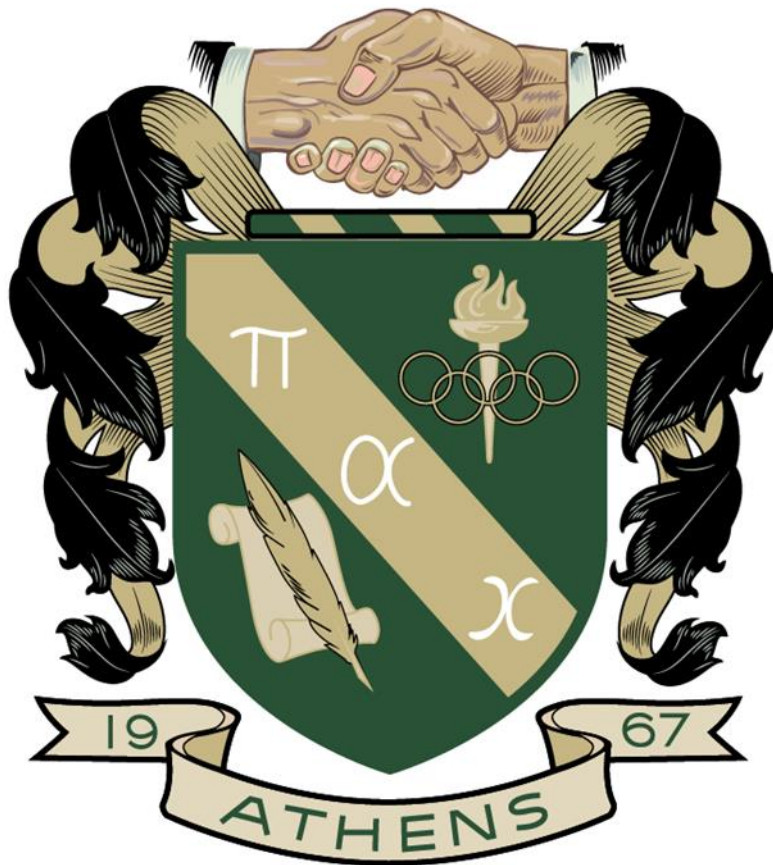


COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ending June 30, 2018



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ATHENS CITY SCHOOL DISTRICT

25 South Plains Road – The Plains, Ohio 45780

OHIO AUDITOR OF STATE KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the Athens City School District, Athens County, prepared by Julian & Grube, Inc., for the audit period July 1, 2017 through June 30, 2018. 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.

Ohio Auditor of State

A handwritten signature in cursive script that reads "Keith Faber".

January 17, 2019

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

For the fiscal year ended
June 30, 2018

Board of Education

Rusty Rittenhouse, Esq.President
Kimberly Goldsberry Vice-President
Roger Brown..... Member
Dr. Paul Grippa Member
Dr. Sean Parsons Member

Superintendent of Schools

Thomas J. Gibbs, Ed. D

Issued by the Treasurer's Office

Bryan M. Bunting, CGFM
Treasurer/CFO



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ATHENS CITY SCHOOL DISTRICT

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ATHENS CITY SCHOOL DISTRICT



INTRODUCTORY SECTION

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ATHENS CITY SCHOOL DISTRICT

www.athenscd.org

Thomas J. Gibbs, Ed.D
Superintendent

Bryan M. Bunting CGFM
Treasurer



25 South Plains Road
The Plains, Ohio 45780

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

December 26, 2018

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, 2018. This CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

THE DISTRICT AND ITS FACILITIES

The District was established in the mid 1800's and was 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 168th 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 2,621 pupils (including open enrollment), it has the largest enrollment in the county but is geographically one of the smallest school districts in the county encompassing only 89 square miles. The District operates 7 educational facilities, a Maintenance facility, a Transportation/Bus Garage, and a central administration building that also houses the District's Technology department and Talented and Gifted program coordinator.

School	Grade	Enrollment
Chauncey Learning Center	Preschool	39
East Elementary	K-6	369
Morrison-Gordon Elementary	K-6	400
The Plains Elementary	K-6	397
West Elementary	K-6	200
Athens Middle School	7-8	406
Athens High School	9-12	810

The District provides preschool programs and all-day kindergarten classes. The District serves lunches to 30.9% of the student population daily. Approximately 36.9% 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 73.7% of their student population. All educational facilities except East Elementary offer breakfast programs. In these five buildings, 41.1% are eligible for free and reduced lunches, and 26.3% 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, 2018 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, 2024.

ECONOMIC CONDITION AND OUTLOOK

The District's largest employer is Ohio University, which in excess of 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 2nd 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, Health Recovery Services, 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, Qdoba, 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 Rue 21, 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 construction is nearly complete and ground breaking will be soon for a Menards home improvement store on the east side of Athens. A Steak n Shake and iHop will open in 2019. The City of Athens continues infrastructure upgrades including additional traffic lanes, water, sewer, and electric service that has and will continue to entice new business to the area and areas of the City beyond the major east corridor continue to be explored for commercial development.

The District, along with many other public-school systems in the state, relies heavily on local property tax as a primary source of funds. Ohio law limits the growth in real estate tax revenues by reducing millage as assessed values increase following re-appraisals. Consequently, revenues generated from each levy remain relatively constant. As a result, the District must periodically seek additional funding from its taxpaying constituents. While statewide, voters have proved reluctant to increase their property taxes, the Athens City School District has received positive support from its taxpayers on more than 91% of all tax levies and 100% of all bond issues since 1964. The average passage rate for those ballot issues was 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 16 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 330 employees (full and part time) of which 203.5 FTE's are certificated (including school psychologists and counselors), 117.6 FTE's are classified, and 16.8 FTE's 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 2018

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 2018, the District continued upgrades of security, hardware and software within the facilities along with facility maintenance covering both buildings and grounds. Additionally, a new roof was installed at the Chauncey Early Learning Center and several educational facility parking lots were paved.

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 2018, the District continued to move forward on the “one-to-one” initiative by providing Chromebook devices to each student in grades 3 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 can 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 nineteenth Comprehensive Annual Financial Report (CAFR) for fiscal year 2018. 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 2018 had multiple students qualify as National Merit Scholars. There were also multiple students who were recognized as National Merit Finalists. Since 1984, more than 148 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 2018 received recognition and scholarships from the J. Warren McClure Athens Education Foundation.

Consolidated Local Plan

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

<u>Grant</u>	<u>Award Amount</u>	<u>Description of Grant</u>
Title I	\$946,214	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	\$126,966	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	\$18,450	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	\$7,640	Funds designated to Limited-English speaking immigrant students for the purpose of teaching them the English language to a level sufficient to function in English speaking classrooms.
IDEA	\$556,082	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 V-B Rural	\$89,823	These funds will be used for Professional Development of teachers in rural and low-income schools.
Title IV-A	\$17,690	These funds will be used to support well-rounded education and safe and healthy schools.
21 st Century	\$100,000	Funding is designed to provide after-school learning opportunities to at-risk students.
ECSE	\$10,334	Funding is designed to provide tutoring and other focused supplemental supports for children most at risk in reading and mathematics.
Total	<u><u>\$1,873,199</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. With the passage of a bond issue for new facilities in November 2018, the District will be working with design professionals for these new facilities over the next 12 to 18 months. This should free-up permanent improvement levy funds to enhance non-building repair and maintenance needs.

Deepening Student Engagement Through Curricular Change

The District has embraced important curricular shifts over the past two years. First, there has been a movement toward cognitively-guided instruction in mathematics. This approach deeply supports the mindset of the current Ohio Learning Standards for Mathematics in that the emphasis of learning moves toward mathematical understanding and flexibility in problem solving as opposed to the more traditional focus on learning standard algorithms with repetition until these become automatic. The curriculum stresses 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 were guides in purchasing new instructional materials K-12, ongoing teacher professional development, and the reorientation of courses in mathematics. A similar shift is occurring in the area of English language arts 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 in both reading and writing instruction—following the Teacher's College, Columbia University Workshop (Calkins) model. This encourages greater student engagement and more real-world application of skills at an earlier point in instruction than in traditional settings—to have student think, read, and write from an authorial standpoint. Significant professional development and instructional material purchases have been made to continue to support our educators with an emphasis on identifying and providing even more intense training for teacher leaders to sustain, to provide continuity, and to intensify these efforts over time.

Technology Upgrades

During 2018, the District purchased more than 300 Chromebook computers that were distributed throughout the various facilities and grade levels. For 2019, the District will continue to purchase both new and replacement units to achieve the goal to have a one-to-one ratio for grades 3 through 12.

The District expects 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. Continued upgrades to network hardware, software, bandwidth, and Wi-Fi will be an ongoing technology maintenance budget item.

The District plans to move servers and other hardware devices to the META – Athens data center by the end of fiscal year 2019. These devices will be monitored and managed by IT professionals at this multi-school district consortium, providing maintenance, backup, and professional recommendation services.

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 nineteenth 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 2018.

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 2020. 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, 2017. This was the eighteenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

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



Bryan M. Bunting, Treasurer/CFO



Thomas J. Gibbs, Ed.D, Superintendent

List of Principal Officers

BOARD OF EDUCATION

President	Rusty Rittenhouse, Esq.	January 1, 2016 to December 31, 2019
Vice President	Kimberly Goldsberry	January 1, 2018 to December 31, 2021
Board Member	Roger Brown	January 1, 2016 to December 31, 2019
Board Member	Dr. Paul Grippa	January 1, 2018 to December 31, 2021
Board Member	Dr. Sean Parsons	January 1, 2018 to December 31, 2021

CENTRAL OFFICE ADMINISTRATIVE STAFF

Superintendent	Dr. Thomas J. Gibbs
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	Lisa Moss
Assistant Treasurer – Insurance/Benefits	Linda Sturgill
Assistant Treasurer – Payroll	Brenda Johnson

CENTRAL OFFICE SUPPORT STAFF

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

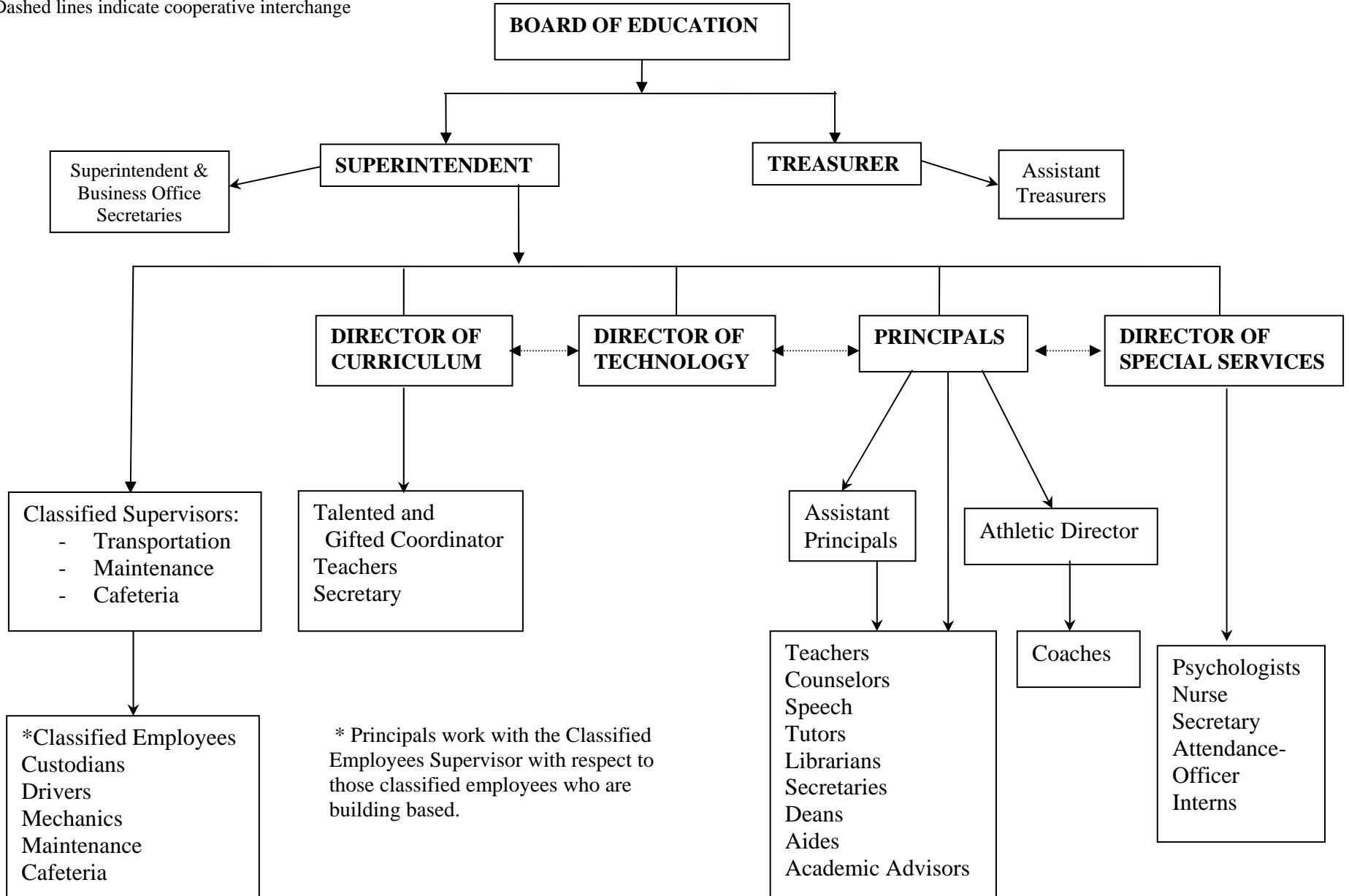
High School	David Hanning Secretary – Lacy Sorrell
Middle School.....	Kara Bolin Secretary – Nina O’Leary
East Elementary	Andrea Bobo Secretary – Linda Pierce
Morrison Elementary	Penny McDowell Secretary – Tammy Kolbe
The Plains Elementary	Heather Skinner Secretary – Madelon Armstrong
West Elementary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

OTHER ADMINISTRATORS

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

ATHENS CITY SCHOOL DISTRICT ORGANIZATIONAL CHART
For the Year Ended June 30, 2018

Solid lines indicate chain of command
 Dashed lines indicate cooperative interchange





Government Finance Officers Association

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Ohio**

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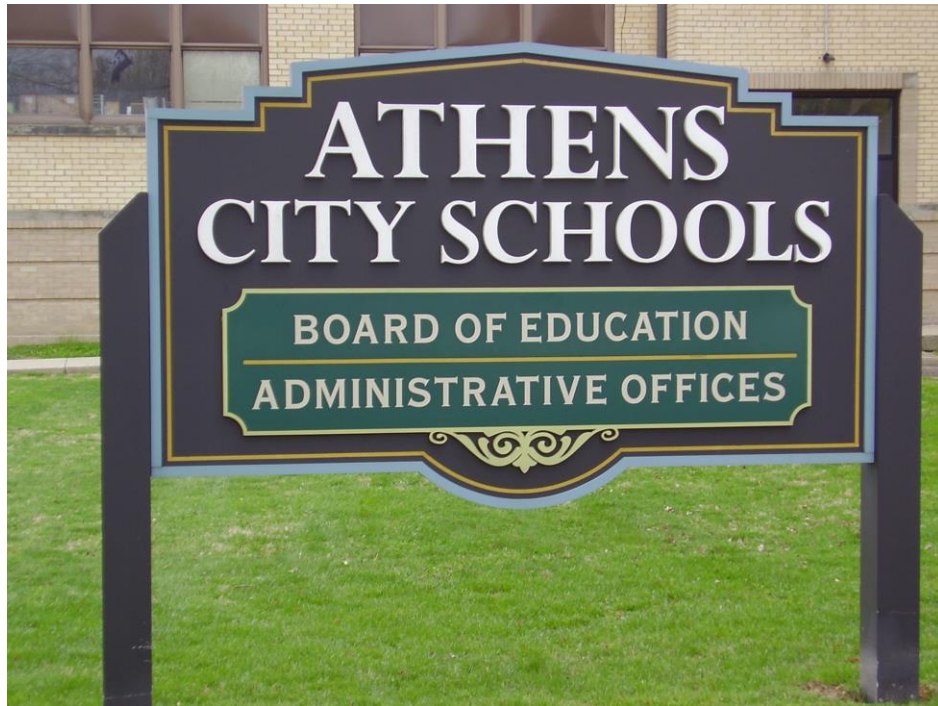
June 30, 2017

Christopher P. Morrill

Executive Director/CEO

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ATHENS CITY SCHOOL DISTRICT



FINANCIAL SECTION

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Julian & Grube, Inc.

Serving Ohio Local Governments

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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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2018, the Athens City School District adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, schedules of net pension and other postemployment benefit liabilities and pension and other postemployment benefit 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 26, 2018, 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.

Julian & Grube, Inc.
December 26, 2018

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

The discussion and analysis of the Athens City School District's financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2018. 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, 2018 by \$11.9 million. Of this amount, a deficit of \$27.2 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 \$18.6 million, which represents an increase of 60.95% from 2017.
- ▶ General revenues accounted for \$30.7 million or 80.65% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7.3 million or 19.35% of total revenues of \$38.0 million.
- ▶ The District had \$19.4 million in expenses related to governmental activities; only \$7.3 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 \$30.7 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 \$32.6 million in revenues and \$31.8 million in expenditures in fiscal year 2018.
- ▶ The District also recognizes the self-insurance fund activity as a governmental activity and a proprietary fund. The activity for fiscal year 2018 was \$5.1 million in revenue and \$5.5 million in expenses. Net position at June 30, 2018 for the self-insurance fund decreased \$0.4 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, 2018
(Unaudited)

Reporting the District as a Whole

Government-Wide Financial Statements

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Governmental Funds

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Fund

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

Fiduciary Funds

The District's only fiduciary funds are agency funds. 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, 2018
(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 2018 compared to fiscal year 2017:

Table 1
Net Position at Year End
Governmental Activities

	2018	Restated 2017	Change
<u>Assets:</u>			
Current and Other Assets	\$40,160,493	\$37,799,584	\$2,360,909
Capital Assets, Net	14,874,834	15,586,732	(711,898)
<i>Total Assets</i>	<u>55,035,327</u>	<u>53,386,316</u>	<u>1,649,011</u>
<u>Deferred Outflows of Resources:</u>			
Deferred Charge of Refunding	128,451	146,801	(18,350)
Pension	11,573,478	10,017,998	1,555,480
OPEB	365,019	68,005	297,014
<i>Total Deferred Outflows of Resources</i>	<u>12,066,948</u>	<u>10,232,804</u>	<u>1,834,144</u>
<u>Liabilities:</u>			
Current and Other Liabilities	4,620,334	3,239,942	1,380,392
<i>Long-Term Liabilities:</i>			
Due Within One Year	979,019	1,232,539	(253,520)
Due in More Than One Year:			
Net Pension Liability	39,247,381	56,036,352	(16,788,971)
Net OPEB Liability	8,718,010	10,849,317	(2,131,307)
Other Amounts	6,640,374	7,191,941	(551,567)
<i>Total Liabilities</i>	<u>60,205,118</u>	<u>78,550,091</u>	<u>(18,344,973)</u>
<u>Deferred Inflows of Resources:</u>			
Property Taxes	14,614,177	14,857,370	(243,193)
Payment in Lieu of Taxes	101,215	0	101,215
Pension	3,098,367	217,249	2,881,118
OPEB	983,030	464,355	518,675
<i>Total Deferred Inflows of Resources</i>	<u>18,796,789</u>	<u>15,538,974</u>	<u>3,257,815</u>
<u>Net Position:</u>			
Net Investment in Capital Assets	9,766,554	10,329,966	(563,412)
Restricted	5,533,289	4,674,628	858,661
Unrestricted	(27,199,475)	(45,474,539)	18,275,064
<i>Total Net Position</i>	<u>(\$11,899,632)</u>	<u>(\$30,469,945)</u>	<u>\$18,570,313</u>

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB 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 Nos. 68 and 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government as a liability since they received the benefit of the exchange. However, the 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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the Statement of Net Position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from (\$19,688,633) to (\$30,469,945).

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Current assets increased by \$2,360,909 from fiscal year 2017 due to an increase of \$2,766,944 in cash and cash equivalents.

Capital assets decreased \$711,898 due to current year depreciation, which was partially offset by capital asset additions.

Current (other) liabilities increased \$1,380,392 primarily due to increases in accounts payable and accrued wages and benefits payable. Accrued wages increased primarily due to an additional pay period being required to be accrued at June 30, 2018.

Long-term liabilities decreased by \$19,725,365 or 26.19 percent due to significant decreases in net pension and net OPEB liabilities due to actuarial measurements done by the retirement systems. Additional information can be found in Note 12 and 13.

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

The District's smallest portion of net position is unrestricted, and carries a deficit balance of \$27,199,475. Unrestricted net position represents resources that may be used to meet the District's ongoing obligations to its students and creditors.

The remaining balance of \$5,533,289 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 2018 compared to changes for fiscal year 2017.

