlikely there will be any other significant changes in local tax revenue for at least the next three years.

Athens City School District revenue projections reflect these changes for fiscal year 2018 and over the next five years forecasted. The Board of Education reduced expenses leading into fiscal year 2012 approximately \$500,000. They also closed one of the District's five elementary school facilities for fiscal year 2013 which saved an additional \$1.2 million. The Board continued to reduce the budget in fiscal year 2015 through attrition of staff. The Board of Education and the administration of the District will maintain careful financial planning and prudent fiscal management in order to preserve the financial stability of the District. A facility planning committee, made up of both school staff and local community members, was established at the end of Fiscal Year 2016. Their recommendations were made to the Board in February 2017 related to facilities, class size, and grade configurations by building.

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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 2017 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](mailto:mbunting@athenscity.k12.oh.us).

**ATHENS CITY SCHOOL DISTRICT**

*Statement of Net Position*

*June 30, 2017*

	Governmental Activities
<b><u>Assets:</u></b>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$19,320,685
Property Taxes Receivable	15,853,549
Payment in Lieu of Taxes Receivable	217,249
Income Taxes Receivable	1,350,004
Intergovernmental Receivable	941,809
Prepaid Items	96,737
Inventory Held for Resale	13,354
Materials and Supplies Inventory	6,197
Nondepreciable Capital Assets	1,519,380
Depreciable Capital Assets, Net	14,067,352
<i>Total Assets</i>	53,386,316
<b><u>Deferred Outflows of Resources:</u></b>	
Deferred Charges on Refunding	146,801
Pension	10,017,998
<i>Total Deferred Outflows of Resources</i>	10,164,799
<b><u>Liabilities:</u></b>	
Accounts Payable	49,612
Accrued Wages and Benefits	2,404,274
Contracts Payable	43,320
Intergovernmental Payable	582,445
Accrued Interest Payable	9,300
Claims Payable	142,043
Matured Compensated Absences Payable	8,948
<b><u>Long-Term Liabilities:</u></b>	
Due within One Year	1,232,539
<b><u>Due in More Than One Year:</u></b>	
Net Pension Liability	56,036,352
Other Amounts Due in More Than One Year	7,191,941
<i>Total Liabilities</i>	67,700,774
<b><u>Deferred Inflows of Resources:</u></b>	
Property Taxes	14,857,370
Payment in Lieu of Taxes	217,249
Pension	464,355
<i>Total Deferred Inflows of Resources</i>	15,538,974
<b><u>Net Position:</u></b>	
Net Investment in Capital Assets	10,329,966
<b><u>Restricted for:</u></b>	
Capital Outlay	2,714,049
Debt Service	1,437,658
Other Purposes	522,921
Unrestricted	(34,693,227)
<i>Total Net Position</i>	(\$19,688,633)

See accompanying notes to the basic financial statements.

**ATHENS CITY SCHOOL DISTRICT**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2017

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b><u>Governmental Activities:</u></b>				
<i>Instruction:</i>				
Regular	\$16,851,510	\$2,822,530	\$369,030	(\$13,659,950)
Special	4,994,128	0	1,768,802	(3,225,326)
Vocational	186,116	0	33,195	(152,921)
Student Intervention Services	106,173	0	0	(106,173)
<i>Support Services:</i>				
Pupil	2,479,998	10,498	27,296	(2,442,204)
Instructional Staff	750,700	1,818	78,073	(670,809)
Board of Education	122,726	0	0	(122,726)
Administration	2,460,475	2,726	405	(2,457,344)
Fiscal	597,760	0	0	(597,760)
Business	42,639	0	0	(42,639)
Operation and Maintenance of Plant	3,072,962	0	0	(3,072,962)
Pupil Transportation	1,628,415	0	909,220	(719,195)
Central	17,328	0	0	(17,328)
<i>Operation of Non-Instructional Services:</i>				
Food Services	655,495	195,042	372,356	(88,097)
Other	578,641	0	0	(578,641)
Extracurricular Activities	691,919	98,927	1,861	(591,131)
<i>Debt Service:</i>				
Interest and Fiscal Charges	383,908	0	0	(383,908)
<b>Total Governmental Activities</b>	<b><u>\$35,620,893</u></b>	<b><u>\$3,131,541</u></b>	<b><u>\$3,560,238</u></b>	<b><u>(28,929,114)</u></b>
 <b><u>General Revenues:</u></b>				
<i>Property Taxes Levied for:</i>				
General Purposes				14,889,536
Debt Service				717,304
Capital Outlay				1,450,246
<i>Income Taxes Levied for:</i>				
General Purposes				4,216,968
Grants and Entitlements not Restricted to Specific Programs				8,257,853
Payments in Lieu of Taxes				242,629
Investment Earnings				165,568
Miscellaneous				221,594
<b>Total General Revenues</b>				<b><u>30,161,698</u></b>
Change in Net Position				1,232,584
<i>Net Position at Beginning of Year</i>				<u>(20,921,217)</u>
<i>Net Position at End of Year</i>				<b><u>(\$19,688,633)</u></b>

See accompanying notes to the basic financial statements.

**ATHENS CITY SCHOOL DISTRICT**

*Balance Sheet*

*Governmental Funds*

*June 30, 2017*

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents and Investments	\$9,067,362	\$2,656,234	\$1,878,132	\$13,601,728
Property Taxes Receivable	13,595,905	1,498,033	759,611	15,853,549
Payment in Lieu of Taxes Receivable	217,249	0	0	217,249
Income Taxes Receivable	1,350,004	0	0	1,350,004
Intergovernmental Receivable	251,593	0	690,216	941,809
Interfund Receivable	230,376	0	0	230,376
Prepaid Items	96,737	0	0	96,737
Materials and Supplies Inventory	0	0	6,197	6,197
Inventory Held for Resale	0	0	13,354	13,354
<i>Total Assets</i>	<u>\$24,809,226</u>	<u>\$4,154,267</u>	<u>\$3,347,510</u>	<u>\$32,311,003</u>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$44,910	\$952	\$3,750	\$49,612
Accrued Wages and Benefits	2,183,730	0	220,544	2,404,274
Contracts Payable	17,431	25,889	0	43,320
Intergovernmental Payable	532,557	0	49,888	582,445
Interfund Payable	0	0	230,376	230,376
Matured Compensated Absences Payable	4,333	0	4,615	8,948
<i>Total Liabilities</i>	<u>2,782,961</u>	<u>26,841</u>	<u>509,173</u>	<u>3,318,975</u>
<b><u>Deferred Inflows of Resources:</u></b>				
Property Taxes	12,888,228	1,429,071	724,745	15,042,044
Intergovernmental	0	0	690,216	690,216
Payment in Lieu of Taxes	217,249	0	0	217,249
<i>Total Deferred Inflows of Resources</i>	<u>13,105,477</u>	<u>1,429,071</u>	<u>1,414,961</u>	<u>15,949,509</u>
<b><u>Fund Balances:</u></b>				
Nonspendable	226,494	0	6,197	232,691
Restricted	0	2,698,355	1,911,883	4,610,238
Committed	451,220	0	0	451,220
Assigned	1,190,062	0	0	1,190,062
Unassigned	7,053,012	0	(494,704)	6,558,308
<i>Total Fund Balances</i>	<u>8,920,788</u>	<u>2,698,355</u>	<u>1,423,376</u>	<u>13,042,519</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$24,809,226</u>	<u>\$4,154,267</u>	<u>\$3,347,510</u>	<u>\$32,311,003</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, 2017*

<b>Total Governmental Funds Balances</b>		\$13,042,519
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		15,586,732
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	184,674	
Intergovernmental	690,216	
Total		874,890
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.		146,801
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	(4,815,000)	
Accretion on bonds	(1,298,970)	
Premium on bonds issued	(588,567)	
Accrued interest on bonds	(9,300)	
Compensated absences	(1,721,943)	
Total liabilities that are not reported in the funds		(8,433,780)
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	10,017,998	
Deferred Inflows - Pension	(464,355)	
Net Pension Liability	(56,036,352)	
Total		(46,482,709)
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.		5,576,914
<i>Net Position of Governmental Activities</i>		(\$19,688,633)

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, 2017*

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>				
Property Taxes	\$15,198,262	\$1,480,755	\$742,074	\$17,421,091
Income Taxes	4,216,968	0	0	4,216,968
Intergovernmental	9,321,578	145,551	2,291,354	11,758,483
Interest	121,875	28,659	0	150,534
Tuition and Fees	2,785,387	0	0	2,785,387
Extracurricular Activities	16,879	0	98,927	115,806
Rent	66,229	0	0	66,229
Charges for Services	35,306	0	195,042	230,348
Payments in Lieu of Taxes	242,629	0	0	242,629
Contributions and Donations	4,496	0	5,694	10,190
Miscellaneous	135,426	12,800	7,139	155,365
<i>Total Revenues</i>	<u>32,145,035</u>	<u>1,667,765</u>	<u>3,340,230</u>	<u>37,153,030</u>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	15,140,372	294,171	314,406	15,748,949
Special	3,623,532	0	1,314,913	4,938,445
Vocational	181,806	0	0	181,806
Student Intervention Services	102,540	1,500	0	104,040
<i>Support Services:</i>				
Pupil	2,387,322	8,480	34,925	2,430,727
Instructional Staff	596,625	9,182	114,921	720,728
Board of Education	122,108	270	0	122,378
Administration	2,313,798	2,330	15,007	2,331,135
Fiscal	539,751	10,803	0	550,554
Business	44,505	0	0	44,505
Operation and Maintenance of Plant	2,932,250	0	0	2,932,250
Pupil Transportation	1,374,992	265,142	20,491	1,660,625
Central	21,433	0	0	21,433
Operation of Non-Instructional Services	516,182	45,903	666,369	1,228,454
Extracurricular Activities	466,129	0	90,688	556,817
Capital Outlay	32,352	695,807	0	728,159
<i>Debt Service:</i>				
Principal Retirement	18,167	0	1,540,000	1,558,167
Interest and Fiscal Charges	0	0	147,462	147,462
<i>Total Expenditures</i>	<u>30,413,864</u>	<u>1,333,588</u>	<u>4,259,182</u>	<u>36,006,634</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,731,171</u>	<u>334,177</u>	<u>(918,952)</u>	<u>1,146,396</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Transfer In	0	0	81,000	81,000
Transfer Out	(81,000)	0	0	(81,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(81,000)</u>	<u>0</u>	<u>81,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	1,650,171	334,177	(837,952)	1,146,396
<i>Fund Balances at Beginning of Year</i>	<u>7,270,617</u>	<u>2,364,178</u>	<u>2,261,328</u>	<u>11,896,123</u>
<i>Fund Balances at End of Year</i>	<u>\$8,920,788</u>	<u>\$2,698,355</u>	<u>\$1,423,376</u>	<u>\$13,042,519</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, 2017*

<b>Net Change in Fund Balances - Total Governmental Funds</b>		<b>\$1,146,396</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital asset additions in the current period.		
Capital Asset Additions	884,786	
Depreciation	<u>(1,195,195)</u>	
Total		(310,409)
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	(364,005)	
Intergovernmental	<u>49,418</u>	
Total		(314,587)
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	1,540,000	
Settlement obligation	<u>18,167</u>	
Total		1,558,167
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	5,638	
Amortization of premium on bonds	126,835	
Amortization of deferred charges on refunding	(18,350)	
Accretion on bonds	<u>(350,569)</u>	
Total		(236,446)
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		(131,457)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred revenues.		
		2,710,019
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(4,150,274)
An internal service fund is used by management to charge the costs of insurance to individual funds. The net revenue of the internal service fund is reported as governmental activities.		
		<u>961,175</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$1,232,584</u></u>

See accompanying notes to the basic financial statements.

**ATHENS CITY SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b><u>Revenues:</u></b>				
Property Taxes	\$14,428,487	\$14,820,447	\$14,820,447	\$0
Income Taxes	3,878,445	4,083,027	4,083,027	0
Intergovernmental	9,181,108	9,302,639	9,302,639	0
Interest	58,714	107,690	120,475	12,785
Customer Sales and Services	34,781	35,306	35,306	0
Tuition and Fees	2,725,495	2,710,217	2,710,217	0
Rent	70,000	66,229	66,229	0
Payments in Lieu of Taxes	272,435	242,629	242,629	0
Miscellaneous	87,451	130,285	130,337	52
<i>Total Revenues</i>	30,736,916	31,498,469	31,511,306	12,837
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	18,767,747	22,799,104	14,929,927	7,869,177
Special	2,990,267	3,632,583	3,630,090	2,493
Vocational	148,646	180,575	180,551	24
Student Intervention Services	83,503	101,440	101,440	0
<i>Support Services:</i>				
Pupils	1,956,350	2,376,579	2,375,966	613
Instructional Staff	501,477	609,195	589,980	19,215
Board of Education	105,512	128,176	122,900	5,276
Administration	1,930,665	2,345,377	2,341,417	3,960
Fiscal	455,629	553,499	545,729	7,770
Business	38,364	46,605	46,605	0
Operation and Maintenance of Plant	2,537,175	3,082,166	2,952,538	129,628
Pupil Transportation	1,237,980	1,503,901	1,382,178	121,723
Central	18,522	22,500	22,500	0
Operation of Non-Instructional Services	416,484	505,946	505,946	0
Extracurricular Activities	377,089	458,089	458,089	0
Capital Outlay	27,100	32,921	32,921	0
<i>Debt Service:</i>				
Principal Retirement	14,955	18,167	18,167	0
<i>Total Expenditures</i>	31,607,465	38,396,823	30,236,944	8,159,879
<i>Excess of Revenues Over (Under) Expenditures</i>	(870,549)	(6,898,354)	1,274,362	8,172,716
<b><u>Other Financing Uses:</u></b>				
Transfers Out	(300,000)	(386,000)	(386,000)	0
<i>Total Other Financing Uses</i>	(300,000)	(386,000)	(386,000)	0
<i>Excess of Revenues Over (Under) Expenditures and Other Financing Uses</i>	(1,170,549)	(7,284,354)	888,362	8,172,716
<i>Fund Balance at Beginning of Year</i>	7,754,124	7,754,124	7,754,124	0
Prior Year Encumbrances Appropriated	131,998	131,998	131,998	0
<i>Fund Balance at End of Year</i>	\$6,715,573	\$601,768	\$8,774,484	\$8,172,716

See accompanying notes to the basic financial statements

**ATHENS CITY SCHOOL DISTRICT**

*Statement of Net Position*

*Proprietary Fund*

*June 30, 2017*

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	<u>Governmental Activities</u>
	<u>Internal Service</u>
<b><u>Assets:</u></b>	
<i>Current Assets:</i>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$4,176,082
Investments	<u>1,542,875</u>
<i>Total Current Assets</i>	<u>5,718,957</u>
<b><u>Liabilities:</u></b>	
<i>Current Liabilities:</i>	
Claims Payable	<u>142,043</u>
<i>Total Current Liabilities</i>	<u>142,043</u>
<b><u>Net Position:</u></b>	
Unrestricted	<u><u>\$5,576,914</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, 2017*

	Governmental Activities
	Internal Service
<b><u>Operating Revenues:</u></b>	
Charges for Services	\$5,636,289
Miscellaneous	203,935
<i>Total Operating Revenues</i>	5,840,224
<b><u>Operating Expenses:</u></b>	
Claims	4,881,054
Other	13,029
<i>Total Operating Expenses</i>	4,894,083
<i>Operating Income</i>	946,141
<b><u>Nonoperating Revenue:</u></b>	
Interest	15,034
<i>Change in Net Position</i>	961,175
<i>Net Position at Beginning of Year</i>	4,615,739
<i>Net Position at End of Year</i>	\$5,576,914

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, 2017

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	<u>Governmental Activities</u>
	<u>Internal Service</u>
<b><u>Increase (Decrease) in Cash and Cash Equivalents:</u></b>	
<b><u>Cash Flows from Operating Activities:</u></b>	
Cash Received from Interfund Services Provided	\$5,636,289
Other Cash Receipts	203,935
Cash Payments for Other Uses	(13,029)
Cash Payments for Claims	<u>(5,047,628)</u>
<i>Net Cash from Operating Activities</i>	<u>779,567</u>
<b><u>Cash Flows from Investing Activities:</u></b>	
Cash Received from Interest on Investment Activities	15,034
Purchase of Investments	<u>(231)</u>
<i>Net Cash from Investing Activities</i>	<u>14,803</u>
<i>Net Increase in Cash and Cash Equivalents</i>	794,370
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>3,381,712</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$4,176,082</u></u>
<b><u>Reconciliation of Operating Income to Net Cash from Operating Activities:</u></b>	
Operating Income	\$946,141
<b><u>Adjustments to Reconcile Operating Income to Net Cash from Operating Activities:</u></b>	
<i>Increase (Decrease) in Liabilities:</i>	
Claims Payable	<u>(166,574)</u>
Total Adjustments	<u>(166,574)</u>
<i>Net Cash from Operating Activities</i>	<u><u>\$779,567</u></u>
See accompanying notes to the basic financial statements.	

**ATHENS CITY SCHOOL DISTRICT**  
*Statement of Fiduciary Net Position*  
*Fiduciary Fund*  
*June 30, 2017*

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	<u>Agency</u>
<b><u>Assets:</u></b>	
Equity in Pooled Cash, Cash Equivalents and Investments	<u>\$264,256</u>
<b><u>Liabilities:</u></b>	
Due to Students	99,502
Intergovernmental Payable	151,819
Due to Others	<u>12,935</u>
<i>Total Liabilities</i>	<u><u>\$264,256</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, 2017*

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### **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 167<sup>th</sup> largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by 125 non-certificated employees, 208 certificated full-time teaching personnel and 18 administrative employees who provide services to 2,615 students and other community members. The District currently operates 6 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 Meta Solutions, the Tri-County Career Center, the Coalition of Rural and Appalachian Schools and the SchoolComp Worker's Compensation Group Rating Plan. These organizations are presented in Notes 20 and 21 to the basic financial statements.

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

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

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**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, 2017*

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

The following are the District's major governmental funds:

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

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

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

**Proprietary Fund**

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

**Fiduciary Funds**

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

**C. Measurement Focus**

**Government-Wide Financial Statements**

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

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

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**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, 2017*

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**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, 2017, but which were levied to finance fiscal year 2018 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 2017, the District's investments were limited to Federal Securities, Commercial Paper and the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices.

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

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

During fiscal year 2017, the District invested in STAR Ohio (the State Treasury Asset Reserve of Ohio), 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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 2017 amounted to \$121,875 which includes \$60,033 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, donated works of art or similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The District maintains a capitalization threshold of two thousand dollars. The District does not possess any infrastructure. Improvements are capitalized; the normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

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

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.

**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, net pension liability 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.

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

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

**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.

Net position restricted for other purposes are primarily from federal and state grants reported in the Special Revenue Funds. Of the District's \$4,674,628 in total restricted net position, none are restricted by enabling legislation.

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

**M. Fund Balances**

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

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

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

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



**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

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

**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. All revenues and expenses not meeting this definition are reported as non-operating.

**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 2017, the District reported no such items in the financial statements.

