



Dave Yost • Auditor of State

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

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**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	3L60	10.555	\$0	\$72,728	\$0	\$72,145
Cash Assistance:						
National School Breakfast Program	3L70	10.553	355,168		355,168	
National School Lunch Program	3L60	10.555	617,969		617,969	
Total Nutrition Cluster			<u>973,137</u>	<u>72,728</u>	<u>973,137</u>	<u>72,145</u>
Total Department of Agriculture			973,137	72,728	973,137	72,145
<u>U.S. DEPARTMENT OF DEFENSE (ARMY)</u>						
National Guard Civilian Youth Opportunities	N/A	12.404	61,618	0	61,618	0
Total Department of Defense (Army)			61,618	0	61,618	0
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Grants to States - (IDEA Part B)	3M20 - 2014 2015	84.027 84.027	80,742 514,234 <u>594,976</u>	 0	79,568 514,808 <u>594,376</u>	 0
Title I Grants to Local Educational Agencies	3M00 - 2014	84.010	85,288		90,705	
Title I Grants to Local Educational Agencies	2015	84.010	733,745 <u>819,033</u>	 0	720,360 <u>811,065</u>	 0
ARRA - Race to the Top	3FD0 - 2014 2015	84.395 84.395	20,325 74,154 <u>94,479</u>	 0	0 76,196 <u>76,196</u>	 0
Title IIA - Improving Teacher Quality	3Y60 - 2014 2015	84.367 84.367	14,664 93,829 <u>108,493</u>	 0	15,878 92,828 <u>108,706</u>	 0
Total Department of Education			1,616,981	0	1,590,343	0
			<u>\$2,651,736</u>	<u>\$72,728</u>	<u>\$2,625,098</u>	<u>\$72,145</u>

The accompanying notes to this schedule are an integral part of this schedule.

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2015**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Western Brown Local School District (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



Dave Yost • Auditor of State

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

Western Brown Local District
Brown County
524 West Main Street
Mt. Orab, Ohio 45154

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, the business-type activities, each major fund, and the aggregate remaining fund information of Western Brown Local School District, Brown County, (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 22, 2015 wherein we noted the District adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the 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 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 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 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*.

Corporate Centre of Blue Ash, 11117 Kenwood Road, Blue Ash, Ohio 45242
Phone: 513-361-8550 or 800-368-7419 Fax: 513-361-8577

www.ohioauditor.gov

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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

December 22, 2015



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Western Brown Local School District
Brown County
524 West Main Street
Mt. Orab, Ohio 45154

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Western Brown Local School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Western Brown Local School District's major federal programs for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Western Brown Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

The 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 District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Western Brown Local School District (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 22, 2015. Our opinion also explained that the District adopted *Governmental Accounting Standards No. 68 and No. 71* during the year. We conducted our audit to opine on the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Western Brown Local School District
Brown County
Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133
Page 3

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D" and a long, sweeping tail on the "y".

Dave Yost
Auditor of State

Columbus, Ohio

December 22, 2015

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**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Child Nutrition Cluster CFDA #10.553, 10.555 Title I CFDA 84.010
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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WESTERN BROWN

LOCAL SCHOOL DISTRICT

MT. ORAB, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

*FOR THE FISCAL YEAR
ENDED JUNE 30, 2015*

WESTERN BROWN LOCAL SCHOOL DISTRICT

MT. ORAB, OHIO

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Issued by:
Treasurer's Office

Denny Dunlap, Treasurer

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INTRODUCTORY SECTION

Western Brown Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

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Comprehensive Annual Financial Report
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WESTERN BROWN LOCAL SCHOOL DISTRICT

BOARD OF EDUCATION

JoAnn Hildebrandt, President
Lynette K. Garrett, Vice President
Richard Pride II
Shane Bishop
Tracy O'Hara



524 West Main Street
Mt. Orab, Ohio 45154
(937) 444-2044 Fax (937) 444-4303

ADMINISTRATION

Raegan L. White, Superintendent
Denny Dunlap, CPA, Treasurer
Eva M. Lanter, Executive Secretary
Jina Bohl, Assistant Superintendent
Jennifer Bohrer, Special Education Director
Stella Schneider, Food Service Director

December 22, 2015

To the Citizens and
Board of Education of the
Western Brown Local School District

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Western Brown Local School District (the "School District") for the fiscal year ended June 30, 2015. This Comprehensive Annual Financial Report, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to government entities. The intent of this report is to provide the taxpayers of the Western Brown Local School District with comprehensive financial data in a format that enables them to gain a true understanding of the School District's financial affairs as well as provide management with better financial information for future decision making.

This report enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the School District's reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of fiscal year- end.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Auditor of State of Ohio has issued an unmodified ("clean") opinion on the Western Brown Local School District's financial statements for the fiscal year ended June 30, 2015. The Independent Auditor's Report is located at the front of the Financial Section of this report.

Management's discussion and analysis immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

STRIVING FOR EXCELLENCE

PROFILE OF THE SCHOOL DISTRICT

The Western Brown Local School District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at general, college preparatory and vocational levels, a broad range of co-curricular and extracurricular activities and special education programs.

The Western Brown Local School District was established July 12, 1971 with the merger of Hamersville Local School into Mt. Orab Local School. With the merger, Hamersville had a building for K-8 and Mt. Orab had two buildings, one for K-8 and a 9-12 high school building that combined both community's students.

The Board of Education of the Western Brown Local School District is a five member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body and policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the School District's tax dollars, and approves the annual appropriation resolution.

The current Board members, their terms and years on the Board as of June 30, 2015, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Richard E. Pride II	Jan. 2012 - Dec. 2015	7 - ½
JoAnn Hilderbrandt	Jan. 2012 - Dec. 2015	11 - ½
Shane Bishop	Jan. 2014 - Dec. 2017	5 - ½
Lynette Garrett	Jan. 2014 - Dec. 2017	5 - ½
Tracy O'Hara	Jan. 2014 - Dec. 2017	1 - ½

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations, except financial operations, of the School District. Mrs. Peggy McKinney was appointed Superintendent on January 25, 2013. Mrs. McKinney was hired on May 20, 2013 as Superintendent. Mrs. McKinney's contract was to expire on July 31, 2015. However, she retired on June 30, 2015. Mr. Raegan White replaced her as Superintendent on July 1, 2015. His contract expires on July 31, 2018.

The Treasurer is the chief financial officer of the School District and is directly responsible to the Board for all financial operations, investments, and the custody of all School District funds and assets. The Treasurer also serves as Secretary to the Board. Denny Dunlap was initially appointed Treasurer on March 12, 1991. His current four year contract expires July 1, 2018.

The School District served 3,359 students during the 2015 fiscal year. School District facilities include one senior high school (9-12), and three buildings that serve K-8; one at Mt. Orab serving grades Pre K-4, one at Mt. Orab serving grades K-8 and one at Hamersville serving grades K-8. The Western Brown High School and Hamersville Middle and Elementary School were constructed in 2002. The Mt. Orab Middle School was constructed in 1957, with additions in 1971, 1984, 1992 and 1998. The Mt. Orab Elementary school was constructed in 1971 with additions in 1988 and 1998.

The School District employs 297 full-time, part-time and seasonal employees. These employees include certified, non-certified and administrative personnel.

The reporting entity consists of all funds, departments, boards and agencies that are not legally separate from the School District. This includes general operations, food service and student related activities of the School District.

The School District participates in three jointly governed organizations, one public entity shared risk and insurance purchasing pool and one insurance purchasing pool. These organizations are presented in Notes 16, 17 and 18 to the basic financial statements.

ECONOMIC CONDITION AND OUTLOOK

The Western Brown Local School District is located in the Northwest corner of Brown County, approximately 35 miles east of Cincinnati and includes two population centers: Mt. Orab and Hamersville. Both municipalities are located within an hour of Cincinnati's attractions. Since they are closely located to a metropolitan area, many of the residents are employed outside the School District.

Both Mt. Orab and Hamersville are rural communities in Southern Ohio. While both are farming communities, Hamersville is more reliant on farming. Hamersville is a smaller community with not many businesses to help support the area and is very dependent on farming. Mt. Orab is more diversified since a major highway goes through the community. Mt. Orab has many more businesses and Southern State Community College opened a branch in the fall of 2014. The economic conditions continue to improve in each community. Farmers continue to have good yields on their crops and have good incomes. This is allowing them to continue to update their equipment. Businesses continue to expand in Mt. Orab. Home construction is also starting to increase in Mt. Orab which is increasing jobs.

During fiscal year 2015, the School District's enrollment decreased by 7 students. We feel people living in our communities are staying due to a steady job and cost of living cheaper in our area.

The economy in Ohio continues to be strong. This allows the State of Ohio to budget more funds to Ohio school districts. The School District is expecting to receive additional funds from the State of Ohio in the future due to the strong economy in Ohio.

FINANCIAL TRENDS

For fiscal year 2015, the District's special needs student's enrollment continues to increase. The costs to educate these students are more than a regular student. The School District will use additional funds to make sure these students are provided a proper education. Our bus fleet is old. We continue to spend additional funds in order to maintain these buses. The School District has a plan to purchase three to four buses a year until they are updated. With state funding continuing to increase, this gives the School District the funds to make these investments in our students and School District.

FINANCIAL PLANNING AND POLICIES

Even though the School District revenues are increasing due to State funding, we continued to monitor our expenditures for fiscal year 2015 so we keep our fund balance increasing.

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation resolution for that fiscal year. By Statute, permanent appropriations must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates. The School District adopts the permanent appropriation measure in September. The amended certificate of estimated resources and the final appropriation resolution serve as the foundation of the Western Brown Local School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriations resolution. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The Treasurer has been authorized to allocate Board appropriations to the fund level within each fund.

MAJOR INITIATIVES

Western Brown Local School District continues to utilize the Ohio Improvement Process (OIP) as a support structure for school improvement initiatives. The School District Leadership Team and Building Leadership Teams are very instrumental in guiding professional development, school improvement planning, and monitoring student achievement and growth throughout the district.

The School District strives to be a team based organization and has a clear organization chart for work flow, planning, implementing, and monitoring strategies/actions through the five step process. Such teams include: Specials Education Leadership Team, OTES Review Committee, SLO Approval Team, Local Professional Development Committee, and Technology Team. Overall, the School District focus on developing leadership capacity has been a huge success with over 78 different teachers and administrators participating on leadership teams in the School District.

Fiscal year 2015 was the last year for the Race To The Top initiative. The School District focused its professional development endeavors on Assessments Literacy due to expectations of high quality common assessments (formative and summative) for instructional and evaluation purposes.

The School District entered into an agreement to have a solar field built on the Mt. Orab campus. This large solar field will produce over 70 percent of the energy needed to run the Mt. Orab campus. This project supports the School District's past practices in energy saving behaviors and partnership with Synergistic, a national organization dedicated to monitoring and decreasing utility expenditures through proactive processes and behavioral programs.

Western Brown takes great pride in screening and hiring the best candidates possible. The School District continues to utilize a research based screening process that leads to successful long-term employment.

AWARDS AND ACKNOWLEDGEMENTS

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 (Certificate of Achievement) to the Western Brown Local School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. The Certificate of

Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of State and local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one fiscal year only. The Western Brown Local School District believes our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

ASBO CERTIFICATE OF EXCELLENCE

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2014 to the Western Brown Local School District. The award certifies that the CAFR for the fiscal year ended June 30, 2014, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after extensive review of the report by an expert panel of certified public accountants and practicing school business officials.

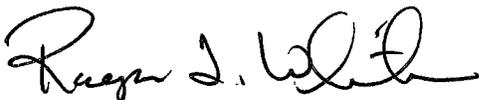
The Western Brown Local School District believes our current report conforms to the ASBO's principles and standards and we are submitting it to ABSO to determine its eligibility for an award.

ACKNOWLEDGEMENTS

A note of sincere appreciation is extended to the many conscientious people who have contributed their time and effort to the preparation of this report. A special thank you is also extended to the Auditor of State's Local Government Services Section for all of their efforts and contributions in the preparation of this Comprehensive Annual Financial Report.

The support and commitment to excellence by the Western Brown Board of Education was vital to the successful preparation and issuance of this report.

Respectfully submitted,



Raegan L. White
Superintendent



Denny Dunlap, CPA
Treasurer

*Western Brown Local School District
Principal Officials
June 30, 2015*

ELECTED OFFICIALS

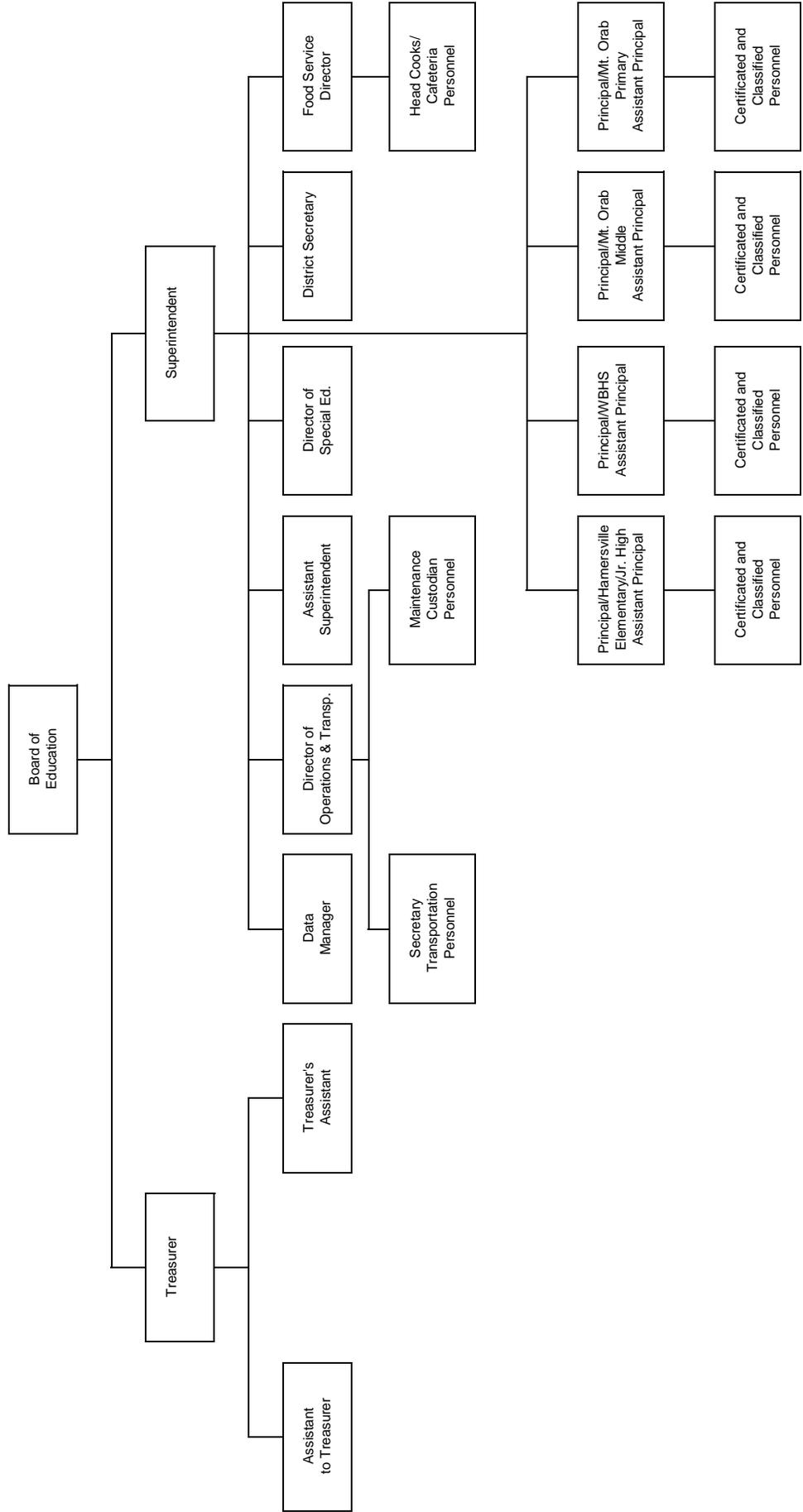
President, Board of Education.....JoAnn Hildebrandt
Vice President, Board of Education.....Lynette Garrett
Board Member.....Shane Bishop
Board Member.....Richard Pride II
Board Member.....Tracy O’Hara

ADMINISTRATIVE OFFICIALS

Superintendent*.....Peggy McKinney
Treasurer.....Denny Dunlap
Assistant Superintendent.....Jina Bohl
Director of Special Education.....Jennifer Bohrer
Director of Operations and Transportation.....Roger Taylor II

*Superintendent Peggy McKinney retired on June 30, 2015, and the Board of Education hired Raegan White to become Superintendent on July 1, 2015.

**Western Brown Local School District
Organizational Chart
June 30, 2015**



Western Brown Local School District
Consultants and Advisors
June 30, 2015

Architects

SHP Leading Design
82 Williams Avenue
Hamilton, OH 45011

Bond Counsel

Peck, Shaffer & Williams LLP
Suite 900
201 East Fifth Street
Cincinnati, OH 45202

Independent Auditor

Dave Yost, Auditor of State
Audit Division
88 East Broad Street
Columbus, OH 43215

CAFR Preparation Consultants

Dave Yost, Auditor of State
Local Government Services Section
88 East Broad Street
Columbus, OH 43215

**Workers' Compensation/
Unemployment**

CompManagement, Inc.
PO Box 884
Dublin, OH 43017

Investment Advisor

RBC Capital Markets
414 Walnut Street
Cincinnati, OH 45202-3910

Legal Counsel

Ennis, Roberts & Fischer
121 West Ninth Street
Cincinnati, OH 45202

Roetzel & Andress
222 South Main Street
Akron, OH 44308-2098

Official Depositories

Peoples Bank
452 West Main Street
Mt. Orab, OH 45154

State Treasury Asset Reserve of Ohio
1228 Euclid Avenue
Cleveland, OH 44115

NCB, FSB
139 South High Street
Hillsboro, OH 45133



Government Finance Officers Association

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

Presented to

**Western Brown Local School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Western Brown Local School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

Western Brown Local Schools

Strategic Plan

Adopted by the Western Brown Board of Education
June 30, 2015

Beliefs

- We believe in high expectations for teachers, students and administrators and we should strive to meet them.
- We believe that all students and educators should be treated with respect and dignity and treat others the same way.
- We believe that every student is entitled to a quality education.
- We believe that the love of learning is fostered in a positive, supportive, safe and caring environment.
- We believe that it is important to recognize and utilize the strengths and talents of each person.
- We believe that learning has value and must be ongoing.

Mission Statement

In partnership with students, families, and the community, the Western Brown Local School District will educate the youth of our community so they may be capable of confidently adapting and competing in the ever-changing global society. We do this by providing a quality staff to deliver education in a safe, creative, relevant manner for the educational needs of our youth for now and into the future.

Strategic Parameters

- We will always make decisions that are in the best interest of our students.
- Site-based decisions will always be consistent with the strategic plan.
- Priority will always be given to the K-12 instructional program as defined by approved course of study.