Table 2
Changes in Net Position

	<u>Governmental Activities</u>		
	2018	Restated 2017	Change
<u>Revenues:</u>			
<i>Program Revenues:</i>			
Charges for Services and Sales	\$3,015,595	\$3,131,541	(\$115,946)
Operating Grants and Contributions	4,338,766	3,560,238	778,528
<i>General Revenues:</i>			
Property Taxes	18,093,072	17,057,086	1,035,986
Income Taxes	4,075,711	4,216,968	(141,257)
Unrestricted Grants and Entitlements	7,514,566	8,257,853	(743,287)
Payment in Lieu of Taxes	336,155	242,629	93,526
Investment Earnings	291,458	165,568	125,890
Miscellaneous	347,718	221,594	126,124
Total Revenues	<u>38,013,041</u>	<u>36,853,477</u>	<u>1,159,564</u>

(Continued)

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Table 2
Changes in Net Position (continued)

	2018	Restated 2017	Change
<u>Expenses:</u>			
<i>Program Expenses:</i>			
<i>Instruction:</i>			
Regular	9,210,447	16,851,510	(7,641,063)
Special	2,332,832	4,994,128	(2,661,296)
Vocational	35,153	186,116	(150,963)
Student Intervention Services	25,980	106,073	(80,093)
Other	13,525	0	13,525
<i>Support Services:</i>			
Pupil	1,286,751	2,479,998	(1,193,247)
Instructional Staff	738,809	750,700	(11,891)
Board of Education	90,005	122,726	(32,721)
Administration	885,094	2,460,475	(1,575,381)
Fiscal	234,839	597,760	(362,921)
Business	12,575	42,639	(30,064)
Operation and Maintenance of Plant	1,830,930	3,072,962	(1,242,032)
Pupil Transportation	798,058	1,628,415	(830,357)
Central	0	17,328	(17,328)
<i>Operation of Non-Instructional Services:</i>			
Food Service	475,847	655,495	(179,648)
Other	482,332	578,641	(96,309)
Extracurricular Activities	665,258	691,919	(26,661)
<i>Debt Service:</i>			
Interest and Fiscal Charges	324,293	383,908	(59,615)
Total Expenses	19,442,728	35,620,793	(16,178,065)
Change in Net Position	18,570,313		18,570,313
Net Position-Beginning of Year, As Restated	(30,469,945)	N/A	N/A
Net Position-End of Year	<u>(\$11,899,632)</u>	<u>(\$30,469,945)</u>	<u>\$18,570,313</u>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB Statement No. 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$68,005 computed under GASB Statement No. 45. GASB Statement No. 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB Statement No. 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/ outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB Statement No. 75, the 2018 statements report negative OPEB expense of \$1,377,671. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 program expenses under GASB Statement No. 75	\$ 19,442,728
Negative OPEB expense under GASB Statement No. 75	1,377,671
2018 contractually required contribution	67,620
Adjusted 2018 program expenses	20,888,019
Total 2017 program expenses under GASB Statement No. 45	35,620,793
Decrease in program expenses not related to OPEB	<u>\$ (14,732,774)</u>

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

The District had program revenue increases of \$662,582 and increases in general revenues of \$496,982. The increase in program revenue is due to an increase in operating grants and the increase in general revenue is due to an increase in property taxes.

The total expenses for governmental activities decreased \$16,178,065 or 45.42% primarily due to a decrease in regular instruction and special instruction. The large decrease in expenses is the result of the retirement systems calculations for net pension and net OPEB liabilities.

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 47.60% of the total revenue for governmental activities in fiscal year 2018.

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 6.11 mills for 2018 collections. An emergency levy also does not count toward the 20 mill minimum for schools.

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

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.

Instruction accounts for 59.75% of governmental activities program expenses. Support services expenses make up 30.23% 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 2018 compared with fiscal year 2017. 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	
	2018	2017	2018	2017
<i>Program Expenses:</i>				
Instruction	\$11,617,937	\$22,137,927	\$6,279,071	\$17,144,370
Support Services	5,877,061	11,173,003	4,690,407	10,142,967
Operation of Non-Instructional Services	958,179	1,234,136	293,419	666,738
Extracurricular Activities	665,258	691,919	501,177	591,131
Debt Service	324,293	383,908	324,293	383,908
Total Expenses	\$19,442,728	\$35,620,893	\$12,088,367	\$28,929,114

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 \$37.7 million and expenditures and other financing uses of \$36.3 million.

Total governmental funds fund balances increased by \$1,408,968. 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 \$698,134, as a result of a decrease in expenditures. The Permanent Improvement Fund increased \$1,000,234, due to a decrease in expenditures. The decrease in fund balance in Other Governmental Funds is most significant in the Bond Retirement Fund with a decrease of \$289,400, 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 2019 through 2020. However, projections beyond fiscal year 2020 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.

ATHENS CITY SCHOOL DISTRICT
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(Unaudited)

Budget Highlights - General Fund

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

During the course of fiscal year 2018, 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 \$32,626,451 representing a \$827,785 increase from the original budget estimates of \$31,798,666. For the General Fund, the final budget basis expenditures were \$36,554,981 representing a decrease of \$930,168 from the original budget of \$37,485,149. The final budget reflected a 2.48% decrease from the original budget, which is the result of the District's decrease 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, 2018, the District had \$4.8 million in bonds outstanding with \$275,000 due within one year. Table 4 summarizes bonds outstanding for fiscal year 2018 compared to fiscal year 2017. 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	2018	2017
2013 Facility Construction Bonds (Refunding)	\$4,775,000	\$4,775,000
2005 Facility Construction Bonds (Refunding)	0	40,000
Total	\$4,775,000	\$4,815,000

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(Unaudited)

Capital Assets

At the end of fiscal year 2018, the District had \$49.9 million invested in capital assets for its governmental activities. That total carries an accumulated depreciation of \$35.0 million. Table 5 shows fiscal year 2018 balances compared to fiscal year 2017. More detailed information concerning the District's capital assets can be found in Note 10 of the notes to the basic financial statements.

Table 5
Capital Assets & Accumulated Depreciation at Year End

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
<i>Nondepreciable Capital Assets:</i>		
Land	\$1,519,380	\$1,519,380
<i>Depreciable Capital Assets:</i>		
Land Improvements	4,404,635	4,244,590
Buildings and Improvements	37,700,043	37,638,692
Furniture, Fixtures and Equipment	2,218,906	1,985,042
Vehicles	2,664,952	2,623,989
Library and Textbooks	<u>1,399,405</u>	<u>1,399,405</u>
<i>Total Capital Assets</i>	<u>49,907,321</u>	<u>49,411,098</u>
<i>Less Accumulated Depreciation:</i>		
Land Improvements	(2,978,831)	(2,843,638)
Buildings and Improvements	(26,992,400)	(26,179,676)
Furniture, Fixtures and Equipment	(1,576,826)	(1,460,397)
Vehicles	(2,085,025)	(1,941,250)
Library and Textbooks	<u>(1,399,405)</u>	<u>(1,399,405)</u>
<i>Total Accumulated Depreciation</i>	<u>(35,032,487)</u>	<u>(33,824,366)</u>
Capital Assets, Net	<u><u>\$14,874,834</u></u>	<u><u>\$15,586,732</u></u>

ATHENS CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Current Issues

Athens City School District is considered a mid-wealth district. It is financially stable, and has been over the past several years. As indicated in the preceding financial information, the District is heavily dependent on property taxes. Property tax revenue does not increase solely as a result of inflation. Therefore, in the long-term, the current program and staffing levels will be dependent on increased funding to meet inflation. Careful financial planning and the renewal of 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 \$66,060 remaining from a revenue source that previously had been more than \$1.25 million annually.

Athens County underwent the three-year property tax update in tax year 2017. Data from the County Auditor's Office showed a 6.13% increase in overall property values as a result of inflationary factors and an additional 1.72% 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 \$4.1 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 sexennial reappraisal of values will be conducted in 2020. 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 6.0%. 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. There was a bond issue on the November 6, 2018 ballot, which passed, that will provide new educational facilities throughout the District. This local revenue will be combined with an additional 32% match from the State of Ohio through the Ohio Facilities Commission.

ATHENS CITY SCHOOL DISTRICT
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(Unaudited)

Part of the District's financial planning includes a constant watch on the sales ratios for residential housing. Knowing the trend of home sales versus the value used by the county for tax purposes gives an ongoing picture of both new construction for current tax revenue estimates and a more precise picture of what the next property re-appraisal will be for forecasting future tax revenue. Through the months at the middle to end of calendar year 2018, 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 \$110,000. New construction, which had slowed from 2009 through 2012, has rebounded. Also, the homes being built in several subdivisions continue to be upscale in both style and price.

New commercial property construction has returned to pre-recession levels with several national chain stores and restaurants under construction. 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 2018 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@athenscsd.org.

ATHENS CITY SCHOOL DISTRICT

Statement of Net Position

June 30, 2018

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$22,087,629
Property Taxes Receivable	15,743,969
Payment in Lieu of Taxes Receivable	101,215
Intergovernmental Receivable	871,313
Prepaid Items	105,770
Income Taxes Receivable	1,229,438
Inventory Held for Resale	15,423
Materials and Supplies Inventory	5,736
Nondepreciable Capital Assets	1,519,380
Depreciable Capital Assets, Net	<u>13,355,454</u>
<i>Total Assets</i>	<u>55,035,327</u>
<u>Deferred Outflows of Resources:</u>	
Deferred Charges on Refunding Pension	128,451
OPEB	11,573,478
	<u>365,019</u>
<i>Total Deferred Outflows of Resources</i>	<u>12,066,948</u>
<u>Liabilities:</u>	
Accounts Payable	613,112
Accrued Wages and Benefits	2,958,040
Contracts Payable	213,487
Intergovernmental Payable	600,105
Accrued Interest Payable	9,300
Claims Payable	224,299
Matured Compensated Absences Payable	1,991
<i>Long-Term Liabilities:</i>	
Due within One Year	979,019
<i>Due in More Than One Year:</i>	
Net Pension Liability	39,247,381
Net OPEB Liability	8,718,010
Other Amounts Due in More Than One Year	<u>6,640,374</u>
<i>Total Liabilities</i>	<u>60,205,118</u>
<u>Deferred Inflows of Resources:</u>	
Property Taxes	14,614,177
Payment in Lieu of Taxes	101,215
Pension	3,098,367
OPEB	<u>983,030</u>
<i>Total Deferred Inflows of Resources</i>	<u>18,796,789</u>
<u>Net Position:</u>	
Net Investment in Capital Assets	9,766,554
<i>Restricted for:</i>	
Capital Outlay	3,711,701
Debt Service	1,227,323
Other Purposes	594,265
Unrestricted	<u>(27,199,475)</u>
<i>Total Net Position</i>	<u>(\$11,899,632)</u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2018

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<u>Governmental Activities:</u>				
<i>Instruction:</i>				
Regular	\$9,210,447	\$2,694,353	\$164,804	(\$6,351,290)
Special	2,332,832	0	2,447,052	114,220
Vocational	35,153	0	32,657	(2,496)
Student Intervention Services	25,980	0	0	(25,980)
Other	13,525	0	0	(13,525)
<i>Support Services:</i>				
Pupil	1,286,751	12,842	64,673	(1,209,236)
Instructional Staff	738,809	1,076	176,802	(560,931)
Board of Education	90,005	0	0	(90,005)
Administration	885,094	3,660	17,184	(864,250)
Fiscal	234,839	0	0	(234,839)
Business	12,575	0	0	(12,575)
Operation and Maintenance of Plant	1,830,930	0	0	(1,830,930)
Pupil Transportation	798,058	0	910,417	112,359
<i>Operation of Non-Instructional Services:</i>				
Food Services	475,847	182,570	482,190	188,913
Other	482,332	0	0	(482,332)
Extracurricular Activities	665,258	121,094	42,987	(501,177)
<i>Debt Service:</i>				
Interest and Fiscal Charges	324,293	0	0	(324,293)
Total Governmental Activities	\$19,442,728	\$3,015,595	\$4,338,766	(12,088,367)
<u>General Revenues:</u>				
<i>Property Taxes Levied for:</i>				
General Purposes				15,838,958
Debt Service				757,058
Capital Outlay				1,497,056
<i>Income Taxes Levied for:</i>				
General Purposes				4,075,711
Grants and Entitlements not Restricted to Specific Programs				7,514,566
Payments in Lieu of Taxes				336,155
Investment Earnings				291,458
Miscellaneous				347,718
Total General Revenues				30,658,680
Change in Net Position				18,570,313
<i>Net Position at Beginning of Year (Restated)</i>				(30,469,945)
<i>Net Position at End of Year</i>				(\$11,899,632)

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2018

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash, Cash Equivalents and Investments	\$11,026,617	\$3,862,014	\$1,781,719	\$16,670,350
Property Taxes Receivable	13,646,948	1,410,363	686,658	15,743,969
Payment in Lieu of Taxes Receivable	101,215	0	0	101,215
Income Taxes Receivable	1,229,438	0	0	1,229,438
Intergovernmental Receivable	0	0	871,313	871,313
Interfund Receivable	254,439	0	0	254,439
Prepaid Items	105,770	0	0	105,770
Materials and Supplies Inventory	0	0	5,736	5,736
Inventory Held for Resale	0	0	15,423	15,423
<i>Total Assets</i>	<u>\$26,364,427</u>	<u>\$5,272,377</u>	<u>\$3,360,849</u>	<u>\$34,997,653</u>
<u>Liabilities:</u>				
Accounts Payable	\$474,310	\$17,751	\$121,051	\$613,112
Accrued Wages and Benefits	2,690,303	0	267,737	2,958,040
Contracts Payable	0	213,487	0	213,487
Intergovernmental Payable	541,000	0	59,105	600,105
Interfund Payable	0	0	254,439	254,439
Matured Compensated Absences Payable	1,991	0	0	1,991
<i>Total Liabilities</i>	<u>3,707,604</u>	<u>231,238</u>	<u>702,332</u>	<u>4,641,174</u>
<u>Deferred Inflows of Resources:</u>				
Property Taxes	12,936,686	1,342,550	653,228	14,932,464
Intergovernmental	0	0	871,313	871,313
Payment in Lieu of Taxes	101,215	0	0	101,215
<i>Total Deferred Inflows of Resources</i>	<u>13,037,901</u>	<u>1,342,550</u>	<u>1,524,541</u>	<u>15,904,992</u>
<u>Fund Balances:</u>				
Nonspendable	242,398	0	5,736	248,134
Restricted	0	3,698,589	1,758,057	5,456,646
Committed	494,872	0	0	494,872
Assigned	1,120,189	0	0	1,120,189
Unassigned	7,761,463	0	(629,817)	7,131,646
<i>Total Fund Balances</i>	<u>9,618,922</u>	<u>3,698,589</u>	<u>1,133,976</u>	<u>14,451,487</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$26,364,427</u>	<u>\$5,272,377</u>	<u>\$3,360,849</u>	<u>\$34,997,653</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, 2018*

Total Governmental Funds Balances		\$14,451,487
<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.		14,874,834
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	318,287	
Intergovernmental	<u>871,313</u>	
Total		1,189,600
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.		128,451
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	(4,775,000)	
Accretion on bonds	(750,182)	
Premium on bonds issued	(461,731)	
Accrued interest on bonds	(9,300)	
Compensated absences	<u>(1,632,480)</u>	
Total liabilities that are not reported in the funds		(7,628,693)
The net pension/OPEB 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	11,573,478	
Deferred Outflows - OPEB	365,019	
Deferred Inflows - Pension	(3,098,367)	
Deferred Inflows - OPEB	(983,030)	
Net Pension Liability	(39,247,381)	
Net OPEB Liability	<u>(8,718,010)</u>	
Total		(40,108,291)
An internal service fund is used by management to charge the costs of insurance activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		<u>5,192,980</u>
<i>Net Position of Governmental Activities</i>		<u><u>(\$11,899,632)</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$15,721,427	\$1,499,638	\$738,394	\$17,959,459
Income Taxes	4,075,711	0	0	4,075,711
Intergovernmental	9,316,302	144,098	2,159,385	11,619,785
Interest	219,735	52,272	0	272,007
Tuition and Fees	2,648,829	0	0	2,648,829
Extracurricular Activities	12,538	0	108,634	121,172
Rent	72,354	0	0	72,354
Charges for Services	50,564	0	195,030	245,594
Payments in Lieu of Taxes	217,249	118,906	0	336,155
Contributions and Donations	7,895	0	44,555	52,450
Miscellaneous	269,566	0	5,798	275,364
<i>Total Revenues</i>	<u>32,612,170</u>	<u>1,814,914</u>	<u>3,251,796</u>	<u>37,678,880</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	16,099,354	291,290	207,515	16,598,159
Special	3,754,481	0	1,270,346	5,024,827
Vocational	104,299	0	0	104,299
Student Intervention Services	86,472	1,500	0	87,972
Other	13,525	0	0	13,525
<i>Support Services:</i>				
Pupil	2,449,130	26,881	65,386	2,541,397
Instructional Staff	924,118	8,013	139,513	1,071,644
Board of Education	98,865	1,200	0	100,065
Administration	2,364,508	1,680	9,314	2,375,502
Fiscal	543,396	10,307	0	553,703
Business	12,744	0	0	12,744
Operation and Maintenance of Plant	2,933,227	0	0	2,933,227
Pupil Transportation	1,305,954	72,779	9,516	1,388,249
Operation of Non-Instructional Services	413,470	40,404	754,651	1,208,525
Extracurricular Activities	740,493	15,116	133,388	888,997
Capital Outlay	0	345,510	0	345,510
<i>Debt Service:</i>				
Principal Retirement	0	0	905,000	905,000
Interest and Fiscal Charges	0	0	116,567	116,567
<i>Total Expenditures</i>	<u>31,844,036</u>	<u>814,680</u>	<u>3,611,196</u>	<u>36,269,912</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>768,134</u>	<u>1,000,234</u>	<u>(359,400)</u>	<u>1,408,968</u>
<u>Other Financing Sources (Uses):</u>				
Transfer In	0	0	70,000	70,000
Transfer Out	(70,000)	0	0	(70,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(70,000)</u>	<u>0</u>	<u>70,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	698,134	1,000,234	(289,400)	1,408,968
<i>Fund Balances at Beginning of Year</i>	<u>8,920,788</u>	<u>2,698,355</u>	<u>1,423,376</u>	<u>13,042,519</u>
<i>Fund Balances at End of Year</i>	<u>\$9,618,922</u>	<u>\$3,698,589</u>	<u>\$1,133,976</u>	<u>\$14,451,487</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
For the Fiscal Year Ended June 30, 2018*

Net Change in Fund Balances - Total Governmental Funds		\$1,408,968
<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	504,935	
Depreciation	<u>(1,216,833)</u>	
Total		(711,898)
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	133,613	
Intergovernmental	<u>181,097</u>	
Total		314,710
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		905,000
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:		
Amortization of premium on bonds	126,836	
Amortization of deferred charges on refunding	(18,350)	
Accretion on bonds	<u>(316,212)</u>	
Total		(207,726)
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		89,463
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred revenues.		
Pension	2,751,709	
OPEB	<u>67,620</u>	
Total		2,819,329
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
Pension	12,958,730	
OPEB	<u>1,377,671</u>	
Total		14,336,401
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>(383,934)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$18,570,313</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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$14,968,652	\$15,718,842	\$15,718,842	\$0
Income Taxes	4,123,857	4,195,104	4,195,104	0
Intergovernmental	9,376,281	9,335,519	9,335,519	0
Interest	109,964	197,290	218,348	21,058
Customer Sales and Services	35,659	50,564	50,564	0
Tuition and Fees	2,737,320	2,578,690	2,578,690	0
Rent	66,891	72,354	72,354	0
Payments in Lieu of Taxes	245,055	217,249	217,249	0
Miscellaneous	134,987	260,839	261,131	292
<i>Total Revenues</i>	31,798,666	32,626,451	32,647,801	21,350
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	15,990,783	15,778,461	15,778,449	12
Special	3,663,064	3,691,323	3,691,323	0
Vocational	167,289	119,426	119,426	0
Student Intervention Services	102,242	97,507	97,507	0
<i>Support Services:</i>				
Pupils	2,499,729	2,381,360	2,381,360	0
Instructional Staff	1,003,065	924,227	924,227	0
Board of Education	147,829	103,375	103,375	0
Administration	2,406,942	2,356,219	2,356,219	0
Fiscal	618,543	541,644	541,644	0
Business	13,539	14,531	14,531	0
Operation and Maintenance of Plant	3,179,432	2,995,351	2,995,351	0
Pupil Transportation	1,535,491	1,353,750	1,353,697	53
Operation of Non-Instructional Services	415,000	431,220	431,220	0
Extracurricular Activities	724,201	749,156	749,156	0
Capital Outlay	18,000	17,431	17,431	0
<i>Total Expenditures</i>	32,485,149	31,554,981	31,554,916	65
<i>Excess of Revenues Over (Under) Expenditures</i>	(686,483)	1,071,470	1,092,885	21,415
<u>Other Financing Uses:</u>				
Transfers Out	(270,000)	(270,000)	(270,000)	0
<i>Total Other Financing Uses</i>	(270,000)	(270,000)	(270,000)	0
<i>Excess of Revenues Over (Under)</i> <i>Expenditures and Other Financing Uses</i>	(956,483)	801,470	822,885	21,415
<i>Fund Balance at Beginning of Year</i>	8,774,484	8,774,484	8,774,484	0
Prior Year Encumbrances Appropriated	63,169	63,169	63,169	0
<i>Fund Balance at End of Year</i>	\$7,881,170	\$9,639,123	\$9,660,538	\$21,415

See accompanying notes to the basic financial statements

ATHENS CITY SCHOOL DISTRICT

Statement of Net Position

Proprietary Fund

June 30, 2018

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Assets:</u>	
<i>Current Assets:</i>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$4,119,176
Investments	<u>1,298,103</u>
<i>Total Current Assets</i>	<u>5,417,279</u>
<u>Liabilities:</u>	
<i>Current Liabilities:</i>	
Claims Payable	<u>224,299</u>
<i>Total Current Liabilities</i>	<u>224,299</u>
<u>Net Position:</u>	
Unrestricted	<u><u>\$5,192,980</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, 2018*

	Governmental Activities
	Internal Service
<u>Operating Revenues:</u>	
Charges for Services	\$4,894,918
Miscellaneous	173,339
	5,068,257
<i>Total Operating Revenues</i>	5,068,257
<u>Operating Expenses:</u>	
Purchased Services	3,901
Claims	5,465,073
Other	2,668
	5,471,642
<i>Total Operating Expenses</i>	5,471,642
<i>Operating Loss</i>	(403,385)
<u>Nonoperating Revenue:</u>	
Interest	19,451
	19,451
<i>Change in Net Position</i>	(383,934)
<i>Net Position at Beginning of Year</i>	5,576,914
	5,576,914
<i>Net Position at End of Year</i>	\$5,192,980

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, 2018

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Services Provided	\$4,894,918
Other Cash Receipts	173,339
Cash Payments for Other Uses	(6,569)
Cash Payments for Claims	<u>(5,382,817)</u>
<i>Net Cash Used in Operating Activities</i>	<u>(321,129)</u>
<u>Cash Flows from Investing Activities:</u>	
Cash Received from Interest on Investment Activities	19,451
Cash Received from Proceeds of Investments	<u>244,772</u>
<i>Net Cash from Investing Activities</i>	<u>264,223</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(56,906)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>4,176,082</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$4,119,176</u></u>
<u>Reconciliation of Operating Income to Net Cash from Operating Activities:</u>	
Operating Loss	(\$403,385)
<u>Adjustments to Reconcile Operating Income to Net Cash from Operating Activities:</u>	
<i>Increase (Decrease) in Liabilities:</i>	
Claims Payable	<u>82,256</u>
Total Adjustments	<u>82,256</u>
<i>Net Cash Used in Operating Activities</i>	<u><u>(\$321,129)</u></u>

See accompanying notes to the basic financial statements.