**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.

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

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

**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 2017.

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

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2017, the District implemented GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", GASB Statement No. 77, "Tax Abatement Disclosures", GASB Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans", GASB Statement No. 80, "Blending Requirements for Certain Component Units", and GASB Statement No. 82, "Pension Issues." The implementation of GASB Statements Nos. 74, 77, 78, 80 and 82 had no effect on the prior period fund balances of the District.

**NOTE 4 - ACCOUNTABILITY**

The following funds had a deficit fund balance as of June 30, 2017:

<i>Nonmajor Special Revenue Funds:</i>	
Food Service	\$12,722
Other State Support	3,844
Title VI-B	116,521
Title I	279,154
Other Federal Support	75,300

***ATHENS CITY SCHOOL DISTRICT***

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

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***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 are the result of expenditures being made in fiscal year 2017 that exceeded the federal grants received during the year. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur. The deficits in the Food Service and Other State Support Funds do not exist on the cash basis. The deficits in the Title VI-B, Title I, and Other Federal Support Funds do exist on the cash basis. The District may maintain negative cash balances in nonmajor special revenue fund if two criteria are met: (1) the General Fund must have available and unencumbered funds to cover the negative amounts; and (2) a reimbursement request must have been submitted by the fiscal year-end. The District has met these two requirements.

***NOTE 5 - BUDGETARY BASIS OF ACCOUNTING***

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

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, 2017*

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**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.

Net Change in Fund Balance	
GAAP Basis	\$1,650,171
<i>Adjustments:</i>	
Revenue Accruals	(532,095)
Expenditure Accruals	(48,319)
Encumbrances	63,169
Perspective Difference for Activity of Funds Reclassified for GAAP Reporting Purposes	(244,564)
Budget Basis	\$888,362

**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, 2017*

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**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 and two hundred and seventy days, respectively, from the date of purchase in an amount not to exceed twenty-five percent of interim monies available for investment at any time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

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

At fiscal year end, the District had \$2,000 in undeposited cash on hand which is included on the balance sheet and statement of net 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. The District has no deposit policy for custodial credit risk beyond the requirements of State statute.

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

**NOTE 6 - DEPOSITS AND INVESTMENTS** - (Continued)

As of June 30, 2017, all of the District's bank balance of \$3,106,470 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, 2017, the District had the following investments and maturities:

<u>Measurement/Investment Type</u>	<u>Measurement Value</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>
Amortized Cost:			
STAROhio	\$8,717,994	\$8,717,994	\$0
Fair Value:			
Commercial Paper	397,360	397,360	-
Federal Home Loan Bank Bonds	748,340	0	748,340
Federal Farm Credit Bank Discount Notes	1,807,353	524,750	1,282,603
Federal National Mortgage Association	4,653,937	739,028	3,914,909
Federal Home Loan Mortgage Corporation Notes	834,351	0	834,351
Totals	<u>\$17,159,335</u>	<u>\$10,379,132</u>	<u>\$6,780,203</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. Commercial paper must mature within 270 days.

**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. Moody's Investor Services rated commercial paper at P-1, 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 although Ohio Law sets limits on investments in commercial paper. The District's investments in STAROhio, Commercial Paper, Federal Home Loan Bank Bonds, Federal Farm Credit Bank Discount Notes, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation Notes were 51%, 2%, 4%, 11%, 27% and 5%, respectively, of the District's total investments.

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

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**NOTE 6 - DEPOSITS AND INVESTMENTS** - (Continued)

The District has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are in federal agency securities (FHLB, FFCB, FNMA, FHLMC) and commercial paper is valued using quoted prices in the markets that are not considered to be active, dealer quotations, or alternative pricing sources for similar assets of liabilities for which all significant inputs are observable either directly or indirectly; Level 3 inputs are significant unobservable inputs. The above chart identifies the District's recurring fair value measurements as of June 30, 2017. All of the District's investments measured at fair value are valued using quoted market prices (Level 2 inputs).

**NOTE 7 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar 2017 represents collections of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed value listed as of January 1, 2016, 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 2017 represents collections of calendar year 2017 taxes. Public utility real property taxes received in calendar year 2017 became a lien December 31, 2015, were levied after April 1, 2016 and are collected in 2017 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, 2017 are available to finance fiscal year 2017 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 2017 personal property tax settlement, delinquent taxes outstanding, and real property and public utility taxes which become measurable as of June 30, 2017. 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, 2017 was \$811,505 and is recognized as revenue. Of this total amount, \$707,677 was available to the General Fund, \$34,866 was available to the Bond Retirement Fund, and \$68,962 was available to the Permanent Improvement Fund.

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

**NOTE 7 - PROPERTY TAXES** - (Continued)

The assessed values upon which the fiscal year 2017 taxes were collected are:

	2016 Second - Half Collections		2017 First - Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$507,782,780	94.01%	\$511,250,090	92.01%
Public Utility Personal	32,376,160	5.99%	44,373,220	7.99%
Total Assessed Value	<u>\$540,158,940</u>	<u>100.00%</u>	<u>\$555,623,310</u>	<u>100.00%</u>

**NOTE 8 - SCHOOL INCOME TAXES**

The District currently benefits from a 1.00% income tax, which is assessed on earned income only for all residents of the District. The District apportions all the proceeds to the General Fund. During fiscal year 2017, the District received \$4,216,968 from the school income tax.

**NOTE 9 - RECEIVABLES**

Receivables at June 30, 2017 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>
<u>Governmental Activities</u> :	
General Fund	\$251,593
<u>Nonmajor Special Revenue Funds</u> :	
Title VI-B	134,076
Title I	413,597
Other Federal Support	<u>142,543</u>
Total Nonmajor Special Revenue Funds	<u>690,216</u>
Total Intergovernmental Receivables	<u>\$941,809</u>



**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

**NOTE 10 - CAPITAL ASSETS**

Capital asset governmental activity for the fiscal year ended June 30, 2017 was as follows:

<u>Asset Category</u>	<u>Balance at June 30, 2016</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at June 30, 2017</u>
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,519,380	\$0	\$0	\$1,519,380
Total Nondepreciable Capital Assets	<u>1,519,380</u>	<u>0</u>	<u>0</u>	<u>1,519,380</u>
<i>Depreciable Capital Assets:</i>				
Land Improvements	3,861,506	383,084	0	4,244,590
Buildings and Improvements	37,592,706	45,986	0	37,638,692
Furniture, Fixtures and Equipment	1,713,326	271,716	0	1,985,042
Vehicles	2,439,989	184,000	0	2,623,989
Library and Textbooks	<u>1,399,405</u>	<u>0</u>	<u>0</u>	<u>1,399,405</u>
Total Depreciable Capital Assets	<u>47,006,932</u>	<u>884,786</u>	<u>0</u>	<u>47,891,718</u>
Total Capital Assets	<u>48,526,312</u>	<u>884,786</u>	<u>0</u>	<u>49,411,098</u>
<i>Accumulated Depreciation:</i>				
Land Improvements	(2,720,071)	(123,567)	0	(2,843,638)
Buildings and Improvements	(25,354,495)	(825,181)	0	(26,179,676)
Furniture, Fixtures and Equipment	(1,360,993)	(99,404)	0	(1,460,397)
Vehicles	(1,794,207)	(147,043)	0	(1,941,250)
Library and Textbooks	<u>(1,399,405)</u>	<u>0</u>	<u>0</u>	<u>(1,399,405)</u>
Total Accumulated Depreciation	<u>(32,629,171)</u>	<u>(1,195,195)</u>	<u>0</u>	<u>(33,824,366)</u>
Total Net Capital Assets	<u>\$15,897,141</u>	<u>(\$310,409)</u>	<u>\$0</u>	<u>\$15,586,732</u>

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

**NOTE 10 - CAPITAL ASSETS** - (Continued)

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$825,461
Special	5,955
Vocational	1,200
<i>Support Services:</i>	
Administration	18,916
Operation and Maintenance of Plant	68,939
Pupil Transportation	149,728
Operation of Non-Instructional Services	343
Extracurricular Activities	<u>124,653</u>
Total Depreciation Expense	<u><u>\$1,195,195</u></u>

**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 2017, 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)	\$111,188,523
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

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

**NOTE 11 - RISK MANAGEMENT** - (Continued)

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.

The claims liability of \$142,043 reported at June 30, 2017 is based on an estimate of claims existing at year end that will be paid in fiscal year 2017, provided by the third party administrators and the requirements of Governmental Accounting Standards Board Statement No. 10 as amended by Governmental Accounting Standards Board Statement No. 30 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>
2016	\$198,930	\$5,634,632	\$5,524,945	\$308,617
2017	308,617	4,881,054	5,047,628	142,043

**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.

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS** – (Continued)

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.

**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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit Age 65 with 5 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS** – (Continued)

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, 2017, the allocation to pension, death benefits, and Medicare B was 14 percent. None of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$662,583 for fiscal year 2017.

**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](http://www.strsoh.org).

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

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

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

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS** – (Continued)

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, 2015, and was increased one percent each year until it reached 14 percent on July 1, 2016. For the fiscal year ended June 30, 2017, plan members were required to contribute 14 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 2017 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$2,047,436 for fiscal year 2017. Of this amount \$307,742 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, 2016, 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>
Proportion of the Net Pension Liability			
Prior Measurement Date	0.13798250%	0.13886540%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>0.13413800 %</u>	<u>0.13807746%</u>	
Change in Proportionate Share	<u>0.00384450%</u>	<u>0.00078794%</u>	
Proportionate Share of the Net			
Pension Liability	\$9,817,664	\$46,218,688	\$56,036,352
Pension Expense	\$892,159	\$3,258,115	\$4,150,274

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS** – (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$132,416	\$1,867,455	\$1,999,871
Net Difference between Projected and Actual Investment Earnings	809,814	3,837,394	4,647,208
Change in Assumptions	655,382	0	655,382
Changes in Proportion and Differences between School			
District Contributions and Proportionate Share of Contributions	5,518	0	5,518
District Contributions Subsequent to the Measurement Date	<u>662,583</u>	<u>2,047,436</u>	<u>2,710,019</u>
Total Deferred Outflows of Resources	<u>\$2,265,713</u>	<u>\$7,752,285</u>	<u>\$10,017,998</u>
<b>Deferred Inflows of Resources</b>			
Changes in proportion and differences between District			
Contributions and Proportionate share of Contributions	<u>\$160,229</u>	<u>\$304,126</u>	<u>\$464,355</u>
Total Deferred Inflows of Resources	<u>\$160,229</u>	<u>\$304,126</u>	<u>\$464,355</u>

\$2,710,019 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, 2018. 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>
2018	\$326,586	\$813,756	\$1,140,342
2019	325,999	813,754	1,139,753
2020	557,526	2,286,269	2,843,795
2021	<u>232,790</u>	<u>\$1,486,944</u>	<u>1,719,734</u>
Total	<u>\$1,442,901</u>	<u>\$5,400,723</u>	<u>\$6,843,624</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.

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS** – (Continued)

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, 2016, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	3.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an experience study that was completed June 30, 2015. As a result of the actuarial experience study, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 1.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed June 30, 2015.

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:



**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS** – (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.50 percent. A discount rate of 7.75 percent was used in the prior measurement period. 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 (7.50 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's Proportionate Share of the Net Pension Liability	\$12,997,975	\$9,817,664	\$7,155,611

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2016 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.

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS** – (Continued)

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, 2016 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>	

\* 10 year annualized geometric nominal returns include the real rate of return and inflation of 2.5 percent, and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. 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, 2016. 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, 2016.

**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:

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS** – (Continued)

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$61,420,881	\$46,218,688	\$33,394,742

**Changes between Measurement Date and Report Date** – In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to School District's Net Pension Liability is expected to be significant.

**NOTE 13 - POSTEMPLOYMENT BENEFITS**

**School Employees Retirement System**

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

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

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

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

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code Section 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 0 percent contribution to the Health Care Fund. For the year ended June 30, 2017, the health care allocation is 0 percent. An addition health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2017, the minimum compensation level was established at \$23,500. 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, 2017, 2016, and 2015 were \$68,005, \$64,430, and \$77,191 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, 2017*

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**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](http://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, 2017, 2016, and 2015 were \$0 for each year.

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

Under Ohio Law, funding for Postemployment health care may be deducted from employer contributions. Of the 14 percent employer contribution rates, 0 percent of covered payroll was allocated to postemployment health care for the fiscal years ended June 30, 2017, 2016, and 2015. Effective July 1, 2014, 0 percent of covered payroll was allocated to postemployment health care. The 14 percent employer contribution rate is the maximum rate established under Ohio law.

**NOTE 14 - EMPLOYEE BENEFITS**

**Compensated Absences**

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

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

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

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**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, 2017, 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, 2017

**NOTE 15 - LONG-TERM LIABILITIES**

During fiscal year 2017, the following changes occurred in governmental activities long-term obligations.

	Issue Date	Interest Rate	Principal Outstanding at June 30, 2016	Additions	Deductions	Principal Outstanding at June 30, 2017	Amount Due In One Year
<i>Governmental Activities:</i>							
Renovation Bonds	2000	6.01%	\$770,000	\$0	\$770,000	\$0	\$0
2005 Refunding Bonds							
Term Bonds	2005	4.24%	120,000	0	120,000	0	0
Capital Appreciation Bonds			40,000	0	0	40,000	40,000
Accretion on Capital Appreciation Bonds			582,055	176,115	0	758,170	758,170
2013 Refunding Bonds							
Term Bonds	2013	2.65%	4,920,000	0	650,000	4,270,000	0
Capital Appreciation Bonds			505,000	0	0	505,000	0
Accretion on Capital Appreciation Bonds			366,346	174,454	0	540,800	0
Add Deferred Amounts:							
Premium on Bonds			715,402	0	126,835	588,567	126,836
Total Bonds			<u>8,018,803</u>	<u>350,569</u>	<u>1,666,835</u>	<u>6,702,537</u>	<u>925,006</u>
Net Pension Liability							
STRS			38,378,335	7,840,353	0	46,218,688	0
SERS			7,873,415	1,944,249	0	9,817,664	0
Total Net Pension Liability			<u>46,251,750</u>	<u>9,784,602</u>	<u>0</u>	<u>56,036,352</u>	<u>0</u>
Settlement Obligation			18,167	0	18,167	0	0
Compensated Absences			1,590,486	592,325	460,868	1,721,943	307,533
Total Governmental Activities Long-Term Obligations			<u>\$55,879,206</u>	<u>\$10,727,496</u>	<u>\$2,145,870</u>	<u>\$64,460,832</u>	<u>\$1,232,539</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 were 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, 2017*

**NOTE 15 - LONG-TERM LIABILITIES** - (Continued)

The capital appreciation bonds are not subject to a mandatory sinking fund or optional redemption prior to stated maturity. The capital appreciation bonds will mature in fiscal year 2018. The maturity amount of the bonds is \$905,000. For fiscal year 2017, \$176,115 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.

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>
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>\$4,270,000</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 2017, \$174,454 was accreted on the capital appreciation bonds.

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

**NOTE 15 - LONG-TERM LIABILITIES** - (Continued)

Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2017, are as follows:

Year Ending June 30	2005 Refunding Bonds		2013 Refunding Bonds				Totals	
	Capital Appreciation Bonds		Term Bonds		Capital Appreciation Bonds		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest		
2018	\$40,000	\$865,000	\$0	\$116,567	\$0	\$0	\$40,000	\$981,567
2019	0	0	0	116,567	275,000	475,000	275,000	591,567
2020	0	0	0	116,567	230,000	520,000	230,000	636,567
2021	0	0	805,000	107,632	0	0	805,000	107,632
2022	0	0	820,000	88,569	0	0	820,000	88,569
2023-2025	0	0	2,645,000	123,393	0	0	2,645,000	123,393
Total	<u>\$40,000</u>	<u>\$865,000</u>	<u>\$4,270,000</u>	<u>\$669,295</u>	<u>\$505,000</u>	<u>\$995,000</u>	<u>\$4,815,000</u>	<u>\$2,529,295</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 agreed to pay Energy USA \$18,166 for five years to cancel the utility supplier contract. This settlement obligation was paid from the General Fund. During fiscal year 2017, the final payment was made on this settlement obligation.

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 \$46,632,691 with an unvoted debt margin of \$555,667 at June 30, 2017.



**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

**NOTE 16 – FUND BALANCES**

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

	<u>General</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable</i>				
Prepays	\$96,737	\$0	\$0	\$96,737
Inventory	0	0	6,197	6,197
Unclaimed Monies	<u>129,757</u>	<u>0</u>	<u>0</u>	<u>129,757</u>
<i>Total Nonspendable</i>	226,494	0	6,197	232,691
<i>Restricted:</i>				
<i>Special Revenues:</i>				
District Managed Activities	0	0	63,133	63,133
Local Grants	0	0	408,760	408,760
State Grants	0	0	966	966
Debt Service	0	0	1,439,024	1,439,024
Capital Projects	<u>0</u>	<u>2,698,355</u>	<u>0</u>	<u>2,698,355</u>
<i>Total Restricted</i>	0	2,698,355	1,911,883	4,610,238
<i>Committed:</i>				
Termination Benefits	451,220	0	0	451,220
<i>Assigned:</i>				
<i>Encumbrances:</i>				
Regular	3,866	0	0	3,866
Special	1,332	0	0	1,332
Vocational	6,665	0	0	6,665
Instructional Staff	10,744	0	0	10,744
Fiscal	500	0	0	500
Pupil Transportation	159	0	0	159
Central	17,500	0	0	17,500
Extracurricular Activities	4,403	0	0	4,403
Capital Outlay	18,000	0	0	18,000
Future Appropriations	1,020,823	0	0	1,020,823
Uniform School Supplies	47,602	0	0	47,602
Public School Support	<u>58,468</u>	<u>0</u>	<u>0</u>	<u>58,468</u>
<i>Total Assigned</i>	1,190,062	0	0	1,190,062
<i>Unassigned</i>	<u>7,053,012</u>	<u>0</u>	<u>(494,704)</u>	<u>6,558,308</u>
<b>Total Fund Balances</b>	<u><u>\$8,920,788</u></u>	<u><u>\$2,698,355</u></u>	<u><u>\$1,423,376</u></u>	<u><u>\$13,042,519</u></u>

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

**NOTE 17 - INTERFUND ACTIVITY**

As of June 30, 2017, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$230,376	\$0
<i>Nonmajor Special Revenue Funds:</i>		
Title VI-B	0	43,495
Title I	0	164,172
Other Federal Support	0	22,709
Total Nonmajor Special Revenue Funds	<u>0</u>	<u>230,376</u>
Total	<u><u>\$230,376</u></u>	<u><u>\$230,376</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 \$230,376 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, 2017.

	<u>Transfers To</u>
<u>Transfers From</u>	<u>Nonmajor Special Revenue</u>
General	<u><u>\$81,000</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 \$81,000 is the result of transfers from the General Fund to the Food Service Fund to subsidize that program.