- No new program will be accepted unless:
 - it is consistent with the strategic plan;
 - benefits clearly exceed costs; and
 - provisions are made for staff development and program evaluation.
- No program or service will be retained unless benefits justify costs and it contributes to the mission.
- We will not condone any behavior which diminishes the dignity or self worth of any student, staff or community member.

Goals

- All students will graduate from high school.
- By 2016-2017, all students will reach high standards, at a minimum attaining proficiency or better in reading/language arts.
- By 2016-2017, all students will reach high standards, at a minimum attaining proficiency or better in mathematics.
- Students with disabilities will have Individualized Educational Program goals and measures aligned with the academic content standards.
- All students will be educated in learning environments that are safe, drug free, and conducive in learning.
- By 2016-2017, all students will reach high standards, at a minimum attaining proficiency or better in science.
- By 2016-2017, all students will reach high standards, at a minimum attaining proficiency or better in citizenship.
- The Western Brown Local School District will provide meaningful opportunities for family and community involvement in the educational process.

Vision

We are a community of learners joined together to cooperatively create an engaged and effective learning environment that maximizes the strengths and abilities of every student and staff member.

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FINANCIAL SECTION



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Western Brown Local School District
Brown County
524 West Main Street
Mt. Orab, Ohio 45154

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Western Brown Local School District, Brown County, Ohio (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the 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 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 District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Western Brown Local School District, Brown County, Ohio, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Classroom Facility Maintenance funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the financial statements, during the year ended June 30, 2015, the District adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the 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 Schedule of Federal Award Receipts and Expenditures also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015, on our consideration of the 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 District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looped "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

December 22, 2015

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Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

The discussion and analysis of Western Brown Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- Grants and Entitlements not Restricted to Specific Programs increased \$1,874,206 due to an increase in State aid.

- The School District entered into an agreement with Synergistic, Inc. to assist in reducing energy costs through a change of employee practices. From September 2011 through June 30, 2015 the School District has saved \$831,609.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Western Brown Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and the statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other non-major funds presented in total in one column. The major funds for the Western Brown Local School District are the General Fund, Debt Service Fund and Classroom Facility Maintenance Fund.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2015?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all *assets, liabilities and deferred inflows and outflows of resources* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

School District's' goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

In the statement of net position and the statement of activities, the School District is divided into two distinct kinds of activities:

- **Governmental Activities** - Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- **Business-Type Activity** - This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The School District's food service program is reported as a business-type activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page twelve. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the financial statements.

Proprietary Fund - The proprietary fund uses the same basis of accounting as business-type activities; therefore, the statements for the proprietary fund will essentially match.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for fiscal years 2015 and 2014:

(Table 1)
Net Position

	Governmental Activities		Business-Type Activity		Total	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
Assets						
Current and other Assets	\$16,630,635	\$13,739,363	\$426,452	\$500,025	\$17,057,087	\$14,239,388
Capital Assets, Net	40,325,590	41,917,572	888,886	1,008,320	41,214,476	42,925,892
Total Assets	56,956,225	55,656,935	1,315,338	1,508,345	58,271,563	57,165,280
Deferred Outflows of Resources						
Deferred Charge on Refunding Pension	38,136	44,492	0	0	38,136	44,492
	2,130,304	1,792,176	146,680	136,449	2,276,984	1,928,625
Total Deferred Outflows of Resources	2,168,440	1,836,668	146,680	136,449	2,315,120	1,973,117
Liabilities						
Other Liabilities	2,858,756	2,828,527	137,579	137,041	2,996,335	2,965,568
Long-Term Liabilities:						
Net Pension Liability	30,167,824	35,870,958	1,711,192	2,010,674	31,879,016	37,881,632
Other Amounts	4,901,466	5,548,248	39,238	36,393	4,940,704	5,584,641
Total Liabilities	37,928,046	44,247,733	1,888,009	2,184,108	39,816,055	46,431,841
Deferred Inflows of Resources						
Property Taxes	3,366,739	3,476,579	0	0	3,366,739	3,476,579
Revenue in Lieu of Taxes	118,368	108,846	0	0	118,368	108,846
Pension	5,490,305	0	277,731	0	5,768,036	0
Total Deferred Inflows of Resources	\$8,975,412	\$3,585,425	\$277,731	\$0	\$9,253,143	\$3,585,425

(continued)

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

(Table 1)

Net Position

(Continued)

	Governmental Activities		Business-Type Activity		Total	
	2014		2014		2014	
	2015	Restated	2015	Restated	2015	Restated
Net Position						
Net Investment in Capital Assets	\$37,040,382	\$38,055,996	\$888,886	\$1,008,320	\$37,929,268	\$39,064,316
Restricted	4,084,330	4,339,995	0	0	4,084,330	4,339,995
Unrestricted	(28,903,505)	(32,735,546)	(1,592,608)	(1,547,634)	(30,496,113)	(34,283,180)
Total Net Position	<u>\$12,221,207</u>	<u>\$9,660,445</u>	<u>(\$703,722)</u>	<u>(\$539,314)</u>	<u>\$11,517,485</u>	<u>\$9,121,131</u>

During 2015, the School District adopted GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27,” which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District’s actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension. Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio’s statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the School 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 obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the

*Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited*

Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

As a result of implementing GASB 68, the School District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position for governmental and business-type activities at June 30, 2014, from \$43,739,227 to \$9,660,445 and \$1,334,911 to (\$539,314), respectively.

Net investment in capital assets decreased \$1,135,048 during fiscal year 2015 due to depreciation exceeding additions. Restricted net position decreased \$255,665, due to additional maintenance activities and federal grant fund decreases. Governmental activities unrestricted net position increased \$3,787,067, as a result of a decrease in net pension liability stemming from pension investment revenues exceeding expectations.

Table 2 shows the changes in net position for fiscal years 2015 and 2014.

Revenue is further divided into two major components: Program Revenues and General Revenues. Program Revenues are defined as charges for services and sales, restricted grants, and contributions. General Revenues include property taxes, unrestricted grants, such as State foundation support, unrestricted interest, and revenue in lieu of taxes.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

(Table 2)
Changes in Net Position

	Governmental Activities		Business-Type Activity		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,047,058	\$2,129,069	\$440,605	\$460,518	\$2,487,663	\$2,589,587
Operating Grants and Contributions	3,725,361	3,740,821	1,066,494	1,077,477	4,791,855	4,818,298
Capital Grants and Contributions	82,167	56,579	0	0	82,167	56,579
Total Program Revenues	5,854,586	5,926,469	1,507,099	1,537,995	7,361,685	7,464,464
General Revenues:						
Property Taxes	4,986,287	5,548,775	0	0	4,986,287	5,548,775
Grants and Entitlements not Restricted to Specific Programs	21,598,569	19,724,363	0	0	21,598,569	19,724,363
Interest	28,295	10,157	196	100	28,491	10,257
Revenue in Lieu of Taxes	106,196	98,405	0	0	106,196	98,405
Miscellaneous	155,616	87,047	29,009	32,951	184,625	119,998
Total General Revenues	26,874,963	25,468,747	29,205	33,051	26,904,168	25,501,798
Total Revenues	32,729,549	31,395,216	1,536,304	1,571,046	34,265,853	32,966,262
Program Expenses						
Instruction:						
Regular	15,917,475	15,914,440	0	0	15,917,475	15,914,440
Special	3,002,928	3,368,468	0	0	3,002,928	3,368,468
Vocational	276,074	238,825	0	0	276,074	238,825
Student Intervention Services	0	2,687	0	0	0	2,687
Support Services:						
Pupils	1,265,801	1,298,697	0	0	1,265,801	1,298,697
Instructional Staff	448,287	339,109	0	0	448,287	339,109
Board of Education	17,635	20,759	0	0	17,635	20,759
Administration	2,217,956	2,245,388	0	0	2,217,956	2,245,388
Fiscal	556,300	455,280	0	0	556,300	455,280
Operation and Maintenance of Plant						
	2,659,528	2,628,338	0	0	2,659,528	2,628,338
Pupil Transportation						
Central	529,657	776,721	0	0	529,657	776,721
Operation of Non-Instructional Services						
	13,971	12,975	0	0	13,971	12,975
Extracurricular Activities	868,046	891,066	0	0	868,046	891,066
Interest and Fiscal Charges	120,973	143,684	0	0	120,973	143,684
Food Service	0	0	1,700,712	1,754,036	1,700,712	1,754,036
Total Expenses	30,168,787	30,508,388	1,700,712	1,754,036	31,869,499	32,262,424
Change in Net Position	2,560,762	886,828	(164,408)	(182,990)	2,396,354	703,838
Net Position at Beginning of Year						
	9,660,445	N/A	(539,314)	N/A		
Net Position at End of Year	\$12,221,207	\$9,660,445	(\$703,722)	(\$539,314)		

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Governmental Activities

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$1,792,176 for governmental activities and \$136,449 for business-type activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$1,293,383 for governmental activities and \$100,134 for business-type activities. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	\$31,869,499
Pension expense under GASB 68	(1,393,517)
2015 contractually required contribution	1,976,456
Adjusted 2015 program expenses	32,452,438
Total 2014 program expenses under GASB 27	32,262,424
Change in program expenses not related to pension	\$190,014

Program revenues for governmental activities decreased \$71,883, while general revenues increased \$1,406,216.

Operating grants and contributions decreased \$15,460 due to federal grant funds received during 2015. Capital grants and contributions increased \$25,588 due to additional donations received for the maintenance of turf at the School District's stadium. Grants and Entitlements not Restricted to a Specific Program increased \$1,874,206 due to an increase in State funding.

The School District remains heavily reliant on State funding. Grants and Entitlements not restricted to specific programs made up 66 percent of revenues for governmental activities of the Western Brown Local School District for fiscal year 2015.

Instruction comprises 64 percent of governmental activities program expenses. Support services expenses make up 33 percent of governmental activities expenses.

The statement of activities shows the cost of program services and the charges for services and sales and grants and contributions offsetting those services. In Table 3, the total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Net costs are costs that must be covered by unrestricted State aid (State Foundation) or local taxes. The difference in these two columns would represent restricted grants, fees and donations.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

(Table 3)

Governmental Activities

	Total Cost of Services 2015	Total Cost of Services 2014	Net Cost of Services 2015	Net Cost of Services 2014
Instruction	\$19,196,477	\$19,524,420	\$14,706,936	\$14,509,898
Support Services	9,969,320	9,936,243	9,051,721	9,497,763
Operation of Non-Instructional Services	13,971	12,975	(205)	4,297
Extracurricular Activities	868,046	891,066	434,776	426,277
Interest and Fiscal Charges	120,973	143,684	120,973	143,684
Total Expenses	\$30,168,787	\$30,508,388	\$24,314,201	\$24,581,919

Business-Type Activity

The School District's only business-type activity is the food service operation. This program had revenues of \$1,536,304 and expenses of \$1,700,712 for fiscal year 2015. Of the revenues, \$440,605 was charges for services and sales and \$1,066,494 was from State and Federal grants. Business activities receive no support from tax revenues. The School District will continue to monitor the charges and costs of this activity. If it becomes necessary, the School District will increase the charges for this activity.

The School District's Funds

Information about the School District's major funds starts on page 19. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$33,125,819 and expenditures of \$29,778,663.

The General Fund saw an increase in fund balance of \$3,357,826. This was mainly due to the increase in State aid.

The Debt Service Fund saw an increase in fund balance of \$76,099. This increase is due to property tax collections exceeding the amount needed to pay annual debt payments.

The Classroom Facility Maintenance fund experienced a decrease of \$76,946 due to property tax collections not exceeding the expenditures for the year and a half-mill equalization payment.

General Fund - Budget Highlights

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

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

During the course of fiscal year 2015, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A summary of the General Fund's original and final budgeted amounts is listed on page 23, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

For the General Fund, the original budget basis revenue was \$29,958,760 with a final budget estimate of \$29,958,760. The School District's actual revenues were \$29,963,155 at fiscal year-end, which represented less than 1.0 percent increase over final budgeted revenues.

Original budget basis appropriations were \$29,665,360 with final budgeted expenditures of \$29,670,360, resulting in an increase of \$5,000. The School District's actual expenditures and encumbrances were \$28,164,625 at fiscal year-end, which represented a 5.1 percent decrease under final budgeted appropriations.

The School District's ending unobligated cash balance was \$1,900,663 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2015, the School District had \$41,214,476 invested in land, buildings and improvements, furniture and equipment, and vehicles.

Table 4 shows fiscal year 2015 balances compared to fiscal year 2014:

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

	Governmental Activities		Business-Type Activity		Total	
	2015	2014	2015	2014	2015	2014
Land	\$2,524,314	\$2,524,314	\$0	\$0	\$2,524,314	\$2,524,314
Buildings and Improvements	36,246,454	37,823,423	820,113	857,395	37,066,567	38,680,818
Furniture and Equipment	947,169	1,180,380	68,773	150,925	1,015,942	1,331,305
Vehicles	607,653	389,455	0	0	607,653	389,455
Totals	\$40,325,590	\$41,917,572	\$888,886	\$1,008,320	\$41,214,476	\$42,925,892

Net capital assets decreased from the prior fiscal year. The amount of depreciation was greater than the additions to capital assets, resulting in a net decrease for the fiscal year. This is due to the School District limiting the purchase of assets.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

For more information on capital assets, refer to note 9 to the basic financial statements.

Debt

At June 30, 2015, the School District had \$2,968,382 in bonds outstanding, \$460,000 of which is due within one year. Table 5 summarizes bonds outstanding at fiscal year-end 2015 and 2014:

(Table 5)
Outstanding Debt, at Fiscal Year-End

	2015	2014
1998 School Improvement Bonds	\$0	\$395,000
2011 School Improvement Refunding Bonds	2,790,000	2,860,000
Premium on Debt Issue	76,344	89,068
Accretion on Capital Appreciation Bonds	102,038	74,143
Total	\$2,968,382	\$3,418,211

On June 15, 1998, the School District issued \$7,164,600 in voted general obligation bonds for the purpose of acquiring land, constructing new classroom facilities, and making renovations to existing buildings. The final payment is due in fiscal year 2021.

In February 2011, the School District issued \$3,075,000 in school improvement bonds for the purpose of refunding a portion of the 1998 School Improvement Bonds. The final payment is due in fiscal year 2021.

At June 30, 2015 the School District's overall legal debt margin was \$21,041,714 with an unvoted debt margin of \$241,050. The School District had a AA- bond rating by Standard and Poor's Rating Service on the 1998 School Improvement Bonds and the 2011 School Improvement Refunding Bonds.

For more information about debt, refer to note 15 to the basic financial statements.

School District Challenges for the Future

We believe 2015 to be a good year for the School District financially and educationally, but we have many challenges for the future.

Our state aid has drastically increased over the last two years along with prior year reductions in personnel; the School District has finally accumulated a large cash balance. Our challenge financially for the future will be to have a plan where we control our cost and preserve as much of our cash as possible for economic hard times.

***Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited***

The School District became aware last spring that our roofs on our buildings were in need of major repairs. These repairs are very expensive if done all at once. We are working with our architects to come up with a plan where we can repair the roofs over a five year period instead of all at once.

The School District's buses continue to be old with high miles. Since they are old, the buses require more maintenance to keep running. The School District's goal is to continue to purchase new buses each year until all of the old buses are removed from our fleet.

While the School District has replaced all classroom computers over the last two years, there are many other components of technology that need replaced. Our goal is to have a technology plan for the future so we can plan to replace the other areas of technology along with computers.

OTES (Ohio Teacher Evaluation System) continues to be a challenge due to changes made by the legislature. Administrators and teachers are adjusting to the new teaching standards and working in the ETPES program in which all documents are housed for the OTES process. Student Growth Measures (SGM) and Student Learning Objectives (SLOs) require focus and large amounts of time from approval teams and the evaluation team. The School District is beginning to identify some teachers as being ineffective and needing improvement plans with professional development opportunities. These activities require a lot of time and effort of staff members and administrators.

Ohio's assessment (PARCC) was implemented for the first year with a choice of online or paper pencil. The release of scores was delayed multiple times and PARCC has been replaced due to dissention across the state. Currently the State Report Card has been put on hold until the new assessments (AIR) are implemented for a few years. All school districts will have to deal with inconsistent test results that are being treated as invalid in the evaluation process and teachers and students will need to learn how different the AIR assessments are from PARCC (ex. test blueprints.)

The School District has struggled the last few years in developing a solid, focused district improvement plan due to multiple changes in district leadership. A new superintendent and the School District leadership team will have to prioritize its needs and collaboratively devise a 2 -3 year plan. Building teams will be charged to develop and begin implementing School Improvement Plans that are aligned to the district goals and strategies.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact Denny Dunlap, Treasurer at Western Brown Local School District, 524 West Main Street, Mt. Orab, OH 45154, or e-mail at Denny.Dunlap@wb.k12.oh.us.