ATHENS CITY SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2018

	<u>Agency</u>
<u>Assets:</u>	
Equity in Pooled Cash, Cash Equivalents and Investments	<u>\$269,226</u>
<u>Liabilities:</u>	
Intergovernmental Payable	162,592
Due to Students	<u>106,634</u>
<i>Total Liabilities</i>	<u><u>\$269,226</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, 2018

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 169th largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by 118 non-certificated employees, 204 certificated full-time teaching personnel and 17 administrative employees who provide services to 2,621 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, 2018

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, 2018

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, 2018

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.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of this fund are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

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 proprietary fund and 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, 2018

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, for pension and OPEB 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 and OPEB are explained in Notes 12 and 13.

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, pension and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 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 and OPEB are reported on the government-wide Statement of Net Position (see Note 12 and 13)

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 2018, 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, 2018

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

During fiscal year 2018, 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 2018, 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 \$100 million, requiring the excess amount be transacted the following business day(s), but only to the \$100 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 2018 amounted to \$219,735 which includes \$80,100 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 cost 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 the lower of cost or market. 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, 2018

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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

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

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, compensated absences 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. Net Pension/OPEB Liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans' fiduciary net position is not sufficient for payment of these benefits.

K. Pensions/OPEB

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans 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 \$5,533,289 in total restricted net position, none are restricted by enabling legislation.

The District applies restricted resources first 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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

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

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

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

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

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

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services for the self-insurance program. Operating expenses are necessary costs incurred to provide the self-insurance service that is the primary activity of that fund. 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 2018, the District reported no such items in the financial statements.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

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

Q. Estimates

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

R. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2018.

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 - CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

For fiscal year 2018, the School District implemented GASB Statement No. 85, *Omnibus 2017*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the School District's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

- (Continued)

GASB 75 established standards for measuring and recognizing postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2017:

Net Position June 30, 2017	(\$19,688,633)
<i>Adjustments:</i>	
Net OPEB Liability	(10,849,317)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>68,005</u>
Restated Net Position June 30, 2017	<u><u>(\$30,469,945)</u></u>

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

NOTE 4 - ACCOUNTABILITY

The following funds had a deficit fund balance as of June 30, 2018:

<i>Nonmajor Special Revenue Funds:</i>	
Food Service	\$9,964
Other State Support	3,728
Title VI-B	144,984
Title I	372,731
Other Federal Support	91,306

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 2018 that exceeded the federal grants received during the year. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur. The deficits in the Food Service and Other State Support Funds do not exist on the cash basis. The deficits in the Title VI-B, Title I, and Other Federal Support Funds do exist on the cash basis. The District may maintain negative cash balances in nonmajor special revenue fund if two criteria are met: (1) the General Fund must have available and unencumbered funds to cover the negative amounts; and (2) a reimbursement request must have been submitted by the fiscal year-end. The District has met these two requirements.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

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

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$698,134
<i>Adjustments:</i>	
Revenue Accruals	136,638
Expenditure Accruals	915,915
Encumbrances	(881,454)
Perspective Difference for Activity of Funds	
Reclassified for GAAP Reporting Purposes	<u>(46,348)</u>
Budget Basis	<u><u>\$822,885</u></u>

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the District may not be able to recover deposits on collateral securities that are the possession of an outside party. As of June 30, 2018, all of the District's bank balance of \$1,913,863 was either covered by Federal Deposit Insurance or collateral was held by the pledging banks trust department not in the District's name.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 % of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

The District's only financial institution is enrolled in the OPCS.

Investments: As of June 30, 2018, the District had the following investments and maturities:

Measurement/Investment Type	Measurement Value	Less Than One Year	One to Five Years
Amortized Cost:			
STAROhio	\$12,214,536	\$12,214,536	\$0
Fair Value:			
Commercial Paper	875,727	875,727	0
Federal Home Loan Bank Bonds	748,341	249,824	498,517
Federal Farm Credit Bank Discount Notes	1,956,952	0	1,956,952
Federal National Mortgage Association	3,669,044	315,000	3,354,044
Federal Home Loan Mortgage Association	275,000	0	275,000
Federal Home Loan Mortgage Corporation Notes	1,031,688	0	1,031,688
Totals	<u>\$20,771,288</u>	<u>\$13,655,087</u>	<u>\$7,116,201</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, Federal Home Loan Mortgage Association and Federal Home Loan Mortgage Corporation Notes a rating of "AAA".

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018*

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

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

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy minimizes concentration of credit risk by diversifying assets by issuer as necessary 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, Federal Home Loan Mortgage Association and Federal Home Loan Mortgage Corporation Notes were 59%, 4%, 4%, 9%, 18%, 1% and 5%, respectively, of the District's total investments.

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, 2018. 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 2018 represents collections of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed value listed as of January 1, 2017, 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 2018 represents collections of calendar year 2018 taxes. Public utility real property taxes received in calendar year 2018 became a lien December 31, 2016, were levied after April 1, 2017 and are collected in 2018 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, 2018 are available to finance fiscal year 2018 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 7 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable represents the June 2018 personal property tax settlement, delinquent taxes outstanding, and real property and public utility taxes which become measurable as of June 30, 2018. 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, 2018 was \$811,505 and is recognized as revenue. Of this total amount, \$710,262 was available to the General Fund, \$33,430 was available to the Bond Retirement Fund, and \$67,814 was available to the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2018 taxes were collected are:

	2017 Second - Half Collections		2018 First - Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$511,293,809	92.01%	\$554,466,100	93.05%
Public Utility Personal	44,373,220	7.99%	41,445,640	6.95%
Total Assessed Value	<u>\$555,667,029</u>	<u>100.00%</u>	<u>\$595,911,740</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 2018, the District received \$4,075,711 from the school income tax.

NOTE 9 - RECEIVABLES

Receivables at June 30, 2018 consisted of property taxes, payment in lieu of taxes, income taxes, interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
<i>Nonmajor Special Revenue Funds:</i>	
Title VI-B	\$211,008
Title I	425,343
Other Federal Support	<u>234,962</u>
Total Nonmajor Special Revenue Funds	<u>871,313</u>
Total Intergovernmental Receivables	<u>\$871,313</u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018*

NOTE 10 - CAPITAL ASSETS

Capital asset governmental activity for the fiscal year ended June 30, 2018 was as follows:

<u>Asset Category</u>	<u>Balance at June 30, 2017</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at June 30, 2018</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	4,244,590	160,045	0	4,404,635
Buildings and Improvements	37,638,692	61,351	0	37,700,043
Furniture, Fixtures and Equipment	1,985,042	242,576	(8,712)	2,218,906
Vehicles	2,623,989	40,963	0	2,664,952
Library and Textbooks	<u>1,399,405</u>	<u>0</u>	<u>0</u>	<u>1,399,405</u>
Total Depreciable Capital Assets	<u>47,891,718</u>	<u>504,935</u>	<u>(8,712)</u>	<u>48,387,941</u>
Total Capital Assets	<u>49,411,098</u>	<u>504,935</u>	<u>(8,712)</u>	<u>49,907,321</u>
<i>Accumulated Depreciation:</i>				
Land Improvements	(2,843,638)	(135,193)	0	(2,978,831)
Buildings and Improvements	(26,179,676)	(812,724)	0	(26,992,400)
Furniture, Fixtures and Equipment	(1,460,397)	(125,141)	8,712	(1,576,826)
Vehicles	(1,941,250)	(143,775)	0	(2,085,025)
Library and Textbooks	<u>(1,399,405)</u>	<u>0</u>	<u>0</u>	<u>(1,399,405)</u>
Total Accumulated Depreciation	<u>(33,824,366)</u>	<u>(1,216,833)</u>	<u>8,712</u>	<u>(35,032,487)</u>
Total Net Capital Assets	<u>\$15,586,732</u>	<u>(\$711,898)</u>	<u>\$0</u>	<u>\$14,874,834</u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 10 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$827,073
Special	3,595
Vocational	1,200
<i>Support Services:</i>	
Administration	31,804
Operation and Maintenance of Plant	60,612
Pupil Transportation	166,917
Operation of Non-Instructional Services	2,595
Extracurricular Activities	123,037
Total Depreciation Expense	<u>\$1,216,833</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 2018, 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)	\$115,983,045
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, 2018

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 \$224,299 reported at June 30, 2018 is based on an estimate of claims existing at year end that will be paid in fiscal year 2019, 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>
2017	\$308,617	\$4,881,054	\$5,047,628	\$142,043
2018	142,043	5,465,073	5,382,817	224,299

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, 2018

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 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, 2018*

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, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. 0.5 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$647,749 for fiscal year 2018.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

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. For the fiscal year ended June 30, 2018, 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 2018 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$2,103,960 for fiscal year 2018. Of this amount \$351,932 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, 2017, 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	0.13413800%	0.13807746%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>0.13188570 %</u>	<u>0.13204470%</u>	
Change in Proportionate Share	<u>(0.0022523%)</u>	<u>(0.00603276%)</u>	
Proportionate Share of the Net			
Pension Liability	\$7,879,879	\$31,367,502	\$39,247,381
Pension Expense	(\$390,622)	(\$12,568,108)	(\$12,958,730)

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$339,123	\$1,211,265	\$1,550,388
Change in Assumptions	407,474	6,860,418	7,267,892
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	3,489	0	3,489
District Contributions Subsequent to the Measurement Date	<u>647,749</u>	<u>2,103,960</u>	<u>2,751,709</u>
Total Deferred Outflows of Resources	<u>\$1,397,835</u>	<u>\$10,175,643</u>	<u>\$11,573,478</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$0	\$252,810	\$252,810
Net Difference between Projected and Actual Investment Earnings	37,404	1,035,162	1,072,566
Changes in proportion and differences between District Contributions and Proportionate share of Contributions	<u>154,361</u>	<u>1,618,630</u>	<u>1,772,991</u>
Total Deferred Inflows of Resources	<u>\$191,765</u>	<u>\$2,906,602</u>	<u>\$3,098,367</u>

\$2,751,709 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2019	\$206,940	\$971,268	\$1,178,208
2020	435,676	2,379,442	2,815,118
2021	93,369	1,617,397	1,710,766
2022	<u>(177,664)</u>	<u>\$196,974</u>	<u>19,310</u>
Total	<u>\$558,321</u>	<u>\$5,165,081</u>	<u>\$5,723,402</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, 2018

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, 2017, 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		2.50 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 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:

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. 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.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)

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

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	\$10,935,225	\$7,879,879	\$5,320,404

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	July 1, 2017	July 1, 2016
Inflation	2.50%	2.75%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.25% at age 20 to 2.75% at age 70
Investment Rate of Return	7.45%, net of investment expenses	7.75%, net of investment expenses
Payroll Increases	3%	3.50%
Cost-of-Living Adjustments (COLA)	0.00% effective July 1, 2017	2 % simple applied as follows: for members retiring before August 1, 2013, or later, 2 % COLA commences on 5th anniversary of retirement date.

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For the July 1, 2016 actuarial valuation, 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 no set back from age 90 and above.

Actuarial assumptions used in the July 1, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016 valuation are based on the results of an actuarial experience study, effective July 1, 2012.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	28.00%	7.35%
International Equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed Income	21.00%	3.00%
Real Estate	10.00%	6.00%
Liquidity Reserves	<u>1.00%</u>	2.25%
 Total	 <u>100.00%</u>	

* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and does not include investment expenses. Over a 30 year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.75% as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75% 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, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

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 7.45%, 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 (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's Proportionate Share of the Net Pension Liability	\$44,964,246	\$31,367,502	\$19,914,282

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the Statement of Net Position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB 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 these estimates 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 OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB 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)

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS – (Continued)

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established 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.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, 0.5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. 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 2018, the District's surcharge obligation was \$67,620.

The surcharge, added to the 0.5 percent allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$23,991 for fiscal year 2018. Of this amount \$0 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly 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. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS – (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.13287860%	0.13204470%	
Current Measurement Date	<u>0.13287860%</u>	<u>0.13204470%</u>	
Change in Proportionate Share	<u>0.00000000%</u>	<u>0.00000000%</u>	
Proportionate Share of the Net OPEB Liability	\$3,566,113	\$5,151,897	\$8,718,010
OPEB Expense	\$194,409	(\$1,572,080)	(\$1,377,671)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$297,399	\$297,399
District contributions subsequent to the measurement date	<u>67,620</u>	<u>0</u>	<u>67,620</u>
Total Deferred Outflows of Resources	<u>\$67,620</u>	<u>\$297,399</u>	<u>\$365,019</u>
Deferred Inflows of Resources			
Net difference between projected and Actual Investment	\$9,418	\$220,204	\$229,622
Changes of assumptions	<u>338,405</u>	<u>415,003</u>	<u>753,408</u>
Total Deferred Inflows of Resources	<u>\$347,823</u>	<u>\$635,207</u>	<u>\$983,030</u>

\$67,620 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2019	(\$124,965)	(\$74,651)	(\$199,616)
2020	(124,965)	(74,651)	(199,616)
2021	(95,537)	(74,651)	(170,188)
2022	(2,356)	(74,651)	(77,007)
2023	0	(19,600)	(19,600)
Thereafter	<u>0</u>	<u>(19,604)</u>	<u>(19,604)</u>
Total	<u>(\$347,823)</u>	<u>(\$337,808)</u>	<u>(\$685,631)</u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS – (Continued)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each 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 terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.56 percent
Prior Measurement Date	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.63 percent
Prior Measurement Date	2.98 percent
Medical Trend Assumption	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS – (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>10.00</u>	3.00
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS – (Continued)

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
District's proportionate share of the net OPEB liability	\$4,306,535	\$3,566,113	\$2,979,509

	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
District's proportionate share of the net OPEB liability	\$2,893,633	\$3,566,113	\$4,456,151

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends	6 to 11 percent initial, 4.5 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS – (Continued)

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under *GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Allocation</u>	<u>Rate of Return *</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and does not include investment expenses. Over a 30 year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS – (Continued)

Discount Rate The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net OPEB liability	\$6,916,339	\$5,151,897	\$3,757,411

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$3,579,317	\$5,151,897	\$7,221,596

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018*

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.

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 AUL, in the amount of \$25,000 for classified employees, \$25,000 for certified employees, \$75,000 for administrators, \$250,000 for the Superintendent 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 retirement eligibility 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. A member who retires under STRS and has at least twenty, but less than twenty-five years of service shall be given a retirement incentive of \$10,000, a member who retires under STRS and has at least twenty-five, but less than thirty years of service shall be given a retirement incentive of \$15,000 and a member who retires under STRS and has at least thirty, but less than thirty-five years of service shall be given a retirement incentive of \$20,000. 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, 2018, 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, 2018*

NOTE 15 - LONG-TERM LIABILITIES

During fiscal year 2018, the following changes occurred in governmental activities long-term obligations.

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>*Principal Outstanding at June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding at June 30, 2018</u>	<u>Amount Due In One Year</u>
<i>Governmental Activities:</i>							
2005 Refunding Bonds							
Capital Appreciation Bonds			\$40,000	\$0	\$40,000	\$0	\$0
Accretion on Capital Appreciation Bonds			758,170	106,830	865,000	0	0
2013 Refunding Bonds							
Term Bonds	2013	2.65%	4,270,000	0		4,270,000	0
Capital Appreciation Bonds			505,000	0	0	505,000	275,000
Accretion on Capital Appreciation Bonds			540,800	209,382	0	750,182	475,000
Add Deferred Amounts:							
Premium on Bonds			588,567	0	126,836	461,731	65,962
Total Bonds			6,702,537	316,212	1,031,836	5,986,913	815,962
<i>Net Pension Liability:</i>							
STRS			46,218,688	0	14,851,186	31,367,502	0
SERS			9,817,664	0	1,937,785	7,879,879	0
Total Net Pension Liability			56,036,352	0	16,788,971	39,247,381	0
<i>Net OPEB Liability:</i>							
STRS			7,061,785	0	1,909,888	5,151,897	0
SERS			3,787,532	0	221,419	3,566,113	0
Total Net OPEB Liability			10,849,317	0	2,131,307	8,718,010	0
Compensated Absences			1,721,943	495,950	585,413	1,632,480	163,057
Total Governmental Activities Long-Term Obligations			\$75,310,149	\$812,162	\$20,537,527	\$55,584,784	\$979,019

*Restated

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 15 - LONG-TERM LIABILITIES - (Continued)

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.

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 2018, \$106,830 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:

Fiscal Year Ending June 30	Amount
2019	\$0
2020	0
2021	805,000
2022	820,000
2023	840,000
2024	890,000
2025	915,000
	\$4,270,000

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

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

The capital appreciation bonds are not subject to a mandatory sinking fund or optional redemption prior to stated maturity. The capital appreciation bonds will mature in fiscal years 2019 and 2020. The maturity amount of the bonds is \$1,500,000. For fiscal year 2018, 209,382 was accreted on the capital appreciation bonds.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

NOTE 15 - LONG-TERM LIABILITIES - (Continued)

Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2018, are as follows:

Year Ending June 30	2013 Refunding Bonds					
	Term Bonds		Capital Appreciation Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$0	\$116,567	\$275,000	\$475,000	\$275,000	\$591,567
2020	0	116,567	230,000	520,000	230,000	636,567
2021	805,000	107,632	0	0	805,000	107,632
2022	820,000	88,569	0	0	820,000	88,569
2023	840,000	66,850	0	0	840,000	66,850
2023-2025	1,805,000	56,543	0	0	1,805,000	56,543
Total	<u>\$4,270,000</u>	<u>\$552,728</u>	<u>\$505,000</u>	<u>\$995,000</u>	<u>\$4,775,000</u>	<u>\$1,547,728</u>

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

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 \$48,106,875 with an unvoted debt margin of \$595,912 at June 30, 2018.