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

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**NOTE 18 - STATUTORY SET-ASIDES**

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2017:

	<u>Capital Improvements</u>
Set-Aside Balance as of June 30, 2016	\$0
Current Year Set-Aside Requirement	469,988
Qualifying Disbursements	<u>(1,305,357)</u>
Total	<u>(835,369)</u>
Set-Aside Balance as of June 30, 2017	<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, 2017, the District had encumbrance commitments in the Governmental Funds as follows:

<u>Major Funds</u>	
General	\$63,169
Permanent Improvement	39,685
 <u>Nonmajor Funds</u>	
Title I Grant	20,248
Other Federal Support	<u>3,044</u>
<i>Total Nonmajor Funds</i>	<u>23,292</u>
 Total Encumbrances	 <u>\$126,146</u>

***ATHENS CITY SCHOOL DISTRICT***

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

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**NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS**

**Meta Solutions**

Meta Solutions is a jointly governed organization as a regional council of governments pursuant to State statutes. Meta Solutions develops, implements, and supports the technology and instructional needs of member districts including financial accounting services, educational management information services, and cooperative purchasing services. Meta Solutions membership consists of 152 public schools, 11 educational service centers, 15 career technology centers, and more than 200 non-public chartered schools. Non-public charter schools are not members but receive services based on contractual agreements and are not eligible for seats on the board of directors. Each member district pays an annual fee for services provided by Meta Solutions. Meta Solutions is governed by an 11-member board of directors made up of Superintendents and School Business Officials selected from the 178 member public school districts. The board of directors controls the budget and finances of Meta Solutions. The continued existence of META Solutions is not dependent on the District's continued participation and no equity interest exists. Financial statements for META Solutions can be obtained from the META Solutions office, 2100 Citygate Drive, Columbus, Ohio 43219. The District made payments of \$35,431 to META Solutions for fiscal year 2017.

**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 2017, 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 2017.

**ATHENS CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

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**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 2017. 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, 2017, 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**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.1341380%	0.1379825%	0.1433030%	0.1433030%
District's Proportionate Share of the Net Pension Liability	\$9,817,664	\$7,873,415	\$7,252,483	\$8,521,769
District's Covered Payroll	\$5,653,029	\$5,659,901	\$5,996,443	\$5,386,077
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	173.67%	139.11%	120.95%	158.22%
Plan Fiduciary Net Positions as a Percentage of the Total Pension Liability	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available.

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

*Changes in Assumptions:* For fiscal year 2017, SERS reported changes of assumptions which included a reduction in the discount rate from 7.75 percent to 7.50 percent, a decrease of wage inflation from 3.25 percent to 3.00 percent, a reduction in investment rate of return from 7.75 percent to 7.50 percent, a reduction of future salary increases, and an adjustment to assumed life expectancies as result of adopting the RP-2014 Blue Collar Mortality Table for the purpose of developing mortality rates.

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

	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.13807746%	0.13886540%	0.13995343%	0.13995343%
District's Proportionate Share of the Net Pension Liability	\$46,218,688	\$38,378,335	\$34,041,518	\$40,550,033
District's Covered Payroll	\$14,851,900	\$14,617,150	\$14,650,321	\$14,527,831
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	311.20%	262.56%	232.36%	279.12%
Plan Fiduciary Net Positions as a Percentage of the Total Pension Liability	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available.

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



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

	2017	2016	2015	2014	2013
Contractually Required Contribution	\$662,583	\$791,424	\$745,975	\$831,107	\$745,433
Contributions in Relation to the Contractually Required Contribution	(662,583)	(791,424)	(745,975)	(831,107)	(745,433)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's Covered Payroll	\$4,732,736	\$5,653,029	\$5,659,901	\$5,996,443	\$5,386,077
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.18%	13.86%	13.84%

(1) Information prior to 2013 is not available.

*Changes in Assumptions* : For fiscal year 2017, SERS reported changes of assumptions which included a reduction in the discount rate from 7.75 percent to 7.50 percent, a decrease of wage inflation from 3.25 percent to 3.00 percent, a reduction in investment rate of return from 7.75 percent to 7.50 percent, a reduction of future salary increases, and an adjustment to assumed life expectancies as result of adopting the RP-2014 Blue Collar Mortality Table for the purpose of developing mortality rates.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$2,047,436	\$2,079,266	\$2,046,401	\$1,919,192	\$1,888,618
Contributions in Relation to the Contractually Required Contribution	<u>(2,047,436)</u>	<u>(2,079,266)</u>	<u>(2,046,401)</u>	<u>(1,919,192)</u>	<u>(1,888,618)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's Covered Payroll	\$14,624,543	\$14,851,900	\$14,617,150	\$14,650,321	\$14,527,831
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.10%	13.00%

(1) Information prior to 2013 is not available.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**ATHENS CITY SCHOOL DISTRICT**  
**Description of Governmental Funds**

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***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, Martha Jennings Holden Grant and High Schoolers That Work.

**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**

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**DEBT SERVICE FUNDS**

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

**Bond Retirement**

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

**CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The District had no nonmajor capital project fund during 2017.

**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, 2017*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<b><u>Assets:</u></b>			
Equity in Pooled Cash, Cash Equivalents and Investments	\$473,974	\$1,404,158	\$1,878,132
Property Taxes Receivable	0	759,611	759,611
Intergovernmental Receivable	690,216	0	690,216
Materials and Supplies Inventory	6,197	0	6,197
Inventory Held for Resale	13,354	0	13,354
<i>Total Assets</i>	<u>\$1,183,741</u>	<u>\$2,163,769</u>	<u>\$3,347,510</u>
<b><u>Liabilities, Deferred Inflows of Resources and Fund Balances:</u></b>			
<b><u>Liabilities:</u></b>			
Accounts Payable	3,750	\$0	\$3,750
Accrued Wages and Benefits	220,544	0	220,544
Intergovernmental Payable	49,888	0	49,888
Interfund Payable	230,376	0	230,376
Matured Compensated Absences Payable	4,615	0	4,615
<i>Total Liabilities</i>	<u>509,173</u>	<u>0</u>	<u>509,173</u>
<i>Deferred Inflows of Resources</i>	<u>690,216</u>	<u>724,745</u>	<u>1,414,961</u>
<b><u>Fund Balances:</u></b>			
Nonspendable	6,197	0	6,197
Restricted	472,859	1,439,024	1,911,883
Unassigned	(494,704)	0	(494,704)
<i>Total Fund Balances</i>	<u>(15,648)</u>	<u>1,439,024</u>	<u>1,423,376</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,183,741</u>	<u>\$2,163,769</u>	<u>\$3,347,510</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, 2017*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<b><u>Revenues:</u></b>			
Taxes	\$0	\$742,074	\$742,074
Intergovernmental	2,218,101	73,253	2,291,354
Extracurricular Activities	98,927	0	98,927
Charges for Services	195,042	0	195,042
Contributions and Donations	5,694	0	5,694
Miscellaneous	7,139	0	7,139
<i>Total Revenues</i>	<u>2,524,903</u>	<u>815,327</u>	<u>3,340,230</u>
<b><u>Expenditures:</u></b>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	314,406	0	314,406
Special	1,314,913	0	1,314,913
<i>Support Services:</i>			
Pupil	34,925	0	34,925
Instructional Staff	114,921	0	114,921
Administration	15,007	0	15,007
Pupil Transportation	20,491	0	20,491
Operation of Non-Instructional Services	649,813	16,556	666,369
Extracurricular Activities	90,688	0	90,688
<i>Debt Service:</i>			
Principal Retirement	0	1,540,000	1,540,000
Interest and Fiscal Charges	0	147,462	147,462
<i>Total Expenditures</i>	<u>2,555,164</u>	<u>1,704,018</u>	<u>4,259,182</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(30,261)</u>	<u>(888,691)</u>	<u>(918,952)</u>
<b><u>Other Financing Sources:</u></b>			
Transfers In	81,000	0	81,000
<i>Total Other Financing Sources</i>	<u>81,000</u>	<u>0</u>	<u>81,000</u>
<i>Net Change in Fund Balances</i>	50,739	(888,691)	(837,952)
<i>Fund Balances at Beginning of Year</i>	<u>(66,387)</u>	<u>2,327,715</u>	<u>2,261,328</u>
<i>Fund Balances at End of Year</i>	<u>(\$15,648)</u>	<u>\$1,439,024</u>	<u>\$1,423,376</u>

**ATHENS CITY SCHOOL DISTRICT**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2017*

	Food Service	Other Local Support	District Managed Activities	Other State Support
<b><u>Assets:</u></b>				
Equity In Pooled Cash, Cash Equivalents and Investments	\$905	\$408,814	\$63,133	\$1,122
Intergovernmental Receivable	0	0	0	0
Materials and Supplies Inventory	6,197	0	0	0
Inventory Held for Resale	13,354	0	0	0
<i>Total Assets</i>	<u>\$20,456</u>	<u>\$408,814</u>	<u>\$63,133</u>	<u>\$1,122</u>
<b><u>Liabilities, Deferred Inflows of Resources and Fund Balances:</u></b>				
<b><u>Liabilities:</u></b>				
Accounts Payable	\$0	0	\$0	\$0
Accrued Wages and Benefits	29,816	0	0	0
Intergovernmental Payable	3,362	54	0	351
Interfund Payable	0	0	0	0
Matured Compensated Absences Payable	0	0	0	4,615
<i>Total Liabilities</i>	<u>33,178</u>	<u>54</u>	<u>0</u>	<u>4,966</u>
<i>Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>Fund Balances:</u></b>				
Nonspendable	6,197	0	0	0
Restricted	0	408,760	63,133	966
Unassigned	(18,919)	0	0	(4,810)
<i>Total Fund Balances</i>	<u>(12,722)</u>	<u>408,760</u>	<u>63,133</u>	<u>(3,844)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$20,456</u>	<u>\$408,814</u>	<u>\$63,133</u>	<u>\$1,122</u>



Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$473,974
134,076	413,597	142,543	690,216
0	0	0	6,197
0	0	0	13,354
<u>\$134,076</u>	<u>\$413,597</u>	<u>\$142,543</u>	<u>\$1,183,741</u>
\$0	\$2,750	\$1,000	\$3,750
68,674	105,539	16,515	220,544
4,352	6,693	35,076	49,888
43,495	164,172	22,709	230,376
0	0	0	4,615
<u>116,521</u>	<u>279,154</u>	<u>75,300</u>	<u>509,173</u>
<u>134,076</u>	<u>413,597</u>	<u>142,543</u>	<u>690,216</u>
0	0	0	6,197
0	0	0	472,859
<u>(116,521)</u>	<u>(279,154)</u>	<u>(75,300)</u>	<u>(494,704)</u>
<u>(116,521)</u>	<u>(279,154)</u>	<u>(75,300)</u>	<u>(15,648)</u>
<u>\$134,076</u>	<u>\$413,597</u>	<u>\$142,543</u>	<u>\$1,183,741</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, 2017

	Food Service	Other Local Support	District Managed Activities	Other State Support
<b><u>Revenues:</u></b>				
Intergovernmental	\$372,356	\$54,106	\$0	\$89,605
Extracurricular Activities	0	0	98,927	0
Charges for Services	195,042	0	0	0
Contributions and Donations	0	3,833	1,861	0
Miscellaneous	7,139	0	0	0
<i>Total Revenues</i>	<u>574,537</u>	<u>57,939</u>	<u>100,788</u>	<u>89,605</u>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	0	19,768	0	44,659
Special	0	0	2,085	0
<i>Support Services:</i>				
Pupil	0	0	0	26,330
Instructional Staff	0	25,979	0	0
Administration	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	649,813	0	0	0
Extracurricular Activities	0	63	90,625	0
<i>Total Expenditures</i>	<u>649,813</u>	<u>45,810</u>	<u>92,710</u>	<u>70,989</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(75,276)	12,129	8,078	18,616
<b><u>Other Financing Sources:</u></b>				
Transfers In	81,000	0	0	0
<i>Total Other Financing Sources</i>	<u>81,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	5,724	12,129	8,078	18,616
<i>Fund Balances (Deficits) at Beginning of Year</i>	<u>(18,446)</u>	<u>396,631</u>	<u>55,055</u>	<u>(22,460)</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u>(\$12,722)</u>	<u>\$408,760</u>	<u>\$63,133</u>	<u>(\$3,844)</u>

Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$539,961	\$744,209	\$417,864	\$2,218,101
0	0	0	98,927
0	0	0	195,042
0	0	0	5,694
0	0	0	7,139
<u>539,961</u>	<u>744,209</u>	<u>417,864</u>	<u>2,524,903</u>
0	0	249,979	314,406
517,059	759,620	36,149	1,314,913
0	7,473	1,122	34,925
0	63,916	25,026	114,921
927	3,639	10,441	15,007
0	0	20,491	20,491
0	0	0	649,813
0	0	0	90,688
<u>517,986</u>	<u>834,648</u>	<u>343,208</u>	<u>2,555,164</u>
21,975	(90,439)	74,656	(30,261)
<u>0</u>	<u>0</u>	<u>0</u>	<u>81,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>81,000</u>
21,975	(90,439)	74,656	50,739
<u>(138,496)</u>	<u>(188,715)</u>	<u>(149,956)</u>	<u>(66,387)</u>
<u>(\$116,521)</u>	<u>(\$279,154)</u>	<u>(\$75,300)</u>	<u>(\$15,648)</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Property Taxes	\$14,428,487	\$14,820,447	\$14,820,447	\$0
Income Taxes	3,878,445	4,083,027	4,083,027	0
Intergovernmental	9,181,108	9,302,639	9,302,639	0
Interest	58,714	107,690	120,475	12,785
Tuition and Fees	2,725,495	2,710,217	2,710,217	0
Rent	70,000	66,229	66,229	0
Customer Sales and Services	34,781	35,306	35,306	0
Payment in Lieu of Taxes	272,435	242,629	242,629	0
Miscellaneous	87,451	130,285	130,337	52
<b>Total Revenues</b>	30,736,916	31,498,469	31,511,306	12,837
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Salaries	14,040,464	17,053,640	9,193,029	7,860,611
Fringe Benefits	2,860,664	3,474,581	3,474,581	0
Purchased Services	1,548,673	1,881,029	1,877,299	3,730
Materials and Supplies	91,651	114,994	110,158	4,836
Capital Outlay	226,295	274,860	274,860	0
<b>Total Regular Instruction</b>	18,767,747	22,799,104	14,929,927	7,869,177
<i>Special</i>				
Salaries	1,641,939	1,994,631	1,994,631	0
Fringe Benefits	1,030,874	1,252,308	1,252,308	0
Purchased Services	298,203	362,258	359,840	2,418
Materials and Supplies	19,251	23,386	23,311	75
<b>Total Special Instruction</b>	2,990,267	3,632,583	3,630,090	2,493
<i>Vocational</i>				
Salaries	106,832	129,780	129,780	0
Fringe Benefits	17,025	20,682	20,682	0
Purchased Services	5,348	6,496	6,472	24
Materials and Supplies	10,151	12,331	12,331	0
Capital Outlay	9,290	11,286	11,286	0
<b>Total Vocational Instruction</b>	148,646	180,575	180,551	24
<i>Student Intervention Services</i>				
Salaries	59,815	72,664	72,664	0
Fringe Benefits	23,688	28,776	28,776	0
<b>Total Student Intervention Services</b>	83,503	101,440	101,440	0
<b>Total Instruction</b>	21,990,163	26,713,702	18,842,008	7,871,694
<i>Support Services:</i>				
<i>Pupils</i>				
Salaries	1,162,672	1,412,416	1,412,416	0
Fringe Benefits	653,391	793,741	793,741	0
Purchased Services	131,733	160,030	159,417	613
Materials and Supplies	8,338	10,129	10,129	0
Capital Outlay	216	263	263	0
<b>Total Pupils</b>	1,956,350	2,376,579	2,375,966	613

(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, 2017*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Instructional Staff</b>				
Salaries	275,631	334,837	334,837	0
Fringe Benefits	162,956	197,959	197,705	254
Purchased Services	60,124	73,039	54,101	18,938
Materials and Supplies	2,766	3,360	3,337	23
<b>Total Instructional Staff</b>	<b>501,477</b>	<b>609,195</b>	<b>589,980</b>	<b>19,215</b>
<b>Board of Education</b>				
Salaries	7,923	9,625	9,625	0
Fringe Benefits	1,103	1,340	1,340	0
Purchased Services	75,655	91,906	88,128	3,778
Other	20,831	25,305	23,807	1,498
<b>Total Board of Education</b>	<b>105,512</b>	<b>128,176</b>	<b>122,900</b>	<b>5,276</b>
<b>Administration</b>				
Salaries	1,311,867	1,593,661	1,593,661	0
Fringe Benefits	561,899	682,596	681,896	700
Purchased Services	25,448	30,914	27,701	3,213
Materials and Supplies	8,321	10,108	10,061	47
Other	23,130	28,098	28,098	0
<b>Total Administration</b>	<b>1,930,665</b>	<b>2,345,377</b>	<b>2,341,417</b>	<b>3,960</b>
<b>Fiscal</b>				
Salaries	274,054	343,848	343,848	0
Fringe Benefits	136,938	171,812	171,812	0
Purchased Services	27,150	15,898	8,642	7,256
Materials and Supplies	2,906	3,646	3,132	514
Other	14,581	18,295	18,295	0
<b>Total Fiscal</b>	<b>455,629</b>	<b>553,499</b>	<b>545,729</b>	<b>7,770</b>
<b>Business</b>				
Salaries	19,681	23,908	23,908	0
Fringe Benefits	10,645	12,932	12,932	0
Other	8,038	9,765	9,765	0
<b>Total Business</b>	<b>38,364</b>	<b>46,605</b>	<b>46,605</b>	<b>0</b>
<b>Operation and Maintenance of Plant</b>				
Salaries	1,036,924	1,259,658	1,259,658	0
Fringe Benefits	521,757	633,831	633,831	0
Purchased Services	772,264	938,148	827,556	110,592
Materials and Supplies	151,481	184,020	164,984	19,036
Other	54,749	66,509	66,509	0
<b>Total Operation and Maintenance of Plant</b>	<b>2,537,175</b>	<b>3,082,166</b>	<b>2,952,538</b>	<b>129,628</b>