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Western Brown Local School District
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activity	Total
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$10,468,786	\$409,770	\$10,878,556
Prepaid Items	14,021	0	14,021
Inventory Held for Resale	0	10,473	10,473
Materials and Supplies Inventory	0	3,172	3,172
Intergovernmental Receivable	300,561	0	300,561
Taxes Receivable	5,647,107	0	5,647,107
Revenue in Lieu of Taxes Receivable	118,368	0	118,368
Accounts Receivable	76,792	3,037	79,829
Cash and Cash Equivalents with Fiscal Agents	5,000	0	5,000
Capital Assets:			
Land	2,524,314	0	2,524,314
Depreciable Capital Assets, Net	37,801,276	888,886	38,690,162
Total Assets	56,956,225	1,315,338	58,271,563
<u>Deferred Outflows of Resources:</u>			
Deferred Charge on Refunding	38,136	0	38,136
Pension	2,130,304	146,680	2,276,984
Total Deferred Outflows of Resources	2,168,440	146,680	2,315,120
<u>Liabilities:</u>			
Accounts Payable	47,000	7,470	54,470
Accrued Wages and Benefits Payable	2,380,484	106,393	2,486,877
Intergovernmental Payable	413,867	23,716	437,583
Matured Bonds Payable	5,000	0	5,000
Accrued Interest Payable	5,993	0	5,993
Matured Compensated Absences Payable	6,412	0	6,412
Long-Term Liabilities:			
Due Within One Year	755,927	0	755,927
Due in More Than One Year			
Net Pension Liability (See Note 11)	30,167,824	1,711,192	31,879,016
Other Amounts	4,145,539	39,238	4,184,777
Total Liabilities	37,928,046	1,888,009	39,816,055
<u>Deferred Inflows of Resources:</u>			
Property Taxes	3,366,739	0	3,366,739
Revenue in Lieu of Taxes	118,368	0	118,368
Pension	5,490,305	277,731	5,768,036
Total Deferred Inflows of Resources	8,975,412	277,731	9,253,143
<u>Net Position:</u>			
Net Investment in Capital Assets	37,040,382	888,886	37,929,268
Restricted for:			
Debt Service	2,206,816	0	2,206,816
Classroom Facilities	1,570,184	0	1,570,184
District Managed Activities	222,570	0	222,570
Miscellaneous Grants	84,760	0	84,760
Unrestricted (Deficit)	(28,903,505)	(1,592,608)	(30,496,113)
Total Net Position	\$12,221,207	(\$703,722)	\$11,517,485

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2015

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activity	Total
<u>Governmental Activities:</u>							
Instruction:							
Regular	\$15,917,475	\$981,304	\$599,432	\$0	(\$14,336,739)	\$0	(\$14,336,739)
Special	3,002,928	152,271	2,666,887	0	(183,770)	0	(183,770)
Vocational	276,074	0	89,647	0	(186,427)	0	(186,427)
Support Services:							
Pupils	1,265,801	84,595	0	0	(1,181,206)	0	(1,181,206)
Instructional Staff	448,287	0	4,240	0	(444,047)	0	(444,047)
Board of Education	17,635	0	0	0	(17,635)	0	(17,635)
Administration	2,217,956	135,352	101,624	0	(1,980,980)	0	(1,980,980)
Fiscal	556,300	0	28,020	0	(528,280)	0	(528,280)
Operation and Maintenance of Plant	2,659,528	194,500	112,080	0	(2,352,948)	0	(2,352,948)
Pupil Transportation	2,274,156	152,271	97,717	0	(2,024,168)	0	(2,024,168)
Central	529,657	0	7,200	0	(522,457)	0	(522,457)
Operation of Non-Instructional Services	13,971	2,576	11,600	0	205	0	205
Extracurricular Activities	868,046	344,189	6,914	82,167	(434,776)	0	(434,776)
Interest and Fiscal Charges	120,973	0	0	0	(120,973)	0	(120,973)
Total Governmental Activities	30,168,787	2,047,058	3,725,361	82,167	(24,314,201)	0	(24,314,201)
<u>Business-Type Activity:</u>							
Food Service	1,700,712	440,605	1,066,494	0	0	(193,613)	(193,613)
Totals	\$31,869,499	\$2,487,663	\$4,791,855	\$82,167	(24,314,201)	(193,613)	(24,507,814)
<u>General Revenues:</u>							
Property Taxes Levied for:							
General Purposes					4,353,541	0	4,353,541
Debt Service					544,174	0	544,174
Classroom Facility Maintenance					88,572	0	88,572
Grants and Entitlements not Restricted to Specific Programs					21,598,569	0	21,598,569
Interest					28,295	196	28,491
Revenue in Lieu of Taxes					106,196	0	106,196
Miscellaneous					155,616	29,009	184,625
Total General Revenues					26,874,963	29,205	26,904,168
Change in Net Position					2,560,762	(164,408)	2,396,354
Net Position at Beginning of Year - Restated (see Note 3)					9,660,445	(539,314)	9,121,131
Net Position at End of Year					\$12,221,207	(\$703,722)	\$11,517,485

See accompanying notes to the basic financial statements

Western Brown Local School District
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Classroom Facility Maintenance Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$6,697,277	\$1,530,162	\$1,963,876	\$277,471	\$10,468,786
Cash and Cash Equivalents with Fiscal Agents	0	0	5,000	0	5,000
Receivables:					
Taxes	4,944,450	100,606	602,051	0	5,647,107
Revenue in Lieu of Taxes	118,368	0	0	0	118,368
Accounts	76,792	0	0	0	76,792
Intergovernmental	0	0	0	300,561	300,561
Prepaid Items	14,021	0	0	0	14,021
Total Assets	\$11,850,908	\$1,630,768	\$2,570,927	\$578,032	\$16,630,635
<u>Liabilities:</u>					
Accounts Payable	\$45,633	\$0	\$0	\$1,367	\$47,000
Accrued Wages and Benefits Payable	2,186,328	0	0	194,156	2,380,484
Matured Compensated Absences Payable	6,412	0	0	0	6,412
Intergovernmental Payable	384,744	0	0	29,123	413,867
Matured Bonds Payable	0	0	5,000	0	5,000
Total Liabilities	2,623,117	0	5,000	224,646	2,852,763
<u>Deferred Inflows of Resources:</u>					
Property Taxes	2,953,037	60,584	353,118	0	3,366,739
Revenue in Lieu of Taxes	118,368	0	0	0	118,368
Unavailable Revenue	604,512	12,160	75,570	99,841	792,083
Total Deferred Inflows of Resources	3,675,917	72,744	428,688	99,841	4,277,190
<u>Fund Balances:</u>					
Nonspendable	14,021	0	0	0	14,021
Restricted	0	1,558,024	2,137,239	266,105	3,961,368
Committed	629,578	0	0	0	629,578
Assigned	1,224,126	0	0	0	1,224,126
Unassigned (Deficit)	3,684,149	0	0	(12,560)	3,671,589
Total Fund Balances	5,551,874	1,558,024	2,137,239	253,545	9,500,682
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$11,850,908	\$1,630,768	\$2,570,927	\$578,032	\$16,630,635

See accompanying notes to the basic financial statements

Western Brown Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2015*

Total Governmental Fund Balances \$9,500,682

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	2,524,314	
Depreciable capital assets	72,843,474	
Accumulated depreciation	<u>(35,042,198)</u>	

Total capital assets 40,325,590

Some of the School District's revenues 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.

Taxes	692,242	
Intergovernmental	<u>99,841</u>	

Total 792,083

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

(5,993)

Deferred Outflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.

Deferred Charge on Refunding 38,136

The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:

Deferred Outflows - Pension	2,130,304	
Deferred Inflows - Pension	(5,490,305)	
Net Pension Liability	<u>(30,167,824)</u>	

Total (33,527,825)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds payable	(2,790,000)	
Premium on debt issue	(76,344)	
Accretion on capital appreciation bonds	(102,038)	
Capital leases payable	(457,000)	
Compensated absences payable	<u>(1,476,084)</u>	

Total liabilities (4,901,466)

Net Position of Governmental Activities \$12,221,207

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Fiscal Year Ended June 30, 2015

	General Fund	Classroom Facility Maintenance Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$4,477,036	\$91,062	\$559,619	\$0	\$5,127,717
Intergovernmental	23,660,228	140,100	85,724	1,668,993	25,555,045
Interest	28,295	0	0	0	28,295
Tuition and Fees	1,691,903	0	0	16,426	1,708,329
Extracurricular Activities	49,558	0	0	278,205	327,763
Rent	8,390	0	0	0	8,390
Contributions and Donations	82,167	0	0	23,725	105,892
Customer Sales and Services	2,576	0	0	0	2,576
Revenue in Lieu of Taxes	106,196	0	0	0	106,196
Miscellaneous	155,616	0	0	0	155,616
<i>Total Revenues</i>	<u>30,261,965</u>	<u>231,162</u>	<u>645,343</u>	<u>1,987,349</u>	<u>33,125,819</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	14,362,678	0	0	727,816	15,090,494
Special	2,264,396	0	0	789,469	3,053,865
Vocational	259,171	0	0	0	259,171
Support Services:					
Pupils	1,215,833	0	0	1,484	1,217,317
Instructional Staff	359,203	0	0	41,143	400,346
Board of Education	17,635	0	0	0	17,635
Administration	1,907,931	0	0	115,492	2,023,423
Fiscal	519,111	3,005	18,676	0	540,792
Operation and Maintenance of Plant	2,636,416	12,240	0	0	2,648,656
Pupil Transportation	2,269,864	0	0	0	2,269,864
Central	509,757	0	0	7,200	516,957
Operation of Non-Instructional Services	0	0	0	13,971	13,971
Extracurricular Activities	417,196	0	0	291,922	709,118
Capital Outlay	52,915	292,863	0	0	345,778
Debt Service:					
Principal Retirement	105,000	0	465,000	0	570,000
Interest and Fiscal Charges	15,678	0	85,568	0	101,246
<i>Total Expenditures</i>	<u>26,912,784</u>	<u>308,108</u>	<u>569,244</u>	<u>1,988,497</u>	<u>29,778,633</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	3,349,181	(76,946)	76,099	(1,148)	3,347,186
<u>Other Financing Sources:</u>					
Proceeds from Sale of Capital Assets	8,645	0	0	0	8,645
<i>Net Change in Fund Balances</i>	3,357,826	(76,946)	76,099	(1,148)	3,355,831
<i>Fund Balances at Beginning of Year</i>	<u>2,194,048</u>	<u>1,634,970</u>	<u>2,061,140</u>	<u>254,693</u>	<u>6,144,851</u>
<i>Fund Balances at End of Year</i>	<u>\$5,551,874</u>	<u>\$1,558,024</u>	<u>\$2,137,239</u>	<u>\$253,545</u>	<u>\$9,500,682</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
*Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities*
For the Fiscal Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds \$3,355,831

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

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital assets additions	425,766	
Depreciation expense	<u>(2,009,103)</u>	
Excess of depreciation expense over capital outlay		(1,583,337)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.

Proceeds from sale of capital assets		(8,645)
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Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Delinquent property taxes	(141,430)	
Intergovernmental	<u>(254,840)</u>	
Total		(396,270)

Repayment of long-term debt is reported as an expenditure in governmental

Bond principal retirement	465,000	
Capital lease payments	<u>105,000</u>	
Total long-term debt repayment		570,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The difference in the amount of interest on the statement of activities is the result of the following:

Decrease in accrued interest	1,800	
Amortization of deferred charge on refunding	(6,356)	
Amortization of bond premium	12,724	
Accretion on capital appreciation bonds	<u>(27,895)</u>	
Total		(19,727)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

1,844,340

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

(1,293,383)

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:

Decrease in compensated absences	<u>91,953</u>
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Change in Net Position of Governmental Activities \$2,560,762

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$4,334,345	\$4,334,345	\$4,323,115	(\$11,230)
Intergovernmental	23,698,754	23,698,754	23,667,259	(31,495)
Interest	8,000	8,000	28,893	20,893
Tuition and Fees	1,637,225	1,637,225	1,626,223	(11,002)
Extracurricular Activities	51,589	51,589	49,578	(2,011)
Rent	21,000	21,000	8,390	(12,610)
Contributions and Donations	41,579	41,579	82,167	40,588
Customer Sales and Services	0	0	2,576	2,576
Revenue in Lieu of Taxes	106,196	106,196	106,196	0
Miscellaneous	60,072	60,072	68,758	8,686
Total Revenues	29,958,760	29,958,760	29,963,155	4,395
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	15,057,640	14,691,640	14,331,776	359,864
Special	2,660,412	2,660,412	2,281,591	378,821
Vocational	218,848	218,848	214,738	4,110
Support Services:				
Pupils	1,295,907	1,259,907	1,207,032	52,875
Instructional Staff	316,719	352,719	352,037	682
Board of Education	21,734	21,734	17,470	4,264
Administration	2,005,707	2,005,707	1,897,886	107,821
Fiscal	565,928	565,928	519,999	45,929
Operation and Maintenance of Plant	2,986,746	3,183,746	3,183,083	663
Pupil Transportation	2,772,049	2,772,049	2,568,437	203,612
Central	1,080,486	883,486	628,404	255,082
Operation of Non-Instructional Services	2,712	2,712	81	2,631
Extracurricular Activities	462,721	462,721	418,498	44,223
Capital Outlay	91,119	462,119	422,915	39,204
Debt Service:				
Principal Retirement	105,000	105,000	105,000	0
Interest and Fiscal Charges	21,632	21,632	15,678	5,954
Total Expenditures	29,665,360	29,670,360	28,164,625	1,505,735
Excess of Revenues Over (Under) Expenditures	293,400	288,400	1,798,530	1,510,130
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	0	0	8,645	8,645
Refund of Prior Year Expenditures	0	0	86,623	86,623
Refund of Prior Year Receipts	(258,189)	(258,189)	0	258,189
Advances In	0	0	24,525	24,525
Advances Out	(21,551)	(16,551)	(4,000)	12,551
Total Other Financing Sources (Uses)	(279,740)	(274,740)	115,793	390,533
Net Change in Fund Balance	13,660	13,660	1,914,323	1,900,663
Fund Balance at Beginning of Year	2,683,372	2,683,372	2,683,372	0
Prior Year Encumbrances Appropriated	845,071	845,071	845,071	0
Fund Balance at End of Year	\$3,542,103	\$3,542,103	\$5,442,766	\$1,900,663

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facility Maintenance Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$86,500	\$86,500	\$87,964	\$1,464
Intergovernmental	139,597	139,597	140,100	503
<i>Total Revenues</i>	226,097	226,097	228,064	1,967
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal	3,400	3,400	3,005	395
Operation and Maintenance of Plant	0	12,240	12,240	0
Capital Outlay	1,228,775	1,216,535	295,898	920,637
<i>Total Expenditures</i>	1,232,175	1,232,175	311,143	921,032
Net Change in Fund Balance	(1,006,078)	(1,006,078)	(83,079)	922,999
Fund Balance at Beginning of Year	1,381,431	1,381,431	1,381,431	0
Prior Year Encumbrances Appropriated	228,775	228,775	228,775	0
Fund Balance at End of Year	\$604,128	\$604,128	\$1,527,127	\$922,999

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Fund Net Position
Proprietary Fund
June 30, 2015

	Food Service Fund
<u>Assets:</u>	
<u>Current Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$409,770
Inventory Held for Resale	10,473
Materials and Supplies Inventory	3,172
Accounts Receivable	3,037
<i>Total Current Assets</i>	426,452
<u>Noncurrent Assets:</u>	
Capital Assets, Net	888,886
<i>Total Assets</i>	1,315,338
<u>Deferred Outflows of Resources:</u>	
Pension	146,680
<u>Liabilities:</u>	
<u>Current Liabilities:</u>	
Accounts Payable	7,470
Accrued Wages and Benefits Payable	106,393
Intergovernmental Payable	23,716
<i>Total Current Liabilities</i>	137,579
<u>Long-term Liabilities:</u>	
Compensated Absences Payable	39,238
Net Pension Liability	1,711,192
<i>Total Liabilities</i>	1,888,009
<u>Deferred Inflows of Resources:</u>	
Pension	277,731
<u>Net Position:</u>	
Net Investment in Capital Assets	888,886
Unrestricted	(1,592,608)
<i>Total Net Position</i>	(\$703,722)

See accompanying notes to the basic financial statements

Western Brown Local School District
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2015*

	Food Service Fund
<u>Operating Revenues:</u>	
Sales	\$440,604
Other	29,010
<i>Total Operating Revenues</i>	469,614
<u>Operating Expenses:</u>	
Salaries	467,430
Fringe Benefits	374,880
Purchased Services	3,994
Materials and Supplies	105,171
Cost of Sales	622,333
Depreciation	119,434
Other	7,470
<i>Total Operating Expenses</i>	1,700,712
<i>Operating Loss</i>	(1,231,098)
<u>Non-Operating Revenues:</u>	
Donated Commodities	72,731
Operating Grants	993,763
Interest	196
<i>Total Non-Operating Revenues</i>	1,066,690
<i>Change in Net Position</i>	(164,408)
<i>Net Position at Beginning of Year - (Restated See Note 3)</i>	(539,314)
<i>Net Position at End of Year</i>	(\$703,722)

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2015

	Food Service Fund
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$440,604
Cash Received from Others	29,606
Cash Payments for Employee Salaries	(462,549)
Cash Payments to Employees for Services	(419,824)
Cash Payments to Suppliers for Goods and Services	(656,379)
	(1,068,542)
<i>Net Cash Used for Operating Activities</i>	(1,068,542)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Operating Grants Received	993,763
<u>Cash Flows from Investing Activities:</u>	
Interest	196
	(74,583)
<i>Net Decrease in Cash and Cash Equivalents</i>	(74,583)
<i>Cash and Cash Equivalents at Beginning of Year</i>	484,353
<i>Cash and Cash Equivalents at End of Year</i>	\$409,770
<u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</u>	
Operating Loss	(\$1,231,098)
<u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u>	
Depreciation	119,434
Donated Commodities Received During Fiscal Year	72,731
Decrease (Increase) in Assets:	
Inventory Held for Resale	(581)
Materials and Supplies Inventory	(1,026)
Accounts Receivable	597
Decrease in Deferred Outflows of Resources - Pension	8,011
Increase (Decrease) in Liabilities:	
Accounts Payable	7,470
Accrued Wages and Benefits Payable	6,598
Compensated Absences Payable	2,845
Intergovernmental Payable	(13,530)
Net Pension Liability	29,440
Decrease in Deferred Inflows of Resources - Pension	(69,433)
	162,556
<i>Total Adjustments</i>	162,556
<i>Net Cash Used for Operating Activities</i>	(\$1,068,542)

Non-Cash Transactions:

During fiscal year 2015, the Food Service Enterprise Fund received \$72,731 in donated commodities.

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Private Purpose Trust Funds	Agency Funds
	Scholarship	
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$60,953	\$95,115
<u>Liabilities:</u>		
Undistributed Monies	0	\$95,115
<u>Net Position:</u>		
Held in Trust for Scholarships	\$60,953	

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
June 30, 2015

	Scholarship Funds
<u>Additions:</u>	
Contributions and Donations	\$6,955
Interest	364
<i>Total Additions</i>	7,319
<u>Deductions:</u>	
Scholarships Awarded	6,300
<i>Change in Net Position</i>	1,019
<i>Net Position at Beginning of Year</i>	59,934
<i>Net Position at End of Year</i>	\$60,953

See accompanying notes to the basic financial statements

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Western Brown Local School District (the “School District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally elected Board of Education (five members) and is responsible for the education of the residents of the School District. The Board controls the School District's four instructional support facilities staffed by 116 non-certificated, 156 teaching and 25 administrative employees providing education to 3,359 students.

The School District serves an area of approximately 141 square miles. It is located in Brown County, and includes the Village of Mt. Orab, the Village of Hamersville and portions of surrounding townships.

Reporting Entity

A reporting entity is composed 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 School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, and student related activities of the School District.

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

The School District participates in three jointly governed organizations, one public entity shared risk and one insurance purchasing pool. These organizations are presented in Notes 16, 17 and 18 to the basic financial statements. These organizations are:

Jointly Governed Organizations:
South Central Ohio Computer Association
Unified Purchasing Cooperative of the Ohio River Valley
Southern Hills Joint Vocational School District

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Public Entity Shared Risk Pool:
Brown County Schools Benefits Consortium

Insurance Purchasing Pool:
Ohio SchoolComp Workers' Compensation Group Rating Plan

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The government-wide statements normally distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School 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 School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. 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.

Fund Accounting

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

Governmental Funds

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

General Fund - The General Fund is the operating fund of the School District and is used to account for and report all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service Fund - The Debt Service Fund is used to account for and report the accumulation of property taxes restricted for, and the payment of, general obligation bond principal and interest and certain other long-term obligations when the School District is obligated for the payment.

Classroom Facility Maintenance Special Revenue Fund - This fund accounts for and reports property tax revenues that are restricted to expenditures for the maintenance and upkeep of School District classroom facilities.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Proprietary Fund

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no internal service funds.