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

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	\$105,770	\$0	\$0	\$105,770
Inventory	0	0	5,736	5,736
Unclaimed Monies	136,628	0	0	136,628
<i>Total Nonspendable</i>	<u>242,398</u>	<u>0</u>	<u>5,736</u>	<u>248,134</u>
<i>Restricted:</i>				
<i>Special Revenues:</i>				
District Managed Activities	0	0	92,138	92,138
Local Grants	0	0	454,526	454,526
State Grants	0	0	1,368	1,368
Debt Service	0	0	1,210,025	1,210,025
Capital Projects	0	3,698,589	0	3,698,589
<i>Total Restricted</i>	<u>0</u>	<u>3,698,589</u>	<u>1,758,057</u>	<u>5,456,646</u>
<i>Committed:</i>				
Termination Benefits	494,872	0	0	494,872
<i>Assigned:</i>				
<i>Encumbrances:</i>				
Regular	676,322	0	0	676,322
Special	31,406	0	0	31,406
Vocational	1,204	0	0	1,204
Pupils	5,354	0	0	5,354
Instructional Staff	5,756	0	0	5,756
Board of Education	6,360	0	0	6,360
Administration	3,739	0	0	3,739
Fiscal	4,086	0	0	4,086
Pupil Transportation	73,586	0	0	73,586
Central	73,644	0	0	73,644
Future Appropriations	136,837	0	0	136,837
Uniform School Supplies	44,862	0	0	44,862
Public School Support	57,033	0	0	57,033
<i>Total Assigned</i>	<u>1,120,189</u>	<u>0</u>	<u>0</u>	<u>1,120,189</u>
<i>Unassigned</i>	<u>7,761,462</u>	<u>0</u>	<u>(629,817)</u>	<u>7,131,645</u>
Total Fund Balances	<u><u>\$9,618,921</u></u>	<u><u>\$3,698,589</u></u>	<u><u>\$1,133,976</u></u>	<u><u>\$14,451,486</u></u>

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018*

NOTE 17 - INTERFUND ACTIVITY

As of June 30, 2018, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$254,439	\$0
<i>Nonmajor Special Revenue Funds:</i>		
Other State Support	0	3,843
Title VI-B	0	48,931
Title I	0	171,766
Other Federal Support	0	29,899
Total Nonmajor Special Revenue Funds	<u>0</u>	<u>254,439</u>
Total	<u>\$254,439</u>	<u>\$254,439</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 \$254,439 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, 2018.

	<u>Transfers To</u>
<u>Transfers From</u>	<u>Nonmajor Special Revenue</u>
General	<u>\$70,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, and (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The total of \$70,000 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, 2018

NOTE 18 - STATUTORY SET-ASIDES

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2018:

	<u>Capital Improvements</u>
Set-Aside Balance as of June 30, 2017	\$0
Current Year Set-Aside Requirement	467,660
Qualifying Disbursements	<u>(1,426,970)</u>
Total	<u>(959,310)</u>
Set-Aside Balance as of June 30, 2018	<u>\$0</u>
Total Restricted Assets	<u><u>\$0</u></u>

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

NOTE 19 – ENCUMBRANCE COMMITMENTS

At June 30, 2018, the District had encumbrance commitments in the Governmental Funds as follows:

<u>Major Funds</u>	
General	\$881,454
Permanent Improvement	617,396
 <u>Nonmajor Funds</u>	
District Managed Activities	40,163
Other State Support	3,994
Title VI-B Grant	9,472
Title I Grant	79,929
Other Federal Support	<u>112,276</u>
<i>Total Nonmajor Funds</i>	<u>245,834</u>
 Total Encumbrances	 <u><u>\$1,744,684</u></u>

ATHENS CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2018

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 149 public schools, 13 educational service centers, 13 career technology centers, and more than 140 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 a 13-member board of directors made up of Superintendents and School Business Officials selected from the 175 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 \$46,968 to META Solutions for fiscal year 2018.

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 2018, 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 2018.

ATHENS CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018*

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 2018. 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, 2018, 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 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 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.

NOTE 23 - SUBSEQUENT EVENT

In November 2018, the voters of the District approved a bond tax levy to provide funds for the construction of new school facilities. The District plans to issue bonds for this project by the end of fiscal year 2019, but the amount and date of the issuance have not been determined at this time.

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REQUIRED SUPPLEMENTARY INFORMATION

ATHENS CITY SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability
Last Five Measurement Periods (1)

	2018	2017	2016	2015	2014
<u>School Employees Retirement System of Ohio</u>					
District's Proportion of the Net Pension Liability	0.1318857%	0.1341380%	0.1379825%	0.1433030%	0.1433030%
District's Proportionate Share of the Net Pension Liability	\$7,879,879	\$9,817,664	\$7,873,415	\$7,252,483	\$8,521,769
District's Covered Payroll	\$4,732,736	\$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 it's Covered Payroll	166.50%	173.67%	139.11%	120.95%	158.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%	71.70%	65.52%
<u>State Teachers Retirement System of Ohio</u>					
District's Proportion of the Net Pension Liability	0.13204470%	0.13807746%	0.13886540%	0.13995343%	0.13995343%
District's Proportionate Share of the Net Pension Liability	\$31,367,502	\$46,218,688	\$38,378,335	\$34,041,518	\$40,550,033
District's Covered Payroll	\$14,624,543	\$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 it's Covered Payroll	214.49%	311.20%	262.56%	232.36%	279.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	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.

See accompanying notes to the required supplementary information.

ATHENS CITY SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of the District's Proportionate Share of Net OPEB Liability
Last Two Measurement Periods (1)

	2018	2017
<u>School Employees Retirement System of Ohio</u>		
District's Proportion of the Net OPEB Liability	0.13287860%	0.13287860%
District's Proportionate Share of the Net OPEB Liability	\$3,566,113	\$3,787,532
District's Covered Payroll	\$4,732,736	\$5,653,029
District's Proportionate Share of the Net OPEB Liability as a Percentage of it's Covered Payroll	75.35%	67.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%
<u>State Teachers Retirement System of Ohio</u>		
District's Proportion of the Net OPEB Liability	0.13204470%	0.13204470%
District's Proportionate Share of the Net OPEB Liability	\$5,151,897	\$7,061,785
District's Covered Payroll	\$14,624,543	\$14,851,900
District's Proportionate Share of the Net OPEB Liability as a Percentage of it's Covered Payroll	35.23%	47.55%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

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

	2018	2017	2016	2015	2014	2013
<u>Pension</u>						
Contractually Required Contributions	\$647,749	\$662,583	\$791,424	\$745,975	\$831,107	\$745,433
Contributions in Relation to the Contractually Required Contributions	<u>(647,749)</u>	<u>(662,583)</u>	<u>(791,424)</u>	<u>(745,975)</u>	<u>(831,107)</u>	<u>(745,433)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered Payroll	\$4,798,143	\$4,732,736	\$5,653,029	\$5,659,901	\$5,996,443	\$5,386,077
Contributions as a Percentage of Covered Payroll	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%
<u>OPEB</u>						
Contractually Required Contributions	\$91,611	\$68,005	\$0	\$46,411	\$8,395	\$8,618
Contributions in Relation to the Contractually Required Contributions	<u>(91,611)</u>	<u>(68,005)</u>	<u>0</u>	<u>(46,411)</u>	<u>(8,395)</u>	<u>(8,618)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered Payroll	\$4,798,143	\$4,732,736	\$5,653,029	\$5,659,901	\$5,996,443	\$5,386,077
Contributions as a Percentage of Covered Payroll	1.91%	1.44%	0.00%	0.82%	0.14%	0.16%

(1) Information prior to 2013 is not available.

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

See accompanying notes to the required supplementary information.

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

	2018	2017	2016	2015	2014	2013
<u>Pension</u>						
Contractually Required Contributions	\$2,103,960	\$2,047,436	\$2,079,266	\$2,046,401	\$1,919,192	\$1,888,618
Contributions in Relation to the Contractually Required Contributions	<u>(2,103,960)</u>	<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>	<u>\$0</u>
District Covered Payroll	\$15,028,286	\$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%	14.00%	13.00%	13.00%
<u>OPEB</u>						
Contractually Required Contributions	\$0	\$0	\$0	\$0	\$85,548	\$75,653
Contributions in Relation to the Contractually Required Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(85,548)</u>	<u>(75,653)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered Payroll	\$15,028,286	\$14,624,543	\$14,851,900	\$14,617,150	\$14,650,321	\$14,527,831
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

(1) Information prior to 2013 is not available.

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

See accompanying notes to the required supplementary information.

ATHENS CITY SCHOOL DISTRICT
Notes to the Supplementary Information
For the Fiscal Year Ended June 30, 2018

NOTE 1 – SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Pension

Assumption Changes Since Prior Measurement Date – For fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2016 and prior are presented below:

	Fiscal Year 2017	Fiscal Year 2016 and Prior
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning with fiscal year 2017, mortality assumptions use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Other Postemployment Benefits

Assumption Changes Since the Prior Measurement Date – Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:	
Fiscal Year 2018	3.56 percent
Fiscal Year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, Including price inflation	
Fiscal Year 2018	3.63 percent
Fiscal Year 2017	2.98 percent

NOTE 2 - STATE TEACHERS RETIREMENT SYSTEM OF OHIO

Pension

Assumption Changes Since Prior Measurement Date – Amounts reported for fiscal year 2018 incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

ATHENS CITY SCHOOL DISTRICT
Notes to the Supplementary Information
For the Fiscal Year Ended June 30, 2018

NOTE 2 - STATE TEACHERS RETIREMENT SYSTEM OF OHIO - Continued

Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent net of investment expense, including inflation	7.75 percent net of investment expense, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	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 commences on fifth anniversary of retirement date.

For fiscal year 2018 post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70% of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, 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 no set back from age 90 and above.

Other Postemployment Benefits

Assumption Changes Since the Prior Measurement Date – For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

ATHENS CITY SCHOOL DISTRICT
Description of Governmental Funds

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

Food Service

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

Other Local Support

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

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 2018.

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, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash, Cash Equivalents and Investments	\$605,124	\$1,176,595	\$1,781,719
Property Taxes Receivable	0	686,658	686,658
Intergovernmental Receivable	871,313	0	871,313
Materials and Supplies Inventory	5,736	0	5,736
Inventory Held for Resale	15,423	0	15,423
<i>Total Assets</i>	<u>\$1,497,596</u>	<u>\$1,863,253</u>	<u>\$3,360,849</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$121,051	\$0	\$121,051
Accrued Wages and Benefits	267,737	0	267,737
Intergovernmental Payable	59,105	0	59,105
Interfund Payable	254,439	0	254,439
<i>Total Liabilities</i>	<u>702,332</u>	<u>0</u>	<u>702,332</u>
<u>Deferred Inflows of Resources:</u>			
Property Taxes	0	653,228	653,228
Intergovernmental	871,313	0	871,313
<i>Total Deferred Inflows of Resources</i>	<u>871,313</u>	<u>653,228</u>	<u>1,524,541</u>
<u>Fund Balances:</u>			
Nonspendable	5,736	0	5,736
Restricted	548,032	1,210,025	1,758,057
Unassigned	(629,817)	0	(629,817)
<i>Total Fund Balances</i>	<u>(76,049)</u>	<u>1,210,025</u>	<u>1,133,976</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$626,283</u>	<u>\$1,210,025</u>	<u>\$1,836,308</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, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Property Taxes	\$0	\$738,394	\$738,394
Intergovernmental	2,087,989	71,396	2,159,385
Extracurricular Activities	108,634	0	108,634
Charges for Services	195,030	0	195,030
Contributions and Donations	44,555	0	44,555
Miscellaneous	5,798	0	5,798
<i>Total Revenues</i>	<u>2,442,006</u>	<u>809,790</u>	<u>3,251,796</u>
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	207,515	0	207,515
Special	1,270,346	0	1,270,346
<i>Support Services:</i>			
Pupil	65,386	0	65,386
Instructional Staff	139,513	0	139,513
Administration	9,314	0	9,314
Pupil Transportation	9,516	0	9,516
Operation of Non-Instructional Services	737,429	17,222	754,651
Extracurricular Activities	133,388	0	133,388
<i>Debt Service:</i>			
Principal Retirement	0	905,000	905,000
Interest and Fiscal Charges	0	116,567	116,567
<i>Total Expenditures</i>	<u>2,572,407</u>	<u>1,038,789</u>	<u>3,611,196</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(130,401)</u>	<u>(228,999)</u>	<u>(359,400)</u>
<u>Other Financing Sources:</u>			
Transfers In	70,000	0	70,000
<i>Total Other Financing Sources</i>	<u>70,000</u>	<u>0</u>	<u>70,000</u>
<i>Net Change in Fund Balances</i>	(60,401)	(228,999)	(289,400)
<i>Fund Balances at Beginning of Year</i>	<u>(15,648)</u>	<u>1,439,024</u>	<u>1,423,376</u>
<i>Fund Balances at End of Year</i>	<u>(\$76,049)</u>	<u>\$1,210,025</u>	<u>\$1,133,976</u>

ATHENS CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Food Service	Other Local Support	District Managed Activities	Other State Support
<u>Assets:</u>				
Equity In Pooled Cash, Cash Equivalents and Investments	\$13,833	\$458,160	\$131,763	\$1,368
Intergovernmental Receivable	0	0	0	0
Materials and Supplies Inventory	5,736	0	0	0
Inventory Held for Resale	15,423	0	0	0
<i>Total Assets</i>	<u>\$34,992</u>	<u>\$458,160</u>	<u>\$131,763</u>	<u>\$1,368</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$0	\$0	\$39,625	\$1,253
Accrued Wages and Benefits	38,495	2,880	0	0
Intergovernmental Payable	6,461	754	0	0
Interfund Payable	0	0	0	3,843
<i>Total Liabilities</i>	<u>44,956</u>	<u>3,634</u>	<u>39,625</u>	<u>5,096</u>
<u>Deferred Inflows of Resources:</u>				
Intergovernmental	0	0	0	0
<u>Fund Balances:</u>				
Nonspendable	5,736	0	0	0
Restricted	0	454,526	92,138	1,368
Unassigned	(15,700)	0	0	(5,096)
<i>Total Fund Balances</i>	<u>(9,964)</u>	<u>454,526</u>	<u>92,138</u>	<u>(3,728)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$34,992</u>	<u>\$458,160</u>	<u>\$131,763</u>	<u>\$1,368</u>

Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$605,124
211,008	425,343	234,962	871,313
0	0	0	5,736
0	0	0	15,423
<u>\$211,008</u>	<u>\$425,343</u>	<u>\$234,962</u>	<u>\$1,497,596</u>
\$8,937	\$67,808	\$3,428	\$121,051
82,504	126,108	17,750	267,737
4,612	7,049	40,229	59,105
48,931	171,766	29,899	254,439
<u>144,984</u>	<u>372,731</u>	<u>91,306</u>	<u>702,332</u>
<u>211,008</u>	<u>425,343</u>	<u>234,962</u>	<u>871,313</u>
0	0	0	5,736
0	0	0	548,032
<u>(144,984)</u>	<u>(372,731)</u>	<u>(91,306)</u>	<u>(629,817)</u>
<u>(144,984)</u>	<u>(372,731)</u>	<u>(91,306)</u>	<u>(76,049)</u>
<u>\$211,008</u>	<u>\$425,343</u>	<u>\$234,962</u>	<u>\$1,497,596</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, 2018

	Food Service	Other Local Support	District Managed Activities	Other State Support
<u>Revenues:</u>				
Intergovernmental	\$482,211	\$96,058	\$0	\$52,908
Extracurricular Activities	0	0	108,634	0
Charges for Services	182,570	0	12,460	0
Contributions and Donations	0	1,568	42,987	0
Miscellaneous	5,406	0	392	0
<i>Total Revenues</i>	<u>670,187</u>	<u>97,626</u>	<u>164,473</u>	<u>52,908</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	0	13,114	0	42,508
Special	0	0	2,080	1,157
<i>Support Services:</i>				
Pupil	0	1,745	0	844
Instructional Staff	0	37,001	0	8,283
Administration	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	737,429	0	0	0
Extracurricular Activities	0	0	133,388	0
<i>Total Expenditures</i>	<u>737,429</u>	<u>51,860</u>	<u>135,468</u>	<u>52,792</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(67,242)	45,766	29,005	116
<u>Other Financing Sources:</u>				
Transfers In	70,000	0	0	0
<i>Total Other Financing Sources</i>	<u>70,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	2,758	45,766	29,005	116
<i>Fund Balances (Deficits) at Beginning of Year</i>	<u>(12,722)</u>	<u>408,760</u>	<u>63,133</u>	<u>(3,844)</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u>(\$9,964)</u>	<u>\$454,526</u>	<u>\$92,138</u>	<u>(\$3,728)</u>

Title VI-B	Title I	Other Federal Support	Total Nonmajor Special Revenue Funds
\$453,456	\$790,538	\$212,818	\$2,087,989
0	0	0	108,634
0	0	0	195,030
0	0	0	44,555
0	0	0	5,798
<u>453,456</u>	<u>790,538</u>	<u>212,818</u>	<u>2,442,006</u>
0	0	151,893	207,515
481,919	756,171	29,019	1,270,346
0	62,590	207	65,386
0	61,035	33,194	139,513
0	4,319	4,995	9,314
0	0	9,516	9,516
0	0	0	737,429
0	0	0	133,388
<u>481,919</u>	<u>884,115</u>	<u>228,824</u>	<u>2,572,407</u>
(28,463)	(93,577)	(16,006)	(130,401)
<u>0</u>	<u>0</u>	<u>0</u>	<u>70,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>70,000</u>
(28,463)	(93,577)	(16,006)	(60,401)
<u>(116,521)</u>	<u>(279,154)</u>	<u>(75,300)</u>	<u>(15,648)</u>
<u>(\$144,984)</u>	<u>(\$372,731)</u>	<u>(\$91,306)</u>	<u>(\$76,049)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Property Taxes	\$14,968,652	\$15,718,842	\$15,718,842	\$0
Income Taxes	4,123,857	4,195,104	4,195,104	0
Intergovernmental	9,376,281	9,335,519	9,335,519	0
Interest	109,964	197,290	218,348	21,058
Tuition and Fees	2,737,320	2,578,690	2,578,690	0
Rent	66,891	72,354	72,354	0
Customer Sales and Services	35,659	50,564	50,564	0
Payment in Lieu of Taxes	245,055	217,249	217,249	0
Miscellaneous	134,987	260,839	261,131	292
Total Revenues	31,798,666	32,626,451	32,647,801	21,350
<i>Expenditures:</i>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Salaries	9,421,312	9,329,237	9,329,237	0
Fringe Benefits	3,698,923	3,316,242	3,316,242	0
Purchased Services	1,661,077	1,971,428	1,971,428	0
Materials and Supplies	978,850	935,499	935,498	1
Other	172,050	45,350	45,339	11
Capital Outlay	58,571	180,705	180,705	0
Total Regular Instruction	15,990,783	15,778,461	15,778,449	12
<i>Special</i>				
Salaries	1,984,744	2,007,697	2,007,697	0
Fringe Benefits	1,324,588	1,171,553	1,171,553	0
Purchased Services	321,600	486,692	486,692	0
Materials and Supplies	32,132	25,381	25,381	0
Total Special Instruction	3,663,064	3,691,323	3,691,323	0
<i>Vocational</i>				
Salaries	133,673	81,090	81,090	0
Fringe Benefits	21,715	12,643	12,643	0
Purchased Services	5,236	7,133	7,133	0
Materials and Supplies	696	12,123	12,123	0
Capital Outlay	5,969	6,437	6,437	0
Total Vocational Instruction	167,289	119,426	119,426	0
<i>Student Intervention Services</i>				
Salaries	72,784	70,560	70,560	0
Fringe Benefits	29,458	26,947	26,947	0
Total Student Intervention Services	102,242	97,507	97,507	0
Total Instruction	19,923,378	19,686,717	19,686,705	12
<i>Support Services:</i>				
<i>Pupils</i>				
Salaries	1,451,235	1,454,803	1,454,803	0
Fringe Benefits	841,894	705,728	705,728	0
Purchased Services	189,550	206,586	206,586	0
Materials and Supplies	17,050	11,245	11,245	0
Capital Outlay	0	2,998	2,998	0
Total Pupils	2,499,729	2,381,360	2,381,360	0

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Instructional Staff				
Salaries	344,367	324,275	324,275	0
Fringe Benefits	254,794	199,015	199,015	0
Purchased Services	338,280	338,123	338,123	0
Materials and Supplies	24,624	21,851	21,851	0
Capital Outlay	41,000	40,963	40,963	0
Total Instructional Staff	1,003,065	924,227	924,227	0
Board of Education				
Salaries	9,914	11,125	11,125	0
Fringe Benefits	1,415	1,553	1,553	0
Purchased Services	100,000	71,879	71,879	0
Materials and Supplies	7,500	1,240	1,240	0
Other	29,000	17,578	17,578	0
Total Board of Education	147,829	103,375	103,375	0
Administration				
Salaries	1,589,962	1,654,257	1,654,257	0
Fringe Benefits	710,141	632,380	632,380	0
Purchased Services	54,920	26,366	26,366	0
Materials and Supplies	21,919	14,408	14,408	0
Other	30,000	28,808	28,808	0
Total Administration	2,406,942	2,356,219	2,356,219	0
Fiscal				
Salaries	354,163	334,123	334,123	0
Fringe Benefits	181,262	153,582	153,582	0
Purchased Services	53,618	24,844	24,844	0
Materials and Supplies	9,500	10,159	10,159	0
Other	20,000	18,936	18,936	0
Total Fiscal	618,543	541,644	541,644	0
Business				
Salaries	2,008	2,007	2,007	0
Fringe Benefits	531	450	450	0
Purchased Services	1,000	550	550	0
Other	10,000	11,524	11,524	0
Total Business	13,539	14,531	14,531	0
Operation and Maintenance of Plant				
Salaries	1,297,447	1,272,859	1,272,859	0
Fringe Benefits	673,770	563,827	563,827	0
Purchased Services	973,715	925,366	925,366	0
Materials and Supplies	164,500	164,797	164,797	0
Other	70,000	68,502	68,502	0
Total Operation and Maintenance of Plant	3,179,432	2,995,351	2,995,351	0