(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, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Pupil Transportation				
Salaries	536,033	651,174	651,174	0
Fringe Benefits	401,820	488,132	488,132	0
Purchased Services	12,504	15,190	14,150	1,040
Materials and Supplies	263,641	320,272	199,589	120,683
Other	23,982	29,133	29,133	0
Total Pupil Transportation	<u>1,237,980</u>	<u>1,503,901</u>	<u>1,382,178</u>	<u>121,723</u>
Central				
Purchased Services	18,522	22,500	22,500	0
Total Central	<u>18,522</u>	<u>22,500</u>	<u>22,500</u>	<u>0</u>
Total Support Services	<u>8,781,674</u>	<u>10,667,998</u>	<u>10,379,813</u>	<u>288,185</u>
<i>Operation of Non-Instructional Services:</i>				
Food Service Operations				
Fringe Benefits	83,500	101,436	101,436	0
Total Food Service Operations	<u>83,500</u>	<u>101,436</u>	<u>101,436</u>	<u>0</u>
Shared Services				
Other	332,984	404,510	404,510	0
Total Shared Services	<u>332,984</u>	<u>404,510</u>	<u>404,510</u>	<u>0</u>
Total Operation of Non-Instructional Services	<u>416,484</u>	<u>505,946</u>	<u>505,946</u>	<u>0</u>
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Salaries	64,555	78,422	78,422	0
Fringe Benefits	16,813	20,424	20,424	0
Total Academic Oriented Activities	<u>81,368</u>	<u>98,846</u>	<u>98,846</u>	<u>0</u>
Sport Oriented Activities				
Salaries	233,571	283,743	283,743	0
Fringe Benefits	48,187	58,538	58,538	0
Purchased Services	13,963	16,962	16,962	0
Total Sport Oriented Activities	<u>295,721</u>	<u>359,243</u>	<u>359,243</u>	<u>0</u>
Total Extracurricular Activities	<u>377,089</u>	<u>458,089</u>	<u>458,089</u>	<u>0</u>
<i>Capital Outlay:</i>				
Architecture and Engineering Services	27,100	32,921	32,921	0
Total Architecture and Engineering Services	<u>27,100</u>	<u>32,921</u>	<u>32,921</u>	<u>0</u>
Total Capital Outlay	<u>27,100</u>	<u>32,921</u>	<u>32,921</u>	<u>0</u>
<i>Debt Service:</i>				
Principal Retirement	14,955	18,167	18,167	0
Total Debt Service	<u>14,955</u>	<u>18,167</u>	<u>18,167</u>	<u>0</u>
<b>Total Expenditures</b>	<u>31,607,465</u>	<u>38,396,823</u>	<u>30,236,944</u>	<u>8,159,879</u>
Excess of Revenues Over (Under) Expenditures	(870,549)	(6,898,354)	1,274,362	8,172,716
<b><u>Other Financing Uses:</u></b>				
Transfers Out	(300,000)	(386,000)	(386,000)	0
Total Other Financing Uses	<u>(300,000)</u>	<u>(386,000)</u>	<u>(386,000)</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	(1,170,549)	(7,284,354)	888,362	8,172,716
Fund Balance at Beginning of Year	7,754,124	7,754,124	7,754,124	0
Prior Year Encumbrances Appropriated	131,998	131,998	131,998	0
Fund Balance at End of Year	<u>\$6,715,573</u>	<u>\$601,768</u>	<u>\$8,774,484</u>	<u>\$8,172,716</u>

**ATHENS CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual (Budget Basis)*  
**Permanent Improvement Fund**  
*For the Fiscal Year Ended June 30, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Property Taxes	\$1,418,686	\$1,444,236	\$1,444,236	\$0
Intergovernmental	147,588	145,551	145,551	0
Interest	13,719	25,467	28,659	3,192
Miscellaneous	0	12,800	12,800	0
<b>Total Revenues</b>	<b>1,579,993</b>	<b>1,628,054</b>	<b>1,631,246</b>	<b>3,192</b>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Purchased Services	147,423	178,038	68,847	109,191
Materials and Supplies	129,570	156,478	156,478	0
Capital Outlay	78,248	94,497	75,492	19,005
<b>Total Regular</b>	<b>355,241</b>	<b>429,013</b>	<b>300,817</b>	<b>128,196</b>
Student Intervention Services				
Materials and Supplies	1,242	1,500	1,500	0
<b>Total Instruction</b>	<b>356,483</b>	<b>430,513</b>	<b>302,317</b>	<b>128,196</b>
<i>Support Services:</i>				
Pupils				
Capital Outlay	7,022	8,480	8,480	0
<b>Total Pupils</b>	<b>7,022</b>	<b>8,480</b>	<b>8,480</b>	<b>0</b>
Instructional Staff				
Purchased Services	767	926	0	926
Materials and Supplies	9,659	11,665	11,659	6
<b>Total Instructional Staff</b>	<b>10,426</b>	<b>12,591</b>	<b>11,659</b>	<b>932</b>
Board of Education				
Purchased Services	224	270	270	0
<b>Total Board of Education</b>	<b>224</b>	<b>270</b>	<b>270</b>	<b>0</b>
Administration				
Purchased Services	1,929	2,330	2,330	0
<b>Total Administration</b>	<b>1,929</b>	<b>2,330</b>	<b>2,330</b>	<b>0</b>
Fiscal				
Purchased Services	8,483	10,245	9,804	441
Materials and Supplies	840	1,014	1,014	0
<b>Total Fiscal</b>	<b>9,323</b>	<b>11,259</b>	<b>10,818</b>	<b>441</b>
Pupil Transportation				
Purchased Services	74,809	90,344	41,538	48,806
Material and Supplies	40,987	49,500	26,122	23,378
Capital Outlay	165,615	200,008	200,008	0
<b>Total Pupil Transportation</b>	<b>281,411</b>	<b>339,852</b>	<b>267,668</b>	<b>72,184</b>
<b>Total Support Services</b>	<b>310,335</b>	<b>374,782</b>	<b>301,225</b>	<b>73,557</b>

**ATHENS CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual (Budget Basis)*  
**Permanent Improvement Fund**  
*For the Fiscal Year Ended June 30, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Operation of Non-Instructional Services:</i>				
Food Service Operation				
Purchased Services	3,365	4,064	4,064	0
Capital Outlay	5,642	6,814	6,814	0
Shared Services				
Other	29,003	35,025	35,025	0
Total Operation of Non-Instructional Services	<u>38,010</u>	<u>45,903</u>	<u>45,903</u>	<u>0</u>
<i>Capital Outlay:</i>				
Site Improvement Services				
Capital Outlay	327,685	395,735	395,735	0
Total Site Improvement Services	<u>327,685</u>	<u>395,735</u>	<u>395,735</u>	<u>0</u>
Architecture and Engineering Services				
Purchased Services	29,975	36,200	20,158	16,042
Building Improvement Services				
Purchased Services	282,688	341,393	332,255	9,138
Materials and Supplies	22,877	27,628	15,137	12,491
Capital Outlay	38,078	45,986	45,986	0
Total Building Improvement Services	<u>343,643</u>	<u>415,007</u>	<u>393,378</u>	<u>21,629</u>
Other Facilities Acquisition and Construction				
Capital Outlay	80,868	97,660	97,660	0
Total Other Facilities Acquisition and Construction	<u>80,868</u>	<u>97,660</u>	<u>97,660</u>	<u>0</u>
Total Capital Outlay	<u>782,171</u>	<u>944,602</u>	<u>906,931</u>	<u>37,671</u>
Total Expenditures	<u>1,486,999</u>	<u>1,795,800</u>	<u>1,556,376</u>	<u>37,671</u>
Excess of Revenues Over (Under) Expenditures	92,994	(167,746)	74,870	242,616
<b><u>Other Financing Uses:</u></b>				
Other Financing Uses	(500,000)	(2,000,000)	0	(2,000,000)
Total Other Financing Uses	<u>(500,000)</u>	<u>(2,000,000)</u>	<u>0</u>	<u>(2,000,000)</u>
Excess of Revenue Over (Under) Expenditures and Other Financing Uses	(407,006)	(2,167,746)	74,870	2,242,616
Fund Balance at Beginning of Year	2,182,813	2,182,813	2,182,813	0
Prior Year Encumbrances Appropriated	358,866	358,866	358,866	0
Fund Balance at End of Year	<u>\$2,134,673</u>	<u>\$373,933</u>	<u>\$2,616,549</u>	<u>\$2,242,616</u>



**ATHENS CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual (Budget Basis)*  
**Food Service Fund**  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Intergovernmental	\$509,500	\$372,356	\$372,356	\$0
Customer Sales and Service	205,846	195,042	195,042	0
Miscellaneous	4,000	7,139	7,139	0
<i>Total Revenues</i>	719,346	574,537	574,537	0
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Salaries	135,534	264,744	264,744	0
Fringe Benefits	49,892	97,457	97,457	0
Purchased Services	4,522	8,833	8,833	0
Materials and Supplies	146,053	285,291	285,291	0
Other	29	56	56	0
Total Operation of Non-Instructional Services	336,030	656,381	656,381	0
<i>Total Expenditures</i>	336,030	656,381	656,381	0
Excess of Revenues Over (Under) Expenditures	383,316	(81,844)	(81,844)	0
<b><u>Other Financing Sources:</u></b>				
Transfers In	40,000	81,000	81,000	0
<i>Total Other Financing Sources</i>	40,000	81,000	81,000	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	423,316	(844)	(844)	0
Fund Balance at Beginning of Year	422	422	422	0
Prior Year Encumbrances Appropriated	1,327	1,327	1,327	0
Fund Balance at End of Year	\$425,065	\$905	\$905	\$0

**ATHENS CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual (Budget Basis)*  
*Other Local Support Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b><u>Revenues:</u></b>				
Intergovernmental	\$11,000	\$49,106	\$49,106	\$0
Contributions and Donations	2,000	3,833	3,833	0
<i>Total Revenues</i>	<u>13,000</u>	<u>52,939</u>	<u>52,939</u>	<u>0</u>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	1,141	1,141	1,141	0
Fringe Benefits	488	488	368	120
Purchased Services	8,680	8,680	6,639	2,041
Materials and Supplies	5,105	5,105	2,704	2,401
Capital Outlay	8,916	8,916	8,916	0
Total Regular	<u>24,330</u>	<u>24,330</u>	<u>19,768</u>	<u>4,562</u>
<i>Support Services:</i>				
Pupils				
Materials and Supplies	2,084	2,084	0	2,084
Total Pupils	<u>2,084</u>	<u>2,084</u>	<u>0</u>	<u>2,084</u>
Instructional Staff				
Salaries	13,016	13,016	13,016	0
Fringe Benefits	2,177	2,177	2,177	0
Purchased Services	15,235	15,235	8,540	6,695
Materials and Supplies	4,504	4,504	4,116	388
Total Instructional Staff	<u>34,932</u>	<u>34,932</u>	<u>27,849</u>	<u>7,083</u>
Total Support Services	<u>37,016</u>	<u>37,016</u>	<u>27,849</u>	<u>9,167</u>
<i>Extracurricular Activities:</i>				
School & Public Service Co-Curricular Activities				
Materials and Supplies	0	0	63	(63)
Total Extracurricular Activities	<u>0</u>	<u>0</u>	<u>63</u>	<u>(63)</u>
<i>Total Expenditures</i>	<u>61,346</u>	<u>61,346</u>	<u>47,680</u>	<u>13,666</u>
Excess of Revenues Over (Under) Expenditures	(48,346)	(8,407)	5,259	13,666
Fund Balance at Beginning of Year	<u>398,555</u>	<u>398,555</u>	<u>398,555</u>	<u>0</u>
Fund Balance at End of Year	<u>\$350,209</u>	<u>\$390,148</u>	<u>\$403,814</u>	<u>\$13,666</u>

**ATHENS CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual (Budget Basis)*  
*District Managed Student Activities Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b><u>Revenues:</u></b>				
Extracurricular Activities	\$69,485	\$98,927	\$98,927	\$0
Contributions and Donations	0	1,861	1,861	0
<i>Total Revenues</i>	<u>69,485</u>	<u>100,788</u>	<u>100,788</u>	<u>0</u>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Special				
Purchased Services	<u>3,091</u>	<u>2,085</u>	<u>2,085</u>	<u>0</u>
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Materials and Supplies	<u>12,670</u>	<u>8,546</u>	<u>8,546</u>	<u>0</u>
Total Academic Oriented Extracurricular Activities	<u>12,670</u>	<u>8,546</u>	<u>8,546</u>	<u>0</u>
Sport Oriented Activities				
Purchased Services	75,277	50,776	50,776	0
Materials and Supplies	41,862	28,237	28,237	0
Other	<u>4,929</u>	<u>3,325</u>	<u>3,325</u>	<u>0</u>
Total Sport Oriented Extracurricular Activities	<u>122,068</u>	<u>82,338</u>	<u>82,338</u>	<u>0</u>
Total Extracurricular Activities	<u>134,738</u>	<u>90,884</u>	<u>90,884</u>	<u>0</u>
<i>Total Expenditures</i>	<u>137,829</u>	<u>92,969</u>	<u>92,969</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(68,344)	7,819	7,819	0
Fund Balance at Beginning of Year	54,906	54,906	54,906	0
Prior Year Encumbrances Appropriated	<u>408</u>	<u>408</u>	<u>408</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>(\$13,030)</u>	<u>\$63,133</u>	<u>\$63,133</u>	<u>\$0</u>

**ATHENS CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual (Budget Basis)  
Other State Support Fund  
For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Intergovernmental	\$53,204	\$89,609	\$89,605	(\$4)
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	67,186	45,286	45,286	0
Total Instruction	67,186	45,286	45,286	0
<i>Support Services:</i>				
Pupils				
Salaries	21,900	21,900	21,900	0
Fringe Benefits	3,409	3,409	3,384	25
Purchased Services	1,979	1,979	891	1,088
Total Support Services	27,288	27,288	26,175	1,113
Total Expenditures	94,474	72,574	71,461	1,113
Excess of Revenues Over (Under) Expenditures	(41,270)	17,035	18,144	1,109
Fund Balance at Beginning of Year	(17,022)	(17,022)	(17,022)	0
Fund Balance (Deficit) at End of Year	(\$58,292)	\$13	\$1,122	\$1,109

**ATHENS CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual (Budget Basis)*  
 Title VI-B Fund  
 For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Intergovernmental	\$656,218	\$656,218	\$539,961	(\$116,257)
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
Instruction:				
Special				
Salaries	505,412	505,412	445,895	59,517
Purchased Services	80,000	80,000	70,897	9,103
Materials and Supplies	1,679	1,679	1,610	69
Total Special Instruction	587,091	587,091	518,402	68,689
Total Instruction	587,091	587,091	518,402	68,689
<i>Support Services:</i>				
Administration				
Materials and Supplies	5,000	5,000	927	4,073
Total Administration	5,000	5,000	927	4,073
<i>Total Expenditures</i>	592,091	592,091	519,329	72,762
Excess of Revenues Over (Under) Expenditures	64,127	64,127	20,632	(43,495)
Fund Balance (Deficit) at Beginning of Year	(64,127)	(64,127)	(64,127)	0
Fund Balance (Deficit) at End of Year	\$0	\$0	(\$43,495)	(\$43,495)

**ATHENS CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual (Budget Basis)*  
**Title I Fund**  
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Intergovernmental	\$1,065,572	\$1,157,806	\$744,209	(\$413,597)
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Special				
Salaries	746,803	753,015	679,513	73,502
Fringe Benefits	6,305	6,357	6,357	0
Purchased Services	47,604	48,000	24,989	23,011
Materials and Supplies	45,909	46,291	30,089	16,202
Capital Outlay	34,711	35,000	21,162	13,838
Total Special Instruction	881,332	888,663	762,110	126,553
Total Instruction	881,332	888,663	762,110	126,553
<i>Support Services:</i>				
Pupils				
Purchased Services	7,934	8,000	4,166	3,834
Materials and Supplies	9,422	9,500	4,307	5,193
Total Pupils	17,356	17,500	8,473	9,027
Instructional Staff				
Salaries	13,885	14,000	0	14,000
Purchased Services	100,908	101,747	61,501	40,246
Materials and Supplies	43,637	44,000	6,010	37,990
Total Instructional Staff	158,430	159,747	67,511	92,236
Administration				
Materials and Supplies	4,958	5,000	3,639	1,361
Total Administration	4,958	5,000	3,639	1,361
Total Support Services	180,744	182,247	79,623	102,624
<i>Total Expenditures</i>	1,062,076	1,070,910	841,733	229,177
Excess of Revenues Over (Under) Expenditures	3,496	86,896	(97,524)	(184,420)
Fund Balance (Deficit) at Beginning of Year	(95,730)	(95,730)	(95,730)	0
Prior Year Encumbrances Appropriated	8,834	8,834	8,834	0
Fund Balance (Deficit) at End of Year	(\$83,400)	\$0	(\$184,420)	(\$184,420)

**ATHENS CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual (Budget Basis)*  
*Other Federal Support Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Intergovernmental	\$477,050	\$566,289	\$422,864	(\$143,425)
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	160,842	160,842	129,588	31,254
Purchased Services	131,806	196,543	151,707	44,836
Materials and Supplies	5,818	8,676	8,159	517
Total Regular Instruction	298,466	366,061	289,454	76,607
Special				
Salaries	19,158	18,966	32,573	(13,607)
Purchased Services	3,469	3,400	2,790	610
Materials and Supplies	4,473	4,384	4,042	342
Total Special Instruction	27,100	26,750	39,405	(12,655)
Total Instruction	325,566	392,811	328,859	63,952
<i>Support Services:</i>				
Pupils				
Purchased Services	1,459	2,175	1,797	378
Total Pupils	1,459	2,175	1,797	378
Instructional Staff				
Purchased Services	39,592	58,525	47,653	10,872
Materials and Supplies	11,677	17,412	11,744	5,668
Total Instructional Staff	51,269	75,937	59,397	16,540
Administration				
Purchased Services	8,298	12,374	3,385	8,989
Total Administration	8,298	12,374	3,385	8,989
Pupil Transportation				
Purchased Services	13,832	20,626	15,304	5,322
Other	10,611	15,823	7,843	7,980
Total Pupil Transportation	24,443	36,449	23,147	13,302
Total Support Services	85,469	126,935	87,726	39,209
<i>Total Expenditures</i>	411,035	519,746	416,585	103,161
Excess of Revenues Over (Under) Expenditures	66,015	46,543	6,279	(40,264)
Fund Balance (Deficit) at Beginning of Year	(136,131)	(136,131)	(136,131)	0
Prior Year Encumbrances Appropriated	109,096	109,096	109,096	0
Fund Balance (Deficit) at End of Year	\$38,980	\$19,508	(\$20,756)	(\$40,264)

**ATHENS CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual (Budget Basis)*  
**Bond Retirement Fund**  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Property Taxes	\$705,394	\$730,172	\$730,172	\$0
Intergovernmental	93,394	73,253	73,253	0
<i>Total Revenues</i>	798,788	803,425	803,425	0
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Support Services:</i>				
Fiscal				
Other	16,987	16,556	16,556	0
<i>Debt Service:</i>				
Principal Retirement	1,580,071	1,540,000	1,540,000	0
Interest and Fiscal Charges	151,299	147,462	147,462	0
<i>Total Expenditures</i>	1,748,357	1,704,018	1,704,018	0
Excess of Revenues Over (Under) Expenditures	(949,569)	(900,593)	(900,593)	0
Fund Balance at Beginning of Year	2,304,751	2,304,751	2,304,751	0
Fund Balance at End of Year	\$1,355,182	\$1,404,158	\$1,404,158	\$0