Enterprise Fund – The Food Service fund is a major fund and accounts for and reports financial transactions related to food service operation.

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 School District under a trust agreement for individuals, private organizations, or other governments and are not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has three fiduciary funds: a private purpose trust fund used to account for college scholarship programs for students and two agency funds; one is used to account for student managed activity programs and the other is used to account for Ohio High School Athletic Association monies.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of the School District are included on the statement of net position. The statement of activities reports increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

The private purpose trust fund is reported using the flow of economic resources measurement focus.

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 and fiduciary funds 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 inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means that 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 School District, available means expected to be received within 60 days of fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, revenue in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes and revenue in lieu of taxes is recognized in the fiscal year for which the taxes are levied (see Note 7). 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 fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial 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 School District, deferred outflows of resources are reported in the government-wide statement of net position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue and pension. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 11)

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.

Pension

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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including the proprietary fund, are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “Equity in pooled cash and cash equivalents”. The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the financial statements as “Cash and cash equivalents with fiscal agents” and represents deposits.

During fiscal year 2015, the School District’s investments were limited to a money market mutual fund and funds invested in the State Treasury Asset Reserve of Ohio (STAROhio). Investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund’s current share price. STAROhio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s net asset value per share which is the price the investment could be sold for on June 30, 2015.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2015 amounted to \$28,295, which includes \$11,122 assigned from other School District funds.

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories consist of purchased and donated food held for resale and consumable supplies.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. 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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the government-wide statement of net position and in the fund.

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$2,500. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Description	Governmental Activities Estimated Lives	Business-Type Activity Estimated Lives
Buildings and Improvements	10 – 75 years	10 – 75 years
Furniture and Equipment	5 – 20 years	10 years
Vehicles	3 – 15 years	N/A

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School 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 termination method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

On governmental fund financial statements, compensated absences are recognized as a liability and expenditures to the extent 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. The remaining portion of the liability is not reported.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences and net pension liability 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 fiscal year. Bonds and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or 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 - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education or a School District official delegated that authority by resolution or State Statute. State statute

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

authorizes the Treasurer to assign fund balance for purchase orders provided such amounts have been lawfully appropriated.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between all other elements in a statement of financial position. The net investment in capital assets component of net position 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 its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for classroom facilities, district managed activities and miscellaneous grants.

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

Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

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, all of 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 budgetary control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

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

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

Bond Premiums and Compounded Interest on Capital Appreciation Bonds

For governmental activities, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted each fiscal year for the compounded interest accrued during the fiscal year. Bond premiums and the compounded interest on the capital appreciation bonds are presented as an addition to the face amount of the bonds payable.

On the governmental fund financial statements, bond premiums are recognized in the period in which the bonds were issued. Accretion on the capital appreciation bonds is not reported. Interest on the capital appreciation bonds is recorded as an expenditure when the debt becomes due.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This deferred amount is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are classified as non-operating.

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 in the financial statements and accompanying notes. Actual results may differ from those estimates.

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

For fiscal year 2015, the School District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension 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, 2014:

	Governmental	Business-Type
Net position June 30, 2014	\$43,739,227	\$1,334,911
Adjustments:		
Net Pension Liability	(35,870,958)	(2,010,674)
Deferred Outflow - Payments Subsequent to Measurement Date	1,792,176	136,449
Restated Net Position June 30, 2014	\$9,660,445	(\$539,314)

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

NOTE 4- ACCOUNTABILITY

At June 30, 2015, the Alternative School and Title I nonmajor special revenue funds had deficit fund balances of \$9,865 and \$2,695, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While the School 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 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 (non-GAAP basis) and actual for the General Fund and Classroom Facility Maintenance Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and 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 are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as 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. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statement.

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

	Net Change in Fund Balance	
	General	Classroom Facility Maintenance
GAAP Basis	\$3,357,826	(\$76,946)
Adjustments:		
Revenue Accruals	(211,571)	(3,098)
Expenditure Accruals	2,054	0
Encumbrances	(1,253,895)	(3,035)
Advances	20,525	0
Unrecorded Cash	(616)	0
Budget Basis	\$1,914,323	(\$83,079)

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

NOTE 6 - DEPOSITS AND INVESTMENTS

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School 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 of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be 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 or deposit accounts, including passbook accounts.

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 obligation or security 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;
4. Bonds and other obligations of the State of Ohio or Ohio Local Governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;

Western Brown Local School District
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For the Fiscal Year Ended June 30, 2015

7. The State Treasurer’s investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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. Investments may only be made through specified dealers and institutions.

Investments

As of June 30, 2015, the School District had the following investments, which are in an internal investment pool:

Investment Type	Fair Value	Maturity
STAROhio	\$1,992,500	Average 53.4 Days
Goldman Sachs Financial Square Government Mutual Fund	6,840,240	Average 31 Days
Total Investments	\$8,832,740	

Interest Rate Risk

The School District has no investment policy that addresses interest rate risk beyond the requirements of State statute. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk

STAROhio and the Goldman Sachs Financial Square Government Mutual Fund carry ratings of AAAM and AAA, respectively, by Standard and Poor’s. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

NOTE 7 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District’s fiscal year runs from July through June. First half tax collections are received by the School 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 School District. Real property tax revenue received in calendar year 2015 represents collections of

Western Brown Local School District
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For the Fiscal Year Ended June 30, 2015

calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2013, on the assessed value listed as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State statute at 35 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 year 2015 represents collections of calendar year 2014 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien December 31, 2013, were levied after April 1, 2014, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Brown County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2015, are available to finance fiscal year 2015 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which were measurable as of June 30, 2015 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2015, was \$1,588,126 and is recognized as revenue: \$1,386,901 in the General Fund, \$173,363 in the Debt Service Fund and \$27,862 in the Classroom Facility Maintenance Fund. The amount available as an advance at June 30, 2014, was \$1,232,980 in the General Fund, \$154,122 in the Debt Service Fund and \$24,764 in the Classroom Facility Maintenance Fund.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The assessed values upon which fiscal year 2015 taxes were collected are:

	2014 Second- Half Collections		2015 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$230,522,940	96.05%	\$230,959,290	95.81%
Public Utility Personal	9,482,560	3.95%	10,090,430	4.19%
Total Assessed Value	\$240,005,500	100.00%	\$241,049,720	100.00%
Tax rate per \$1,000 of assessed valuation	\$23.00		\$23.00	

Western Brown Local School District
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For the Fiscal Year Ended June 30, 2015

NOTE 8 - RECEIVABLES

Receivables at June 30, 2015, consisted of property taxes, revenue in lieu of taxes, accounts 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 fiscal year guarantee of federal funds. All receivables except for delinquent property taxes and revenue in lieu of taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

The intergovernmental receivables are as follows:

	<u>Amounts</u>
<u>Governmental Activities:</u>	
Title VI-B - Special Education IDEA Grant	\$121,121
School Improvement	43,967
Title I - Targeted Assistance Grant	133,517
Race to the Top	1,956
Total Intergovernmental Receivables	<u>\$300,561</u>

NOTE 9 - CAPITAL ASSETS

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

	<u>Balance</u> <u>6/30/2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2015</u>
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$2,524,314	\$0	\$0	\$2,524,314
Capital Assets, Being Depreciated:				
Buildings and Improvements	63,672,103	98,558	(3,255)	63,767,406
Furniture and Equipment	6,946,202	24,625	(641,437)	6,329,390
Vehicles	2,605,039	302,583	(160,944)	2,746,678
Total Capital Assets, Being Depreciated	73,223,344	425,766	(805,636)	72,843,474
Less Accumulated Depreciation:				
Buildings and Improvements	(25,848,680)	(1,675,527)	3,255	(27,520,952)
Furniture and Equipment	(5,765,822)	(257,836)	641,437	(5,382,221)
Vehicles	(2,215,584)	(75,740)	152,299	(2,139,025)
Total Accumulated Depreciation	(33,830,086)	(2,009,103) *	796,991	(35,042,198)
Total Capital Assets, Being Depreciated, Net	39,393,258	(1,583,337)	(8,645)	37,801,276
Governmental Activities Capital Assets, Net	\$41,917,572	(\$1,583,337)	(\$8,645)	\$40,325,590

Western Brown Local School District
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* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,251,701
Special	88,580
Vocational	30,907
Support Services:	
Pupils	59,839
Instructional Staff	49,831
Administration	222,436
Fiscal	9,967
Operation and Maintenance of Plant	22,760
Pupil Transportation	94,537
Central	10,621
Extracurricular Activities	167,924
Total Depreciation Expense	<u><u>\$2,009,103</u></u>

	<u>Balance</u> <u>6/30/2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2015</u>
<u>Business-Type Activity:</u>				
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$1,466,883	\$0	\$0	\$1,466,883
Furniture and Equipment	<u>1,255,132</u>	<u>0</u>	<u>0</u>	<u>1,255,132</u>
Total Capital Assets, Being Depreciated	<u>2,722,015</u>	<u>0</u>	<u>0</u>	<u>2,722,015</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(609,488)	(37,282)	0	(646,770)
Furniture and Equipment	<u>(1,104,207)</u>	<u>(82,152)</u>	<u>0</u>	<u>(1,186,359)</u>
Total Accumulated Depreciation	<u>(1,713,695)</u>	<u>(119,434)</u>	<u>0</u>	<u>(1,833,129)</u>
Business-Type Activity				
Capital Assets, Net	<u>\$1,008,320</u>	<u>(\$119,434)</u>	<u>\$0</u>	<u>\$888,886</u>

NOTE 10 - RISK MANAGEMENT

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2015, the School District contracted with Netherlands Insurance Company for general liability insurance and School Board errors and omissions coverage. The School District contracted with Midwestern Indemnity Company for commercial umbrella liability insurance. The School District's vehicles are covered by Netherlands Insurance Company under a business policy.

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Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in coverage from the prior fiscal year.

Workers' Compensation

For fiscal year 2015, the School District participated in the Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduce premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP. Each year, the School District pays an enrollment fee to the GRP to cover the costs of administering the program.

Employee Medical

The School District participates in the Brown County Schools Benefits Consortium (the Consortium), a public entity shared risk and insurance purchasing pool and one insurance purchasing pool (see Note 17) consisting of nine districts. The Consortium has elected to have United Healthcare provide medical coverage purchased as a group through the Consortium. Dental coverage is being provided through a shared risk pool based on member districts' number of employees. The School District is responsible for providing a current listing of enrolled employees and for providing timely pro-rata payments of premiums to the Consortium for employee health coverage and dental benefits. The Consortium is responsible for the management and operations of the program. Upon termination from the Consortium, for any reason, the terminated member relinquishes their portion of equity in the Consortium's cash pool.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

The net pension liability represents the School 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

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

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The School District's contractually required contributions to SERS for governmental and business-type activities were \$309,008 and \$132,116, respectively for fiscal year 2015.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School 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 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$1,535,332 for the fiscal year 2015. Of this amount \$131,698 is reported as an intergovernmental payable.

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$5,713,502	\$26,165,514	\$31,879,016
Proportion of the Net Pension Liability	0.11289400%	0.10757315%	
Pension Expense	\$334,337	\$1,059,180	\$1,393,517

At June 30, 2015, the School 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	\$48,628	\$251,900	\$300,528
School District contributions subsequent to the measurement date	<u>441,124</u>	<u>1,535,332</u>	<u>1,976,456</u>
Total Deferred Outflows of Resources	<u>\$489,752</u>	<u>\$1,787,232</u>	<u>\$2,276,984</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	<u>\$927,317</u>	<u>\$4,840,719</u>	<u>\$5,768,036</u>

\$1,976,456 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2016	(\$219,550)	(\$1,147,205)	(\$1,366,755)
2017	(219,550)	(1,147,205)	(1,366,755)
2018	(219,550)	(1,147,205)	(1,366,755)
2019	<u>(220,039)</u>	<u>(1,147,204)</u>	<u>(1,367,243)</u>
Total	<u>(\$878,689)</u>	<u>(\$4,588,819)</u>	<u>(\$5,467,508)</u>

*Western Brown Local School District
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Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

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

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

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$8,151,468	\$5,713,502	\$3,662,960

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

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

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

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	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$37,458,785	\$26,165,514	\$16,615,206

NOTE 12 - POSTEMPLOYMENT BENEFITS

School Employees Retirement System

Health Care Plan Description – The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians’ fees through several types of plans including HMO’s, PPO’s, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. 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.

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. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS’ participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of 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 basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was \$20,450. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer’s SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2015, the School District’s surcharge obligation was \$55,873.

The School District’s contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$43,455, \$45,432, and \$64,350, respectively. The full amount has been contributed for all three years.

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State Teachers Retirement System of Ohio

Plan Description – The School District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio, which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS Ohio did not allocate any employer contributions to post-employment health care. The School District’s contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$111,649, and \$111,822, respectively. The full amount has been contributed for all three fiscal years.

NOTE 13 - EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements, Board resolutions and State laws. Eligible classified employees and administrators earn 10 to 25 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Administrators who are not on a 12 month contract do not earn vacation time.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month for a total of 15 days of sick leave for each fiscal year under contract. Only 225 days of sick leave may be accumulated during regular employment. Upon severance from the School District, payment is made for one-half of administrators’ accumulated, but unused sick leave credit and one-fourth of teachers’ and classified employees’ accumulated, but unused sick leave credit.

Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through a private insurance carrier. Vision insurance is provided by Vision Service Plan.

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Notes to the Basic Financial Statements
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NOTE 14 - CAPITALIZED LEASE - LESSEE DISCLOSURE

In prior fiscal years, the School District entered into a lease-purchase agreement for the construction of a new School District administration building. The School District is leasing the project from Columbus Regional Airport Authority (formerly known as Rickenbacker Port Authority). Columbus Regional Airport Authority will retain title to the project during the lease term. Columbus Regional Airport Authority has assigned PNC Bank as trustee. The School District makes semi-annual lease payments to PNC Bank. Interest rates are based on a calculation of the TBMA Index. The lease is renewable annually and expires in fiscal year 2018. The intention of the School District is to renew the lease annually. In fiscal year 2015, the School District made the tenth scheduled principal payment of \$42,000.

In prior fiscal years, the School District entered into a lease agreement for the installation of football field turf. The School District is leasing the project from Columbus Regional Airport Authority. Columbus Regional Airport Authority will retain title to the project during the lease term. Columbus Regional Airport Authority has assigned U.S. Bank as trustee. U.S. Bank deposited \$610,000 with the School District. Amounts were then paid to contractors by the School District as the work progressed. The School District makes semi-annual lease payments to U.S. Bank. Interest rates are based on a calculation of the SIFMA Index and the School District also pays an additional participant cost component. The lease is renewable annually and expires in fiscal year 2019. The intention of the School District is to renew the lease annually. At fiscal year-end, the project was complete. During the fiscal year, the School District made the fifth scheduled principal payment of \$63,000.

The assets acquired through the capital leases are as follows:

	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Asset:			
Buildings and Improvements	\$991,436	\$475,889	\$515,547
Furniture and Equipment	610,000	335,500	274,500
Total	<u>\$1,601,436</u>	<u>\$811,389</u>	<u>\$790,047</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2015.

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Fiscal Year Ending June 30,	Total Payments
2016	\$122,927
2017	123,441
2018	122,844
2019	122,149
Total	491,361
Less: Amount Representing Interest	(34,361)
Present Value of Minimum Lease Payments	\$457,000

NOTE 15 - LONG-TERM LIABILITIES

The changes in the School District's long-term liabilities during fiscal year 2015 were as follows:

	Amount Outstanding 6/30/2014	Additions	Deductions	Amount Outstanding 6/30/2015	Amounts Due in One Year
<u>Governmental Activities:</u>					
School Improvement Bonds					
1998 5.01%	\$395,000	\$0	\$395,000	\$0	\$0
School Improvement Refunding Bonds 2011:					
Serial Bonds 3.75%	2,585,000	0	70,000	2,515,000	460,000
Capital Appreciation Bonds 6.25%	275,000	0	0	275,000	0
Premium on Debt Issue	89,068	0	12,724	76,344	0
Accretion of Capital Appreciation Bonds	74,143	27,895	0	102,038	0
Total General Obligation Bonds	3,418,211	27,895	477,724	2,968,382	460,000
<u>Other Long-Term Obligations:</u>					
Net Pension Liability:					
SERS	4,702,770	0	700,460	4,002,310	0
STRS	31,168,188	0	5,002,674	26,165,514	0
Total Net Pension Liability	35,870,958	0	5,703,134	30,167,824	0
Compensated Absences	1,568,037	202,783	294,736	1,476,084	186,927
Capital Leases	562,000	0	105,000	457,000	109,000
Total Other Long-Term Obligations	38,000,995	202,783	6,102,870	32,100,908	295,927
Total Governmental Activities Long-Term Obligations	\$41,419,206	\$230,678	\$6,580,594	\$35,069,290	\$755,927
<u>Business-Type Activities:</u>					
<u>Other Long-Term Obligations:</u>					
Net Pension Liability:					
SERS	\$2,010,674	\$0	\$299,482	\$1,711,192	\$0
Compensated Absences	38,569	669	0	39,238	0
Total Business-Type Activities	\$2,049,243	\$669	\$299,482	\$1,750,430	\$0

Western Brown Local School District
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School Improvement Bonds 1998

On June 15, 1998, the School District issued \$7,164,600 in voted general obligation bonds for the purpose of acquiring land, constructing new classroom facilities, and making renovations to existing classrooms. These bonds are being paid from property tax revenues. The Ohio Department of Education, School Finance, announced that the School District was eligible for State school building assistance funding on June 2, 1997. The bond issue satisfied the local match required to receive State assistance for the construction project. The bonds were issued for a 23 year period with final maturity in December 2020. These bonds are being paid from the Debt Service Fund. The School District paid these bonds off during fiscal year 2015.

In February 2011, the School District issued \$3,075,000 in school improvement bonds for the purpose of refunding a portion of the 1998 School Improvement Bonds. \$2,800,000 were serial bonds and \$275,000 was a capital appreciation bond. This was an advance refunding. The bonds were issued for a 10 year period, with final maturity in December 2020.

The School District defeased the 1998 School Improvement Bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments due on the old bonds. Accordingly, the trust assets and the liability of the defeased bonds are not included in the School District's financial statements. As of June 30, 2015, \$2,790,000 of the refunded bonds were outstanding.

The capital appreciation bond will mature in fiscal year 2021. The maturity amount of the capital appreciation bond will be \$575,000. For fiscal year 2015, the capital appreciation bond was accreted \$27,895.

The School District pays obligations related to employee compensation from the fund benefitting from their service. Compensated absences will be paid from the General, Title VI-B, Title I, Improving Teacher Quality and Food Service funds. For additional information related to the net pension liability see note 11.