(Continued)

ATHENS CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil Transportation				
Salaries	670,709	642,632	642,632	0
Fringe Benefits	507,755	359,085	359,085	0
Purchased Services	18,730	11,716	11,663	53
Materials and Supplies	306,297	307,277	307,277	0
Other	32,000	33,040	33,040	0
Total Pupil Transportation	1,535,491	1,353,750	1,353,697	53
Total Support Services	11,404,570	10,670,457	10,670,404	53
<i>Operation of Non-Instructional Services:</i>				
Shared Services				
Other	415,000	431,220	431,220	0
Total Shared Services	415,000	431,220	431,220	0
Total Operation of Non-Instructional Services	415,000	431,220	431,220	0
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Salaries	99,415	114,604	114,604	0
Fringe Benefits	21,858	29,935	29,935	0
Total Academic Oriented Activities	121,273	144,539	144,539	0
Sport Oriented Activities				
Salaries	280,652	282,152	282,152	0
Fringe Benefits	59,373	59,338	59,338	0
Purchased Services	262,903	263,127	263,127	0
Total Sport Oriented Activities	602,928	604,617	604,617	0
Total Extracurricular Activities	724,201	749,156	749,156	0
<i>Capital Outlay:</i>				
Architecture and Engineering Services				
Purchased Services	18,000	17,431	17,431	0
	18,000	17,431	17,431	0
Total Capital Outlay	18,000	17,431	17,431	0
<i>Total Expenditures</i>	32,485,149	31,554,981	31,554,916	65
Excess of Revenues Over (Under) Expenditures	(686,483)	1,071,470	1,092,885	21,415
<u>Other Financing Uses:</u>				
Transfers Out	(270,000)	(270,000)	(270,000)	0
Total Other Financing Uses	(270,000)	(270,000)	(270,000)	0
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	(956,483)	801,470	822,885	21,415
Fund Balance at Beginning of Year	8,774,484	8,774,484	8,774,484	0
Prior Year Encumbrances Appropriated	63,169	63,169	63,169	0
Fund Balance at End of Year	\$7,881,170	\$9,639,123	\$9,660,538	\$21,415

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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$1,458,514	\$1,500,787	\$1,500,787	\$0
Intergovernmental	140,039	144,098	144,098	0
Interest	46,082	47,029	52,272	5,243
Payment in Lieu of Taxes	0	118,906	118,906	0
Total Revenues	1,644,635	1,810,820	1,816,063	5,243
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Purchased Services	76,560	135,243	134,283	960
Materials and Supplies	26,500	46,812	46,812	0
Capital Outlay	62,917	111,142	111,142	0
Total Regular	165,977	293,197	292,237	960
Student Intervention Services				
Materials and Supplies	8,491	15,000	1,500	13,500
Total Instruction	174,468	308,197	293,737	14,460
<i>Support Services:</i>				
Pupils				
Purchased Services	15,217	26,881	26,881	0
Total Pupils	15,217	26,881	26,881	0
Instructional Staff				
Materials and Supplies	4,915	8,682	8,682	0
Total Instructional Staff	4,915	8,682	8,682	0
Board of Education				
Purchased Services	679	1,200	1,200	0
Total Board of Education	679	1,200	1,200	0
Administration				
Purchased Services	951	1,680	1,680	0
Total Administration	951	1,680	1,680	0
Fiscal				
Purchased Services	5,429	9,590	9,579	11
Capital Outlay	624	1,103	1,103	0
Total Fiscal	6,053	10,693	10,682	11
Pupil Transportation				
Purchased Services	26,611	47,008	47,008	0
Material and Supplies	11,631	20,546	20,546	0
Capital Outlay	107,727	190,299	190,299	0
Total Pupil Transportation	145,969	257,853	257,853	0
Total Support Services	173,784	306,989	306,978	11

(Continued)

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, 2018

	<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				
Materials and Supplies	3,136	5,540	5,540	0
Shared Services				
Other	19,736	34,864	34,864	0
Total Operation of Non-Instructional Services	<u>22,872</u>	<u>40,404</u>	<u>40,404</u>	<u>0</u>
<i>Extracurricular Activities:</i>				
Academic Oriented Activities				
Capital Outlay	6,793	12,000	12,000	0
Sport Oriented Activities				
Purchased Services	2,120	3,745	3,745	0
Total Sport Oriented Activities	<u>2,120</u>	<u>3,745</u>	<u>3,745</u>	<u>0</u>
Total Extracurricular Activities	<u>8,913</u>	<u>15,745</u>	<u>15,745</u>	<u>0</u>
<i>Capital Outlay:</i>				
Architecture and Engineering Services				
Purchased Services	20,465	36,151	36,151	0
Building Improvement Services				
Purchased Services	185,869	328,337	328,337	0
Materials and Supplies	1,852	3,271	3,271	0
Capital Outlay	10,431	18,426	18,426	0
Total Building Improvement Services	<u>198,152</u>	<u>350,034</u>	<u>350,034</u>	<u>0</u>
Other Facilities Acquisition and Construction				
Purchased Services	104,331	184,301	184,301	0
Capital Outlay	187	331	331	0
Total Other Facilities Acquisition and Construction	<u>104,518</u>	<u>184,632</u>	<u>184,632</u>	<u>0</u>
Total Capital Outlay	<u>323,135</u>	<u>570,817</u>	<u>570,817</u>	<u>0</u>
Total Expenditures	<u>703,172</u>	<u>1,242,152</u>	<u>1,227,681</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	941,463	568,668	588,382	19,714
<u>Other Financing Uses:</u>				
Other Financing Uses	(1,415,231)	(2,500,000)	0	2,500,000
Total Other Financing Uses	<u>(1,415,231)</u>	<u>(2,500,000)</u>	<u>0</u>	<u>2,500,000</u>
Excess of Revenue Over (Under)				
Expenditures and Other Financing Uses	(473,768)	(1,931,332)	588,382	2,519,714
Fund Balance at Beginning of Year	2,616,549	2,616,549	2,616,549	0
Prior Year Encumbrances Appropriated	39,685	39,685	39,685	0
Fund Balance at End of Year	<u>\$2,182,466</u>	<u>\$724,902</u>	<u>\$3,244,616</u>	<u>\$2,519,714</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$465,182	\$482,190	\$482,190	\$0
Customer Sales and Service	176,020	182,456	182,570	114
Miscellaneous	5,236	5,427	5,427	0
<i>Total Revenues</i>	646,438	670,073	670,187	114
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Operation of Non-Instructional Services:</i>				
Food Service				
Salaries	252,743	257,115	257,113	2
Fringe Benefits	178,988	182,084	182,084	0
Purchased Services	7,443	7,572	7,572	0
Materials and Supplies	274,877	279,632	279,632	0
Other	109	111	111	0
Capital Outlay	734	747	747	0
Total Operation of Non-Instructional Services	714,894	727,261	727,259	2
<i>Total Expenditures</i>	714,894	727,261	727,259	2
Excess of Revenues Over (Under) Expenditures	(68,456)	(57,188)	(57,072)	116
<u>Other Financing Sources:</u>				
Transfers In	70,000	70,000	70,000	0
<i>Total Other Financing Sources</i>	70,000	70,000	70,000	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	1,544	12,812	12,928	116
Fund Balance at Beginning of Year	905	905	905	0
Fund Balance at End of Year	\$2,449	\$13,717	\$13,833	\$116

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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$0	\$96,058	\$96,058	\$0
Contributions and Donations	0	1,568	1,568	0
<i>Total Revenues</i>	0	97,626	97,626	0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Salaries	11,519	1,746	1,746	0
Fringe Benefits	4,295	651	651	0
Purchased Services	38,318	5,808	5,808	0
Materials and Supplies	32,505	4,927	4,927	0
<i>Total Regular</i>	86,637	13,132	13,132	0
<i>Support Services:</i>				
<i>Pupils</i>				
Materials and Supplies	6,439	976	976	0
Capital Outlay	5,073	769	769	0
<i>Total Pupils</i>	11,512	1,745	1,745	0
<i>Instructional Staff</i>				
Salaries	150,447	22,804	22,804	0
Fringe Benefits	24,384	3,696	3,696	0
Purchased Services	36,220	5,490	5,490	0
Capital Outlay	9,441	1,431	1,431	0
<i>Total Instructional Staff</i>	220,492	33,421	33,421	0
<i>Total Support Services</i>	232,004	35,166	35,166	0
<i>Total Expenditures</i>	318,641	48,298	48,298	0
Excess of Revenues Over (Under) Expenditures	(318,641)	49,328	49,328	0
Fund Balance at Beginning of Year	408,814	408,814	408,814	0
Fund Balance at End of Year	\$90,173	\$458,142	\$458,142	\$0

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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Customer Sales and Services	\$0	\$0	\$12,460	\$12,460
Extracurricular Activities	49,167	108,634	108,634	0
Contributions and Donations	19,456	42,987	42,987	0
Miscellaneous	177	392	392	0
<i>Total Revenues</i>	<u>68,800</u>	<u>152,013</u>	<u>164,473</u>	<u>12,460</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Special</i>				
Purchased Services	<u>1,847</u>	<u>2,080</u>	<u>2,080</u>	<u>0</u>
<i>Extracurricular Activities:</i>				
<i>Academic Oriented Activities</i>				
Materials and Supplies	<u>7,263</u>	<u>8,180</u>	<u>8,180</u>	<u>0</u>
<i>Total Academic Oriented Extracurricular Activities</i>	<u>7,263</u>	<u>8,180</u>	<u>8,180</u>	<u>0</u>
<i>Sport Oriented Activities</i>				
Purchased Services	42,428	47,781	47,781	0
Materials and Supplies	50,094	56,414	56,414	0
Other	8,278	9,323	9,323	0
Capital Outlay	<u>10,859</u>	<u>12,228</u>	<u>12,228</u>	<u>0</u>
<i>Total Sport Oriented Extracurricular Activities</i>	<u>111,659</u>	<u>125,746</u>	<u>125,746</u>	<u>0</u>
<i>Total Extracurricular Activities</i>	<u>118,922</u>	<u>133,926</u>	<u>133,926</u>	<u>0</u>
<i>Total Expenditures</i>	<u>120,769</u>	<u>136,006</u>	<u>136,006</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(51,969)	16,007	28,467	12,460
Fund Balance at Beginning of Year	<u>63,133</u>	<u>63,133</u>	<u>63,133</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$11,164</u>	<u>\$79,140</u>	<u>\$91,600</u>	<u>\$12,460</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, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$42,408	\$73,447	\$52,908	(\$20,539)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	40,000	40,000	40,000	0
Purchased Services	0	2,573	1,969	604
Materials and Supplies	0	7,441	5,394	2,047
Total Regular Instruction	<u>40,000</u>	<u>50,014</u>	<u>47,363</u>	<u>2,651</u>
Special				
Purchased Services	0	150	125	25
Materials and Supplies	0	1,199	1,110	89
Total Special Instruction	<u>0</u>	<u>1,349</u>	<u>1,235</u>	<u>114</u>
Total Instruction	40,000	51,363	48,598	2,740
<i>Support Services:</i>				
Pupils				
Purchased Services	0	4,000	2,000	2,043
Total Support Services	<u>0</u>	<u>4,000</u>	<u>2,000</u>	<u>2,647</u>
Instructional Staff				
Purchased Services	0	13,634	9,901	3,733
Materials and Supplies	0	2,400	0	2,400
Total Instructional Staff	<u>0</u>	<u>16,034</u>	<u>9,901</u>	<u>6,133</u>
Total Support Services	<u>0</u>	<u>20,034</u>	<u>11,901</u>	<u>8,133</u>
<i>Total Expenditures</i>	<u>40,000</u>	<u>71,397</u>	<u>60,499</u>	<u>5,387</u>
Excess of Revenues Over (Under) Expenditures	2,408	2,050	(7,591)	(9,641)
Fund Balance at Beginning of Year	<u>1,122</u>	<u>1,122</u>	<u>1,122</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$3,530</u>	<u>\$3,172</u>	<u>(\$6,469)</u>	<u>(\$9,641)</u>

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$646,645	\$672,339	\$453,456	(\$218,883)
<u>Expenditures:</u>				
<i>Current:</i>				
Instruction:				
Special				
Salaries	488,393	509,474	377,390	132,084
Purchased Services	73,252	76,414	76,414	0
Materials and Supplies	28,837	30,082	14,560	15,522
Total Special Instruction	590,482	615,970	468,364	147,606
Total Instruction	590,482	615,970	468,364	147,606
<i>Support Services:</i>				
Administration				
Materials and Supplies	4,793	5,000	0	5,000
Total Administration	4,793	5,000	0	5,000
<i>Total Expenditures</i>	595,275	620,970	468,364	152,606
Excess of Revenues Over (Under) Expenditures	51,370	51,369	(14,908)	(66,277)
Fund Balance (Deficit) at Beginning of Year	(43,495)	(43,495)	(43,495)	0
Fund Balance (Deficit) at End of Year	\$7,875	\$7,874	(\$58,403)	(\$66,277)

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$1,214,931	\$1,359,811	\$790,538	(\$569,273)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Special				
Salaries	601,286	682,638	633,217	49,421
Purchased Services	54,692	62,091	37,110	24,981
Materials and Supplies	27,350	31,050	28,108	2,942
Capital Outlay	44,041	50,000	45,933	4,067
Total Special Instruction	727,369	825,779	744,368	81,411
Total Instruction	727,369	825,779	744,368	81,411
<i>Support Services:</i>				
Pupils				
Purchased Services	58,839	66,800	62,016	4,784
Materials and Supplies	7,047	8,000	1,477	6,523
Total Pupils	65,886	74,800	63,493	11,307
Instructional Staff				
Salaries	12,528	14,223	14,223	0
Purchased Services	71,618	81,308	17,259	64,049
Materials and Supplies	47,297	53,696	34,400	19,296
Total Instructional Staff	131,443	149,227	65,882	83,345
Administration				
Purchased Services	4,228	4,800	4,319	481
Total Administration	4,228	4,800	4,319	481
Total Support Services	201,557	228,827	133,694	95,133
<i>Total Expenditures</i>	928,926	1,054,606	878,062	176,544
Excess of Revenues Over (Under) Expenditures	286,005	305,205	(87,524)	(392,729)
Fund Balance (Deficit) at Beginning of Year	(184,420)	(184,420)	(184,420)	0
Prior Year Encumbrances Appropriated	20,248	20,248	20,248	0
Fund Balance (Deficit) at End of Year	\$121,833	\$141,033	(\$251,696)	(\$392,729)

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$361,605	\$474,803	\$212,818	(\$261,985)
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular				
Salaries	63,490	121,276	75,744	45,532
Purchased Services	57,148	109,162	99,162	10,000
Materials and Supplies	2,617	5,000	3,173	1,827
Total Regular Instruction	123,255	235,438	178,079	57,359
Special				
Salaries	9,075	17,334	17,334	0
Purchased Services	4,422	8,446	5,966	2,480
Materials and Supplies	3,012	5,754	5,754	0
Total Special Instruction	16,509	31,534	29,054	2,480
Total Instruction	139,764	266,972	207,133	59,839
<i>Support Services:</i>				
Pupils				
Purchased Services	1,775	3,390	500	2,890
Total Pupils	1,775	3,390	500	2,890
Instructional Staff				
Purchased Services	53,922	103,000	94,106	8,894
Materials and Supplies	4,307	8,228	2,255	5,973
Total Instructional Staff	58,229	111,228	96,361	14,867
Administration				
Purchased Services	7,691	14,692	14,692	0
Total Administration	7,691	14,692	14,692	0
Pupil Transportation				
Purchased Services	4,763	9,098	9,098	0
Other	2,356	4,500	4,500	0
Total Pupil Transportation	7,119	13,598	13,598	0
Total Support Services	74,814	142,908	125,151	17,757
<i>Total Expenditures</i>	214,578	409,880	332,284	77,596
Excess of Revenues Over (Under) Expenditures	147,027	64,923	(119,466)	(184,389)
Fund Balance (Deficit) at Beginning of Year	(25,756)	(25,756)	(25,756)	0
Prior Year Encumbrances Appropriated	3,047	3,047	3,047	0
Fund Balance (Deficit) at End of Year	\$124,318	\$42,214	(\$142,175)	(\$184,389)

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property Taxes	\$737,473	\$739,830	\$739,830	\$0
Intergovernmental	73,985	71,396	71,396	0
<i>Total Revenues</i>	<u>811,458</u>	<u>811,226</u>	<u>811,226</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Operation of Non-Instructional/Shared Services:</i>				
<i>Shared Services</i>				
Other	20,000	17,222	17,222	0
<i>Debt Service:</i>				
Principal Retirement	905,000	905,000	905,000	0
Interest and Fiscal Charges	116,567	116,567	116,567	0
<i>Total Expenditures</i>	<u>1,041,567</u>	<u>1,038,789</u>	<u>1,038,789</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(230,109)	(227,563)	(227,563)	0
Fund Balance at Beginning of Year	<u>1,404,158</u>	<u>1,404,158</u>	<u>1,404,158</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,174,049</u></u>	<u><u>\$1,176,595</u></u>	<u><u>\$1,176,595</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)
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Tuition and Fees	\$53,100	\$61,150	\$61,150	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
<i>Regular</i>				
Materials and Supplies	68,184	52,140	52,140	0
Total Instruction	68,184	52,140	52,140	0
<i>Support Services:</i>				
<i>Pupils</i>				
Materials and Supplies	21,493	16,436	16,436	0
Total Support Services	21,493	16,436	16,436	0
<i>Total Expenditures</i>	89,677	68,576	68,576	0
Excess of Revenues Over (Under) Expenditures	(36,577)	(7,426)	(7,426)	0
Fund Balance at Beginning of Year	47,604	47,604	47,604	0
Prior Year Encumbrances Appropriated	1,342	1,342	1,342	0
Fund Balance at End of Year	<u>\$12,369</u>	<u>\$41,520</u>	<u>\$41,520</u>	<u>\$0</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$1,413	\$2,000	\$2,000	\$0
Tuition and Fees	6,351	8,989	8,989	0
Extracurricular Activities	8,858	12,538	12,538	0
Gifts and Donations	5,578	7,895	7,895	0
<i>Total Revenues</i>	<u>22,200</u>	<u>31,422</u>	<u>31,422</u>	<u>0</u>
<u>Expenditures:</u>				
<i>Current:</i>				
Instruction:				
Regular				
Purchased Services	13,477	6,020	6,020	0
Materials and Supplies	36,581	16,340	16,340	0
Other	5,693	2,543	2,543	0
Capital Outlay	9,888	4,417	4,417	0
Total Regular	<u>65,639</u>	<u>29,320</u>	<u>29,320</u>	<u>0</u>
Support Services:				
Instructional Staff				
Purchased Services	4,025	1,798	1,798	0
Total Instructional Staff	<u>4,025</u>	<u>1,798</u>	<u>1,798</u>	<u>0</u>
Administration				
Materials and Supplies	3,573	1,596	1,596	0
Capital Outlay	8,371	3,739	3,739	0
Total Administration	<u>11,944</u>	<u>5,335</u>	<u>5,335</u>	<u>0</u>
Total Support Services	<u>15,969</u>	<u>7,133</u>	<u>7,133</u>	<u>0</u>
<i>Total Expenditures</i>	<u>81,608</u>	<u>36,453</u>	<u>36,453</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(59,408)	(5,031)	(5,031)	0
Fund Balance at Beginning of Year	58,343	58,343	58,343	0
Prior Year Encumbrances Appropriated	<u>2,229</u>	<u>2,229</u>	<u>2,229</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,164</u></u>	<u><u>\$55,541</u></u>	<u><u>\$55,541</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)
Termination Benefits Fund
For the Fiscal Year Ended June 30, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
<i>Current:</i>				
Instruction:				
Regular				
Salaries	350,823	129,060	129,060	0
Fringe Benefits	5,078	1,868	1,868	0
Total Regular	355,901	130,928	130,928	0
Special				
Salaries	67,968	25,004	25,004	0
Fringe Benefits	984	362	362	0
Total Special	68,952	25,366	25,366	0
Total Instruction	424,853	156,294	156,294	0
Support Services:				
Administration				
Salaries	144	53	53	0
Fringe Benefits	3	1	1	0
Total Administration	147	54	54	0
Total Support Services	147	54	54	0
Total Expenditures	425,000	156,348	156,348	0
Excess of Revenues Over (Under) Expenditures	(425,000)	(156,348)	(156,348)	0
<u>Other Financing Sources:</u>				
Transfers In	200,000	200,000	200,000	0
Total Other Financing Sources	200,000	200,000	200,000	0
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	(225,000)	43,652	43,652	0
Fund Balance at Beginning of Year	451,220	451,220	451,220	0
Fund Balance at End of Year	\$226,220	\$494,872	\$494,872	\$0