**ATHENS CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual (Budget Basis)*  
*Uniform School Supplies Fund*  
*For the Fiscal Year Ended June 30, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Tuition and Fees	\$48,825	\$61,758	\$61,758	\$0
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
Instruction:				
Regular				
Materials and Supplies	67,630	56,770	56,770	0
Total Instruction	<u>67,630</u>	<u>56,770</u>	<u>56,770</u>	<u>0</u>
Support Services:				
Pupils				
Materials and Supplies	13,262	11,132	11,132	0
Total Support Services	<u>13,262</u>	<u>11,132</u>	<u>11,132</u>	<u>0</u>
<i>Total Expenditures</i>	<u>80,892</u>	<u>67,902</u>	<u>67,902</u>	<u>0</u>
Excess of Revenues Over Expenditures	(32,067)	(6,144)	(6,144)	0
Fund Balance at Beginning of Year	43,539	43,539	43,539	0
Prior Year Encumbrances Appropriated	<u>10,209</u>	<u>10,209</u>	<u>10,209</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$21,681</u></u>	<u><u>\$47,604</u></u>	<u><u>\$47,604</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)*  
*Public School Support Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Tuition and Fees	\$9,750	\$13,412	\$13,412	\$0
Extracurricular Activities	8,450	16,879	16,879	0
Gifts and Donations	1,211	4,496	4,496	0
<i>Total Revenues</i>	19,411	34,787	34,787	0
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Purchased Services	20,024	10,607	10,607	0
Materials and Supplies	31,323	16,592	16,592	0
Other	2,701	1,431	1,431	0
Capital Outlay	3,638	1,927	1,927	0
Total Regular	57,686	30,557	30,557	0
<i>Support Services:</i>				
<i>Instructional Staff</i>				
Purchased Services	3,832	2,030	2,030	0
Total Instructional Staff	3,832	2,030	2,030	0
<i>Administration</i>				
Materials and Supplies	3,013	1,596	1,596	0
Capital Outlay	2,613	1,384	1,384	0
Total Administration	5,626	2,980	2,980	0
Total Support Services	9,458	5,010	5,010	0
<i>Total Expenditures</i>	67,144	35,567	35,567	0
Excess of Revenues Over (Under) Expenditures	(47,733)	(780)	(780)	0
Fund Balance at Beginning of Year	58,680	58,680	58,680	0
Prior Year Encumbrances Appropriated	443	443	443	0
Fund Balance at End of Year	\$11,390	\$58,343	\$58,343	\$0

**ATHENS CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual (Budget Basis)*  
*Termination Benefits Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b><u>Revenues</u></b>	\$0	\$0	\$0	\$0
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
Instruction:				
Regular				
Salaries	45,054	45,054	45,054	0
Fringe Benefits	1,017	1,017	1,017	0
Total Regular	<u>46,071</u>	<u>46,071</u>	<u>46,071</u>	<u>0</u>
Special				
Salaries	8,337	8,337	8,337	0
Fringe Benefits	700	700	700	0
Total Special	<u>9,037</u>	<u>9,037</u>	<u>9,037</u>	<u>0</u>
Total Instruction	<u>55,108</u>	<u>55,108</u>	<u>55,108</u>	<u>0</u>
Support Services:				
Administration				
Salaries	1,707	1,707	1,707	0
Fringe Benefits	25	25	25	0
Total Administration	<u>1,732</u>	<u>1,732</u>	<u>1,732</u>	<u>0</u>
Operation and Maintenance of Plant				
Salaries	77	77	77	0
Fringe Benefits	1	1	1	0
Total Operation and Maintenance of Plant	<u>78</u>	<u>78</u>	<u>78</u>	<u>0</u>
Pupil Transportation				
Salaries	1,631	1,631	1,631	0
Fringe Benefits	24	24	24	0
Total Pupil Transportation	<u>1,655</u>	<u>1,655</u>	<u>1,655</u>	<u>0</u>
Operation of Non-Instructional/Shared Services				
Salaries	10,102	10,102	10,102	0
Fringe Benefits	634	634	634	0
Total Operation of Non-Instructional/Shared Services	<u>10,736</u>	<u>10,736</u>	<u>10,736</u>	<u>0</u>
Total Support Services	<u>14,201</u>	<u>14,201</u>	<u>14,201</u>	<u>0</u>
Total Expenditures	<u>69,309</u>	<u>69,309</u>	<u>69,309</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(69,309)	(69,309)	(69,309)	0
<b><u>Other Financing Sources:</u></b>				
Transfers In	305,000	305,000	305,000	0
Total Other Financing Sources	<u>305,000</u>	<u>305,000</u>	<u>305,000</u>	<u>0</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	235,691	235,691	235,691	0
Fund Balance at Beginning of Year	<u>215,529</u>	<u>215,529</u>	<u>215,529</u>	<u>0</u>
Fund Balance at End of Year	<u>\$451,220</u>	<u>\$451,220</u>	<u>\$451,220</u>	<u>\$0</u>

**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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Extracurricular Activities	\$0	\$44,983	\$44,983	\$0
<i>Total Revenues</i>	0	44,983	44,983	0
<b><u>Expenditures</u></b>				
<i>Current:</i>				
Extracurricular Activities				
Sport Oriented Activities				
Purchased Services	37,412	37,412	28,570	8,842
Other	9,468	9,468	3,558	5,910
<i>Total Expenditures</i>	46,880	46,880	32,128	14,752
Excess of Revenues Over Expenditures	(46,880)	(1,897)	12,855	14,752
Fund Balance at Beginning of Year	124,668	124,668	124,668	0
Fund Balance at End of Year	\$77,788	\$122,771	\$137,523	\$14,752

**ATHENS CITY SCHOOL DISTRICT**  
**Description of Proprietary Fund**

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**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 Fund**  
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Charges for Services	\$6,285,000	\$5,636,289	\$5,636,289	\$0
Other Revenues	195,000	203,934	203,935	1
<i>Total Revenues</i>	6,480,000	5,840,223	5,840,224	1
<b><u>Expenses:</u></b>				
Claims	11,695	5,047,628	5,047,628	0
Other	3,505	1,513,030	13,029	1,500,001
<i>Total Expenses</i>	15,200	6,560,658	5,060,657	1,500,001
Operating Income (Loss)	6,464,800	(720,435)	779,567	1,500,002
<b><u>Nonoperating Revenues:</u></b>				
Interest	14,000	15,034	15,034	0
<i>Total Nonoperating Revenues</i>	14,000	15,034	15,034	0
Excess of Revenues Over (Under) Expenses	6,478,800	(705,401)	794,601	1,500,002
Fund Equity at Beginning of Year	4,924,356	4,924,356	4,924,356	0
Fund Equity at End of Year	\$11,403,156	\$4,218,955	\$5,718,957	\$1,500,002

**ATHENS CITY SCHOOL DISTRICT**  
**Description of Fiduciary Fund**

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**FIDUCIARY FUND**

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

***Agency Fund***

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

**Student Managed Activities**

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

**Retirement Holding Account**

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

**OHSAA Tournament**

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

**ATHENS CITY SCHOOL DISTRICT**  
*Statement of Changes in Assets and Liabilities*  
*Agency Fund*  
*For the Fiscal Year Ended June 30, 2017*

	July 1, 2016 Balance	Additions	Deductions	June 30, 2017 Balance
<b><u>Student Activity Fund</u></b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash, Cash Equivalents and Investments	\$148,403	\$102,752	\$151,653	\$99,502
<b><u>Liabilities:</u></b>				
Due to Students	\$148,403	\$102,752	\$151,653	\$99,502
<b><u>Retirement Holding Account Fund</u></b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash, Cash Equivalents and Investments	\$0	\$2,350,443	\$2,198,624	\$151,819
<b><u>Liabilities:</u></b>				
Intergovernmental Payable	\$0	\$2,350,443	\$2,198,624	\$151,819
<b><u>OHSAA Tournament Fund</u></b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash, Cash Equivalents and Investments	\$80	\$44,983	\$32,128	\$12,935
<b><u>Liabilities:</u></b>				
Due to Others	\$80	\$44,983	\$32,128	\$12,935
<b><u>All Agency Funds</u></b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash, Cash Equivalents and Investments	\$148,483	\$2,498,178	\$2,382,405	\$264,256
<b><u>Liabilities:</u></b>				
Due to Students	\$148,403	\$102,752	\$151,653	\$99,502
Intergovernmental Payable	0	2,350,443	2,198,624	151,819
Due to Others	80	44,983	32,128	12,935
<i>Total Liabilities</i>	\$148,483	\$2,498,178	\$2,382,405	\$264,256



# 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.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	98 - 104
<b>Revenue Capacity</b> 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).	105 - 116
<b>Debt Capacity</b> 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.	117 - 120
<b>Economic and Demographic Information</b> 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.	121 - 123
<b>Operating Information</b> 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.	124 - 126

**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, 2017*

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	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net Investment in Capital Assets	\$6,958,111	\$6,735,851	\$7,315,598	\$8,786,488	\$8,857,380	\$7,467,696	\$7,932,054	\$8,313,450	\$8,991,891	\$10,329,966
Restricted for:										
Capital Projects	2,958,786	3,322,849	3,015,336	3,065,004	2,283,355	2,151,335	2,358,289	2,236,037	2,410,381	2,714,049
Debt Service	2,783,778	3,071,120	3,007,989	3,081,065	3,242,403	3,332,478	2,739,262	3,027,337	2,345,481	1,437,658
Other Purposes	586,240	620,310	979,006	215,322	139,963	97,930	294,537	406,819	424,249	522,921
Unrestricted	<u>7,952,675</u>	<u>9,867,464</u>	<u>9,446,253</u>	<u>9,868,898</u>	<u>9,008,001</u>	<u>9,537,143</u>	<u>(36,296,928)</u>	<u>(36,321,646)</u>	<u>(35,093,219)</u>	<u>(34,693,227)</u>
<b>Total Net Position</b>	<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>	<u><u>(\$20,921,217)</u></u>	<u><u>(\$19,688,633)</u></u>

**ATHENS CITY SCHOOL DISTRICT**  
*Changes in Net Position of Governmental Activities*  
*Last Ten Fiscal Years*  
*June 30, 2017*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Regular Instruction	\$14,593,578	\$15,652,902	\$16,382,027	\$16,821,330	\$18,187,080	\$18,020,393	\$18,354,186	\$17,903,717	\$16,650,356	\$16,851,510
Special Instruction	3,223,201	3,653,542	3,685,796	3,563,124	3,860,753	4,028,772	4,147,144	4,520,384	4,904,826	4,994,128
Vocational Instruction	289,528	343,739	419,445	508,534	426,089	355,167	328,360	234,063	158,582	186,116
Student Intervention Services	295,882	362,017	148,213	133,738	140,530	136,099	109,975	90,459	81,869	106,173
Other Instruction	0	0	0	0	0	0	0	84,456	10,048	0
Pupil Support	1,085,787	1,386,740	1,520,110	1,419,013	1,424,781	1,396,533	2,270,423	2,101,842	2,140,408	2,479,998
Instructional Staff Support	1,744,564	1,929,428	2,479,736	2,583,514	2,585,026	2,139,691	746,302	680,483	550,573	750,700
Board of Education	114,815	87,678	164,636	123,282	124,844	105,858	114,855	130,783	87,584	122,726
Administration	1,890,289	1,907,707	1,938,680	1,794,241	1,893,072	1,724,782	2,166,427	2,358,785	2,290,517	2,460,475
Fiscal	661,973	717,860	702,311	664,616	663,653	674,254	641,031	660,982	658,024	597,760
Business	603,907	610,723	602,219	548,213	512,174	530,625	447,045	409,031	475,619	42,639
Operation and Maintenance of Plant	3,500,974	3,725,763	3,798,711	3,427,110	3,352,531	2,908,958	2,808,961	2,940,673	2,965,676	3,072,962
Pupil Transportation	1,654,666	1,919,536	1,923,397	1,887,563	1,751,924	2,000,573	1,829,180	1,721,523	1,600,270	1,628,415
Central	167,721	200,597	203,103	124,258	240,493	105,958	113,334	111,100	110,506	17,328
Operation of Food Services	843,310	869,551	849,165	823,199	804,940	739,455	723,193	697,962	723,360	655,495
Other Non-Instructional Services	22,370	300	5,398	33,650	11,221	4,791	9,054	6,386	8,260	578,641
Extracurricular Activities	461,995	526,387	475,833	617,610	520,707	498,454	548,371	683,852	564,768	691,919
Interest and Fiscal Charges	625,504	683,439	678,788	819,837	696,149	485,943	381,368	377,105	376,014	383,908
Issuance Costs	0	0	0	0	0	145,225	0	0	0	0
<b>Total Expenses</b>	<b>31,780,064</b>	<b>34,577,909</b>	<b>35,977,568</b>	<b>35,892,832</b>	<b>37,195,967</b>	<b>36,001,531</b>	<b>35,739,209</b>	<b>35,713,586</b>	<b>34,357,260</b>	<b>35,620,893</b>
<b>Program Revenues</b>										
Charges for Services										
Regular Instruction	2,399,190	2,815,158	2,788,133	2,570,188	2,467,045	2,590,938	2,613,660	2,716,822	2,941,850	2,822,530
Special Instruction	0	3,510	4,350	0	5,013	0	0	0	0	0
Pupil Support	7,996	8,846	6,529	0	0	11,902	10,933	14,249	2,777	10,498
Instructional Staff Support	395	902	11,264	0	0	0	0	0	0	1,818
Administration Support	0	2,120	1,725	0	11,585	0	1,745	2,862	3,028	2,726
Pupil Transportation	0	0	0	0	10,921	0	0	0	0	0
Central	1,678	1,330	1,200	0	0	0	0	0	0	0
Operation of Food Service	342,785	309,879	248,732	250,086	230,843	207,608	198,606	190,260	205,581	195,042
Extracurricular Activities	57,919	58,325	82,654	91,329	95,246	86,766	93,381	108,348	96,690	98,927
Operating Grants and Contributions										
Regular Instruction	1,438,977	1,425,892	3,061,087	3,470,501	906,437	218,087	411,819	429,569	446,478	369,030
Special Instruction	1,462,338	1,614,983	1,611,465	2,235,658	1,679,296	1,546,280	2,595,921	2,387,223	2,422,148	1,768,802
Vocational Instruction	59,979	55,179	55,593	56,010	56,010	56,010	44,679	37,726	31,618	33,195
Student Intervention Services	126,955	238,606	0	0	0	0	0	0	0	0
Pupil Support	108,089	119,433	203,840	71,976	50,907	0	0	0	0	27,296
Instructional Staff Support	538,356	508,912	485,938	315,404	312,686	309,357	548,089	340,256	178,282	78,073
Board of Education	0	0	0	0	2,300	0	0	0	0	0
Administration	31,135	84,423	267,015	279,671	39,588	29,633	24,130	17,388	28,106	405
Fiscal	0	0	4,599	4,941	0	0	0	0	0	0
Business	5,740	0	0	0	0	0	0	0	0	0
Operation and Maintenance of Plant	0	0	361,017	364,594	0	0	0	0	0	0
Pupil Transportation	669,750	703,910	830,122	762,255	72,456	41,171	78,267	1,055,519	884,252	909,220
Central	59,131	62,034	62,609	31,305	50,591	0	0	0	0	0
Operation of Food Service	513,761	491,403	496,980	487,611	525,116	508,717	499,025	487,306	499,969	372,356
Extracurricular Activities	1,299	925	1,471	15,307	3,082	4,589	18	52,518	5,602	1,861

(continued)

**ATHENS CITY SCHOOL DISTRICT**  
*Changes in Net Position of Governmental Activities (continued)*  
 Last Ten Fiscal Years  
 June 30, 2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Capital Grants and Contributions										
Regular Instruction	18,122	0	0	0	0	103,250	88,250	60,250	0	0
Operation and Maintenance of Plant	0	0	0	0	0	0	0	0	0	0
Pupil Transportation	0	0	0	225,000	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0	0	0	29,500	0
<b>Total Program Revenues</b>	<b>7,843,595</b>	<b>8,505,770</b>	<b>10,586,323</b>	<b>11,231,836</b>	<b>6,519,122</b>	<b>5,714,308</b>	<b>7,208,523</b>	<b>7,900,296</b>	<b>7,775,881</b>	<b>6,691,779</b>
Net Expense	(23,936,469)	(26,072,139)	(25,391,245)	(24,660,996)	(30,676,845)	(30,287,223)	(28,530,686)	(27,813,290)	(26,581,379)	(28,929,114)
<b>General Revenues</b>										
Property Taxes Levied for:										
General Purposes	13,084,533	13,460,513	13,028,423	12,674,696	13,064,362	13,519,257	13,649,758	13,601,179	13,665,531	14,889,536
Debt Service	1,513,731	1,413,518	1,201,213	1,191,370	1,243,495	1,204,329	1,382,006	1,403,556	902,152	717,304
Capital Outlay	1,190,764	1,231,561	1,155,002	1,139,281	1,258,171	1,356,453	1,377,365	1,341,312	1,343,504	1,450,246
Income Taxes	3,298,754	2,983,038	3,378,878	3,260,583	3,463,108	3,534,523	3,713,645	3,717,583	3,878,928	4,216,968
Grants and Entitlements not										
Restricted to Specific Programs	7,738,957	8,418,895	6,181,952	6,105,678	9,256,584	8,886,339	8,393,080	7,630,166	7,558,741	8,257,853
Payments in Lieu of Taxes	148,701	441,147	165,468	317,647	215,968	256,784	298,028	224,627	269,737	242,629
Gain on Sale of Capital Assets	14,932	0	0	0	0	0	0	0	0	0
Investment Earnings	712,179	429,465	217,871	177,670	81,616	59,974	50,787	66,584	95,449	165,568
Miscellaneous	49,963	72,006	85,752	198,597	96,522	179,225	352,373	457,132	271,649	221,594
<b>Total General Revenues</b>	<b>27,752,514</b>	<b>28,450,143</b>	<b>25,414,559</b>	<b>25,065,522</b>	<b>28,679,826</b>	<b>28,996,884</b>	<b>29,217,042</b>	<b>28,442,139</b>	<b>27,985,691</b>	<b>30,161,698</b>
Extraordinary Item										
Gain on Insurance Recovery	0	0	0	848,069	611,436	345,819	22,141	5,934	12,474	0
<b>Change in Net Position</b>	<b>\$3,816,045</b>	<b>\$2,378,004</b>	<b>\$23,314</b>	<b>\$1,252,595</b>	<b>(\$1,385,583)</b>	<b>(\$944,520)</b>	<b>\$708,497</b>	<b>\$634,783</b>	<b>\$1,416,786</b>	<b>\$1,232,584</b>