The School District's overall legal debt margin was \$21,041,714 with an unvoted debt margin of \$241,050 at June 30, 2015.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2015 are as follows:

Western Brown Local School District
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School Improvement Refunding Bonds 2011					
Fiscal Year	Serial Bonds	Serial Bonds	Capital	Capital	
Ending June 30,	Principal	Interest	Appreciation	Appreciation	Total
			Principal	Interest	
2016	\$460,000	\$68,650	\$0	\$0	\$528,650
2017	485,000	56,838	0	0	541,838
2018	500,000	44,213	0	0	544,213
2019	515,000	29,925	0	0	544,925
2020	555,000	11,100	275,000	300,000	1,141,100
Total	\$2,515,000	\$210,726	\$275,000	\$300,000	\$3,300,726

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association Regional Council of Governments

The School District is a participant in the South Central Ohio Computer Association Regional Council of Governments (SCOCARCoG), which is organized under ORC Code Chapter 167 as a regional council of governments. SCOCARCoG is an association of public school districts within the boundaries of Pickaway, Gallia, Adams, Brown, Highland, Pike, Ross, Scioto, Vinton, Jackson, and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCARCoG consists of two representatives from each county in the SCOCARCoG service region designated by the Ohio Department of Education and two representatives of the school treasurers. The Board exercises total control over the operations of SCOCARCoG including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The School District paid SCOCARCoG \$441,068 for services provided during the fiscal year. Financial information can be obtained from the SCOCA Council of Governments, Sandra Benson, Fiscal Officer, at P.O. Box 596, 175 Beaver Creek Rd., Piketon, Ohio, 45661.

Unified Purchasing Cooperative of the Ohio River Valley

The Unified Purchasing Cooperative of the Ohio River Valley (UPC) is a purchasing cooperative made up of 44 public school districts and three joint vocational school districts in Brown, Butler, Clermont and Hamilton Counties in Ohio, as well as districts in Kentucky and Indiana. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the UPC.

The Board of Directors is elected from among the active members and consists of one representative each from Brown, Butler, Clermont and Hamilton Counties, as well as one representative from Kentucky, one from Indiana, and one at-large representative from a public school district with an

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enrollment greater than 5,000 students. In addition, the superintendents of the Hamilton County Educational Service Center and the Clermont County Educational Service Center also serve on the Board of Directors. The Hamilton County Educational Service Center serves as fiscal agent. Sixty days prior notice is necessary for withdrawal from the UPC. The Board exercises total control over the operations of UPC including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board.

Financial information can be obtained from Don Rabe, Treasurer, Hamilton County Educational Service Center, at 11083 Hamilton Avenue, Cincinnati, Ohio, 45231.

Southern Hills Joint Vocational School District

The Southern Hills Joint Vocational School District is a distinct political subdivision of the State of Ohio, operated under the direction of a seven-member Board of Education. The Board of Education is not directly elected. It is comprised of elected board members of participating school districts who, by charter, also serve as board members of the Southern Hills Joint Vocational School District. A board member is appointed by each local Board of Education within the Southern Hills Joint Vocational School District, including Western Brown Local School District. The Board exercises total control over the operations of Southern Hills Joint Vocational School District including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. To obtain financial information, write to the Southern Hills Joint Vocational School District, Michael Boyd, who serves as Treasurer, at 9193 Hamer Road, Georgetown, Ohio 45121.

NOTE 17 - PUBLIC ENTITY SHARED RISK

Brown County Schools Benefits Consortium

The Brown County Schools Benefits Consortium, a public entity shared risk and insurance purchasing pool, currently operates to provide medical insurance (insurance purchasing pool) and dental coverage (public entity shared risk pool) to enrolled employees of the consortium members and to eligible dependents of those enrolled employees. Six Brown County school districts (Eastern, Fayetteville–Perry, Georgetown, Ripley Union Lewis Huntington, Southern Hills Joint Vocational, and Western Brown Schools) and two Highland County school districts (Bright Local and Lynchburg–Clay Local School District) along with the Brown County Educational Service Center have entered into an agreement to form the Brown County Schools Benefits Consortium. The Consortium is governed by a nine member board consisting of the superintendents of each participating school district along with the superintendent of the Brown County Educational Service Center. The overall objectives of the consortium are to formulate and administer a program of medical and dental insurance for the benefit of the consortium members' employees and their dependents. The consortium contracts with United Healthcare to provide medical insurance directly to consortium member employees. The Educational Service Center pays premiums to the consortium based on employee membership. For dental coverage the consortium acts as a public entity shared risk pool. Each member district pays dental premiums based on the consortium estimates of future

*Western Brown Local School District
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For the Fiscal Year Ended June 30, 2015*

claims. If the member district's dental claims exceed its premiums, there is no individual supplemental assessment; on the other hand, if the member district's claims are low, it will not receive a refund. Dental coverage is administered through a third party administrator, Dental Care Plus. Participating member districts pay an administrative fee to the fiscal agent to cover the costs associated with the administering of the Consortium. To obtain financial information write to the Brown County Educational Service Center at 325 West State St., Georgetown, Ohio 45121.

18 - INSURANCE PURCHASING POOL

Ohio SchoolComp Workers' Compensation Group Rating Plan

The School District participates in the Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The Ohio School Board Association (OSBA) and the Ohio Association of School Business Officials (OASBO) co-sponsor the GRP. The Executive Directors of the OSBA and the OASBO, or their designees, serve as coordinators of the program.

NOTE 19 - SET-ASIDE CALCULATIONS

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

The following cash basis information identifies the change in the fiscal year-end set-aside amounts for capital acquisition. Disclosure of this information is required by State statute.

	<u>Capital Acquisition</u>
Set-aside Balance as of June 30, 2014	\$0
Current Fiscal Year Set-aside Requirement	555,934
Qualifying Disbursements	<u>(555,934)</u>
Set-aside Balance as of June 30, 2015	<u><u>\$0</u></u>

Amounts of offsets and qualifying disbursements presented in the table for capital acquisitions were limited to those necessary to reduce the fiscal year-end balance to zero.

Western Brown Local School District
Notes to the Basic Financial Statements
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Note 20 - Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General Fund	\$1,253,895
Classroom Facility Maintenance Fund	3,035
Enterprise Fund	5,615
Nonmajor Governmental Funds	27,254
Total	\$1,289,799

NOTE 21 – FUND BALANCES

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

Fund Balances	General Fund	Debt Service Fund	Classroom Facility Maintenance Fund	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>					
Prepays	\$14,021	\$0	\$0	\$0	\$14,021
<i>Restricted for</i>					
Debt Payment	0	2,137,239	0	0	2,137,239
Miscellaneous Grants	0	0	0	43,535	43,535
District Managed Activity	0	0	0	222,570	222,570
Classroom Facilities	0	0	1,558,024	0	1,558,024
Total Restricted	0	2,137,239	1,558,024	266,105	3,961,368
<i>Committed to</i>					
Land Purchase	370,000	0	0	0	370,000
Contractual Commitments	259,578	0	0	0	259,578
Total Committed	629,578	0	0	0	629,578
<i>Assigned to</i>					
Purchases on Order	1,224,126	0	0	0	1,224,126
Unassigned (Deficit)	3,684,149	0	0	(12,560)	3,671,589
Total Fund Balances	\$5,551,874	\$2,137,239	\$1,558,024	\$253,545	\$9,500,682

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

NOTE 22 – CONTINGENCIES

Grants

The School 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 is 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 School District at June 30, 2015, if applicable, cannot be determined at this time.

School Foundation

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

Litigation

The School District is party to legal proceedings. However, no liability has been accrued since the ultimate disposition of these claims and legal proceedings has yet to be determined and the amount of liability, if any, is not measurable.

Western Brown Local Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Two Fiscal Years (1)

	2014	2013
School District's Proportion of the Net Pension Liability	0.112894%	0.112894%
School District's Proportionate Share of the Net Pension Liability	\$5,713,502	\$6,713,444
School District's Covered-Employee Payroll	\$3,280,473	\$2,959,458
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	174.17%	226.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.70%	65.52%

(1) Information prior to 2013 is not available.

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

Western Brown Local Schools
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Two Fiscal Years (1)

	2014	2013
School District's Proportion of the Net Pension Liability	0.10757315%	0.10757315%
School District's Proportionate Share of the Net Pension Liability	\$26,165,514	\$31,168,188
School District's Covered-Employee Payroll	\$11,338,085	\$11,352,200
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	230.78%	274.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	69.30%

(1) Information prior to 2013 is not available.

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

Western Brown Local Schools
 Required Supplementary Information
 Schedule of School District Contributions
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually Required Contribution	\$441,124	\$454,674	\$409,589	\$416,926	\$687,609
Contributions in Relation to the Contractually Required Contribution	<u>(441,124)</u>	<u>(454,674)</u>	<u>(409,589)</u>	<u>(416,926)</u>	<u>(687,609)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$3,346,921	\$3,280,473	\$2,959,458	\$3,099,819	\$5,470,237
Contributions as a Percentage of Covered-Employee Payroll	13.18%	13.86%	13.84%	13.45%	12.57%

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$591,787	\$352,144	\$316,417	\$262,008	\$338,718
<u>(591,787)</u>	<u>(352,144)</u>	<u>(316,417)</u>	<u>(262,008)</u>	<u>(338,718)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,370,657	\$3,578,702	\$3,222,172	\$2,453,258	\$3,201,493
13.54%	9.84%	9.82%	10.68%	10.58%

Western Brown Local Schools
 Required Supplementary Information
 Schedule of School District Contributions
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$1,535,332	\$1,473,951	\$1,475,786	\$1,563,006
Contributions in Relation to the Contractually Required Contribution	<u>(1,535,332)</u>	<u>(1,473,951)</u>	<u>(1,475,786)</u>	<u>(1,563,006)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$10,966,657	\$11,338,085	\$11,352,200	\$12,023,123
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.00%	13.00%	13.00%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$1,610,952	\$1,569,632	\$1,518,268	\$1,473,444	\$1,436,374	\$1,423,619
<u>(1,610,952)</u>	<u>(1,569,632)</u>	<u>(1,518,268)</u>	<u>(1,473,444)</u>	<u>(1,436,374)</u>	<u>(1,423,619)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$12,391,938	\$12,074,092	\$11,678,985	\$11,334,185	\$11,049,031	\$10,950,915
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Western Brown Local School District
Combining and Individual Fund Statements and Schedules

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Western Brown Local School District

Nonmajor Fund Descriptions

Special Revenue Funds

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following are descriptions of the School District's nonmajor Special Revenue Funds:

Nonmajor Special Revenue Funds

MEMORIAL FUND - This fund accounts for and reports donations received by the School District restricted for the purchase of new signs and a bench to be placed on the grounds of the new school buildings. This fund had no activity during fiscal year 2015. Therefore, no budgetary statement is presented.

OTHER GRANT FUND - This fund accounts for and reports restricted proceeds of specific revenue sources. Not included are State and federal grants that are legally restricted to expenditures for specified purposes. These are often received from local government agencies in a competitive manner.

DISTRICT MANAGED ACTIVITY FUND - This fund accounts for and reports extracurricular revenues, primarily fees that are restricted by State Law to student activity programs which have student participation, but do not have student management of the programs.

EDUCATION MANAGEMENT INFORMATION SYSTEMS FUND - This fund accounts for and reports restricted State monies which support the development of hardware and software or other costs associated with the requirements of the management information system.

ONENET FUND - This fund accounts for and reports State monies restricted for Ohio Educational Computer Network connections.

ALTERNATIVE SCHOOL FUND - This fund accounts for and reports State monies restricted for alternative educational programs for existing and new, at-risk and delinquent youth.

RACE TO THE TOP FUND – This fund accounts for and reports federal funds restricted for the development of assessments to measure student achievement against standards designed to ensure that all students gain the knowledge and skills needed to succeed in college and the workplace.

TITLE VI-B FUND - This fund accounts for and reports federal funds restricted for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

(continued)

Western Brown Local School District

Nonmajor Fund Descriptions

Nonmajor Special Revenue Funds (continued)

TITLE I FUND - This fund accounts for and reports federal funds restricted for services provided to meet special educational needs of educationally deprived children.

IMPROVING TEACHER QUALITY FUND - This fund accounts for and reports federal funds restricted to hire additional classroom teachers in grades one through three, so that the number of students per teacher will be reduced.

Western Brown Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	Memorial Fund	Other Grant Fund	District Managed Activity Fund	Alternative School Fund	Race to the Top Fund
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$391	\$31,565	\$224,020	\$0	\$4,434
Receivables:					
Intergovernmental	0	0	0	0	1,956
<i>Total Assets</i>	<u>\$391</u>	<u>\$31,565</u>	<u>\$224,020</u>	<u>\$0</u>	<u>\$6,390</u>
<u>Liabilities:</u>					
Accounts Payable	\$0	\$0	\$1,367	\$0	\$0
Accrued Wages and Benefits Payable	0	0	0	9,595	1,096
Intergovernmental Payable	0	0	83	270	246
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>1,450</u>	<u>9,865</u>	<u>1,342</u>
<u>Deferred Inflows of Resources:</u>					
Unavailable Revenue	0	0	0	0	1,956
<u>Fund Balances:</u>					
Restricted	391	31,565	222,570	0	3,092
Unassigned (Deficit)	0	0	0	(9,865)	0
<i>Total Fund Balances (Deficit)</i>	<u>391</u>	<u>31,565</u>	<u>222,570</u>	<u>(9,865)</u>	<u>3,092</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$391</u>	<u>\$31,565</u>	<u>\$224,020</u>	<u>\$0</u>	<u>\$6,390</u>

<u>Title VI-B Fund</u>	<u>Title I Fund</u>	<u>Improving Teacher Quality Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$1,914	\$13,933	\$1,214	\$277,471
<u>121,121</u>	<u>133,517</u>	<u>43,967</u>	<u>300,561</u>
<u>\$123,035</u>	<u>\$147,450</u>	<u>\$45,181</u>	<u>\$578,032</u>
\$0	\$0	\$0	\$1,367
77,992	89,341	16,132	194,156
<u>12,917</u>	<u>13,378</u>	<u>2,229</u>	<u>29,123</u>
<u>90,909</u>	<u>102,719</u>	<u>18,361</u>	<u>224,646</u>
<u>24,551</u>	<u>47,426</u>	<u>25,908</u>	<u>99,841</u>
7,575	0	912	266,105
<u>0</u>	<u>(2,695)</u>	<u>0</u>	<u>(12,560)</u>
<u>7,575</u>	<u>(2,695)</u>	<u>912</u>	<u>253,545</u>
<u>\$123,035</u>	<u>\$147,450</u>	<u>\$45,181</u>	<u>\$578,032</u>

Western Brown Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015

	Memorial Fund	Other Grant Fund	District Managed Activity Fund	Education Management Information Systems Fund	OneNet Fund
<u>Revenues:</u>					
Intergovernmental	\$0	\$5,703	\$0	\$0	\$7,200
Tuition and Fees	0	0	16,426	0	0
Extracurricular Activities	0	0	278,205	0	0
Contributions and Donations	0	16,811	6,914	0	0
<i>Total Revenues</i>	<u>0</u>	<u>22,514</u>	<u>301,545</u>	<u>0</u>	<u>7,200</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	0	3,596	0	0	0
Special	0	0	0	0	0
Support Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	2,650	0	0	0
Administration	0	0	0	9,891	0
Central	0	0	0	0	7,200
Operation of Non-Instructional Services	0	13,971	0	0	0
Extracurricular Activities	0	0	291,922	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>20,217</u>	<u>291,922</u>	<u>9,891</u>	<u>7,200</u>
<i>Net Change in Fund Balances</i>	0	2,297	9,623	(9,891)	0
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>391</u>	<u>29,268</u>	<u>212,947</u>	<u>9,891</u>	<u>0</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$391</u>	<u>\$31,565</u>	<u>\$222,570</u>	<u>\$0</u>	<u>\$0</u>

Alternative School Fund	Race to the Top Fund	Title VI-B Fund	Title I Fund	Improving Teacher Quality Fund	Total Nonmajor Special Revenue Funds
\$39,011	\$74,154	\$610,805	\$820,231	\$111,889	\$1,668,993
0	0	0	0	0	16,426
0	0	0	0	0	278,205
0	0	0	0	0	23,725
<u>39,011</u>	<u>74,154</u>	<u>610,805</u>	<u>820,231</u>	<u>111,889</u>	<u>1,987,349</u>
48,736	37,865	0	526,774	110,845	727,816
0	0	497,538	291,931	0	789,469
0	0	0	1,484	0	1,484
0	38,407	0	86	0	41,143
0	0	105,601	0	0	115,492
0	0	0	0	0	7,200
0	0	0	0	0	13,971
0	0	0	0	0	291,922
<u>48,736</u>	<u>76,272</u>	<u>603,139</u>	<u>820,275</u>	<u>110,845</u>	<u>1,988,497</u>
(9,725)	(2,118)	7,666	(44)	1,044	(1,148)
<u>(140)</u>	<u>5,210</u>	<u>(91)</u>	<u>(2,651)</u>	<u>(132)</u>	<u>254,693</u>
<u>(\$9,865)</u>	<u>\$3,092</u>	<u>\$7,575</u>	<u>(\$2,695)</u>	<u>\$912</u>	<u>\$253,545</u>

Western Brown Local School District

Agency Fund Description

Agency Funds

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governmental units, and/or other funds. The following is the description of the School District's Agency Funds:

OHSAA DISTRICT AGENCY FUND – This fund accounts for and reports those assets held by the School District as an agent for Ohio High School Athletic Association purposes.

STUDENT MANAGED ACTIVITY FUND - This fund accounts for and reports student activity programs which have student participation in the activity and have students involved in the management of the program.