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual (Budget Basis)*
Unclaimed Monies Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Miscellaneous	\$0	\$6,834	\$8,435	\$0
<i>Total Revenues</i>	<u>0</u>	<u>6,834</u>	<u>8,435</u>	<u>0</u>
<u>Expenditures</u>				
<i>Current:</i>				
Support Services:				
Fiscal				
Other	0	1,564	1,564	0
<i>Total Expenditures</i>	<u>0</u>	<u>1,564</u>	<u>1,564</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	0	5,270	6,871	1,601
Fund Balance at Beginning of Year	<u>129,758</u>	<u>129,758</u>	<u>129,758</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$129,758</u></u>	<u><u>\$135,028</u></u>	<u><u>\$136,629</u></u>	<u><u>\$1,601</u></u>

ATHENS CITY SCHOOL DISTRICT
Description of Proprietary Fund

INTERNAL SERVICE FUND

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

Employee Benefits Self-Insurance

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

ATHENS CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenses and
Changes in Fund Equity - Budget and Actual (Budget Basis)*
Employee Benefits Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$3,941,517	\$4,510,184	\$4,894,918	\$384,734
Other Revenues	151,484	173,339	173,339	0
<i>Total Revenues</i>	4,093,001	4,683,523	5,068,257	384,734
<u>Expenses:</u>				
Purchased Services	4,141	3,901	3,901	0
Claims	6,776,025	6,382,817	5,382,817	1,000,000
Other	2,834	2,669	2,668	1
<i>Total Expenses</i>	6,783,000	6,389,387	5,389,386	1,000,001
Operating Income (Loss)	(2,689,999)	(1,705,864)	(321,129)	1,384,735
<u>Nonoperating Revenues:</u>				
Interest	16,999	19,451	19,451	0
<i>Total Nonoperating Revenues</i>	16,999	19,451	19,451	0
Excess of Revenues Over (Under) Expenses	(2,673,000)	(1,686,413)	(301,678)	1,384,735
Fund Equity at Beginning of Year	5,718,957	5,718,957	5,718,957	0
Fund Equity at End of Year	\$3,045,957	\$4,032,544	\$5,417,279	\$1,384,735

ATHENS CITY SCHOOL DISTRICT
Description of Fiduciary Funds

FIDUCIARY FUNDS

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

Agency Funds

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, 2018

	July 1, 2017 Balance	Additions	Deductions	June 30, 2018 Balance
<u>Student Activity Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash, Cash Equivalents and Investments	\$99,502	\$71,253	\$64,121	\$106,634
<u>Liabilities:</u>				
Due to Students	\$99,502	\$71,253	\$64,121	\$106,634
 <u>Retirement Holding Account Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash, Cash Equivalents and Investments	\$151,819	\$2,231,821	\$2,221,048	\$162,592
<u>Liabilities:</u>				
Intergovernmental Payable	\$151,819	\$2,231,821	\$2,221,048	\$162,592
 <u>OHSAA Tournament Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash, Cash Equivalents and Investments	\$12,935	\$25,177	\$38,112	\$0
<u>Liabilities:</u>				
Due to Others	\$12,935	\$25,177	\$38,112	\$0
 <u>All Agency Funds</u>				
<u>Assets:</u>				
Equity in Pooled Cash, Cash Equivalents and Investments	\$264,256	\$2,328,251	\$2,323,281	\$269,226
<u>Liabilities:</u>				
Due to Students	\$99,502	\$71,253	\$64,121	\$106,634
Intergovernmental Payable	151,819	2,231,821	2,221,048	162,592
Due to Others	12,935	25,177	38,112	0
<i>Total Liabilities</i>	<u>\$264,256</u>	<u>\$2,328,251</u>	<u>\$2,323,281</u>	<u>\$269,226</u>

ATHENS CITY SCHOOL DISTRICT



STATISTICAL SECTION

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Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	107 - 113
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax (and the income tax).	114 - 125
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	126 - 129
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	130 - 132
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	133 - 135

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, 2018

	<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>	<u>2018</u>
Net Investment in Capital Assets	\$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	\$9,766,554
Restricted for:										
Capital Projects	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	3,711,701
Debt Service	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	1,227,323
Other Purposes	620,310	979,006	215,322	139,963	97,930	294,537	406,819	424,249	522,921	594,265
Unrestricted	<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>	<u>(27,199,475)</u>
Total Net Position	<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>	<u><u>(\$11,899,632)</u></u>

ATHENS CITY SCHOOL DISTRICT
Changes in Net Position of Governmental Activities
Last Ten Fiscal Years
June 30, 2018

	2009	2010	2011	2012	2013	2014	#	2015	2016	2017	2018
Expenses											
Regular Instruction	\$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	\$9,210,447
Special Instruction	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	2,332,832
Vocational Instruction	343,739	419,445	508,534	426,089	355,167	328,360		234,063	158,582	186,116	35,153
Student Intervention Services	362,017	148,213	133,738	140,530	136,099	109,975		90,459	81,869	106,173	25,980
Other Instruction	0	0	0	0	0	0		84,456	10,048	0	13,525
Pupil Support	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	1,286,751
Instructional Staff Support	1,929,428	2,479,736	2,583,514	2,585,026	2,139,691	746,302		680,483	550,573	750,700	738,809
Board of Education	87,678	164,636	123,282	124,844	105,858	114,855		130,783	87,584	122,726	90,005
Administration	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	885,094
Fiscal	717,860	702,311	664,616	663,653	674,254	641,031		660,982	658,024	597,760	234,839
Business	610,723	602,219	548,213	512,174	530,625	447,045		409,031	475,619	42,639	12,575
Operation and Maintenance of Plant	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	1,830,930
Pupil Transportation	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	798,058
Central	200,597	203,103	124,258	240,493	105,958	113,334		111,100	110,206	17,328	0
Operation of Food Services	869,551	849,165	823,199	804,940	739,455	723,193		697,962	723,360	655,495	475,847
Other Non-Instructional Services	300	5,398	33,650	11,221	4,791	9,054		6,386	8,260	578,641	482,332
Extracurricular Activities	526,387	475,833	617,610	520,707	498,454	548,371		683,852	564,768	691,919	665,258
Interest and Fiscal Charges	683,439	678,788	819,837	696,149	485,943	381,368		377,105	376,014	383,908	324,293
Issuance Costs	0	0	0	0	145,225	0	#	0	0	0	0
Total Expenses	34,577,909	35,977,568	35,892,832	37,195,967	36,001,531	35,739,209	#	35,713,586	34,357,260	35,620,893	19,442,728
Program Revenues											
Charges for Services											
Regular Instruction	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	2,694,353
Special Instruction	3,510	4,350	0	5,013	0	0		0	0	0	0
Pupil Support	8,846	6,529	0	0	11,902	10,933		14,249	2,777	10,498	12,842
Instructional Staff Support	902	11,264	0	0	0	0		0	0	1,818	1,076
Administration Support	2,120	1,725	0	11,585	0	1,745		2,862	3,028	2,726	3,660
Pupil Transportation	0	0	0	10,921	0	0		0	0	0	0
Central	1,330	1,200	0	0	0	0		0	0	0	0
Operation of Food Service	309,879	248,732	250,086	230,843	207,608	198,606		190,260	205,581	195,042	182,570
Extracurricular Activities	58,325	82,654	91,329	95,246	86,766	93,381		108,348	96,690	98,927	121,094
Operating Grants and Contributions											
Regular Instruction	1,425,892	3,061,087	3,470,501	906,437	218,087	411,819		429,569	446,478	369,030	164,804
Special Instruction	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	2,447,052
Vocational Instruction	55,179	55,593	56,010	56,010	56,010	44,679		37,726	31,618	33,195	32,657
Student Intervention Services	238,606	0	0	0	0	0		0	0	0	0
Pupil Support	119,433	203,840	71,976	50,907	0	0		0	0	27,296	64,673
Instructional Staff Support	508,912	485,938	315,404	312,686	309,357	548,089		340,256	178,282	78,073	176,802
Board of Education	0	0	0	2,300	0	0		0	0	0	0
Administration	84,423	267,015	279,671	39,588	29,633	24,130		17,388	28,106	405	17,184
Fiscal	0	4,599	4,941	0	0	0		0	0	0	0
Operation and Maintenance of Plant	0	361,017	364,594	0	0	0		0	0	0	0
Pupil Transportation	703,910	830,122	762,255	72,456	41,171	78,267		1,055,519	884,252	909,220	910,417
Central	62,034	62,609	31,305	50,591	0	0		0	0	0	0
Operation of Food Service	491,403	496,980	487,611	525,116	508,717	499,025		487,306	499,969	372,356	482,190
Extracurricular Activities	925	1,471	15,307	3,082	4,589	18		52,518	5,602	1,861	42,987

(continued)

ATHENS CITY SCHOOL DISTRICT
Changes in Net Position of Governmental Activities (continued)
Last Ten Fiscal Years
June 30, 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Capital Grants and Contributions										
Regular Instruction	0	0	0	0	103,250	88,250	60,250	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0	0	0	0	0	0
Pupil Transportation	0	0	225,000	0	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0	0	29,500	0	0
<i>Total Program Revenues</i>	<u>8,505,770</u>	<u>10,586,323</u>	<u>11,231,836</u>	<u>6,519,122</u>	<u>5,714,308</u>	<u>7,208,523</u>	<u>7,900,296</u>	<u>7,775,881</u>	<u>6,691,779</u>	<u>7,354,361</u>
Net Expense	<u>(26,072,139)</u>	<u>(25,391,245)</u>	<u>(24,660,996)</u>	<u>(30,676,845)</u>	<u>(30,287,223)</u>	<u>(28,530,686)</u>	<u>(27,813,290)</u>	<u>(26,581,379)</u>	<u>(28,929,114)</u>	<u>(12,088,367)</u>
General Revenues										
Property Taxes Levied for:										
General Purposes	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	15,838,958
Debt Service	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	757,058
Capital Outlay	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	1,497,056
Income Taxes	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	4,075,711
Grants and Entitlements not Restricted to Specific Programs	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	7,514,566
Payments in Lieu of Taxes	441,147	165,468	317,647	215,968	256,784	298,028	224,627	269,737	242,629	336,155
Investment Earnings	429,465	217,871	177,670	81,616	59,974	50,787	66,584	95,449	165,568	291,458
Miscellaneous	72,006	85,752	198,597	96,522	179,225	352,373	457,132	271,649	221,594	347,718
<i>Total General Revenues</i>	<u>28,450,143</u>	<u>25,414,559</u>	<u>25,065,522</u>	<u>28,679,826</u>	<u>28,996,884</u>	<u>29,217,042</u>	<u>28,442,139</u>	<u>27,985,691</u>	<u>30,161,698</u>	<u>30,658,680</u>
Extraordinary Item										
Gain on Insurance Recovery	0	0	848,069	611,436	345,819	22,141	5,934	12,474	0	0
<i>Change in Net Position</i>	<u>\$2,378,004</u>	<u>\$23,314</u>	<u>\$1,252,595</u>	<u>(\$1,385,583)</u>	<u>(\$944,520)</u>	<u>\$708,497</u>	<u>\$634,783</u>	<u>\$1,416,786</u>	<u>\$1,232,584</u>	<u>\$18,570,313</u>

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ATHENS CITY SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$1,015,225	\$1,448,279	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unreserved	6,068,060	6,289,341	0	0	0	0	0	0	0	0
<i>Total General Fund</i>	<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>	<u>0</u>
All Other Governmental Funds										
Reserved	338,594	247,292	0	0	0	0	0	0	0	0
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	670,826	150,995	0	0	0	0	0	0	0	0
Debt Service Funds	2,821,755	2,899,907	0	0	0	0	0	0	0	0
Capital Projects Funds	3,064,166	2,863,699	0	0	0	0	0	0	0	0
<i>Total All Other Governmental Funds</i>	<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>	<u>0</u>
General Fund										
Nonspendable	0	0	0	108,633	185,532	197,602	201,799	209,950	226,494	242,398
Committed	0	0	0	0	38,575	225,618	10,418	215,529	451,220	494,872
Assigned	0	0	262,310	566,558	282,817	238,597	140,063	234,284	1,190,062	1,120,189
Unassigned	0	0	7,856,897	6,895,607	6,587,565	6,346,531	6,499,073	6,610,854	7,053,012	7,761,463
<i>Total General Fund</i>	<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>	<u>9,618,922</u>
All Other Governmental Funds										
Nonspendable	0	0	5,842	6,414	4,727	5,904	5,089	4,989	6,197	5,736
Restricted	0	0	6,333,627	5,585,440	5,555,329	5,650,944	5,611,713	5,143,579	4,610,238	5,456,646
Unassigned	0	0	(876,412)	(317,735)	(209,493)	(540,376)	(366,874)	(523,062)	(494,704)	(629,817)
<i>Total All Other Governmental Funds</i>	<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>	<u>4,832,565</u>
<i>Total Governmental Funds</i>	<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>	<u>\$14,451,487</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, 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Property Taxes	\$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	\$17,959,459
Income Taxes	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	4,075,711
Intergovernmental	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	11,619,785
Interest	421,340	188,266	144,536	62,159	50,855	41,857	57,346	81,325	150,534	272,007
Tuition and Fees	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	2,648,829
Extracurricular Activities	85,783	101,584	91,329	134,032	110,977	108,033	121,932	112,194	115,806	121,172
Contributions and Donations	13,651	21,335	235,266	11,814	112,788	98,405	93,418	42,363	10,190	52,450
Charges for Services	309,879	248,732	250,086	230,843	207,608	198,606	190,260	240,018	230,348	245,594
Rentals	3,621	4,637	7,005	215,968	71,494	67,379	70,087	75,007	66,229	72,354
Payments in Lieu of Taxes	441,147	165,468	317,647	35,004	256,784	298,028	224,627	269,737	242,629	336,155
Miscellaneous	68,385	87,181	189,285	84,708	107,731	284,994	387,045	196,642	155,365	275,364
Total Revenues	36,757,002	35,897,796	36,081,595	35,101,583	34,724,940	35,815,478	36,851,078	35,578,794	37,153,030	37,678,880
Expenditures										
Current:										
Instruction:										
Regular	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	16,598,159
Special	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	5,024,827
Vocational	338,655	417,827	506,924	439,824	349,872	364,865	264,766	163,615	181,806	104,299
Student Intervention Services	360,581	148,127	133,998	138,420	121,426	112,118	93,481	86,073	104,040	87,972
Other	0	0	0	0	13,783	0	84,456	10,048	0	13,525
Support Services:										
Pupil	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	2,541,397
Instructional Staff	1,941,359	2,476,175	2,587,722	2,527,120	2,145,878	732,139	685,001	592,241	720,728	1,071,644
Board of Education	86,729	164,071	122,756	124,322	105,761	115,105	130,913	87,912	122,378	100,065
Administration	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	2,375,502
Fiscal	744,147	699,206	663,287	655,113	686,601	640,386	695,825	673,729	550,554	553,703
Business	617,299	601,228	544,321	505,633	527,909	451,602	422,814	480,086	44,505	12,744
Operation and Maintenance of Plant	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	2,933,227
Pupil Transportation	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	1,388,249
Central	198,932	202,738	124,471	238,024	104,974	115,572	114,522	115,710	21,433	0
Operation of Non-Instructional Services	878,266	849,821	853,286	810,905	736,409	738,087	718,300	747,185	1,228,454	1,208,525
Extracurricular Activities	487,819	438,261	578,538	475,561	457,094	526,788	569,562	547,554	556,817	888,997
Capital Outlay	373,663	491,599	2,410,483	1,569,423	621,601	469,809	219,236	536,195	728,159	345,510
Debt Service:										
Principal Retirement	620,000	650,000	685,000	685,000	733,166	1,358,166	1,433,166	1,483,166	1,558,167	905,000
Interest and Fiscal Charges	649,690	618,702	585,621	556,182	544,195	311,315	261,842	206,920	147,462	116,567
Issuance Costs	0	0	0	0	145,225	0	0	0	0	0
Total Expenditures	34,456,981	36,103,737	37,491,544	36,450,366	35,615,849	36,157,851	36,880,551	35,796,426	36,006,634	36,269,912

ATHENS CITY SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
June 30, 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>Excess of Revenues Over (Under) Expenditures</i>	\$2,300,021	(\$205,941)	(\$1,409,949)	(\$1,348,783)	(\$890,909)	(\$342,373)	(\$29,473)	(\$217,632)	\$1,146,396	\$1,408,968
Other Financing Sources (Uses)										
Sale of Capital Assets	0	0	0	0	0	0	0	0	0	0
Insurance Recoveries	0	3,554	0	0	0	0	0	0	0	0
Refunding Bonds Issued	0	0	0	0	7,270,000	0	0	0	0	0
Payment to Refund Bond Escrow Agent	0	0	0	0	(7,916,315)	0	0	0	0	0
Premium on Bonds Issued	0	0	0	0	791,540	0	0	0	0	0
Transfers In	348,740	138,097	74,825	51,520	3,300	21,430	24,588	36,000	81,000	70,000
Transfers Out	(348,740)	(138,097)	(74,825)	(51,520)	(3,300)	(21,430)	(24,588)	(36,000)	(81,000)	(70,000)
<i>Total Other Financing Sources (Uses)</i>	0	3,554	0	0	145,225	0	0	0	0	0
<u>Extraordinary Item:</u>										
Insurance Recoveries	0	0	1,092,700	611,436	345,819	22,141	5,934	12,474	0	0
<i>Net Change in Fund Balances</i>	\$2,300,021	(\$202,387)	(\$317,249)	(\$737,347)	(\$399,865)	(\$320,232)	(\$23,539)	(\$205,158)	\$1,146,396	\$1,408,968
Ratio of Debt Service as a Percentage of Noncapital Expenditures	3.75%	3.59%	3.59%	3.56%	4.02%	4.02%	4.61%	4.76%	4.86%	2.86%

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				
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
2018	377,326,280	177,139,820	1,584,188,857	41,445,640	47,097,318	0	165,782,560	595,911,740	1,797,068,735	33.16%	32.14

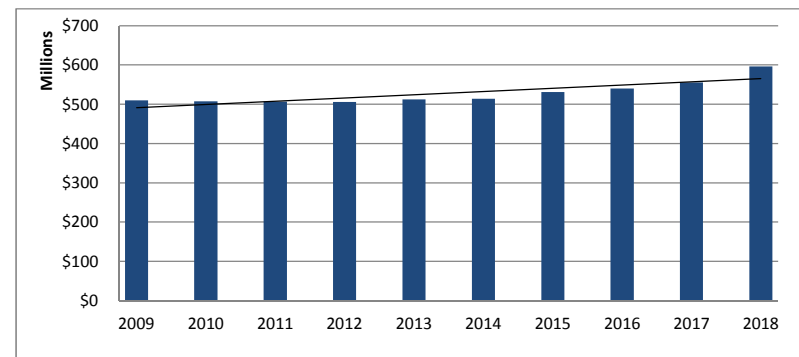
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

(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)

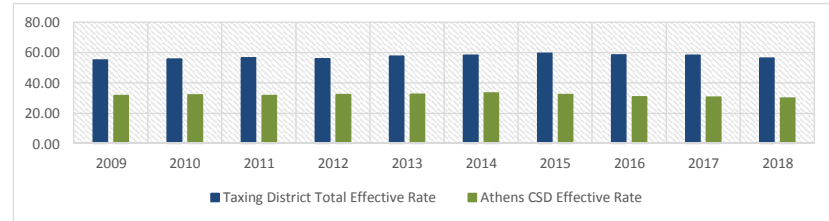
Collection Year	Athens City School District				Athens County	Tri-County Career Center	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Athens City School District	Total Commercial/Industrial Effective Rate	Athens City School District
	Operating	Permanent Improvement	Debt	Total						Residential/Agriculture Effective Rate		Commercial/Industrial Effective Rate
2009	55.12	2.90	3.70	61.72	20.30	3.30	6.70	92.02	55.188860	31.792824	55.458365	31.545888
2010	55.10	2.90	3.70	61.70	20.55	3.30	6.70	92.25	55.881578	32.143995	56.946993	32.623366
2011	55.08	2.90	3.70	61.68	20.55	3.30	6.70	92.23	56.610854	31.826306	57.633008	32.176846
2012	56.12	2.90	2.74	61.76	19.05	3.30	6.70	90.81	56.066723	32.351774	57.295416	32.891854
2013	56.69	2.90	2.45	62.04	20.05	3.30	6.70	92.09	57.624814	32.652695	58.947701	33.238191
2014	56.69	2.90	3.28	62.87	19.80	3.30	6.70	92.67	58.454435	33.513401	59.665539	34.079311
2015	56.43	2.90	2.75	62.08	23.05	3.30	6.70	95.13	59.590550	32.389238	60.595136	32.726604
2016	56.32	2.90	1.44	60.66	22.95	3.30	6.70	93.61	58.491683	30.983864	59.394425	31.315558
2017	56.13	2.90	1.42	60.45	22.95	3.30	6.70	93.40	58.271980	30.786798	59.341203	31.182112
2018	55.71	2.90	1.30	59.91	22.95	3.30	6.70	92.86	56.507114	30.033571	57.643443	30.136838