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**ATHENS CITY SCHOOL DISTRICT**  
*Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*June 30, 2017*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$359,471	\$1,015,225	\$1,448,279	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unreserved	4,887,743	6,068,060	6,289,341	0	0	0	0	0	0	0
<i>Total General Fund</i>	<u>5,247,214</u>	<u>7,083,285</u>	<u>7,737,620</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
All Other Governmental Funds										
Reserved	361,965	338,594	247,292	0	0	0	0	0	0	0
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	767,962	670,826	150,995	0	0	0	0	0	0	0
Debt Service Funds	2,617,761	2,821,755	2,899,907	0	0	0	0	0	0	0
Capital Projects Funds	2,683,703	3,064,166	2,863,699	0	0	0	0	0	0	0
<i>Total All Other Governmental Funds</i>	<u>6,431,391</u>	<u>6,895,341</u>	<u>6,161,893</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund										
Nonspendable	0	0	0	0	108,633	185,532	197,602	201,799	209,950	226,494
Committed	0	0	0	0	0	38,575	225,618	10,418	215,529	451,220
Assigned	0	0	0	262,310	566,558	282,817	238,597	140,063	234,284	1,190,062
Unassigned	0	0	0	7,856,897	6,895,607	6,587,565	6,346,531	6,499,073	6,610,854	7,053,012
<i>Total General Fund</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,119,207</u>	<u>7,570,798</u>	<u>7,094,489</u>	<u>7,008,348</u>	<u>6,851,353</u>	<u>7,270,617</u>	<u>8,920,788</u>
All Other Governmental Funds										
Nonspendable	0	0	0	5,842	6,414	4,727	5,904	5,089	4,989	6,197
Restricted	0	0	0	6,333,627	5,585,440	5,555,329	5,650,944	5,611,713	5,143,579	4,610,238
Unassigned	0	0	0	(876,412)	(317,735)	(209,493)	(540,376)	(366,874)	(523,062)	(494,704)
<i>Total All Other Governmental Funds</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,463,057</u>	<u>5,274,119</u>	<u>5,350,563</u>	<u>5,116,472</u>	<u>5,249,928</u>	<u>4,625,506</u>	<u>4,121,731</u>
<i>Total Governmental Funds</i>	<u>\$11,678,605</u>	<u>\$13,978,626</u>	<u>\$13,899,513</u>	<u>\$13,582,264</u>	<u>\$12,844,917</u>	<u>\$12,445,052</u>	<u>\$12,124,820</u>	<u>\$12,101,281</u>	<u>\$11,896,123</u>	<u>\$13,042,519</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, 2017*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Property Taxes	\$15,864,471	\$15,914,806	\$15,311,157	\$15,048,753	\$15,372,031	\$16,083,953	\$16,493,888	\$16,593,408	\$15,876,942	\$17,421,091
Income Taxes	3,298,754	2,983,038	3,378,878	3,260,583	3,463,108	3,534,523	3,713,645	3,717,583	3,878,928	4,216,968
Intergovernmental	12,811,242	13,710,944	13,603,267	13,966,917	13,036,138	11,609,598	11,898,957	12,675,023	11,907,924	11,758,483
Interest	638,554	421,340	188,266	144,536	62,159	50,855	41,857	57,346	81,325	150,534
Tuition and Fees	2,386,287	2,804,408	2,787,291	2,570,188	2,455,778	2,578,629	2,611,686	2,720,349	2,897,714	2,785,387
Extracurricular Activities	80,891	85,783	101,584	91,329	134,032	110,977	108,033	121,932	112,194	115,806
Contributions and Donations	20,716	13,651	21,335	235,266	11,814	112,788	98,405	93,418	42,363	10,190
Charges for Services	342,785	309,879	248,732	250,086	230,843	207,608	198,606	190,260	240,018	230,348
Rentals	5,277	3,621	4,637	7,005	215,968	71,494	67,379	70,087	75,007	66,229
Payments in Lieu of Taxes	148,701	441,147	165,468	317,647	35,004	256,784	298,028	224,627	269,737	242,629
Miscellaneous	44,686	68,385	87,181	189,285	84,708	107,731	284,994	387,045	196,642	155,365
<b>Total Revenues</b>	<b>35,642,364</b>	<b>36,757,002</b>	<b>35,897,796</b>	<b>36,081,595</b>	<b>35,101,583</b>	<b>34,724,940</b>	<b>35,815,478</b>	<b>36,851,078</b>	<b>35,578,794</b>	<b>37,153,030</b>
<b>Expenditures</b>										
Current:										
Instruction:										
Regular	13,723,111	14,707,142	15,169,196	15,518,842	15,702,414	16,550,252	17,051,008	17,285,763	15,607,677	15,748,949
Special	3,227,160	3,576,204	3,713,100	3,557,573	3,772,027	4,045,592	4,188,735	4,642,827	5,042,644	4,938,445
Vocational	286,608	338,655	417,827	506,924	439,824	349,872	364,865	264,766	163,615	181,806
Student Intervention Services	294,880	360,581	148,127	133,998	138,420	121,426	112,118	93,481	86,073	104,040
Other	0	0	0	0	0	13,783	0	84,456	10,048	0
Support Services:										
Pupil	1,130,303	1,371,168	1,500,851	1,425,414	1,366,840	1,378,400	2,347,062	2,226,120	2,255,103	2,430,727
Instructional Staff	1,735,769	1,941,359	2,476,175	2,587,722	2,527,120	2,145,878	732,139	685,001	592,241	720,728
Board of Education	113,614	86,729	164,071	122,756	124,322	105,761	115,105	130,913	87,912	122,378
Administration	1,792,023	1,934,602	1,936,911	1,808,306	1,851,728	1,728,609	2,178,499	2,487,315	2,412,638	2,331,135
Fiscal	647,462	744,147	699,206	663,287	655,113	686,601	640,386	695,825	673,729	550,554
Business	610,659	617,299	601,228	544,321	505,633	527,909	451,602	422,814	480,086	44,505
Operation and Maintenance of Plant	3,634,522	3,754,365	4,040,823	3,549,628	3,169,448	2,821,868	2,791,673	2,939,631	2,995,672	2,932,250
Pupil Transportation	1,820,564	1,816,360	1,985,101	1,835,374	1,862,382	1,797,234	1,664,922	1,605,011	1,752,258	1,660,625
Central	166,590	198,932	202,738	124,471	238,024	104,974	115,572	114,522	115,710	21,433
Operation of Non-Instructional Services	863,253	878,266	849,821	853,286	810,905	736,409	738,087	718,300	747,185	1,228,454
Extracurricular Activities	414,808	487,819	438,261	578,538	475,561	457,094	526,788	569,562	547,554	556,817
Capital Outlay	342,858	373,663	491,599	2,410,483	1,569,423	621,601	469,809	219,236	536,195	728,159
Debt Service:										
Principal Retirement	595,000	620,000	650,000	685,000	685,000	733,166	1,358,166	1,433,166	1,483,166	1,558,167
Interest and Fiscal Charges	681,337	649,690	618,702	585,621	556,182	544,195	311,315	261,842	206,920	147,462
Issuance Costs	0	0	0	0	0	145,225	0	0	0	0
<b>Total Expenditures</b>	<b>32,080,521</b>	<b>34,456,981</b>	<b>36,103,737</b>	<b>37,491,544</b>	<b>36,450,366</b>	<b>35,615,849</b>	<b>36,157,851</b>	<b>36,880,551</b>	<b>35,796,426</b>	<b>36,006,634</b>

**ATHENS CITY SCHOOL DISTRICT**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*June 30, 2017*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<i>Excess of Revenues Over (Under) Expenditures</i>	\$3,561,843	\$2,300,021	(\$205,941)	(\$1,409,949)	(\$1,348,783)	(\$890,909)	(\$342,373)	(\$29,473)	(\$217,632)	\$1,146,396
<b>Other Financing Sources (Uses)</b>										
Sale of Capital Assets	1,875	0	0	0	0	0	0	0	0	0
Insurance Recoveries	15,045	0	3,554	0	0	0	0	0	0	0
Refunding Bonds Issued	0	0	0	0	0	7,270,000	0	0	0	0
Payment to Refund Bond Escrow Agent	0	0	0	0	0	(7,916,315)	0	0	0	0
Premium on Bonds Issued	0	0	0	0	0	791,540	0	0	0	0
Transfers In	455,562	348,740	138,097	74,825	51,520	3,300	21,430	24,588	36,000	81,000
Transfers Out	(455,562)	(348,740)	(138,097)	(74,825)	(51,520)	(3,300)	(21,430)	(24,588)	(36,000)	(81,000)
<i>Total Other Financing Sources (Uses)</i>	16,920	0	3,554	0	0	145,225	0	0	0	0
<b><u>Extraordinary Item:</u></b>										
Insurance Recoveries	0	0	0	1,092,700	611,436	345,819	22,141	5,934	12,474	0
<i>Net Change in Fund Balances</i>	\$3,578,763	\$2,300,021	(\$202,387)	(\$317,249)	(\$737,347)	(\$399,865)	(\$320,232)	(\$23,539)	(\$205,158)	\$1,146,396
<b>Ratio of Debt Service as a Percentage of Noncapital Expenditures</b>	4.11%	3.75%	3.59%	3.59%	3.56%	4.02%	4.02%	4.61%	4.76%	4.86%

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

Collection Year	Real Property			Tangible Personal Property				Total		Ratio	Weighted Average Tax Rate (2)
	Assessed Value (1)		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value		
	Residential/Agricultural	Commercial/Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2008	\$292,080,470	\$116,740,030	\$1,168,058,571	\$20,940,180	\$23,795,659	\$15,874,254	\$83,760,720	\$445,634,934	\$1,275,614,950	34.93%	30.59
2009	332,564,370	147,529,940	1,371,698,029	21,489,860	24,420,295	8,623,220	85,959,440	510,207,390	1,482,077,764	34.43%	28.39
2010	334,939,790	147,253,660	1,377,695,571	23,228,490	26,396,011	1,940,708	92,913,960	507,362,648	1,497,005,543	33.89%	28.26
2011	335,814,280	145,448,660	1,375,036,971	24,462,666	27,798,484	970,354	97,850,664	506,695,960	1,500,686,120	33.76%	28.21
2012	334,938,150	144,707,270	1,370,415,486	26,048,300	29,600,341	0	104,193,200	505,693,720	1,504,209,027	33.62%	28.60
2013	337,408,841	147,845,708	1,386,441,570	26,665,040	30,301,182	0	106,660,160	511,919,590	1,523,402,912	33.60%	29.00
2014	335,298,630	150,847,990	1,388,990,343	27,948,170	31,759,284	0	111,792,680	514,094,790	1,532,542,307	33.55%	29.09
2015	346,975,780	155,714,540	1,436,258,057	28,485,770	32,370,193	0	113,943,080	531,176,090	1,582,571,330	33.56%	34.08
2016	347,995,270	159,787,510	1,450,807,943	32,376,160	36,791,091	0	129,504,640	540,158,940	1,617,103,674	33.40%	32.86
2017	349,586,031	161,707,778	1,460,839,454	44,373,220	50,424,114	0	177,492,880	555,667,029	1,688,756,448	32.90%	33.27

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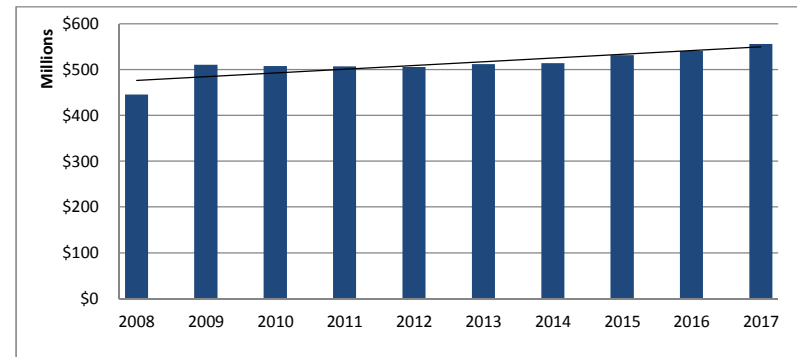
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

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

Source: Ohio Department of Taxation

Total Assessed Valuation - Last Ten Years



**ATHENS CITY SCHOOL DISTRICT**

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

Athens Township (A01)

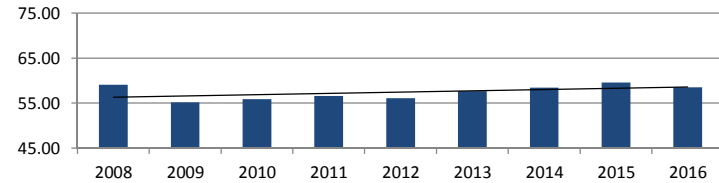
Collection Year	Athens City School District				Athens County	Tri-County Career Center	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total						
2008	57.16	2.90	3.70	63.76	20.30	3.30	6.70	94.06	59.042369	63.206268
2009	55.12	2.90	3.70	61.72	20.30	3.30	6.70	92.02	55.188860	55.458365
2010	55.10	2.90	3.70	61.70	20.55	3.30	6.70	92.25	55.881578	56.946993
2011	55.08	2.90	3.70	61.68	20.55	3.30	6.70	92.23	56.610854	57.633008
2012	56.12	2.90	2.74	61.76	19.05	3.30	6.70	90.81	56.066723	57.295416
2013	56.69	2.90	2.45	62.04	20.05	3.30	6.70	92.09	57.624814	58.947701
2014	56.69	2.90	3.28	62.87	19.80	3.30	6.70	92.67	58.454435	59.665539
2015	56.43	2.90	2.75	62.08	23.05	3.30	6.70	95.13	59.590550	60.595136
2016	56.32	2.90	1.44	60.66	22.95	3.30	6.70	93.61	58.491683	59.394425
2017	56.13	2.90	1.42	60.45	22.95	3.30	6.70	93.40	58.271980	59.341203

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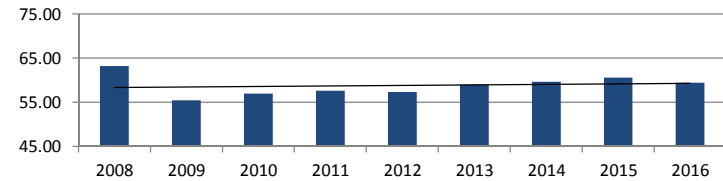
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- E02 Canaan Township
- E03 Canaan Township - City of Athens
- G01 Dover Township
- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

Residential Effective Rate over Time



Commercial Effective Rate over Time



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

**ATHENS CITY SCHOOL DISTRICT**

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

Athens Township - City of Athens (A02)

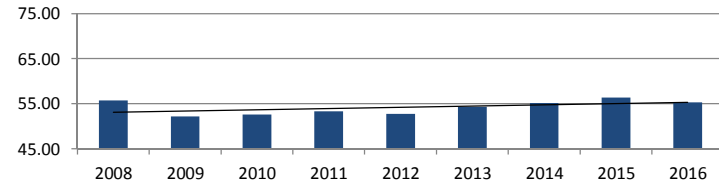
Collection Year	Athens City School District				Athens County	Tri-County Career Center	City of Athens	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total							
2008	57.16	2.90	3.70	63.76	20.30	3.30	2.60	0.03	89.99	55.737092	59.662899
2009	55.12	2.90	3.70	61.72	20.30	3.30	2.60	0.03	87.95	52.172203	52.194144
2010	55.10	2.90	3.70	61.70	20.55	3.30	2.60	0.30	88.45	52.597044	53.544739
2011	55.08	2.90	3.70	61.68	20.55	3.30	2.60	0.30	88.43	53.324366	54.231950
2012	56.12	2.90	2.74	61.76	19.05	3.30	2.60	0.30	87.01	52.744743	53.860088
2013	56.69	2.90	2.45	62.04	20.05	3.30	2.60	0.30	88.29	54.300344	55.504571
2014	56.69	2.90	3.28	62.87	19.80	3.30	2.60	0.30	88.87	55.128099	56.222535
2015	56.43	2.90	2.75	62.08	23.05	3.30	2.60	0.30	91.33	56.363471	57.232014
2016	56.32	2.90	1.44	60.66	22.95	3.30	2.60	0.30	89.81	55.260838	56.031303
2017	56.13	2.90	1.42	60.45	22.95	3.30	2.60	0.30	89.60	55.037288	55.978049

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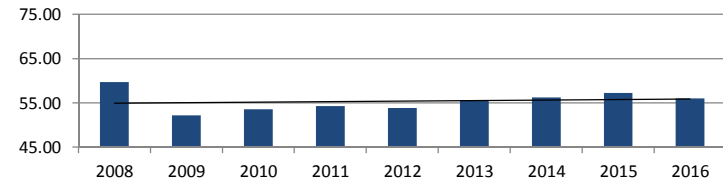
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- N02 Waterloo Township

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)

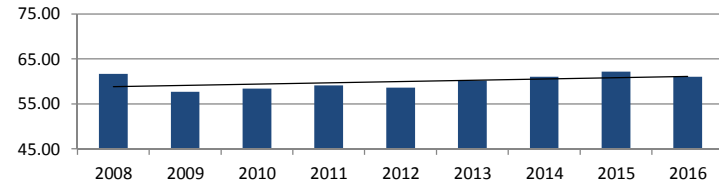
Collection Year	Athens City School District				Athens County	Tri-County Career Center	The Plains Fire District	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total							
2008	57.16	2.90	3.70	63.76	20.30	3.30	3.50	6.70	97.56	61.696082	66.481027
2009	55.12	2.90	3.70	61.72	20.30	3.30	3.50	6.70	95.52	57.673188	58.592013
2010	55.10	2.90	3.70	61.70	20.55	3.30	3.50	6.70	95.75	58.376270	60.172712
2011	55.08	2.90	3.70	61.68	20.55	3.30	3.50	6.70	95.73	59.106771	61.009601
2012	56.12	2.90	2.74	61.76	19.05	3.30	5.50	4.70	94.31	58.611939	60.760369
2013	56.69	2.90	2.45	62.04	20.05	3.30	5.50	4.70	95.59	60.172662	62.404851
2014	56.69	2.90	3.28	62.87	19.80	3.30	5.50	4.70	96.17	61.011494	63.125997
2015	56.43	2.90	2.75	62.08	23.05	3.30	5.50	4.70	98.63	62.153181	64.041708
2016	56.32	2.90	1.44	60.66	22.95	3.30	5.50	4.70	97.11	61.052993	62.840991
2017	56.13	2.90	1.42	60.45	22.95	3.30	2.00	4.70	93.40	58.293220	59.615841

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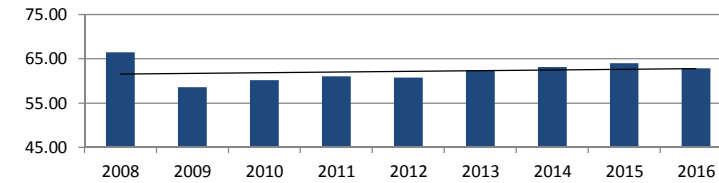
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- N02 Waterloo Township

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)

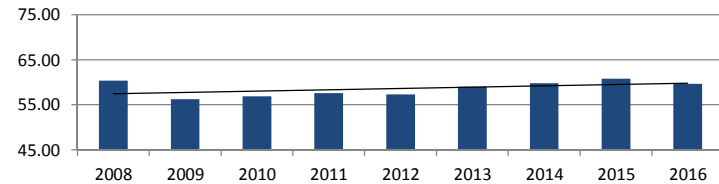
Collection Year	Athens City School District				Athens County	Tri-County Career Center	Canaan Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total						
2008	57.16	2.90	3.70	63.76	20.30	3.30	7.60	94.96	60.359554	64.359217
2009	55.12	2.90	3.70	61.72	20.30	3.30	7.60	92.92	56.242214	55.356666
2010	55.10	2.90	3.70	61.70	20.55	3.30	7.60	93.15	56.866672	57.590742
2011	55.08	2.90	3.70	61.68	20.55	3.30	7.60	93.13	57.595381	58.296039
2012	56.12	2.90	2.74	61.76	19.05	3.30	7.60	91.71	57.312496	58.412943
2013	56.69	2.90	2.45	62.04	20.05	3.30	7.60	92.99	58.987737	60.204571
2014	56.69	2.90	3.28	62.87	19.80	3.30	7.60	93.57	59.828099	60.922535
2015	56.43	2.90	2.75	62.08	23.05	3.30	7.60	96.03	60.763725	61.085415
2016	56.32	2.90	1.44	60.66	22.95	3.30	7.60	94.51	59.662131	59.915641
2017	56.13	2.90	1.42	60.45	22.95	3.30	7.60	94.30	59.438581	59.936007