Western Brown Local School District
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2015

	<u>Balance at</u> <u>6/30/14</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>6/30/15</u>
<u>OHSAA District Agency Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$5,167	\$24,233	\$29,400	\$0
<u>Liabilities:</u>				
Undistributed Monies	\$5,167	\$24,233	\$29,400	\$0
<u>Student Managed Activity Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$90,273	\$224,568	\$219,726	\$95,115
<u>Liabilities:</u>				
Undistributed Monies	\$90,273	\$224,568	\$219,726	\$95,115
<u>Total</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$95,440	\$248,801	\$249,126	\$95,115
<u>Liabilities:</u>				
Undistributed Monies	\$95,440	\$248,801	\$249,126	\$95,115

Western Brown Local School District

Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balance/Fund Equity – Budget
(Non-GAAP Basis) and Actual

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2015

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Property Taxes	\$4,334,345	\$4,323,115	(\$11,230)
Intergovernmental	23,698,754	23,667,259	(31,495)
Interest	8,000	28,893	20,893
Tuition and Fees	1,637,225	1,626,223	(11,002)
Extracurricular Activities	51,589	49,578	(2,011)
Rent	21,000	8,390	(12,610)
Contributions and Donations	41,579	82,167	40,588
Customer Sales and Services	0	2,576	2,576
Revenue in Lieu of Taxes	106,196	106,196	0
Miscellaneous	60,072	68,758	8,686
<i>Total Revenues</i>	<u>29,958,760</u>	<u>29,963,155</u>	<u>4,395</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	10,532,609	10,450,011	82,598
Fringe Benefits	3,361,127	3,151,435	209,692
Purchased Services	129,670	129,670	0
Materials and Supplies	651,124	589,916	61,208
Capital Outlay	15,187	8,821	6,366
Other	1,923	1,923	0
Total Regular	<u>14,691,640</u>	<u>14,331,776</u>	<u>359,864</u>
Special:			
Salaries and Wages	862,499	750,115	112,384
Fringe Benefits	457,624	318,877	138,747
Purchased Services	1,334,472	1,208,166	126,306
Materials and Supplies	4,433	4,433	0
Capital Outlay	1,384	0	1,384
Total Special	<u>2,660,412</u>	<u>2,281,591</u>	<u>378,821</u>
Vocational:			
Salaries and Wages	138,298	135,428	2,870
Fringe Benefits	54,829	54,829	0
Materials and Supplies	24,918	23,901	1,017
Other	803	580	223
Total Vocational	<u>218,848</u>	<u>214,738</u>	<u>4,110</u>
Total Instruction	<u>\$17,570,900</u>	<u>\$16,828,105</u>	<u>\$742,795</u>

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2015
(continued)

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Support Services:			
Pupils:			
Salaries and Wages	\$425,652	\$425,652	\$0
Fringe Benefits	191,249	189,699	1,550
Purchased Services	632,677	587,321	45,356
Materials and Supplies	9,426	4,360	5,066
Capital Outlay	903	0	903
Total Pupils	<u>1,259,907</u>	<u>1,207,032</u>	<u>52,875</u>
Instructional Staff:			
Salaries and Wages	178,177	177,564	613
Fringe Benefits	86,343	86,274	69
Purchased Services	61,338	61,338	0
Materials and Supplies	26,861	26,861	0
Total Instructional Staff	<u>352,719</u>	<u>352,037</u>	<u>682</u>
Board of Education:			
Salaries and Wages	11,681	9,125	2,556
Fringe Benefits	107	91	16
Purchased Services	2,461	1,393	1,068
Materials and Supplies	133	133	0
Other	7,352	6,728	624
Total Board of Education	<u>21,734</u>	<u>17,470</u>	<u>4,264</u>
Administration:			
Salaries and Wages	1,120,124	1,091,114	29,010
Fringe Benefits	603,297	598,353	4,944
Purchased Services	202,302	128,435	73,867
Materials and Supplies	5,763	5,763	0
Other	74,221	74,221	0
Total Administration	<u>2,005,707</u>	<u>1,897,886</u>	<u>107,821</u>
Fiscal:			
Salaries and Wages	211,679	192,263	19,416
Fringe Benefits	122,069	108,195	13,874
Purchased Services	16,791	16,791	0
Materials and Supplies	4,532	4,532	0
Other	210,857	198,218	12,639
Total Fiscal	<u>\$565,928</u>	<u>\$519,999</u>	<u>\$45,929</u>

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2015
(continued)

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Operation and Maintenance of Plant:			
Salaries and Wages	\$1,138,964	\$1,138,964	\$0
Fringe Benefits	479,529	478,866	663
Purchased Services	1,301,071	1,301,071	0
Materials and Supplies	261,940	261,940	0
Capital Outlay	2,205	2,205	0
Other	37	37	0
Total Operation and Maintenance of Plant	3,183,746	3,183,083	663
Pupil Transportation:			
Salaries and Wages	1,014,513	921,396	93,117
Fringe Benefits	520,405	518,504	1,901
Purchased Services	56,165	56,165	0
Materials and Supplies	635,165	548,962	86,203
Capital Outlay	545,801	523,410	22,391
Total Pupil Transportation	2,772,049	2,568,437	203,612
Central:			
Salaries and Wages	37,246	37,246	0
Fringe Benefits	19,984	19,984	0
Purchased Services	135,294	135,294	0
Materials and Supplies	81,750	43,592	38,158
Capital Outlay	409,300	192,376	216,924
Other	199,912	199,912	0
Total Central	883,486	628,404	255,082
Total Support Services	11,045,276	10,374,348	670,928
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	2,712	81	2,631
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	62,798	62,798	0
Fringe Benefits	2,916	2,916	0
Purchased Services	3,251	3,251	0
Materials and Supplies	1,523	1,523	0
Capital Outlay	105	105	0
Other	998	998	0
Total Academic and Subject Oriented Activities	\$71,591	\$71,591	\$0

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2015
(continued)

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Sports Oriented Activities:			
Salaries and Wages	\$297,807	\$274,478	\$23,329
Fringe Benefits	39,582	37,546	2,036
Purchased Services	10,709	10,123	586
Materials and Supplies	3,522	3,522	0
Capital Outlay	39,510	21,238	18,272
Total Sports Oriented Activities	391,130	346,907	44,223
Total Extracurricular Activities	462,721	418,498	44,223
Capital Outlay:			
Facilities Acquisition and Construction Services:			
Site Acquisition Services:			
Purchased Services	11,330	11,330	0
Capital Outlay	371,000	370,750	250
Total Site Acquisition Services	382,330	382,080	250
Site Improvement Services:			
Capital Outlay	13,402	0	13,402
Architecture and Engineering Services:			
Services:			
Purchased Services	20,900	5,067	15,833
Building Acquisition and Construction Services:			
Capital Outlay	44,076	35,768	8,308
Building Improvement Services:			
Capital Outlay	1,411	0	1,411
Total Capital Outlay	462,119	422,915	39,204
Debt Service:			
Principal Retirement	105,000	105,000	0
Interest and Fiscal Charges	21,632	15,678	5,954
Total Debt Service	126,632	120,678	5,954
Total Expenditures	29,670,360	28,164,625	1,505,735
Excess of Revenues Over Expenditures	\$288,400	\$1,798,530	\$1,510,130

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2015
(continued)

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<i>Other Financing Sources (Uses):</i>			
Proceeds from Sales of Capital Assets	\$0	\$8,645	\$8,645
Refund of Prior Year Expenditures	0	86,623	86,623
Refund of Prior Year Receipts	(258,189)	0	258,189
Advances In	0	24,525	24,525
Advances Out	(16,551)	(4,000)	12,551
<i>Total Other Financing Sources (Uses)</i>	(274,740)	115,793	390,533
Net Change in Fund Balance	13,660	1,914,323	1,900,663
Fund Balance at Beginning of Year	2,683,372	2,683,372	0
Prior Year Encumbrances Appropriated	845,071	845,071	0
Fund Balance at End of Year	<u>\$3,542,103</u>	<u>\$5,442,766</u>	<u>\$1,900,663</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2015

	<u>Budgeted</u> <u>Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Taxes	\$523,000	\$540,378	\$17,378
Intergovernmental	80,000	85,724	5,724
<i>Total Revenues</i>	<u>603,000</u>	<u>626,102</u>	<u>23,102</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Fiscal:			
Other	19,700	18,676	1,024
Debt Service:			
Principal Retirement	465,000	465,000	0
Interest and Fiscal Charges	95,505	85,568	9,937
Total Debt Service	<u>560,505</u>	<u>550,568</u>	<u>9,937</u>
<i>Total Expenditures</i>	<u>580,205</u>	<u>569,244</u>	<u>10,961</u>
Net Change in Fund Balance	22,795	56,858	34,063
Fund Balance at Beginning of Year	<u>1,907,018</u>	<u>1,907,018</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,929,813</u></u>	<u><u>\$1,963,876</u></u>	<u><u>\$34,063</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facility Maintenance Fund
For the Fiscal Year Ended June 30, 2015

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Property Taxes	\$86,500	\$87,964	\$1,464
Intergovernmental	139,597	140,100	503
<i>Total Revenues</i>	<u>226,097</u>	<u>228,064</u>	<u>1,967</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Fiscal:			
Other	3,400	3,005	395
Operation and Maintenance of Plant:			
Purchased Services	12,240	12,240	0
Total Support Services	<u>15,640</u>	<u>15,245</u>	<u>395</u>
Capital Outlay:			
Site Improvement Services:			
Capital Outlay	28,991	28,991	0
Building Acquisition and Construction Services			
Purchased Services	364,140	213,701	150,439
Capital Outlay	823,404	53,206	770,198
Total Building Acquisition and Construction Services	<u>1,187,544</u>	<u>266,907</u>	<u>920,637</u>
Total Capital Outlay	<u>1,216,535</u>	<u>295,898</u>	<u>920,637</u>
<i>Total Expenditures</i>	<u>1,232,175</u>	<u>311,143</u>	<u>921,032</u>
Net Change in Fund Balance	(1,006,078)	(83,079)	922,999
Fund Balance at Beginning of Year	1,381,431	1,381,431	0
Prior Year Encumbrances Appropriated	<u>228,775</u>	<u>228,775</u>	<u>0</u>
Fund Balance at End of Year	<u>\$604,128</u>	<u>\$1,527,127</u>	<u>\$922,999</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Grant Fund
For the Fiscal Year Ended June 30, 2015

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$5,500	\$5,703	\$203
Contributions and Donations	15,458	16,811	1,353
<i>Total Revenues</i>	<u>20,958</u>	<u>22,514</u>	<u>1,556</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	<u>3,594</u>	<u>3,594</u>	<u>0</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	<u>2,809</u>	<u>2,652</u>	<u>157</u>
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	7,282	6,019	1,263
Fringe Benefits	22	21	1
Materials and Supplies	<u>8,293</u>	<u>8,293</u>	<u>0</u>
Total Operation of Non-Instructional Services	<u>15,597</u>	<u>14,333</u>	<u>1,264</u>
<i>Total Expenditures</i>	<u>22,000</u>	<u>20,579</u>	<u>1,421</u>
Net Change in Fund Balance	(1,042)	1,935	2,977
Fund Balance at Beginning of Year	<u>29,314</u>	<u>29,314</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$28,272</u></u>	<u><u>\$31,249</u></u>	<u><u>\$2,977</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Activity Fund
For the Fiscal Year Ended June 30, 2015

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and Fees	\$13,531	\$16,426	\$2,895
Extracurricular Activities	257,271	281,335	24,064
Contributions and Donations	6,814	6,914	100
<i>Total Revenues</i>	<u>277,616</u>	<u>304,675</u>	<u>27,059</u>
<u>Expenditures:</u>			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	15,876	15,876	0
Purchased Services	112,465	80,294	32,171
Materials and Supplies	216,246	216,246	0
Other	3,496	3,496	0
<i>Total Expenditures</i>	<u>348,083</u>	<u>315,912</u>	<u>32,171</u>
Net Change in Fund Balance	(70,467)	(11,237)	59,230
Fund Balance at Beginning of Year	193,385	193,385	0
Prior Year Encumbrances Appropriated	<u>18,180</u>	<u>18,180</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$141,098</u></u>	<u><u>\$200,328</u></u>	<u><u>\$59,230</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Education Management Information Systems Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amount		Variance with Final Budget Positive (Negative)
	Final	Actual	(Negative)
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>			
Support Services:			
Administration:			
Salaries and Wages	<u>9,891</u>	<u>9,891</u>	<u>0</u>
Net Change in Fund Balance	<u>(9,891)</u>	<u>(9,891)</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>9,891</u>	<u>9,891</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OneNet Fund
For the Fiscal Year Ended June 30, 2015

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$7,200	\$7,200	\$0
<u>Expenditures:</u>			
Current:			
Support Services:			
Central:			
Purchased Services	7,200	7,200	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Alternative School Fund
For the Fiscal Year Ended June 30, 2015

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$39,011	\$39,011	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	39,011	39,011	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Race to the Top Fund
For the Fiscal Year Ended June 30, 2015

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$94,479	\$94,479	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased Services	29,453	29,453	0
Materials and Supplies	12,802	12,709	93
Total Instruction	42,255	42,162	93
Instructional Staff:			
Salaries and Wages	35,079	35,079	0
Purchased Services	2,200	2,200	0
Total Support Services	37,279	37,279	0
<i>Total Expenditures</i>	79,534	79,441	93
Excess of Revenues Over Expenditures	14,945	15,038	93
<u>Other Financing Uses:</u>			
Advances Out	(20,525)	(20,525)	0
Net Change in Fund Balance	(5,580)	(5,487)	93
Fund Balance at Beginning of Year	6,676	6,676	0
Fund Balance at End of Year	<u>\$1,096</u>	<u>\$1,189</u>	<u>\$93</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2015

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$594,976	\$594,976	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and Wages	337,561	337,561	0
Fringe Benefits	151,386	149,472	1,914
Purchased Services	2,930	2,930	0
Total Instruction	491,877	489,963	1,914
Support Services:			
Administration:			
Salaries and Wages	73,181	73,181	0
Fringe Benefits	31,231	31,231	0
Total Support Services	104,412	104,412	0
<i>Total Expenditures</i>	596,289	594,375	1,914
Net Change in Fund Balance	(1,313)	601	1,914
Fund Balance at Beginning of Year	1,313	1,313	0
Fund Balance at End of Year	\$0	\$1,914	\$1,914

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2015

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$819,033	\$819,036	\$3
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	441,755	441,755	0
Fringe Benefits	7,373	7,373	0
Materials and Supplies	37,663	37,663	0
Total Regular	486,791	486,791	0
Special:			
Salaries and Wages	95,045	95,045	0
Fringe Benefits	227,661	227,661	0
Total Special	322,706	322,706	0
Total Instruction	809,497	809,497	0
Support Services:			
Pupils:			
Purchased Services	15,414	1,484	13,930
Instructional Staff:			
Fringe Benefits	86	86	0
Total Support Services	15,500	1,570	13,930
Total Expenditures	824,997	811,067	13,930
Net Change in Fund Balance	(5,964)	7,969	13,933
Fund Balance at Beginning of Year	5,964	5,964	0
Fund Balance at End of Year	\$0	\$13,933	\$13,933

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Improving Teacher Quality Fund
For the Fiscal Year Ended June 30, 2015

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$108,493	\$108,494	\$1
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	73,437	73,310	127
Fringe Benefits	36,482	35,396	1,086
<i>Total Expenditures</i>	109,919	108,706	1,213
Net Change in Fund Balance	(1,426)	(212)	1,214
Fund Balance at Beginning of Year	1,426	1,426	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$1,214</u>	<u>\$1,214</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Sales	\$437,146	\$440,604	\$3,458
Interest	100	196	96
Federal and State Subsidies	991,829	993,763	1,934
Other Revenues	29,317	29,606	289
<i>Total Revenues</i>	<u>1,458,392</u>	<u>1,464,169</u>	<u>5,777</u>
<u>Expenses:</u>			
Salaries and Wages	466,247	462,549	3,698
Fringe Benefits	432,042	415,830	16,212
Purchased Services	11,677	3,994	7,683
Materials and Supplies	799,072	661,995	137,077
<i>Total Expenses</i>	<u>1,709,038</u>	<u>1,544,368</u>	<u>164,670</u>
<i>Net Change in Fund Equity</i>	(250,646)	(80,199)	170,447
Fund Equity at Beginning of Year	416,079	416,079	0
Prior Year Encumbrances Appropriated	68,274	68,274	0
Fund Equity at End of Year	<u><u>\$233,707</u></u>	<u><u>\$404,154</u></u>	<u><u>\$170,447</u></u>

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STATISTICAL SECTION

Statistical Section

This part of the Western Brown Local 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 performance and well-being have changed over time.	S2-S13
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S14-S19
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.	S20-S24
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.	S25-S26
Operating Information These schedules contain service 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.	S27-S33

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

Western Brown Local School District
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009
<u>Governmental Activities:</u>				
Net Investment in Capital Assets	\$48,946,361	\$47,291,229	\$45,577,012	\$44,066,679
Restricted for:				
Debt Service	1,679,299	1,787,001	1,813,830	1,853,926
Capital Projects	733,409	719,152	1,242,909	1,241,278
Classroom Facilities	0	736,086	839,232	902,512
Other Purposes (2)	838,607	325,876	243,919	166,439
Set-Asides	82,367	319,466	658,004	829,827
Unrestricted (Deficit)	<u>(476,305)</u>	<u>(757,121)</u>	<u>430,367</u>	<u>(1,544,952)</u>
Total Governmental Activities Net Position	<u>\$51,803,738</u>	<u>\$50,421,689</u>	<u>\$50,805,273</u>	<u>\$47,515,709</u>
<u>Business-Type Activity:</u>				
Net Investment in Capital Assets	\$1,905,617	\$1,793,601	\$1,674,004	\$1,554,351
Unrestricted	<u>87,315</u>	<u>123,828</u>	<u>131,134</u>	<u>144,784</u>
Total Business-Type Activity Net Position	<u>\$1,992,932</u>	<u>\$1,917,429</u>	<u>\$1,805,138</u>	<u>\$1,699,135</u>
<u>Primary Government:</u>				
Net Investment in Capital Assets	\$50,851,978	\$49,084,830	\$47,251,016	\$45,621,030
Restricted	3,333,682	3,803,169	4,797,894	4,993,982
Unrestricted (Deficit)	<u>(388,990)</u>	<u>(591,087)</u>	<u>561,501</u>	<u>(1,400,168)</u>
Total Primary Government Net Position	<u>\$53,796,670</u>	<u>\$52,296,912</u>	<u>\$52,610,411</u>	<u>\$49,214,844</u>

- (1) The School District implemented GASB 68 in fiscal year 2015.
(2) 2007 was the first year other purposes was further classified.