-115-

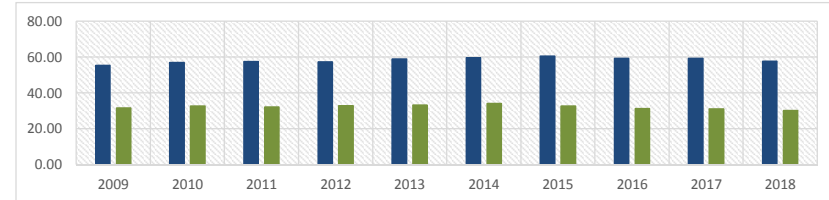
Note: The Athens City School District consists of eight taxing districts:

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

Residential Effective Rate over Time



Commercial Effective Rate over Time



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

ATHENS CITY SCHOOL DISTRICT

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

Athens Township - City of Athens (A02)

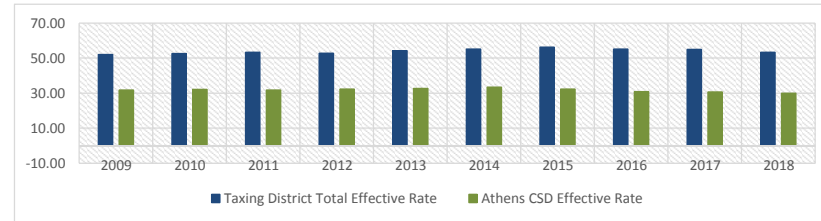
Collection Year	Athens City School District				Athens County	Tri-County Career Center	City of Athens	Athens Township	Total Full Rate	Total Residential/ Agriculture Effective Rate	Athens City School District	Total Commercial/ Industrial Effective Rate	Athens City School District
	Operating	Permanent Improvement	Debt	Total							Residential/ Agriculture Effective Rate		Commercial/ Industrial Effective Rate
2009	55.12	2.90	3.70	61.72	20.30	3.30	2.60	0.03	87.95	52.172203	31.792824	52.194144	31.545888
2010	55.10	2.90	3.70	61.70	20.55	3.30	2.60	0.30	88.45	52.597044	32.143995	53.544739	32.623366
2011	55.08	2.90	3.70	61.68	20.55	3.30	2.60	0.30	88.43	53.324366	31.826306	54.231950	32.176846
2012	56.12	2.90	2.74	61.76	19.05	3.30	2.60	0.30	87.01	52.744743	32.351774	53.860088	32.891854
2013	56.69	2.90	2.45	62.04	20.05	3.30	2.60	0.30	88.29	54.300344	32.652695	55.504571	33.238191
2014	56.69	2.90	3.28	62.87	19.80	3.30	2.60	0.30	88.87	55.128099	33.513401	56.222535	34.079311
2015	56.43	2.90	2.75	62.08	23.05	3.30	2.60	0.30	91.33	56.363471	32.389238	57.232014	32.726604
2016	56.32	2.90	1.44	60.66	22.95	3.30	2.60	0.30	89.81	55.260838	30.983864	56.031303	31.315558
2017	56.13	2.90	1.42	60.45	22.95	3.30	2.60	0.30	89.60	55.037288	30.786798	55.978049	31.182112
2018	55.71	2.90	1.30	59.91	22.95	3.30	2.60	0.30	89.06	53.454547	30.033571	54.397190	30.136838

-911-

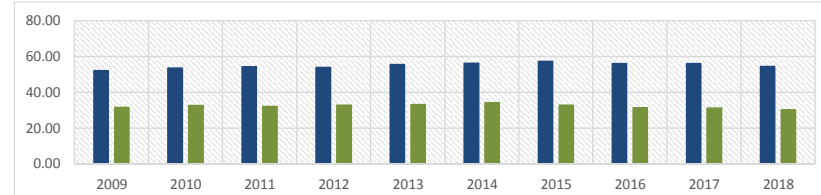
Note: The Athens City School District consists of eight taxing districts:

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- A02 Athens Township - City of Athens
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- E02 Canaan Township
- E03 Canaan Township - City of Athens
- G01 Dover Township
- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

Residential Effective Rate over Time



Commercial Effective Rate over Time



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

ATHENS CITY SCHOOL DISTRICT

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

Athens Township - The Plains Fire District (A04)

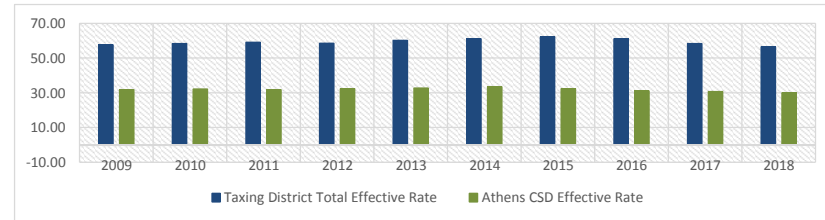
Collection Year	Athens City School District				Athens County	Tri-County Career Center	The Plains Fire District	Athens Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Athens City School District	Total Commercial/Industrial Effective Rate	Athens City School District
	Operating	Permanent Improvement	Debt	Total							Residential/Agriculture Effective Rate		Commercial/Industrial Effective Rate
2009	55.12	2.90	3.70	61.72	20.30	3.30	3.50	6.70	95.52	57.673188	31.792824	58.592013	31.545888
2010	55.10	2.90	3.70	61.70	20.55	3.30	3.50	6.70	95.75	58.376270	32.143995	60.172712	32.623366
2011	55.08	2.90	3.70	61.68	20.55	3.30	3.50	6.70	95.73	59.106771	31.826306	61.009601	32.176846
2012	56.12	2.90	2.74	61.76	19.05	3.30	5.50	4.70	94.31	58.611939	32.351774	60.760369	32.891854
2013	56.69	2.90	2.45	62.04	20.05	3.30	5.50	4.70	95.59	60.172662	32.652695	62.404851	33.238191
2014	56.69	2.90	3.28	62.87	19.80	3.30	5.50	4.70	96.17	61.011494	33.513401	63.125997	34.079311
2015	56.43	2.90	2.75	62.08	23.05	3.30	5.50	4.70	98.63	62.153181	32.389238	64.041708	32.726604
2016	56.32	2.90	1.44	60.66	22.95	3.30	5.50	4.70	97.11	61.052993	30.983864	62.840991	31.315558
2017	56.13	2.90	1.42	60.45	22.95	3.30	2.00	4.70	93.40	58.293220	30.786798	59.615841	31.182112
2018	55.71	2.90	1.30	59.91	22.95	3.30	2.00	4.70	92.86	56.538234	30.033571	57.876671	30.136838

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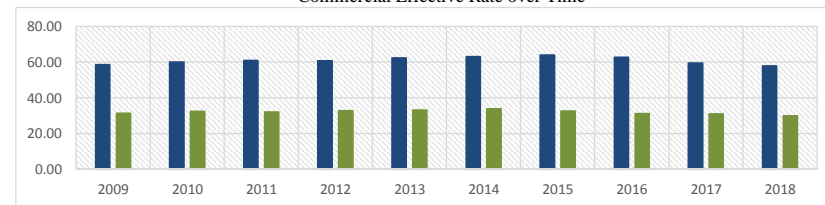
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- E03 Canaan Township - City of Athens
- G01 Dover Township
- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

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

Canaan Township (E02)

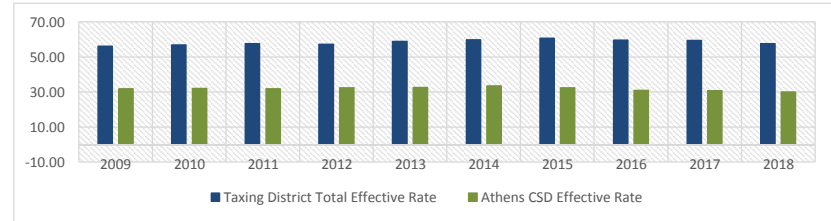
Collection Year	Athens City School District				Athens County	Tri-County Career Center	Canaan Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Athens City School District	Total Commercial/Industrial Effective Rate	Athens City School District
	Operating	Permanent Improvement	Debt	Total						Residential/Agriculture		Commercial/Industrial
2009	55.12	2.90	3.70	61.72	20.30	3.30	7.60	92.92	56.242214	31.792824	55.356666	31.545888
2010	55.10	2.90	3.70	61.70	20.55	3.30	7.60	93.15	56.866672	32.143995	57.590742	32.623366
2011	55.08	2.90	3.70	61.68	20.55	3.30	7.60	93.13	57.595381	31.826306	58.296039	32.176846
2012	56.12	2.90	2.74	61.76	19.05	3.30	7.60	91.71	57.312496	32.351774	58.412943	32.891854
2013	56.69	2.90	2.45	62.04	20.05	3.30	7.60	92.99	58.987737	32.652695	60.204571	33.238191
2014	56.69	2.90	3.28	62.87	19.80	3.30	7.60	93.57	59.828099	33.513401	60.922535	34.079311
2015	56.43	2.90	2.75	62.08	23.05	3.30	7.60	96.03	60.763725	32.389238	61.085415	32.726604
2016	56.32	2.90	1.44	60.66	22.95	3.30	7.60	94.51	59.662131	30.983864	59.915641	31.315558
2017	56.13	2.90	1.42	60.45	22.95	3.30	7.60	94.30	59.438581	30.786798	59.936007	31.182112
2018	55.71	2.90	1.30	59.91	22.95	3.30	7.60	93.76	57.632056	30.033571	58.239917	30.136838

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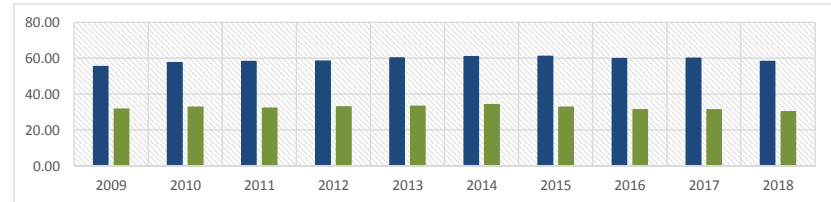
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- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

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

Canaan Township - City of Athens (E03)

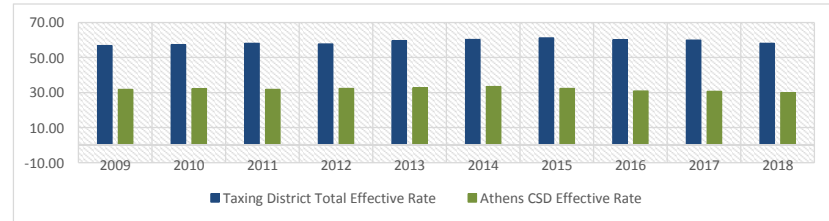
Collection Year	Athens City School District				Athens County	Tri-County Career Center	City of Athens	Canaan Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Athens City School District	Total Commercial/Industrial Effective Rate	Athens City School District
	Operating	Permanent Improvement	Debt	Total							Residential/Agriculture Effective Rate		Commercial/Industrial Effective Rate
2009	55.12	2.90	3.70	61.72	20.30	3.30	2.40	5.70	93.42	56.742214	31.792824	55.856666	31.545888
2010	55.10	2.90	3.70	61.70	20.55	3.30	2.40	5.70	93.65	57.366672	32.143995	58.090742	32.623366
2011	55.08	2.90	3.70	61.68	20.55	3.30	2.40	5.70	93.63	58.095381	31.826306	58.796039	32.176846
2012	56.12	2.90	2.74	61.76	19.05	3.30	2.40	5.70	92.21	57.812496	32.351774	58.912943	32.891854
2013	56.69	2.90	2.45	62.04	20.05	3.30	2.40	5.70	93.49	59.487737	32.652695	60.704571	33.238191
2014	56.69	2.90	3.28	62.87	19.80	3.30	2.40	5.70	94.07	60.328099	33.513401	61.422535	34.079311
2015	56.43	2.90	2.75	62.08	23.05	3.30	2.40	5.70	96.53	61.263725	32.389238	61.585415	32.726604
2016	56.32	2.90	1.44	60.66	22.95	3.30	2.40	5.70	95.01	60.162131	30.983864	60.415645	31.315558
2017	56.13	2.90	1.42	60.45	22.95	3.30	2.40	5.70	94.80	59.938581	30.786798	60.436007	31.182112
2018	55.71	2.90	1.30	59.91	22.95	3.30	2.40	5.70	94.26	58.132056	30.033571	58.739917	30.136838

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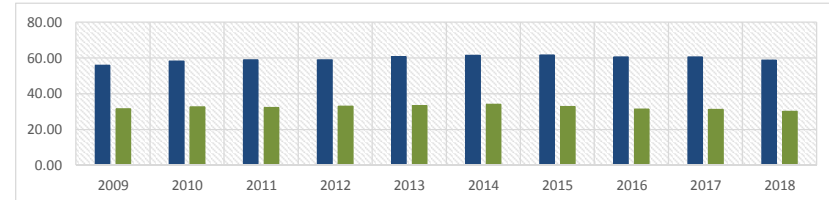
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Residential Effective Rate over Time



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)

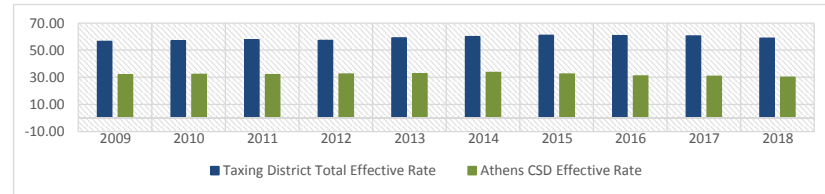
Collection Year	Athens City School District				Athens County	Tri-County Career Center	Dover Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Athens City School District	Total Commercial/Industrial Effective Rate	Athens City School District
	Operating	Permanent Improvement	Debt	Total						Residential/Agriculture		Commercial/Industrial
2009	55.12	2.90	3.70	61.72	20.30	3.30	8.70	94.02	56.496130	31.792824	57.005898	31.545888
2010	55.10	2.90	3.70	61.70	20.55	3.30	8.70	94.25	56.927015	32.143995	58.362117	32.623366
2011	55.08	2.90	3.70	61.68	20.55	3.30	8.70	94.23	57.653432	31.826306	59.069903	32.176846
2012	56.12	2.90	2.74	61.76	19.05	3.30	8.70	92.81	57.112053	32.351774	58.904408	32.891854
2013	56.69	2.90	2.45	62.04	20.05	3.30	8.70	94.09	59.044634	32.652695	60.772454	33.238191
2014	56.69	2.90	3.28	62.87	19.80	3.30	8.70	94.67	59.875366	33.513401	61.490418	34.079311
2015	56.43	2.90	2.75	62.08	23.05	3.30	8.70	97.13	60.943708	32.389238	62.347053	32.726604
2016	56.32	2.90	1.44	60.66	22.95	3.30	8.70	95.61	60.764510	30.983864	61.686165	31.315558
2017	56.13	2.90	1.42	60.45	22.95	3.30	8.70	95.40	60.542130	30.786798	61.632911	31.182112
2018	55.71	2.90	1.30	59.91	22.95	3.30	8.70	94.86	58.758415	30.033571	59.814059	30.136838

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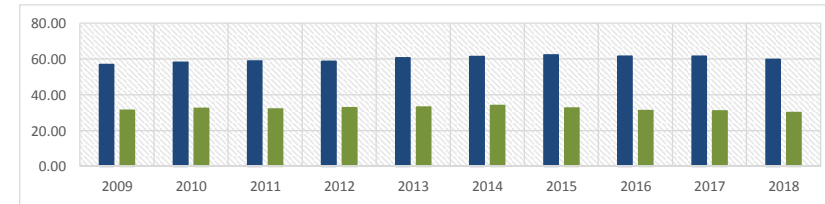
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- E03 Canaan Township - City of Athens
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- G02 Dover Township - Village of Chauncey
- N02 Waterloo Township

Residential Effective Rate over Time



Commercial Effective Rate over Time



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

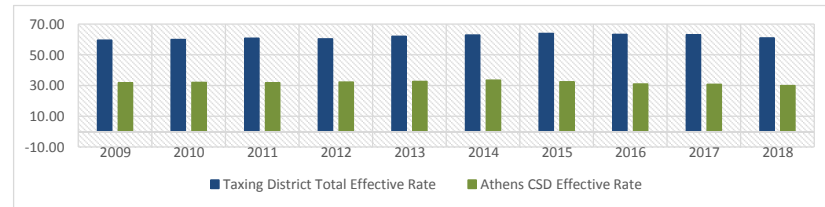
ATHENS CITY SCHOOL DISTRICT

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

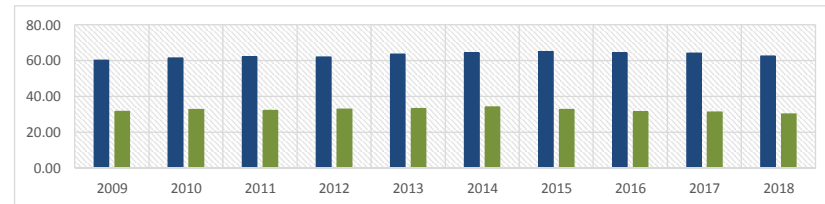
Dover Township - Village of Chauncey (G02)

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	Athens City School District	Total Commercial/Industrial Effective Rate	Athens City School District
	Operating	Permanent Improvement	Debt	Total							Residential/Agriculture Effective Rate		Commercial/Industrial Effective Rate
2009	55.12	2.90	3.70	61.72	20.30	3.30	7.90	3.30	96.52	59.578636	31.792824	60.149544	31.545888
2010	55.10	2.90	3.70	61.70	20.55	3.30	7.90	3.30	96.75	60.020906	32.143995	61.502556	32.623366
2011	55.08	2.90	3.70	61.68	20.55	3.30	7.90	3.30	96.73	60.777224	31.826306	62.198613	32.176846
2012	56.12	2.90	2.74	61.76	19.05	3.30	7.90	3.30	95.31	60.543284	32.351774	61.936559	32.891854
2013	56.69	2.90	2.45	62.04	20.05	3.30	7.90	3.30	96.59	62.102704	32.652695	63.581042	33.238191
2014	56.69	2.90	3.28	62.87	19.80	3.30	7.90	3.30	97.17	62.933368	33.513401	64.299006	34.079311
2015	56.43	2.90	2.75	62.08	23.05	3.30	7.90	3.30	99.63	64.045185	32.389238	65.086692	32.726604
2016	56.32	2.90	1.44	60.66	22.95	3.30	7.90	3.30	98.11	63.268365	30.983864	64.216964	31.315558
2017	56.13	2.90	1.42	60.45	22.95	3.30	7.90	3.30	97.90	63.062868	30.786798	64.163710	31.182112
2018	55.71	2.90	1.30	59.91	22.95	3.30	7.90	3.30	97.36	61.154327	30.033571	62.488997	30.136838

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)

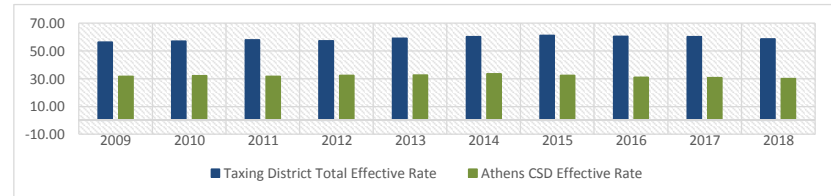
Collection Year	Athens City School District				Athens County	Tri-County Career Center	Waterloo Township	Total Full Rate	Total Residential/Agriculture Effective Rate	Athens City School District	Total Commercial/Industrial Effective Rate	Athens City School District
	Operating	Permanent Improvement	Debt	Total						Residential/Agriculture Effective Rate		Commercial/Industrial Effective Rate
2009	55.12	2.90	3.70	61.72	20.30	3.30	9.90	95.22	56.288589	31.792824	57.027685	31.545888
2010	55.10	2.90	3.70	61.70	20.55	3.30	9.90	95.45	57.151544	32.143995	58.651535	32.623366
2011	55.08	2.90	3.70	61.68	20.55	3.30	9.90	95.43	57.883058	31.826306	59.338746	32.176846
2012	56.12	2.90	2.74	61.76	19.05	3.30	9.90	94.01	57.351888	32.351774	59.114189	32.891854
2013	56.69	2.90	2.45	62.04	20.05	3.30	9.90	95.29	59.037458	32.652695	60.827128	33.238191
2014	56.69	2.90	3.28	62.87	19.80	3.30	9.90	95.87	60.239932	33.513401	61.766975	34.079311
2015	56.43	2.90	2.75	62.08	23.05	3.30	9.90	98.33	61.135785	32.389238	62.490758	32.726604
2016	56.32	2.90	1.44	60.66	22.95	3.30	9.90	96.81	60.579427	30.983864	61.745166	31.315558
2017	56.13	2.90	1.42	60.45	22.95	3.30	9.90	96.60	60.354639	30.786798	61.691912	31.182112
2018	55.71	2.90	1.30	59.91	22.95	3.30	9.90	96.06	58.587797	30.033571	59.796644	30.136838