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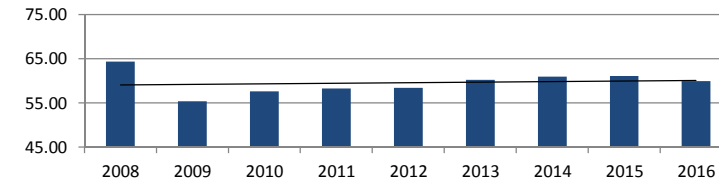
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Residential Effective Rate over Time



Commercial Effective Rate over Time



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



**ATHENS CITY SCHOOL DISTRICT**

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

Canaan Township - City of Athens (E03)

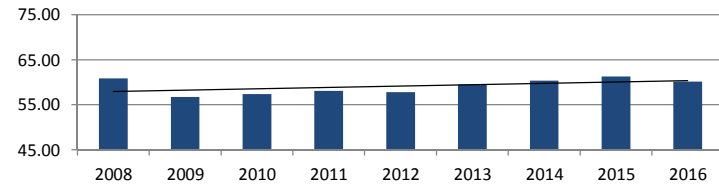
Collection Year	Athens City School District				Athens County	Tri-County Career Center	City of Athens	Canaan Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total							
2008	57.16	2.90	3.70	63.76	20.30	3.30	2.40	5.70	95.46	60.859554	64.859217
2009	55.12	2.90	3.70	61.72	20.30	3.30	2.40	5.70	93.42	56.742214	55.856666
2010	55.10	2.90	3.70	61.70	20.55	3.30	2.40	5.70	93.65	57.366672	58.090742
2011	55.08	2.90	3.70	61.68	20.55	3.30	2.40	5.70	93.63	58.095381	58.796039
2012	56.12	2.90	2.74	61.76	19.05	3.30	2.40	5.70	92.21	57.812496	58.912943
2013	56.69	2.90	2.45	62.04	20.05	3.30	2.40	5.70	93.49	59.487737	60.704571
2014	56.69	2.90	3.28	62.87	19.80	3.30	2.40	5.70	94.07	60.328099	61.422535
2015	56.43	2.90	2.75	62.08	23.05	3.30	2.40	5.70	96.53	61.263725	61.585415
2016	56.32	2.90	1.44	60.66	22.95	3.30	2.40	5.70	95.01	60.162131	60.415645
2017	56.13	2.90	1.42	60.45	22.95	3.30	2.40	5.70	94.80	59.938581	60.436007

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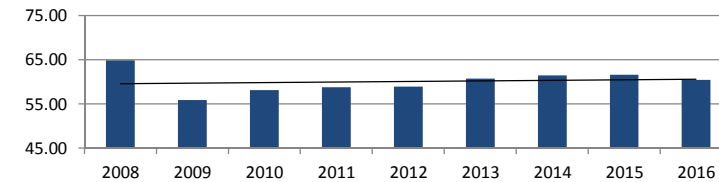
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Residential Effective Rate over Time



Commercial Effective Rate over Time



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

**ATHENS CITY SCHOOL DISTRICT**

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

Dover Township (G01)

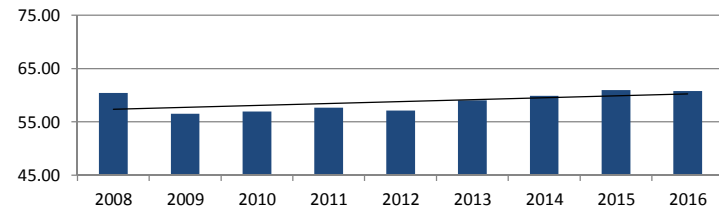
Collection Year	Athens City School District				Athens County	Tri-County Career Center	Dover Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Total Commercial/Industrial Effective Rate
	Operating	Permanent Improvement	Debt	Total						
2008	57.16	2.90	3.70	63.76	20.30	3.30	8.70	96.06	60.447246	64.617237
2009	55.12	2.90	3.70	61.72	20.30	3.30	8.70	94.02	56.496130	57.005898
2010	55.10	2.90	3.70	61.70	20.55	3.30	8.70	94.25	56.927015	58.362117
2011	55.08	2.90	3.70	61.68	20.55	3.30	8.70	94.23	57.653432	59.069903
2012	56.12	2.90	2.74	61.76	19.05	3.30	8.70	92.81	57.112053	58.904408
2013	56.69	2.90	2.45	62.04	20.05	3.30	8.70	94.09	59.044634	60.772454
2014	56.69	2.90	3.28	62.87	19.80	3.30	8.70	94.67	59.875366	61.490418
2015	56.43	2.90	2.75	62.08	23.05	3.30	8.70	97.13	60.943708	62.347053
2016	56.32	2.90	1.44	60.66	22.95	3.30	8.70	95.61	60.764510	61.686165
2017	56.13	2.90	1.42	60.45	22.95	3.30	8.70	95.40	60.542130	61.632911

- 11 -

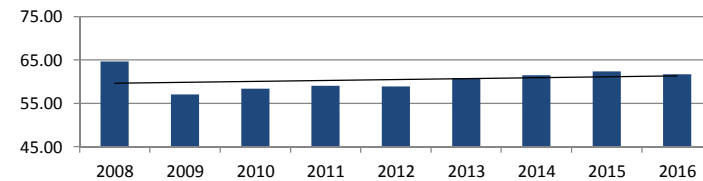
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Residential Effective Rate over Time



Commercial Effective Rate over Time



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

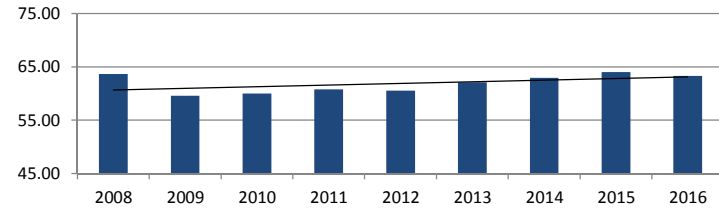
**ATHENS CITY SCHOOL DISTRICT**

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

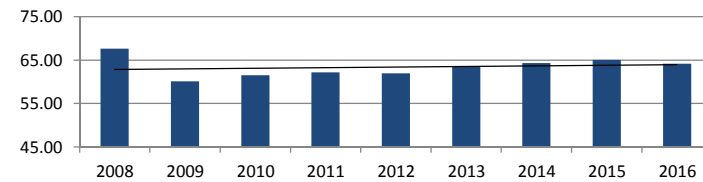
Dover Township - Village of Chauncey (G02)

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							
2008	57.16	2.90	3.70	63.76	20.30	3.30	7.90	3.30	98.56	63.684866	67.675909
2009	55.12	2.90	3.70	61.72	20.30	3.30	7.90	3.30	96.52	59.578636	60.149544
2010	55.10	2.90	3.70	61.70	20.55	3.30	7.90	3.30	96.75	60.020906	61.502556
2011	55.08	2.90	3.70	61.68	20.55	3.30	7.90	3.30	96.73	60.777224	62.198613
2012	56.12	2.90	2.74	61.76	19.05	3.30	7.90	3.30	95.31	60.543284	61.936559
2013	56.69	2.90	2.45	62.04	20.05	3.30	7.90	3.30	96.59	62.102704	63.581042
2014	56.69	2.90	3.28	62.87	19.80	3.30	7.90	3.30	97.17	62.933368	64.299006
2015	56.43	2.90	2.75	62.08	23.05	3.30	7.90	3.30	99.63	64.045185	65.086692
2016	56.32	2.90	1.44	60.66	22.95	3.30	7.90	3.30	98.11	63.268365	64.216964
2017	56.13	2.90	1.42	60.45	22.95	3.30	7.90	3.30	97.90	63.062868	64.163710

Residential Effective Rate over Time



Commercial Effective Rate over Time



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

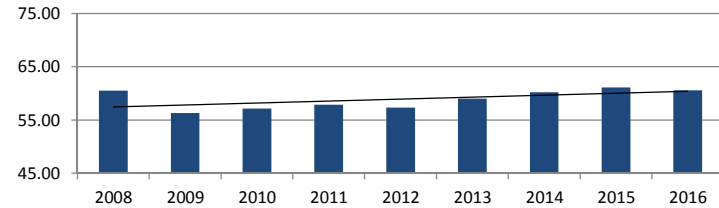
**ATHENS CITY SCHOOL DISTRICT**

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

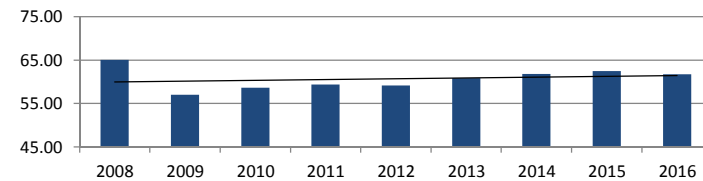
Waterloo Township (N02)

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						
2008	57.16	2.90	3.70	63.76	20.30	3.30	9.90	97.26	60.496486	65.031093
2009	55.12	2.90	3.70	61.72	20.30	3.30	9.90	95.22	56.288589	57.027685
2010	55.10	2.90	3.70	61.70	20.55	3.30	9.90	95.45	57.151544	58.651535
2011	55.08	2.90	3.70	61.68	20.55	3.30	9.90	95.43	57.883058	59.338746
2012	56.12	2.90	2.74	61.76	19.05	3.30	9.90	94.01	57.351888	59.114189
2013	56.69	2.90	2.45	62.04	20.05	3.30	9.90	95.29	59.037458	60.827128
2014	56.69	2.90	3.28	62.87	19.80	3.30	9.90	95.87	60.239932	61.766975
2015	56.43	2.90	2.75	62.08	23.05	3.30	9.90	98.33	61.135785	62.490758
2016	56.32	2.90	1.44	60.66	22.95	3.30	9.90	96.81	60.579427	61.745166
2017	56.13	2.90	1.42	60.45	22.95	3.30	9.90	96.60	60.354639	61.691912

Residential Effective Rate over Time



Commercial Effective Rate over Time



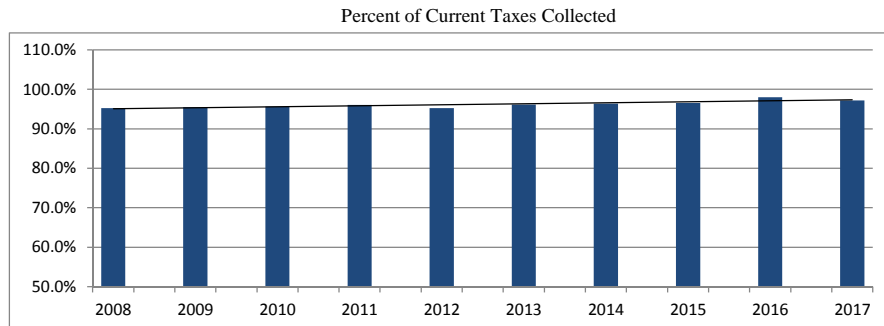
Note: The Athens City School District consists of eight taxing districts:

- 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
2008	\$15,345,232	\$14,614,466	95.24%	\$779,906	\$15,394,372	100.32%	\$1,036,736	6.76%
2009	16,242,201	15,508,006	95.48%	534,863	16,042,869	98.77%	1,257,211	7.74%
2010	16,791,005	16,065,407	95.68%	695,947	16,761,354	99.82%	1,257,045	7.49%
2011	16,636,129	15,981,997	96.07%	616,158	16,598,155	99.77%	1,455,295	8.75%
2012	16,927,371	16,115,771	95.21%	723,147	16,838,918	99.48%	1,444,405	8.53%
2013	17,337,596	16,664,392	96.12%	720,981	17,385,373	100.28%	1,466,396	8.46%
2014	17,874,119	17,221,242	96.35%	737,863	17,959,105	100.48%	1,415,603	7.92%
2015	17,795,308	17,177,431	96.53%	743,499	17,920,931	100.71%	1,331,153	7.48%
2016	17,381,196	17,036,475	98.02%	754,531	17,791,007	102.36%	1,198,585	6.90%
2017	18,185,469	17,672,158	97.18%	792,058	18,464,216	101.53%	Not Available	Not Available



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

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

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

**ATHENS CITY SCHOOL DISTRICT**

*Principal Taxpayers*

*Real Estate Tax*

*Current Year and Ten Years Ago*

Name of Taxpayer	Type of Business	Collection Year 2017 (1)	
		Assessed Value	Percent of Real Property Assessed Value
CPP Athens I LLC	Apartments	\$ 12,865,060	2.81%
Ohio University	Retail Sales	10,325,000	2.26%
Coates Run Property LL LLC	Apartments	9,073,300	1.98%
Athens Health Realty LLC	Nursing Home	4,198,940	0.92%
City of Athens	Parking Garage, Etc.	3,862,610	0.84%
Athens River Gate LLC	Apartments	2,922,960	0.64%
McCoady Properties LTD	Apartments	2,922,960	0.64%
Hayes Cornwell, LTD.	Apartments	2,678,720	0.59%
Sheltering Arms Hospital	Hospital	2,671,590	0.58%
Inn-Ohio of Athens, Inc	Hotel/Motel	2,362,920	0.52%
Total Top Ten		53,884,060	10.54%
All Others		457,409,749	89.46%
Total Assessed Valuation		\$ 511,293,809	100.00%

Name of Taxpayer	Type of Business	Collection Year 2008 (1)	
		Assessed Value	Percent of Real Property Assessed Value
Ohio University	Retail Sales	\$7,514,590	1.84%
AAC Athens LLC	Apartments	4,560,250	1.12%
Sheltering Arms Hospital	Hospital	3,208,850	0.78%
Inn-Ohio of Athens, Inc.	Motel	2,048,820	0.50%
McCoady Properties Ltd.	Various	1,947,470	0.48%
City of Athens	Various	1,713,800	0.42%
TS Tech North America Inc.	Manufacturing	1,674,170	0.41%
Southeast Development Co. 2	Apartments	1,523,970	0.37%
Hickory Creek of Athens, Inc.	Nursing Home	1,502,480	0.37%
Southeast Ohio Management Company	Retail Sales	1,470,000	0.36%
Total Top Ten		27,164,400	6.64%
All Others		381,656,100	93.36%
Total Assessed Valuation		\$408,820,500	100.00%

(1) The amounts presented represent the assessed values upon which 2017 and 2008 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 2017 (1)	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Ohio Power Co.	Electricity	\$ 29,769,420	67.09%
Tennessee Gas Pipeline Co.	Natural Gas	6,699,460	15.10%
AEP Ohio Transmission	Electricity	2,682,830	6.05%
Columbia Gas of Ohio Inc.	Natural Gas	2,250,620	5.07%
Texas Eastern Transmission Corp	Natural Gas	2,206,590	4.97%
Columbia Gas Transmission Corp	Natural Gas	641,340	1.45%
General Electric Capital Commercial Inc.	Electricity	50,030	0.11%
Buckeye Rural Electric	Electricity	36,960	0.08%
Citizens Asset Finance, Inc.	Lessor	31,970	0.07%
Southeastern Natural Gas Co.	Natural Gas	2,690	0.01%
Total Top Ten		44,371,910	100.00%
All Others		1,310	0.00%
Total Assessed Valuation		\$ 44,373,220	100.00%

Name of Taxpayer	Type of Business	Collection Year 2008 (1)	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Columbus Southern Power	Electricity	\$15,026,210	71.76%
Tennessee Gas Pipeline Co.	Natural Gas	2,520,570	12.04%
Texas Eastern Transmission	Natural Gas	1,393,940	6.66%
Columbia Gas of Ohio Inc.	Natural Gas	1,034,460	4.94%
Columbia Gas Transmission	Natural Gas	457,860	2.19%
Norfolk Southern	Transportations	337,930	1.61%
Ohio Power Co.	Electricity	138,740	0.66%
Buckeye Rural Electric	Electricity	28,830	0.14%
Southeastern Natural Gas Co.	Natural Gas	1,420	0.01%
Buckeye Power Inc.	Electricity	220	0.00%
Total Top Ten		20,940,180	100.00%
All Others		0	0.00%
Total Assessed Valuation		\$20,940,180	100.00%

(1) The amounts presented represent the assessed values upon which 2017 and 2008 collections were based

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

**ATHENS CITY SCHOOL DISTRICT**

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

Fiscal Year	Population (1)	Assessed Value of Taxable Property (2)	Personal Income (3)	General Bonded Debt					General Debt					
				General Bonded Debt Outstanding	Net Available General Bonded Debt	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Percentage of Personal Income	Net Bonded Debt per Capita	General Bonded Debt Outstanding	HB 264 Debt	Total Debt	Ratio of General Debt to Assessed Value	General Debt Per Capita
2008	33,790	\$445,634,934	\$453,172,771	\$13,315,000	\$2,783,778	\$10,531,222	2.36%	2.32%	\$311.67	\$13,315,000	\$0	\$13,315,000	2.99%	\$394.05
2009	33,790	510,207,390	433,130,009	12,695,000	3,071,120	9,623,880	1.89%	2.22%	284.81	12,695,000	0	12,695,000	2.49%	375.70
2010	33,790	507,362,648	483,402,647	12,045,000	3,007,989	9,037,011	1.78%	1.87%	267.45	12,045,000	0	12,045,000	2.37%	356.47
2011	33,120	506,695,960	442,503,264	11,905,000	3,081,065	8,823,935	1.74%	1.99%	266.42	11,905,000	0	11,905,000	2.35%	359.45
2012	35,026	505,693,720	485,647,343	10,535,000	3,242,453	7,292,547	1.44%	1.50%	208.20	10,535,000	0	10,535,000	2.08%	300.78
2013	35,026	511,919,590	467,079,140	11,925,181	3,332,478	8,592,703	1.68%	1.84%	245.32	11,925,181	0	11,925,181	2.33%	340.47
2014	35,026	514,094,790	475,461,577	10,641,547	2,739,262	7,902,285	1.54%	1.66%	225.61	10,641,547	0	10,641,547	2.07%	303.82
2015 (4)	35,381	531,176,090	489,016,925	9,327,718	3,027,737	6,299,981	1.19%	1.29%	178.06	9,327,718	0	9,327,718	1.76%	263.64
2016 (4)	35,381	540,158,940	N/A	8,018,803	2,345,481	5,673,322	1.05%	N/A	160.35	8,018,803	0	8,018,803	1.48%	226.64
2017 (4)	35,381	555,667,029	N/A	6,702,537	1,437,658	5,264,969	0.95%	N/A	148.81	6,702,537	0	6,702,537	1.21%	189.44

**Sources:** (1) U.S. Bureau of Census, 2000 Census of Population for 2008 - 2010  
2010 Census for 2011 - 2014

(2) Ohio Department of Taxation - Collection Year = Fiscal Year -1

(3) Ohio Department of Taxation - District Total

(4) Ohio Municipal Council used for Population Estimates 2015 to 2017



***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)
2008	\$595,000	\$681,337	\$1,276,337	\$25,200,403	5.06%
2009	620,000	649,690	1,269,690	27,202,891	4.67%
2010	650,000	618,702	1,268,702	29,476,320	4.30%
2011	685,000	585,471	1,270,471	28,938,170	4.39%
2012	685,000	556,182	1,241,182	29,262,568	4.24%
2013 (1)	715,000	544,195	1,259,195	29,874,138	4.22%
2014	1,340,000	311,315	1,651,315	30,418,922	5.43%
2015	1,415,000	261,842	1,676,842	30,690,887	5.46%
2016	1,465,000	206,920	1,671,920	30,006,297	5.57%
2017	1,540,000	147,462	1,687,462	30,413,864	5.55%