2010	2011	2012	2013	2014 (1)	2015 (1)
\$42,686,618	\$41,732,010	\$40,359,279	\$39,181,798	\$38,055,996	\$37,040,382
1,848,836	1,858,861	1,973,331	2,023,139	2,144,362	2,206,816
1,123,922	0	0	0	0	0
862,681	1,739,648	1,681,243	1,600,304	1,649,620	1,570,184
502,243	236,936	443,354	210,080	546,013	307,330
1,084,762	1,321,337	4,619	0	0	0
(2,279,839)	(1,962,978)	(592,876)	(162,922)	(32,735,546)	(28,903,505)
\$45,829,223	\$44,925,814	\$43,868,950	\$42,852,399	\$9,660,445	\$12,221,207
\$1,444,079	\$1,329,033	\$1,245,925	\$1,126,899	\$1,008,320	\$888,886
227,013	332,937	407,029	391,002	(1,547,634)	(1,592,608)
\$1,671,092	\$1,661,970	\$1,652,954	\$1,517,901	(\$539,314)	(\$703,722)
\$44,130,697	\$43,061,043	\$41,605,204	\$40,308,697	\$39,064,316	\$37,929,268
5,422,444	5,156,782	4,102,547	3,833,523	4,339,995	4,084,330
(2,052,826)	(1,630,041)	(185,847)	228,080	(34,283,180)	(30,496,113)
\$47,500,315	\$46,587,784	\$45,521,904	\$44,370,300	\$9,121,131	\$11,517,485

Western Brown Local School District
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009
<u>Expenses:</u>				
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$14,703,897	\$14,051,085	\$14,208,369	\$15,372,518
Special	2,751,167	3,028,459	3,382,298	3,698,014
Vocational	319,570	254,430	297,494	328,952
Student Intervention Services	101,933	87,630	203,039	146,996
Support Services:				
Pupils	1,083,805	1,042,719	986,900	928,674
Instructional Staff	1,029,535	833,832	998,888	1,076,896
Board of Education	25,214	17,796	17,970	20,524
Administration	2,323,665	2,252,897	2,104,497	2,254,135
Fiscal	487,405	526,057	584,051	585,596
Business	23,666	168	0	0
Operation and Maintenance of Plant	2,866,079	2,824,911	2,959,634	3,158,807
Pupil Transportation	2,107,161	2,235,642	2,246,022	2,188,838
Central	181,968	225,768	274,331	266,667
Operation of Non-Instructional Services	3,578	2,865	3,565	16,395
Extracurricular Activities	692,746	648,268	714,507	737,047
Interest and Fiscal Charges	317,740	309,796	294,509	275,376
<i>Total Governmental Activities Expenses</i>	<u>29,019,129</u>	<u>28,342,323</u>	<u>29,276,074</u>	<u>31,055,435</u>
<u>Business-Type Activity:</u>				
Food Service	<u>1,383,302</u>	<u>1,485,512</u>	<u>1,566,497</u>	<u>1,642,631</u>
<i>Total Expenses</i>	<u>30,402,431</u>	<u>29,827,835</u>	<u>30,842,571</u>	<u>32,698,066</u>
<u>Program Revenues:</u>				
<u>Governmental Activities:</u>				
Charges for Services and Sales:				
Instruction:				
Regular	567,375	1,016,663	1,062,083	1,069,057
Special	79,065	161,032	189,825	192,087
Vocational	11,349	16,658	21,463	21,464
Student Intervention Services	0	3,332	0	5,305
Support Services:				
Pupils	29,129	0	0	0
Instructional Staff	32,912	0	0	0
Board of Education	1,050	0	0	0
Administration	71,026	0	0	0
Fiscal	18,253	0	0	0
Operation and Maintenance of Plant	115,193	11,230	14,444	12,995
Pupil Transportation	83,321	0	0	0
Central	6,896	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	110,867	105,919	147,101	141,313
Operating Grants and Contributions	2,573,020	2,745,174	3,228,610	3,056,239
Capital Grants and Contributions	71,992	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>\$3,771,448</u>	<u>\$4,060,008</u>	<u>\$4,663,526</u>	<u>\$4,498,460</u>

2010	2011	2012	2013	2014	2015
\$15,767,971	\$15,933,550	\$16,329,045	\$15,183,324	\$15,914,440	\$15,917,475
3,946,902	4,139,227	4,004,178	3,168,562	3,368,468	3,002,928
417,110	293,826	239,806	236,356	238,825	276,074
3,274	930	0	0	2,687	0
746,707	678,606	693,481	1,281,375	1,298,697	1,265,801
1,432,569	1,324,285	861,619	733,687	339,109	448,287
19,962	25,568	24,927	20,703	20,759	17,635
2,268,018	2,135,651	2,142,559	2,085,421	2,245,388	2,217,956
556,440	575,912	614,206	541,757	455,280	556,300
0	0	0	0	0	0
3,083,917	3,066,553	2,904,360	2,656,532	2,628,338	2,659,528
2,160,710	2,184,223	2,176,110	2,115,404	2,171,951	2,274,156
325,781	329,013	348,599	453,459	776,721	529,657
16,760	11,155	13,539	17,161	12,975	13,971
877,682	933,119	835,287	844,706	891,066	868,046
276,176	194,224	192,209	230,059	143,684	120,973
31,899,979	31,825,842	31,379,925	29,568,506	30,508,388	30,168,787
1,689,343	1,747,805	1,866,996	1,826,662	1,754,036	1,700,712
33,589,322	33,573,647	33,246,921	31,395,168	32,262,424	31,869,499
1,190,898	1,101,017	1,223,260	1,370,366	1,345,989	981,304
201,941	178,086	272,525	205,826	221,692	152,271
26,925	20,798	19,087	20,599	15,836	0
0	0	0	0	0	0
0	0	0	0	0	84,595
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	135,352
0	0	0	0	20,955	0
15,568	16,168	17,946	19,780	135,075	194,500
0	0	0	0	0	152,271
0	0	0	0	0	0
0	0	0	22,293	85	2,576
335,596	401,741	398,730	354,750	389,437	344,189
4,155,561	4,278,859	4,785,087	3,051,153	3,740,821	3,725,361
79,000	0	0	61,181	56,579	82,167
\$6,005,489	\$5,996,669	\$6,716,635	\$5,105,948	\$5,926,469	\$5,854,586

(continued)

Western Brown Local School District
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(continued)

	2006	2007	2008	2009
<u>Business-Type Activity:</u>				
Food Service				
Charges for Services and Sales	\$637,513	\$625,630	\$642,333	\$635,435
Operating Grants and Contributions	613,495	758,600	781,692	868,996
Total Business-Type Activity Program Revenues	1,251,008	1,384,230	1,424,025	1,504,431
Total Program Revenues	5,022,456	5,444,238	6,087,551	6,002,891
<u>Net (Expense)/Revenue:</u>				
Governmental Activities	(25,247,681)	(24,282,315)	(24,612,548)	(26,556,975)
Business-Type Activity	(132,294)	(101,282)	(142,472)	(138,200)
Total Net (Expense)/Revenue	(25,379,975)	(24,383,597)	(24,755,020)	(26,695,175)
<u>General Revenues and Other Changes in Net Position:</u>				
<u>Governmental Activities:</u>				
Property Taxes Levied for:				
General Purposes	4,050,425	4,251,580	4,132,956	4,328,426
Debt Service	535,614	533,573	514,460	496,617
Classroom Facility Maintenance	93,574	88,306	83,722	88,056
Grants and Entitlements not Restricted to Specific Programs	17,302,267	17,584,596	18,173,233	19,244,661
Contributions and Donations	18,265	9,672	10,198	0
Interest	182,083	261,884	234,172	142,432
Gain on Sale of Capital Assets	0	0	0	0
Revenue in Lieu of Taxes	0	0	0	0
Miscellaneous	138,250	128,449	162,666	212,655
Transfers	0	0	0	0
Total Governmental Activities	22,320,478	22,858,060	23,311,407	24,512,847
Extraordinary Item - Insurance Settlement	0	0	500,000	0
<u>Business-Type Activity:</u>				
Interest	0	0	8,116	2,737
Miscellaneous	17,548	25,779	22,065	29,460
Transfers	0	0	0	0
Total Business-Type Activity	17,548	25,779	30,181	32,197
Total Primary Government	22,338,026	22,883,839	23,841,588	24,545,044
<u>Change in Net Position:</u>				
Governmental Activities	(2,927,203)	(1,424,255)	(801,141)	(2,044,128)
Business-Type Activity	(114,746)	(75,503)	(112,291)	(106,003)
Total Change in Net Position	(\$3,041,949)	(\$1,499,758)	(\$913,432)	(\$2,150,131)

Note: The School District implemented GASB 68 in fiscal year 2015.

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$603,869	\$571,093	\$620,025	\$545,730	\$460,518	\$440,605
<u>1,023,119</u>	<u>1,133,010</u>	<u>1,189,043</u>	<u>1,122,380</u>	<u>1,077,477</u>	<u>1,066,494</u>
<u>1,626,988</u>	<u>1,704,103</u>	<u>1,809,068</u>	<u>1,668,110</u>	<u>1,537,995</u>	<u>1,507,099</u>
<u>7,632,477</u>	<u>7,700,772</u>	<u>8,525,703</u>	<u>6,774,058</u>	<u>7,464,464</u>	<u>7,361,685</u>
(25,894,490)	(25,829,173)	(24,663,290)	(24,462,558)	(24,581,919)	(24,314,201)
<u>(62,355)</u>	<u>(43,702)</u>	<u>(57,928)</u>	<u>(158,552)</u>	<u>(216,041)</u>	<u>(193,613)</u>
<u>(25,956,845)</u>	<u>(25,872,875)</u>	<u>(24,721,218)</u>	<u>(24,621,110)</u>	<u>(24,797,960)</u>	<u>(24,507,814)</u>
4,082,309	4,676,874	4,342,422	4,324,242	4,846,070	4,353,541
459,556	413,833	600,867	515,886	604,018	544,174
79,882	91,402	84,908	87,738	98,687	88,572
19,187,402	19,513,313	18,627,278	18,291,506	19,724,363	21,598,569
2,366	7,773	0	0	0	0
19,643	19,362	10,197	12,024	10,157	28,295
35,360	0	0	0	0	0
88,076	97,575	104,257	102,547	98,405	106,196
253,410	105,632	76,508	112,064	87,047	155,616
0	0	0	0	0	0
<u>24,208,004</u>	<u>24,925,764</u>	<u>23,846,437</u>	<u>23,446,007</u>	<u>25,468,747</u>	<u>26,874,963</u>
0	0	0	0	0	0
368	275	0	522	100	196
33,944	34,305	29,004	22,977	32,951	29,009
0	0	0	0	0	0
<u>34,312</u>	<u>34,580</u>	<u>29,004</u>	<u>23,499</u>	<u>33,051</u>	<u>29,205</u>
24,242,316	24,960,344	23,875,441	23,469,506	25,501,798	26,904,168
(1,686,486)	(903,409)	(816,853)	(1,016,551)	886,828	2,560,762
<u>(28,043)</u>	<u>(9,122)</u>	<u>(28,924)</u>	<u>(135,053)</u>	<u>(182,990)</u>	<u>(164,408)</u>
<u>(\$1,714,529)</u>	<u>(\$912,531)</u>	<u>(\$845,777)</u>	<u>(\$1,151,604)</u>	<u>\$703,838</u>	<u>\$2,396,354</u>

Western Brown Local School District
Program Revenues by Function, Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009
<u>Governmental Activities:</u>				
Function:				
Instruction:				
Regular	\$906,390	\$1,277,396	\$1,345,399	\$1,322,534
Special	1,623,649	1,902,715	2,291,226	2,274,353
Vocational	88,986	95,796	140,838	154,259
Student Intervention Services	0	3,332	8,233	5,305
Support Services:				
Pupils	249,948	335,209	259,923	157,957
Instructional Staff	179,508	38,578	148,568	135,256
Board of Education	1,050	0	0	0
Administration	240,241	145,956	175,565	184,420
Fiscal	18,253	0	0	0
Business	18,046	66	0	0
Operation and Maintenance of Plant	115,193	11,230	14,444	23,647
Pupil Transportation	161,575	86,255	115,813	80,917
Central	18,896	54,205	12,000	12,000
Operation of Non-Instructional Services	3,846	3,191	4,416	1,129
Extracurricular Activities	145,867	106,079	147,101	146,683
Total Program Revenues	\$3,771,448	\$4,060,008	\$4,663,526	\$4,498,460

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$1,514,112	\$1,364,499	\$2,629,195	\$1,544,537	\$1,793,957	\$1,580,736
3,084,477	3,286,052	2,901,777	2,531,470	3,119,871	2,819,158
160,716	155,592	153,881	155,393	96,622	89,647
0	0	0	0	4,072	0
39,704	2,910	16,002	4,040	9,973	84,595
463,710	511,392	185,739	40,114	69,188	4,240
0	0	0	0	0	0
193,649	156,807	103,025	123,677	109,777	236,976
0	0	3,834	13,916	20,955	28,020
0	0	0	0	0	0
15,568	16,168	151,037	145,446	135,075	306,580
75,040	76,737	72,574	80,171	86,312	249,988
9,145	9,100	7,434	7,200	7,200	7,200
14,392	14,771	15,374	37,137	8,678	14,176
434,976	402,641	476,763	422,847	464,789	433,270
<u>\$6,005,489</u>	<u>\$5,996,669</u>	<u>\$6,716,635</u>	<u>\$5,105,948</u>	<u>\$5,926,469</u>	<u>\$5,854,586</u>

Western Brown Local School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Reserved	\$1,238,665	\$1,642,030	\$1,820,710	\$2,163,347
Unreserved (Deficit)	(470,171)	(856,912)	(853,070)	(1,566,273)
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Total General Fund	<u>768,494</u>	<u>785,118</u>	<u>967,640</u>	<u>597,074</u>
All Other Governmental Funds				
Reserved	169,829	234,802	214,861	211,842
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	856,516	928,812	1,006,332	973,306
Debt Service Fund	1,565,053	1,648,831	1,702,309	1,736,031
Capital Projects Funds	702,802	719,152	1,242,909	1,239,028
Restricted	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Total All Other Governmental Funds	<u>3,294,200</u>	<u>3,531,597</u>	<u>4,166,411</u>	<u>4,160,207</u>
Total Governmental Funds	<u><u>\$4,062,694</u></u>	<u><u>\$4,316,715</u></u>	<u><u>\$5,134,051</u></u>	<u><u>\$4,757,281</u></u>

(1) The change in fund balance accounts has occurred due to the implementation of GASB 54 for 2011.

<u>2010 (1)</u>	<u>2011 (1)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
10,026	10,911	11,471	11,812	13,613	14,021
1,084,762	1,321,337	4,619	0	0	0
0	0	0	0	0	629,578
220,708	131,813	176,733	603,017	624,315	1,224,126
(1,060,775)	(653,767)	658,232	685,942	1,556,120	3,684,149
<u>254,721</u>	<u>810,294</u>	<u>851,055</u>	<u>1,300,771</u>	<u>2,194,048</u>	<u>5,551,874</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
4,110,152	3,751,681	3,837,543	3,802,516	3,953,817	3,961,368
<u>(34,253)</u>	<u>(125,035)</u>	<u>(11,355)</u>	<u>(8,393)</u>	<u>(3,014)</u>	<u>(12,560)</u>
<u>4,075,899</u>	<u>3,626,646</u>	<u>3,826,188</u>	<u>3,794,123</u>	<u>3,950,803</u>	<u>3,948,808</u>
<u>\$4,330,620</u>	<u>\$4,436,940</u>	<u>\$4,677,243</u>	<u>\$5,094,894</u>	<u>\$6,144,851</u>	<u>\$9,500,682</u>

Western Brown Local School District
Changes in Fund Balances
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009
<u>Revenues:</u>				
Property Taxes	\$4,680,792	\$4,875,707	\$4,661,669	\$4,883,793
Intergovernmental	20,044,154	20,306,460	21,335,869	22,288,451
Interest	182,083	261,884	234,172	142,432
Tuition and Fees	1,015,569	1,197,685	1,273,371	1,287,913
Extracurricular Activities	110,867	105,919	147,101	141,313
Rent	0	11,230	14,444	12,995
Contributions and Donations	57,111	14,223	14,614	6,499
Customer Sales and Services	0	0	0	0
Revenue in Lieu of Taxes	0	0	0	0
Miscellaneous	140,250	128,449	162,666	212,655
Total Revenues	26,230,826	26,901,557	27,843,906	28,976,051
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	12,710,950	12,668,464	12,915,717	14,026,999
Special	2,673,191	2,925,480	3,286,834	3,615,310
Vocational	293,065	220,087	268,917	292,940
Student Intervention Services	101,933	87,630	203,039	146,996
Support Services:				
Pupils	995,537	973,060	919,811	888,765
Instructional Staff	1,063,031	823,038	1,004,078	1,059,607
Board of Education	25,214	17,796	17,970	20,524
Administration	1,922,762	1,980,783	1,833,720	1,956,104
Fiscal	457,776	502,126	574,482	542,751
Business	23,666	168	0	0
Operation and Maintenance of Plant	2,822,968	2,800,624	2,957,372	3,069,098
Pupil Transportation	2,033,526	2,251,693	2,097,419	2,055,205
Central	192,540	236,577	280,721	273,575
Operation of Non-Instructional Services	3,578	2,865	3,565	16,395
Extracurricular Activities	577,560	522,518	592,662	611,076
Capital Outlay	599,884	61,688	3,975	195,584
Debt Service:				
Principal Retirement	230,000	273,000	272,000	288,000
Interest and Fiscal Charges	317,619	309,737	294,288	275,387
Issuance Costs	0	0	0	0
Total Expenditures	27,044,800	26,657,334	27,526,570	29,334,316
Excess of Revenues Over (Under) Expenditures	(813,974)	244,223	317,336	(358,265)
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	3,107	9,798	0	0
Inception of Capital Lease	0	0	0	0
Refunding Bonds Issued	0	0	0	0
Premium on Refunding Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	41	0	78	0
Transfers Out	(41)	0	(78)	0
Total Other Financing Sources (Uses)	3,107	9,798	0	0
Extraordinary Item - Insurance Settlement	0	0	500,000	0
Net Change in Fund Balances	(\$810,867)	\$254,021	\$817,336	(\$358,265)
Debt Service as a Percentage of Noncapital Expenditures				
	2.1%	2.2%	2.1%	1.9%

2010	2011	2012	2013	2014	2015
\$4,624,437	\$5,182,202	\$5,028,289	\$4,844,003	\$5,047,210	\$5,127,717
23,274,692	23,815,510	23,124,431	21,604,858	23,225,498	25,555,045
19,643	19,362	10,197	12,024	10,157	28,295
1,419,764	1,300,819	1,519,029	1,602,627	1,606,908	1,708,329
335,596	400,823	394,573	348,914	366,046	327,763
15,568	16,168	17,946	19,780	16,333	8,390
116,138	23,444	93,847	83,281	86,810	105,892
0	0	0	22,293	85	2,576
88,076	97,575	104,257	102,547	98,405	106,196
253,410	105,632	76,508	112,064	87,047	155,616
<u>30,147,324</u>	<u>30,961,535</u>	<u>30,369,077</u>	<u>28,752,391</u>	<u>30,544,499</u>	<u>33,125,819</u>
14,581,326	14,639,886	15,082,311	13,910,196	14,674,145	15,090,494
3,852,285	4,044,393	3,923,800	3,080,064	3,288,699	3,053,865
384,613	273,355	208,088	204,325	207,405	259,171
3,274	930	0	0	2,687	0
685,038	612,813	657,316	1,213,548	1,237,817	1,217,317
1,420,869	1,477,877	809,625	678,132	304,760	400,346
19,962	25,568	24,927	20,703	20,759	17,635
2,041,708	1,955,852	1,910,985	1,835,740	2,030,910	2,023,423
560,881	564,727	574,518	525,410	562,212	540,792
0	0	0	0	0	0
3,115,637	3,042,340	2,824,492	2,663,905	2,605,498	2,648,656
2,087,277	2,127,937	2,216,069	2,158,512	2,159,825	2,269,864
329,933	317,809	336,920	444,276	771,597	516,957
16,760	11,155	13,539	17,161	12,975	13,971
773,966	763,964	643,355	655,780	705,501	709,118
722,701	406,140	238,724	279,914	241,827	345,778
348,000	391,000	494,000	498,000	542,000	570,000
276,255	199,469	170,105	149,074	125,925	101,246
0	65,745	0	0	0	0
<u>31,220,485</u>	<u>30,920,960</u>	<u>30,128,774</u>	<u>28,334,740</u>	<u>29,494,542</u>	<u>29,778,633</u>
<u>(1,073,161)</u>	<u>40,575</u>	<u>240,303</u>	<u>417,651</u>	<u>1,049,957</u>	<u>3,347,186</u>
36,500	0	0	0	0	8,645
610,000	0	0	0	0	0
0	3,075,000	0	0	0	0
0	131,355	0	0	0	0
0	(3,140,610)	0	0	0	0
0	740,853	0	0	0	0
0	(740,853)	0	0	0	0
<u>646,500</u>	<u>65,745</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,645</u>
0	0	0	0	0	0
<u>(\$426,661)</u>	<u>\$106,320</u>	<u>\$240,303</u>	<u>\$417,651</u>	<u>\$1,049,957</u>	<u>\$3,355,831</u>
2.0%	1.9%	2.2%	2.3%	2.3%	2.3%

Western Brown Local School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2006	\$173,569,980	\$17,580,970	\$546,145,571	\$8,383,120	\$10,478,900
2007	202,644,720	22,892,470	644,391,971	8,252,990	10,316,238
2008	204,389,990	21,877,410	646,478,286	7,245,790	9,057,238
2009	207,785,260	22,307,340	657,407,429	7,384,120	9,230,150
2010	214,707,910	23,132,980	679,545,400	7,823,360	9,779,200
2011	214,997,650	22,205,380	677,722,943	8,126,000	10,157,500
2012	214,964,430	22,296,410	677,888,114	8,612,750	10,765,938
2013	206,498,460	24,587,130	660,244,543	8,865,490	11,081,863
2014	207,052,320	23,470,620	658,636,971	9,482,560	11,853,200
2015	208,219,400	22,739,890	659,883,686	10,090,430	12,613,038

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. 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. General business tangible personal property was assessed in previous years at 25 percent for machinery and 23 percent for inventories. General business tangible personal property tax other than telephone property tax was phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Telephone property tax was phased out beginning in 2006. The listing percentage is 25 percent for 2006, 20 percent for 2007, 15 percent for 2008, 10 percent for 2009, 5 percent for 2010 and zero for 2011.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent and 2 1/2 percent rollback and the homestead exemption before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Source: Western Brown Local School District records and Ohio Department of Taxation.