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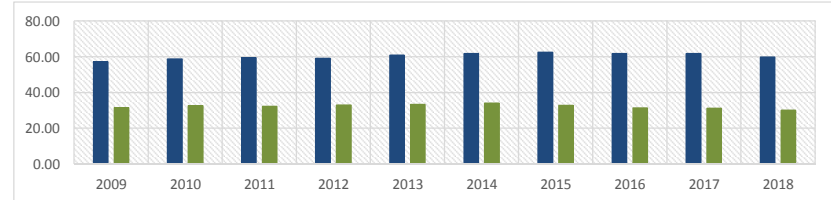
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Residential Effective Rate over Time



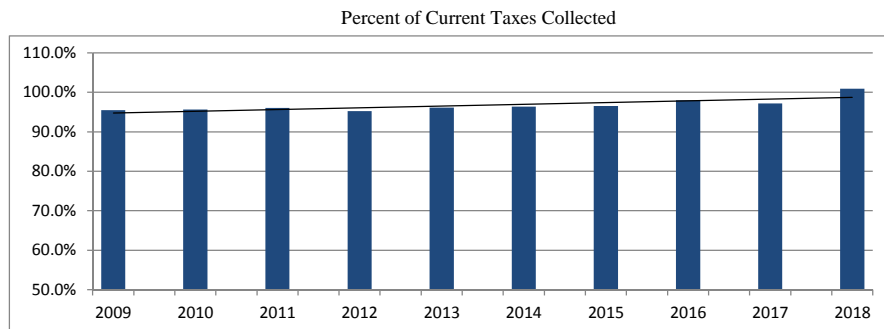
Commercial Effective Rate over Time



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

ATHENS CITY SCHOOL DISTRICT
Property Tax 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
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%	981,422	5.40%
2018	18,664,378	18,835,155	100.91%	603,753	19,438,908	104.15%	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 2018 (1)	
		Assessed Value	Percent of Real Property Assessed Value
CPP Athens I LLC	Apartments	\$13,058,550	2.59%
Ohio University	Retail Sales	9,181,090	1.82%
Athens River Gate LLC	Apartments	5,070,260	1.01%
Coates Run Property LL LLC	Apartments	4,379,690	0.87%
Athens Health Realty LLC	Nursing Home	4,150,960	0.82%
City of Athens	Parking Garage, Etc.	4,062,490	0.81%
Sheltering Arms Hospital	Hospital	3,275,040	0.65%
McCoady Properties LTD	Apartments	2,908,680	0.58%
Hayes Cornwell, LTD.	Apartments	2,638,520	0.52%
Inn-Ohio of Athens, Inc	Hotel/Motel	2,461,650	0.49%
Total Top Ten		51,186,930	9.23%
All Others		503,279,170	90.77%
Total Assessed Valuation		\$554,466,100	100.00%

Name of Taxpayer	Type of Business	Collection Year 2009 (1)	
		Assessed Value	Percent of Real Property Assessed Value
Ohio University	Retail Sales	\$12,380,230	2.58%
AAC Athens LLC	Apartments	7,413,890	1.54%
Southeast Ohio Management Company	Retail Sales	5,110,840	1.06%
Sheltering Arms Hospital	Hospital	3,288,670	0.69%
McCoady Properties Ltd.	Various	2,341,470	0.49%
Inn-Ohio of Athens, Inc.	Motel	2,235,170	0.47%
City of Athens	Various	2,150,930	0.45%
TS Tech North America Inc.	Manufacturing	1,804,370	0.38%
Diversified Properties of Athens	Apartments	1,704,330	0.35%
36 South Court Investors LLC	Apartments	1,680,120	0.35%
Total Top Ten		40,110,020	8.35%
All Others		439,984,290	91.65%
Total Assessed Valuation		\$480,094,310	100.00%

(1) The amounts presented represent the assessed values upon which 2018 and 2009 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 2018 (1)	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Ohio Power Company	Electricity	\$26,199,540	63.21%
Tennessee Gas Pipeline	Natural Gas	6,805,470	16.42%
AEP Ohio Transmission Company	Electricity	2,607,970	6.29%
Columbia Gas of Ohio Inc.	Natural Gas	2,413,120	5.82%
Texas Eastern Transmission Corp	Natural Gas	2,332,570	5.63%
Columbia Gas Transmission Corp	Natural Gas	683,010	1.65%
Wells Fargo Equipment Finance	Lessor	37,920	0.09%
Buckeye Rural Electric Co. Inc	Electricity	37,540	0.09%
Citizen Asset Finance Inc	Lessor	29,930	0.07%
Bank of America Leasing & Capital	Lessor	10,960	0.03%
Total Top Ten		41,158,030	99.31%
All Others		287,610	0.69%
Total Assessed Valuation		\$41,445,640	100.00%

Name of Taxpayer	Type of Business	Collection Year 2009 (1)	
		Assessed Value	Percent of Public Utility Personal Property Assessed Value
Columbus Southern Power	Electricity	\$14,441,270	67.20%
Tennessee Gas Pipeline Co.	Natural Gas	2,485,150	11.56%
Texas Eastern Transmission	Natural Gas	1,336,430	6.22%
Columbia Gas of Ohio Inc.	Natural Gas	1,050,340	4.89%
Columbia Gas Transmission	Natural Gas	1,767,910	8.23%
Norfolk Southern	Transportations	200,420	0.93%
Ohio Power Co.	Electricity	176,270	0.82%
Buckeye Rural Electric	Electricity	30,460	0.14%
Southeastern Natural Gas Co.	Natural Gas	1,370	0.01%
Buckeye Power Inc.	Electricity	240	0.00%
Total Top Ten		21,489,860	100.00%
All Others		-	0.00%
Total Assessed Valuation		\$21,489,860	100.00%

(1) The amounts presented represent the assessed values upon which 2018 and 2009 collections were based

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

ATHENS CITY SCHOOL DISTRICT

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

Fiscal Year	Population (1)	Assessed Value of Taxable Property (2)	Personal Income (3)	General Bonded Debt					General Debt				
				General Bonded Debt Outstanding	Net Available General Bonded Debt	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Percentage of Personal Income	Net Bonded Debt per Capita	General Bonded Debt Outstanding	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita
2009	33,790	\$510,207,390	\$433,130,009	\$12,695,000	\$3,071,120	\$9,623,880	1.89%	2.22%	\$284.81	\$12,695,000	\$12,695,000	2.49%	\$375.70
2010	33,790	507,362,648	483,402,647	12,045,000	3,007,989	9,037,011	1.78%	1.87%	267.45	12,045,000	12,045,000	2.37%	356.47
2011	33,120	506,695,960	442,503,264	11,905,000	3,081,065	8,823,935	1.74%	1.99%	266.42	11,905,000	11,905,000	2.35%	359.45
2012	35,026	505,693,720	485,647,343	10,535,000	3,242,453	7,292,547	1.44%	1.50%	208.20	10,535,000	10,535,000	2.08%	300.78
2013	35,026	511,919,590	467,079,140	11,925,181	3,332,478	8,592,703	1.68%	1.84%	245.32	11,925,181	11,925,181	2.33%	340.47
2014	35,026	514,094,790	475,461,577	10,641,547	2,739,262	7,902,285	1.54%	1.66%	225.61	10,641,547	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	9,327,718	1.76%	263.64
2016 (4)	35,381	540,158,940	478,966,013	8,018,803	2,345,481	5,673,322	1.05%	1.18%	160.35	8,018,803	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	6,702,537	1.21%	189.44
2018 (4)	35,381	595,911,740	N/A	5,986,913	1,227,323	4,759,590	0.80%	N/A	134.52	5,986,913	5,986,913	1.00%	169.21

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 2018

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)
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%
2018	905,000	116,567	1,021,567	31,844,036	3.21%

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, 2018*

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	\$5,986,913	100.0%	\$5,986,913
<u>Overlapping Debt:</u>			
Athens County	1,348,223	51.82% (2)	698,649
City of Athens	2,673,411	98.65% (3)	<u>2,637,320</u>
Total Overlapping Debt			<u>3,335,969</u>
Total Direct and Overlapping Debt			<u><u>\$9,322,882</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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Tax Valuation	<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>	<u>\$595,911,740</u>
Debt Limit - 9% of Taxable Valuation (1)	<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>	<u>\$53,632,057</u>
Amount of Debt Applicable to Debt Limit										
General Obligation Bonds	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	4,775,000
Less Amount Available in Debt Service	<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>	<u>(1,227,323)</u>
Amount of Debt Subject to Limit	<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>	<u>3,547,677</u>
Legal Debt Margin	<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>	<u>\$50,084,380</u>
Legal Debt Margin as a Percentage of the Debt Limit	78.50%	79.97%	80.45%	83.73%	84.00%	86.63%	89.70%	91.67%	93.25%	93.39%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$510,207	\$507,363	\$506,696	\$505,694	\$511,920	\$514,095	\$531,176	\$540,159	\$555,667	\$595,912
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>\$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>	<u>\$595,912</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.

ATHENS CITY SCHOOL DISTRICT

Demographic and Economic Statistics

Last Ten Years

<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>
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%	478,966,013	13,537
2017	35,381	7.50%	N/A	N/A
2018	35,381	7.60%	N/A	N/A

Sources:

(1) 2011-2014 data from the 2010 US Census. 2009-2010 and 2015-2018 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
2018 and 2009

Employer	Nature of Business	2018			2009		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Ohio University (#)	Education	4,345	1	15.99%	4,023	1	14.02%
Ohio Health (O'Bleness)(#)	Health Care	947	2	3.49%	470	3	1.64%
Athens County Government (#)	Government	630	3	2.32%	611	2	2.13%
Athens City School District (#)	Education	338	4	1.24%	420	5	1.46%
Wal-Mart (#)	Retail	336	5	1.24%	428	4	1.49%
Hocking College	Education	300	6	1.10%	Was not on the Top Ten list		
Kroger Company (#)	Newspaper	300	7	1.10%	102	10	0.36%
Health Recovery Services (#)	Health Care	189	8	0.70%	175	7	0.61%
Athens City Government (#)	Government	185	9	0.68%	255	6	0.89%
Holzer Hospital	Health Care	180	10	0.66%	Was not on the Top Ten list		
Total		<u>7,750</u>		<u>28.53%</u>	<u>6,484</u>		<u>22.59%</u>
Total Employment within Athens County (1)		<u>27,165</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*

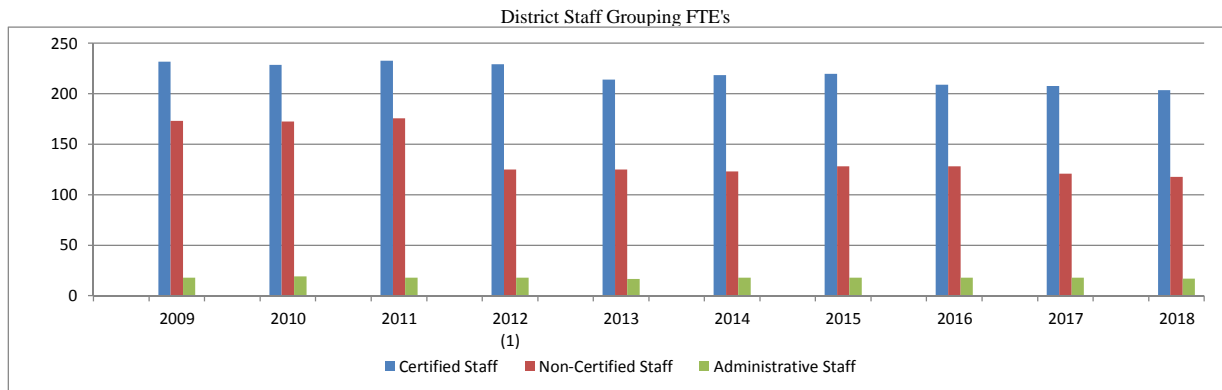
<u>Calendar Year</u>	<u>Number of Income Tax Returns</u>	<u>Number of Personal Exemptions</u>	<u>Total Federal Adjusted Gross Income</u>	<u>Average Federal Adjusted Gross Income</u>	<u>Rank Among Ohio Schools (1)</u>
2009	9,617	17,077	\$433,130,009	\$45,038	263
2010	9,597	16,964	502,892,243	52,401	144
2011	9,547	16,679	463,164,982	48,976	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	10,292	16,401	543,572,068	52,815	280
2017	N/A	N/A	N/A	N/A	N/A
2018	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	2009	2010	2011	2012 (1)	2013	2014	2015	2016	2017	2018
Teaching Staff:										
Elementary (K-6) Classroom Teachers	84.00	84.00	85.00	85.00	76.00	76.00	82.35	79.00	76.60	78.50
Secondary (7-12) Classroom Teachers	69.50	67.25	67.75	67.33	65.25	66.50	67.88	68.00	68.00	60.00
Special Education Teachers	37.25	37.00	38.75	36.87	35.75	38.00	35.00	32.00	32.00	30.00
Vocational Education Teachers	8.00	8.00	8.00	7.00	7.00	6.00	4.00	3.00	2.00	2.00
Specialist Teachers (Art, PE, Music, Literacy)	17.20	17.20	17.20	18.30	17.00	17.00	16.00	12.00	13.00	18.00
Talented & Gifted / LEP Teachers	2.70	3.00	3.00	3.00	3.00	3.00	2.00	2.00	3.00	2.00
Pre-School Teachers	3.00	3.00	3.00	2.50	2.00	3.00	3.50	3.00	3.00	3.00
Pupil Support Services:										
Secretarial/Office Support Staff	21.50	21.50	21.50	21.69	21.69	22.18	21.93	21.93	21.93	21.80
Guidance/Counselors	6.00	5.00	6.00	5.00	4.00	5.00	5.00	4.00	5.00	5.00
Librarians/Audio Visual	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.00	1.00
Psychologists	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Nurses	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.70	2.00	2.00
Educational Aides	69.00	68.00	70.70	50.44	45.75	46.94	47.81	48.04	42.77	41.96
Administrators/Supervisors:										
Elementary (K-6)	5.00	5.00	5.00	5.00	4.00	5.00	4.00	4.00	4.00	4.00
Secondary (7-12)	3.00	3.00	3.00	3.00	3.00	4.00	4.00	5.00	5.00	4.00
Central/Districtwide	10.00	11.00	10.00	10.00	9.60	9.00	10.00	8.80	8.80	8.80
Operation of Plant:										
Custodians	26.50	26.50	26.48	18.00	23.00	22.50	23.31	23.00	23.00	22.00
Maintenance	5.00	5.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	4.00
Pupil Transportation:										
Bus Drivers	31.00	31.00	31.00	18.25	16.88	14.38	16.86	17.97	17.75	14.10
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Food Service Program:										
Elementary (K-6)	10.80	11.05	10.00	5.33	5.33	5.07	5.57	5.11	4.60	6.68
Secondary (7-12)	7.40	7.40	10.00	5.33	5.33	5.00	5.50	5.00	3.61	5.03
Total	422.85	419.90	426.38	372.04	355.58	359.57	365.71	354.55	346.06	337.87



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, 2018

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		203.5	
Non-Certificated		117.6	
Administrative		16.8	
Area - square miles	89 Square Miles		
State Funded Total Average Daily Membership	2,459		
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)	74.5%	n/a	n/a
Classroom Funding % Rank (a)	3rd of 113	(A rank of 1 indicates the highest percent spent on classroom instruction)	
Average Number of Years Teaching Experience	14.02 Years		
Percentage of Teaching Staff Holding a Master's Degree or Higher	85.3%		

(a) Ranking determined by the Ohio Department of Education and are grouped by district enrollment size. Data is for Fiscal Year 2018.
n/a Not Available at the time of this report.

<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	810	1,260	64.29%	40.0	20.3 :1	1968	2002
Athens Middle School	7 & 8	406	644	63.04%	20.0	20.3 :1	1923	1936, 1956 1973, 2002
Chauncey Elementary (5)	PS	39	120	32.50%	3.0	6.5 :1	1964	1978
East Elementary	K-6	369	477	77.36%	21.0	17.6 :1	1956	1980
Morrison Elementary	K-6	400	531	75.33%	23.0	17.4 :1	1979	-
The Plains Elementary	K-6	397	531	74.76%	22.5	17.6 :1	1990	-
West Elementary	K-6	<u>200</u>	<u>353</u>	<u>56.66%</u>	<u>12.0</u>	16.7 :1	1956	1978
District Totals		2,621	3,916	66.93%	141.5	18.5 :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 totals.
- (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 Fiscal Year 2013. 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, 2018

	<u>Athens High School</u>	<u>State Mean</u>	<u>National Mean</u>
<u>S.A.T.</u>			
EBRW (2)	638	552	536
Mathematics	657	547	531
<u>A.C.T.</u>			
English	21.9	19.3	20.2
Mathematics	21.5	20.3	20.5
Reading	22.7	20.8	21.3
Science	21.6	20.4	20.7
Composite	22.0	20.3	20.8

Ohio Public School Report Card Data:

	<u>Athens City Schools</u>	<u>Similar Districts (1)</u>	<u>State Average</u>
<u>3rd Grade Achievement Test</u>			
English Language Arts	68.1%	69.7%	61.2%
Mathematics	70.4%	74.0%	67.0%
<u>4th Grade Achievement Test</u>			
English Language Arts	65.1%	73.1%	66.4%
Mathematics	64.2%	80.6%	72.6%
<u>5th Grade Achievement Test</u>			
English Language Arts	68.8%	78.0%	70.3%
Mathematics	62.4%	72.5%	62.9%
Science	73.4%	78.8%	68.5%
<u>6th Grade Achievement Test</u>			
English Language Arts	60.6%	66.4%	60.0%
Mathematics	54.6%	66.0%	59.5%
<u>7th Grade Achievement Test</u>			
English Language Arts	71.2%	73.7%	64.0%
Mathematics	61.8%	69.5%	59.4%
<u>8th Grade Achievement Test</u>			
English Language Arts	71.6%	62.9%	54.6%
Mathematics	55.7%	58.5%	54.3%
Science	74.6%	75.5%	67.6%
<u>High School</u>			
Algebra I	74.2%	62.3%	60.5%
Biology	76.4%	83.6%	73.0%
English Language Arts I	85.5%	78.9%	68.9%
English Language Arts II	78.4%	75.7%	64.4%
Geometry	59.8%	54.9%	48.2%
American US Government	89.2%	85.4%	79.0%
American US History	73.9%	83.6%	75.3%
<u>Graduation Rate:</u>			
4-Year Rate	92.1%	n/a	n/a
5-Year Rate	90.0%	n/a	n/a

(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

(2) The SAT test changed in 2017. EBRW is Evidence-Based Reading and Writing.

n/a Not Available at the time of this report.

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

SUPPLEMENTAL REPORTS

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2018**

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**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, 2018

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
<i>Child Nutrition Cluster:</i>			
(C) School Breakfast Program	10.553	2018	\$ 107,721
(C) National School Lunch Program	10.555	2018	366,742
(D) National School Lunch Program - Food Donation	10.555	2018	45,362
Total National School Lunch Program			<u>412,104</u>
Total U.S. Department of Agriculture			<u>519,825</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Title I Grants to Local Educational Agencies	84.010	2017	105,495
Title I Grants to Local Educational Agencies	84.010	2018	692,637
Total Title I Grants to Local Educational Agencies			<u>798,132</u>
<i>Special Education Cluster:</i>			
Special Education_ Grants to States	84.027	2017	64,888
Special Education_ Grants to States	84.027	2018	394,005
Total Special Education_ Grants to States			<u>458,893</u>
Special Education_ Preschool Grants	84.173	2018	10,334
Total Special Education Cluster			<u>469,227</u>
Twenty-First Century Community Learning Centers	84.287	2017	33,953
Twenty-First Century Community Learning Centers	84.287	2018	52,899
Total Twenty-First Century Community Learning Centers			<u>86,852</u>
Rural Education	84.358	2017	1,000
Rural Education	84.358	2018	5,197
Total Rural Education Grant			<u>6,197</u>
English Language Acquisition Grants	84.365	2018	19,333
Student Support and Academic Enrichment Program	84.424	2018	5,866
Supporting Effective Instruction State Grants	84.367	2017	21,715
Supporting Effective Instruction State Grants	84.367	2018	75,576
Total Supporting Effective Instruction State Grants			<u>97,291</u>
Total U.S. Department of Education			<u>1,482,898</u>
Total Federal Financial Assistance			<u>\$ 2,002,723</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

- (A) OAKS did not assign pass-through numbers for fiscal year 2018.
- (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, 2018 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) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (D) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.

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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, 2018, 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 26, 2018, wherein we noted as discussed in Note 3, the Athens City School District adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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.

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.



Julian & Grube, Inc.
December 26, 2018



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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, 2018. 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, 2018.

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, 2018, 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 26, 2018. Our opinion also explained that the Athens City School District adopted Governmental Accounting Standard No. 75 during the fiscal year. 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.

Julian & Grube, Inc.
December 26, 2018

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

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2018**

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



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
JANUARY 31, 2019**