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, 2017*

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	\$6,702,537	100.0%	\$6,702,537
<u>Overlapping Debt:</u>			
Athens County	1,557,023	51.82% (2)	806,849
City of Athens	3,378,411	98.65% (3)	<u>3,332,802</u>
Total Overlapping Debt			<u>4,139,652</u>
Total Direct and Overlapping Debt			<u><u>\$10,842,189</u></u>

Source: Ohio Municipal Advisory Council

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Tax Valuation	<u>\$445,634,934</u>	<u>\$510,207,390</u>	<u>\$507,362,648</u>	<u>\$506,695,960</u>	<u>\$505,693,720</u>	<u>\$511,919,590</u>	<u>\$514,094,790</u>	<u>\$531,176,090</u>	<u>\$540,158,940</u>	<u>\$555,667,029</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>\$40,107,144</u>	<u>\$45,918,665</u>	<u>\$45,662,638</u>	<u>\$45,602,636</u>	<u>\$45,512,435</u>	<u>\$46,072,763</u>	<u>\$46,268,531</u>	<u>\$47,805,848</u>	<u>\$48,614,305</u>	<u>\$50,010,033</u>
Amount of Debt Applicable to Debt Limit										
General Obligation Bonds	13,315,000	12,695,000	12,045,000	11,905,000	10,535,000	10,575,000	9,235,000	7,820,000	6,355,000	4,815,000
Less Amount Available in Debt Service	<u>(2,617,762)</u>	<u>(2,821,755)</u>	<u>(2,899,907)</u>	<u>(2,989,214)</u>	<u>(3,130,652)</u>	<u>(3,202,124)</u>	<u>(3,048,479)</u>	<u>(2,895,546)</u>	<u>(2,304,751)</u>	<u>(1,437,658)</u>
Amount of Debt Subject to Limit	<u>10,697,238</u>	<u>9,873,245</u>	<u>9,145,093</u>	<u>8,915,786</u>	<u>7,404,348</u>	<u>7,372,876</u>	<u>6,186,521</u>	<u>4,924,454</u>	<u>4,050,249</u>	<u>3,377,342</u>
Legal Debt Margin	<u>\$29,409,906</u>	<u>\$36,045,420</u>	<u>\$36,517,545</u>	<u>\$36,686,851</u>	<u>\$38,108,087</u>	<u>\$38,699,887</u>	<u>\$40,082,010</u>	<u>\$42,881,394</u>	<u>\$44,564,056</u>	<u>\$46,632,691</u>
Legal Debt Margin as a Percentage of the Debt Limit	73.33%	78.50%	79.97%	80.45%	83.73%	84.00%	86.63%	89.70%	91.67%	93.25%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$445,635	\$510,207	\$507,363	\$506,696	\$505,694	\$511,920	\$514,095	\$531,176	\$540,159	\$555,667
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$445,635</u>	<u>\$510,207</u>	<u>\$507,363</u>	<u>\$506,696</u>	<u>\$505,694</u>	<u>\$511,920</u>	<u>\$514,095</u>	<u>\$531,176</u>	<u>\$540,159</u>	<u>\$555,667</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Source:** Ohio Department of Taxation and School District Financial Records

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

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

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

***ATHENS CITY SCHOOL DISTRICT***

*Demographic and Economic Statistics*

*Last Ten Years*

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<u>Year</u>	<u>Population (1)</u>	<u>Unemployment Rate (2)</u>	<u>Ohio Adjusted Gross Income (3)</u>	<u>Per Capital Personal Income</u>
2008	33,790	6.80%	\$433,785,473	\$12,838
2009	33,790	8.80%	411,821,566	12,188
2010	33,790	9.60%	483,402,647	14,306
2011	35,026	10.60%	442,503,264	12,634
2012	35,026	8.70%	485,647,343	13,865
2013	35,026	9.20%	467,079,140	13,335
2014	35,026	6.80%	475,461,577	13,575
2015	35,381	7.10%	489,016,925	13,821
2016	35,381	7.30%	N/A	N/A
2017	35,381	7.50%	N/A	N/A

**Sources:**

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

2015-2017 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

N/A Data for these years is not yet available.

**ATHENS CITY SCHOOL DISTRICT**  
Principal Employers  
2017 and 2008

Employer	Nature of Business	2017			2008		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Ohio University (#)	Education	4,345	1	14.98%	4,023	1	14.02%
Ohio Health (#)	Health Care	778	2	2.68%	470	3	1.64%
Athens County Government (#)	Government	581	3	2.00%	611	2	2.13%
Athens City School District (#)	Education	446	4	1.10%	433	4	1.51%
Wal-Mart (#)	Retail	320	5	1.54%	428	5	1.49%
Hocking College	Education	300	6	1.54%	Was not on the Top Ten list		
Kroger Company (#)	Newspaper	230	7	0.79%	102	8	0.36%
Athens City Government (#)	Government	181	8	0.62%	255	6	0.89%
Diagnostic Hybrids, Inc / A. Quidel Co.	Research	172	9	0.59%	145	7	0.51%
Holzer Hospital	Health Care	140	10	0.48%	Was not on the Top Ten list		
Total		<u>7,493</u>		<u>25.84%</u>	<u>6,467</u>		<u>22.53%</u>
Total Employment within Athens County (1)		<u>29,000</u>			<u>28,700</u>		

(1) Data not readily available in rural communities.

(#) Located within the Athens City School District ~ Others are within a 10 mile radius of the District

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

**ATHENS CITY SCHOOL DISTRICT**

*Personal Income  
Last Ten Years*

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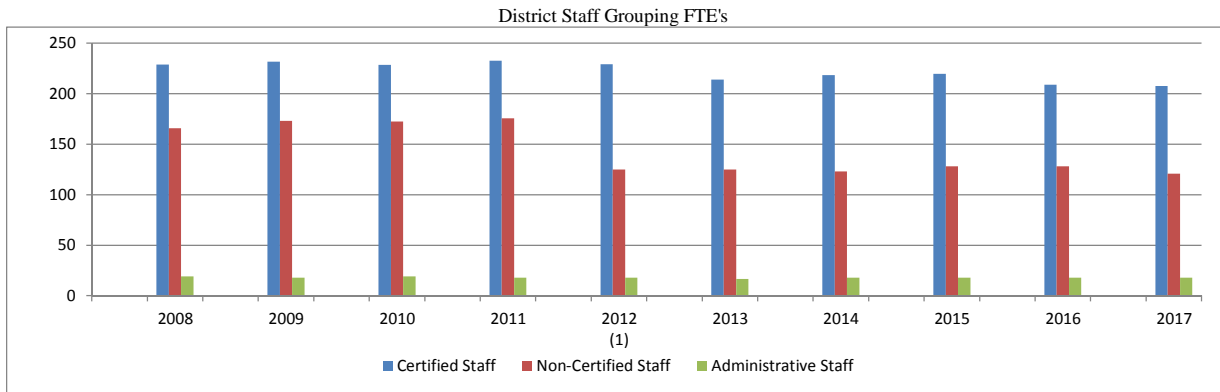
<u>Calendar Year</u>	<u>Number of Income Tax Returns</u>	<u>Number of Personal Exemptions</u>	<u>Total Federal Adjusted Gross Income</u>	<u>Average Federal Adjusted Gross Income</u>	<u>Rank Among Ohio Schools (1)</u>
2008	9,985	17,508	\$453,172,771	\$45,385	275
2009	9,617	17,077	433,130,009	45,038	263
2010	9,597	16,964	502,892,243	52,401	144
2011	9,547	16,679	463,164,982	48,514	247
2012	9,585	16,776	508,657,893	53,068	210
2013	9,744	16,955	505,212,040	51,849	258
2014	9,779	15,972	523,413,087	53,524	261
2015	10,049	16,193	541,014,342	53,838	277
2016	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A

**Source:** Ohio Department of Taxation

(1) 612 Total Ohio Public K-12 School Districts  
N/A Data for these years is not yet available.

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

Function/Program	2008	2009	2010	2011	2012 (1)	2013	2014	2015	2016	2017
<b>Teaching Staff:</b>										
Elementary (K-6) Classroom Teachers	83.00	84.00	84.00	85.00	85.00	76.00	76.00	82.35	79.00	76.60
Secondary (7-12) Classroom Teachers	68.50	69.50	67.25	67.75	67.33	65.25	66.50	67.88	68.00	68.00
Special Education Teachers	38.20	37.25	37.00	38.75	36.87	35.75	38.00	35.00	32.00	32.00
Vocational Education Teachers	8.00	8.00	8.00	8.00	7.00	7.00	6.00	4.00	3.00	2.00
Specialist Teachers (Art, PE, Music, Literacy)	16.20	17.20	17.20	17.20	18.30	17.00	17.00	16.00	12.00	13.00
Talented & Gifted / LEP Teachers	2.00	2.70	3.00	3.00	3.00	3.00	3.00	2.00	2.00	3.00
Pre-School Teachers	3.00	3.00	3.00	3.00	2.50	2.00	3.00	3.50	3.00	3.00
<b>Pupil Support Services:</b>										
Secretarial/Office Support Staff	21.50	21.50	21.50	21.50	21.69	21.69	22.18	21.93	21.93	21.93
Guidance/Counselors	6.00	6.00	5.00	6.00	5.00	4.00	5.00	5.00	4.00	5.00
Librarians/Audio Visual	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	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	1.70	2.00
Educational Aides	64.00	69.00	68.00	70.70	50.44	45.75	46.94	47.81	48.04	42.77
<b>Administrators/Supervisors:</b>										
Elementary (K-6)	5.00	5.00	5.00	5.00	5.00	4.00	5.00	4.00	4.00	4.00
Secondary (7-12)	4.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	5.00	5.00
Central/Districtwide	10.00	10.00	11.00	10.00	10.00	9.60	9.00	10.00	8.80	8.80
<b>Operation of Plant:</b>										
Custodians	26.50	26.50	26.50	26.48	18.00	23.00	22.50	23.31	23.00	23.00
Maintenance	4.00	5.00	5.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
<b>Pupil Transportation:</b>										
Bus Drivers	31.00	31.00	31.00	31.00	18.25	16.88	14.38	16.86	17.97	17.75
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Food Service Program:</b>										
Elementary (K-6)	9.50	10.80	11.05	10.00	5.33	5.33	5.07	5.57	5.11	4.60
Secondary (7-12)	7.40	7.40	7.40	10.00	5.33	5.33	5.00	5.50	5.00	3.61
<b>Total</b>	<b>413.80</b>	<b>422.85</b>	<b>419.90</b>	<b>426.38</b>	<b>372.04</b>	<b>355.58</b>	<b>359.57</b>	<b>365.71</b>	<b>354.55</b>	<b>346.06</b>



**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, 2017*

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	207.6
Non-Certificated	120.7
Administrative	17.8

Area - square miles 89 Square Miles

State Funded Average Daily Membership 2,425

Funded students are resident students only and  
this number will not match Total Enrollment below.

	<u>District</u>	<u>Comparison Group</u>	<u>State Average</u>
% of Funds Spent on Classroom Instruction (a)	72.0%	68.6%	66.7%

Classroom Funding % Rank (a) 12th of 109 (A rank of 1 indicates the highest percent spent on classroom instruction)

Average Number of Years Teaching Experience 14.25 Years

Percentage of Teaching Staff Holding a Master's Degree or Higher 85.9%

(a) *Ranking determined by the Ohio Department of Education and are grouped by district enrollment size.  
Data is for FY2016, the Ohio Dept. of Education has not yet released FY2017.*

<u>Building</u>	<u>Grades Level</u>	<u>Enrollment (1)</u>	<u>Capacity (2)</u>	<u>Percentage of Capacity</u>	<u>Number of Classroom Teachers (3)</u>	<u>Pupil/ Teacher Ratio (4)</u>	<u>Year Building Completed</u>	<u>Date of Additions</u>
Athens High School	9 - 12	789	1,260	62.62%	38.0	20.8 :1	1968	2002
Athens Middle School	7 & 8	388	644	60.25%	19.0	20.4 :1	1923	1936, 1956 1973, 2002
Chauncey Elementary (5)	PS	43	120	35.83%	3.0	7.2 :1	1964	1978
East Elementary	K-6	380	477	79.66%	20.0	19.0 :1	1956	1980
Morrison Elementary	K-6	409	531	77.02%	21.0	19.5 :1	1979	-
The Plains Elementary	K-6	379	531	71.37%	21.0	18.0 :1	1990	-
West Elementary	K-6	<u>227</u>	<u>353</u>	<u>64.31%</u>	<u>20.5</u>	17.5 :1	1956	1978
District Totals		2,615	3,916	66.78%	142.5	19.4 :1		

- (1) Total Enrollment in all Regular Education Classrooms - as of June 30th
- (2) Based on the number of regular education classrooms and the District's maximum Student:Teacher Ratio
- (3) Regular Education Teachers only. Special Education students use the inclusion model and are counted in those classrooms total:
- (4) Determined by Regular Education Classroom Teachers divided by the number of Students educated
- (5) Chauncey Elementary was converted to a Preschool only building in FY2013. Students attend 1/2 day reducing the Teacher Ratio by 1/2  
40% of this facility is now leased to the Athens-Meigs Educational Service Center. The Capacity has been adjusted accordingly



**ATHENS CITY SCHOOL DISTRICT**  
Standardized Test Results  
June 30, 2017

	<u>Athens High School</u>	<u>State Mean</u>	<u>National Mean</u>
<b><u>S.A.T.</u></b>			
EBRW (2)	658	578	530
Mathematics	652	570	520
<b><u>A.C.T.</u></b>			
English	24.2	21.2	20.3
Mathematics	25.0	21.6	20.7
Reading	25.7	22.5	21.4
Science	24.3	22.0	21.0
Composite	24.9	22.0	21.0

**Ohio Public School Report Card Data:**

	<u>Athens City Schools</u>	<u>Similar Districts (1)</u>	<u>State Average</u>
<b><u>3rd Grade Achievement Test</u></b>			
Reading	67.9%	73.9%	63.8%
Mathematics	73.4%	78.3%	70.6%
<b><u>4th Grade Achievement Test</u></b>			
Reading	66.8%	70.5%	62.8%
Mathematics	72.0%	81.9%	72.4%
Social Studies	81.0%	85.5%	77.5%
<b><u>5th Grade Achievement Test</u></b>			
Reading	73.4%	77.2%	67.7%
Mathematics	59.3%	73.1%	61.6%
Science	70.0%	79.5%	68.3%
<b><u>6th Grade Achievement Test</u></b>			
Reading	69.3%	68.3%	60.2%
Mathematics	60.8%	70.0%	60.2%
Social Studies	68.4%	71.9%	64.0%
<b><u>7th Grade Achievement Test</u></b>			
Reading	75.0%	70.0%	59.2%
Mathematics	67.0%	59.2%	56.1%
<b><u>8th Grade Achievement Test</u></b>			
Reading	67.0%	57.1%	50.3%
Mathematics	61.8%	62.0%	54.9%
Science	72.7%	73.8%	65.8%
<b><u>High School</u></b>			
Government	88.8%	79.9%	72.1%
History	82.8%	80.8%	68.7%
English I	76.1%	71.8%	58.3%
English II	68.8%	66.5%	55.2%
Algebra I	53.8%	57.4%	45.3%
Geometry	59.5%	52.9%	49.9%
Math II	9.0%	44.3%	31.3%
Biology	76.5%	72.4%	61.1%
<b><u>Graduation Rate:</u></b>			
4-Year Rate	89.1%	93.5%	83.4%
5-Year Rate	91.5%	95.1%	85.6%

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

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

**SUPPLEMENTAL REPORTS**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017**

**MATT BUNTING, TREASURER**

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

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**ATHENS CITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL DISBURSEMENTS
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>			
<i>Child Nutrition Grant Cluster:</i>			
(D) School Breakfast Program	10.553	2017	\$ 86,355
(C) National School Lunch Program - Food Donation	10.555	2017	55,953
(D) National School Lunch Program	10.555	2017	276,647
<b>Total National School Lunch Program</b>			332,600
<b>Total U.S. Department of Agriculture and Child Nutrition Grant Cluster</b>			418,955
<b>U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>			
Title I Grants to Local Educational Agencies	84.010	2016	105,814
Title I Grants to Local Educational Agencies	84.010	2017	715,671
<b>Total Title I Grants to Local Educational Agencies</b>			821,485
<i>Special Education Grant Cluster:</i>			
Special Education_Grants to States	84.027	2016	64,983
Special Education_Grants to States	84.027	2017	454,346
<b>Total Special Education _Grants to States</b>			519,329
Special Education_Preschool Grants	84.173	2016	9,466
Special Education_Preschool Grants	84.173	2017	13,607
<b>Total Special Education_Preschool Grants</b>			23,073
<b>Total Special Education Grant Cluster</b>			542,402
Twenty-First Century Community Learning Centers	84.287	2016	73,969
Twenty-First Century Community Learning Centers	84.287	2017	104,287
<b>Total Twenty-First Century Community Learning Centers</b>			178,256
Rural Education	84.358	2016	27,649
Rural Education	84.358	2017	40,320
<b>Total Rual Education Grant</b>			67,969
English Language Acquisition Grants	84.365	2016	-
English Language Acquisition Grants	84.365	2017	14,655
Improving Teacher Quality State Grants	84.367	2016	17,636
Improving Teacher Quality State Grants	84.367	2017	111,952
<b>Total Improving Teacher Quality State Grants</b>			129,588
<b>Total U.S. Department of Education</b>			1,754,355
<b>Total Federal Financial Assistance</b>			\$ 2,173,310

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

- (A) OAKS did not assign pass-through numbers for fiscal year 2017.
- (B) This schedule includes the federal award activity of the Athens City School District under programs of the federal government for the fiscal year ended June 30, 2017 and is prepared in accordance with the cash basis of accounting. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Athens City School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Athens City School District.
- (C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.
- (D) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (E) CFR 200.414 allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. Athens City School District has not elected to use the 10% de minimis indirect cost rate.

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**Julian & Grube, Inc.**  
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**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards***

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

To the Board of Education:

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, 2017, 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 20, 2017.

***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 report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
December 20, 2017





## **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 the Major Federal Program and on Internal Control Over Compliance and Schedule of Expenditures of Federal Awards Required by The Uniform Guidance**

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

To the Board of Education:

#### ***Report on Compliance for the Major Federal Program***

We have audited the Athens City School District's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Athens City School District's major federal program for the fiscal year ended June 30, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Athens City School District's major federal program.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

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

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

#### ***Opinion on the Major Federal Program***

In our opinion, the Athens City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2017.

Board of Education  
Athens City School District

***Report on Internal Control Over Compliance***

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

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

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

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

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Athens City School District as of and for the fiscal year ended June 30, 2017, 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 20, 2017. We conducted our audit to opine on the Athens City School District's' basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.  
December 20, 2017

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

**SCHEDULE OF FINDINGS  
UNIFORM GUIDANCE 2 CFR § 200.515  
JUNE 30, 2017**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Title I Grants to Local Educational Agencies CFDA #84.010
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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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  
FEBRUARY 20, 2018**