Tangible Personal Property		Total			Weighted Average Tax Rate
General Business		Assessed	Estimated	Ratio	
Assessed Value	Actual Value	Value	Value		
\$6,645,838	\$35,444,469	\$206,179,908	\$592,068,941	34.82%	22.96
4,198,610	33,588,880	237,988,790	688,297,089	34.58%	22.91
2,655,650	42,490,400	236,168,840	698,025,923	33.83%	22.90
551,880	5,518,800	238,028,600	672,156,379	35.41%	22.66
275,940	5,518,800	245,940,190	694,843,400	35.40%	22.64
0	0	245,329,030	687,880,443	35.66%	16.57
0	0	245,873,590	688,654,052	35.70%	19.89
0	0	239,951,080	671,326,405	35.74%	19.79
0	0	240,005,500	670,490,171	35.80%	19.84
0	0	241,049,720	672,496,723	35.84%	19.84

Western Brown Local School District
Property Tax Rates (Per \$1,000 of Assessed Valuation)
Direct and Overlapping Governments
Last Ten Collection (Calendar) Years

	2006	2007	2008	2009
UNVOTED MILLAGE:				
Operating	\$4.70	\$4.70	\$4.70	\$4.70
VOTED MILLAGE - BY LEVY:				
1976 Current Expense				
Residential/Agricultural Real	15.30	15.30	15.30	15.30
Commercial/Industrial and Public Utility Real	15.30	15.30	15.30	15.30
General Business and Public Utility Personal	15.30	15.30	15.30	15.30
1997 Bond (\$5,659,600)				
Residential/Agricultural Real	2.00	2.00	2.00	1.75
Commercial/Industrial and Public Utility Real	2.00	2.00	2.00	1.75
General Business and Public Utility Personal	2.00	2.00	2.00	1.75
1997 Bond (\$1,505,000)				
Residential/Agricultural Real	0.50	0.50	0.50	0.50
Commercial/Industrial and Public Utility Real	0.50	0.50	0.50	0.50
General Business and Public Utility Personal	0.50	0.50	0.50	0.50
2001 Capital Improvement				
Residential/Agricultural Real	0.45	0.40	0.40	0.40
Commercial/Industrial and Public Utility Real	0.50	0.40	0.40	0.40
General Business and Public Utility Personal	0.50	0.50	0.50	0.50
TOTAL VOTED MILLAGE BY TYPE OF PROPERTY				
Residential/Agricultural Real	18.25	18.20	18.20	17.95
Commercial/Industrial and Public Utility Real	18.30	18.20	18.20	17.95
General Business and Public Utility Personal	18.30	18.30	18.30	18.05
TOTAL SCHOOL DISTRICT MILLAGE				
	23.00	23.00	23.00	22.75
WEIGHTED AVERAGE				
	22.96	22.91	22.90	22.66
OVERLAPPING RATES BY TAXING DISTRICT				
TOWNSHIPS:				
Residential/Agricultural Real	0.10 - 4.10	0.10 - 3.67	0.10 - 3.69	0.10 - 3.46
Commercial/Industrial and Public Utility Real	0.10 - 4.10	0.10 - 3.74	0.10 - 3.77	0.10 - 3.60
General Business and Public Utility Personal	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10
CORPORATIONS:				
Residential/Agricultural Real	0.60 - 2.97	0.60 - 2.61	0.60 - 4.51	0.60 - 2.61
Commercial/Industrial and Public Utility Real	0.60 - 3.58	0.60 - 2.91	0.60 - 4.66	0.60 - 2.91
General Business and Public Utility Personal	0.60 - 4.00	0.60 - 4.00	0.60 - 5.00	0.60 - 4.00
SOUTHERN HILLS JOINT VOCATIONAL DISTRICT:				
Residential/Agricultural Real	3.43	3.06	3.06	3.06
Commercial/Industrial and Public Utility Real	4.16	3.59	3.61	3.62
General Business and Public Utility Personal	6.40	6.40	6.40	6.40
COUNTY AND OTHER UNITS:				
BROWN COUNTY				
Residential/Agricultural Real	4.78	4.67	4.67	5.47
Commercial/Industrial and Public Utility Real	4.90	4.75	4.75	5.55
General Business and Public Utility Personal	5.80	5.80	5.80	6.60
CLERMONT COUNTY				
Residential/Agricultural Real	6.79	7.42	7.41	7.80
Commercial/Industrial and Public Utility Real	7.37	7.90	7.90	8.49
General Business and Public Utility Personal	9.35	9.55	9.55	9.95
BROWN COUNTY PUBLIC LIBRARY				
Residential/Agricultural Real	0.75	0.50	0.35	0.35
Commercial/Industrial and Public Utility Real	0.75	0.50	0.35	0.35
General Business and Public Utility Personal	0.75	0.50	0.35	0.35

Source: Ohio Department of Taxation

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue for that year.

Rates may only be raised by obtaining the approval of the voters at a public election.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

As real property values increase from inflation, voted levies that were approved at a specific rate (current operating levies and permanent improvement levies) are reduced so that the same property does not generate additional revenue. State law prohibits the reduction factors from reducing the effective millage of the sum of the current operating levies plus inside millage used for operating purposes below 20 mills.

2010	2011	2012	2013	2014	2015
\$4.70	\$4.70	\$4.70	\$4.70	\$4.70	\$4.70
15.30	15.30	15.30	15.30	15.30	15.30
15.30	15.30	15.30	15.30	15.30	15.30
15.30	15.30	15.30	15.30	15.30	15.30
1.75	1.75	1.75	2.00	2.00	2.00
1.75	1.75	1.75	2.00	2.00	2.00
1.75	1.75	1.75	2.00	2.00	2.00
0.50	0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50	0.50
0.38	0.38	0.38	0.38	0.38	0.38
0.40	0.41	0.41	0.41	0.41	0.41
0.50	0.50	0.50	0.50	0.50	0.50
17.93	17.93	17.93	18.18	18.18	18.18
17.95	17.96	17.96	18.21	18.21	18.21
18.05	18.05	18.05	18.30	18.30	18.30
22.75	22.75	22.75	23.00	23.00	23.00
22.64	16.57	19.89	19.79	19.84	19.84
0.10 - 3.46	0.10 - 3.47	0.90 - 3.85	0.90 - 3.85	0.90 - 3.85	0.90 - 3.85
0.10 - 3.59	0.10 - 3.64	0.90 - 4.00	0.90 - 4.00	0.90 - 4.00	0.90 - 4.00
0.10 - 4.10	0.10 - 4.10	0.09 - 4.00	0.09 - 4.00	0.09 - 4.00	0.09 - 4.00
0.60 - 5.00	0.60 - 5.00	0.60 - 2.37	0.60 - 2.37	0.60 - 2.37	0.60 - 2.37
0.60 - 5.00	0.60 - 5.00	0.60 - 2.89	0.60 - 2.89	0.60 - 2.89	0.60 - 2.89
0.60 - 5.00	0.60 - 5.00	0.60 - 3.60	0.60 - 3.60	0.60 - 3.60	0.60 - 3.60
2.92	2.92	2.92	2.92	2.92	2.92
3.63	3.65	3.68	3.68	3.68	3.68
6.40	6.40	6.40	6.40	6.40	6.40
7.15	7.15	7.16	7.16	7.16	7.16
7.34	7.34	7.35	7.35	7.35	7.35
7.60	7.60	7.60	7.60	7.60	7.60
7.82	8.55	8.83	8.83	8.83	8.83
8.52	9.12	9.25	9.25	9.25	9.25
9.95	9.95	9.95	9.95	9.95	9.95
0.35	0.35	0.35	0.35	0.35	0.35
0.35	0.35	0.35	0.35	0.35	0.35
0.35	0.35	0.35	0.35	0.35	0.35

Western Brown Local School District
Property Tax Levies and Collections
Last Ten Collection (Calendar) Years

Collection Year	Current Tax Levy	Current Tax Collections (2)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections (3)	Percent of Total Tax Collections to Current Tax Levy (3)
2006	\$5,216,214	\$3,849,893	73.81%	\$145,651	\$3,995,544	76.60%
2007	5,261,215	4,481,289	85.18%	331,531	4,812,820	91.48%
2008	5,410,259	4,370,292	80.78%	343,175	4,713,467	87.12%
2009	5,429,057	4,230,507	77.92%	331,925	4,562,432	84.04%
2010	5,554,037	4,421,011	79.60%	384,853	4,805,865	86.53%
2011	5,471,659	4,392,100	80.27%	418,591	4,810,691	87.92%
2012	5,593,624	4,512,376	80.67%	408,894	4,921,270	87.98%
2013	5,497,854	4,420,824	80.41%	460,348	4,881,172	88.78%
2014	5,540,002	4,475,214	80.78%	453,362	4,928,576	88.96%
2015 (1)	N/A	N/A	N/A	N/A	N/A	N/A

Source: Brown County Auditor

- (1) The 2015 collections cannot be presented because all collections have not been made by June 30, 2015.
- (2) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (3) We are aware of the requirement to report delinquent tax collections by levy rather than by collection year. However, the County's current computer system tracks levy amounts by current levy and delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. We are looking at options to improve the presentation.

Western Brown Local School District
Principal Tax Payers
Real Property
2015 and 2007 (1)

Name of Taxpayer	2015	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$4,106,510	1.70%
Milacron LLC	1,458,270	0.60%
Brown County Industrial Park	1,354,323	0.56%
Ava Jo Bohl	929,135	0.39%
Scottwood Commons	857,397	0.36%
Locust Ridge Land Corp.	782,947	0.33%
Alma Monk Trustee	653,023	0.27%
Shriji Krupa	609,490	0.25%
N A L Company	505,103	0.21%
Northpoint Centre	430,801	0.18%
Totals	<u>\$11,686,999</u>	<u>4.85%</u>
Total Assessed Valuation	<u>\$241,049,720</u>	<u>100.00%</u>

Name of Taxpayer	2007	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$5,655,485	2.38%
Cincinnati Milacron	4,953,141	2.08%
Locust Ridge Land Corp.	2,904,342	1.22%
Scottwood Commons	2,043,914	0.86%
Brown County Industrial Park	1,971,228	0.83%
Davis Realty Corporation	1,827,257	0.77%
Timothy Hale	1,819,942	0.76%
Shriji Krupa LLC	1,741,400	0.73%
Avajee Rookie	1,692,720	0.71%
Alma Monk Trustee	1,319,142	0.55%
Totals	<u>\$25,928,571</u>	<u>10.89%</u>
Total Assessed Valuation	<u>\$237,988,790</u>	<u>100.00%</u>

(1) The amounts represent the assessed values upon which 2014 and 2007 collections were based. 2006 information was not available.

Source: Brown County Auditor.

Western Brown Local School District
*Ratio of Debt to Estimated Actual Value,
 Personal Income and Debt per Capita
 Last Ten Fiscal Years*

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property(2)	General Bonded Debt		
			General Bonded Debt Outstanding	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita
2006	15,717	\$592,068,941	\$5,775,000	0.98%	\$367.44
2007	15,717	688,297,089	5,560,000	0.81%	353.76
2008	15,717	698,025,923	5,320,000	0.76%	338.49
2009	15,717	672,156,379	5,065,000	0.75%	322.26
2010	15,717	694,843,400	4,795,000	0.69%	305.08
2011	17,494	687,880,443	4,495,000	0.65%	256.95
2012	17,494	688,654,052	4,233,907	0.61%	242.02
2013	17,494	671,326,405	3,845,103	0.57%	219.80
2014	17,494	670,490,171	3,418,211	0.51%	195.39
2015	17,494	672,496,723	2,968,382	0.44%	169.68

Sources:

(1) National Center for Education Statistics
 2001-2010 from 2000 U.S. Census Data
 2011-2015 from 2010 U.S. Census Data

(2) Ohio Department of Taxation

(3) See S25 for personal income data. The ratios for 2001-2010 were calculated using data from the 2000 U.S. Census. The ratios for 2011 - 2015 were calculated using data from the 2010 U.S. Census.

(4) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these amounts are not shown as a deduction from general obligation bonded debt.

General Debt

General Bonded Debt Outstanding	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	Percentage of Personal Income (3)	General Debt Per Capita
\$5,775,000	\$538,000	\$6,313,000	1.07%	2.35%	401.67
5,560,000	480,000	6,040,000	0.88%	2.25%	384.30
5,320,000	448,000	5,768,000	0.83%	2.15%	366.99
5,065,000	415,000	5,480,000	0.82%	2.04%	348.67
4,795,000	947,000	5,742,000	0.83%	2.14%	365.34
4,495,000	856,000	5,351,000	0.78%	1.53%	305.88
4,233,907	762,000	4,995,907	0.73%	1.43%	285.58
3,845,103	664,000	4,509,103	0.67%	1.29%	257.75
3,418,211	562,000	3,980,211	0.59%	1.14%	227.52
2,968,382	457,000	3,425,382	0.51%	0.98%	195.80

Western Brown Local School District
Legal Debt Margin
Last Ten Fiscal Years

	2006	2007	2008	2009 (3)
Assessed Valuation (1)	\$206,179,908	\$237,988,790	\$236,168,840	\$238,028,600
Less:				
General Business Personal Property	(9,164,247)	(4,198,610)	(2,655,650)	(551,880)
Railroad and Telephone Tangible Property	(2,139,510)	(1,792,870)	(1,193,050)	(361,410)
Total Assessed Valuation used to calculate Legal Debt Margin	194,876,151	231,997,310	232,320,140	237,115,310
Debt Limit - 9% of Assessed Value (2)	17,538,854	20,879,758	20,908,813	21,340,378
Amount of Debt Applicable to Debt Limit				
Gross Indebtedness	5,775,000	5,560,000	5,320,000	5,065,000
Less Exempt Debt	0	0	0	0
Less Amount Available in Debt Service	(1,684,546)	(1,790,395)	(1,812,098)	(1,850,785)
Amount of Debt Subject to Limit	4,090,454	3,769,605	3,507,902	3,214,215
Legal Debt Margin	<u>\$13,448,400</u>	<u>\$17,110,153</u>	<u>\$17,400,911</u>	<u>\$18,126,163</u>
Legal Debt Margin as a Percentage of the Debt Limit	76.68%	81.95%	83.22%	84.94%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$194,876	\$231,997	\$232,320	\$237,115
Amount of Debt Subject to Limit	0	0	0	0
Unvoted Legal Debt Margin	<u>\$194,876</u>	<u>\$231,997</u>	<u>\$232,320</u>	<u>\$237,115</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Ohio Department of Taxation and School District Financial records

- (1) For fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.
- (2) Ohio Bond Law sets a limit of 9 percent for overall debt and 1/10 of 1 percent for unvoted debt.
- (3) Beginning in 2009, telephone tangible property is included as part of general business personal property.

2010	2011	2012	2013	2014	2015
\$245,940,190	\$245,329,030	\$245,873,590	\$239,951,080	\$240,005,500	\$241,049,720
(275,940)	0	0	0	0	0
(84,120)	(82,660)	0	0	0	0
245,580,130	245,246,370	245,873,590	239,951,080	240,005,500	241,049,720
22,102,212	22,072,173	22,128,623	21,595,597	21,600,495	21,694,475
4,795,000	4,495,000	4,095,000	3,695,000	3,255,000	2,790,000
0	0	0	0	0	0
(1,844,614)	(1,846,627)	(1,959,693)	(1,997,717)	(2,061,140)	(2,137,239)
2,950,386	2,648,373	2,135,307	1,697,283	1,193,860	652,761
<u>\$19,151,826</u>	<u>\$19,423,800</u>	<u>\$19,993,316</u>	<u>\$19,898,314</u>	<u>\$20,406,635</u>	<u>\$21,041,714</u>
86.65%	88.00%	90.35%	92.14%	94.47%	96.99%
\$245,580	\$245,246	\$245,874	\$239,951	\$240,006	\$241,050
0	0	0	0	0	0
<u>\$245,580</u>	<u>\$245,246</u>	<u>\$245,874</u>	<u>\$239,951</u>	<u>\$240,006</u>	<u>\$241,050</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Western Brown Local School District
Computation of Direct and Overlapping Debt
Governmental Activities
June 30, 2015

	General Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
General Obligation Bonds	\$2,968,382	100.00%	\$2,968,382
Capital Leases	457,000	100.00%	457,000
Total Direct	<u>3,425,382</u>		<u>3,425,382</u>
Overlapping:			
Brown County General Obligation Bonds	2,082,736	33.60%	699,799
Southern Hills Joint Vocational School District	3,930,161	30.23%	1,188,088
Village of Mt. Orab	<u>2,205,000</u>	100.00%	<u>2,205,000</u>
Total Overlapping	<u>8,217,897</u>		<u>4,092,887</u>
Total	<u><u>\$11,643,279</u></u>		<u><u>\$7,518,269</u></u>

Sources: Western Brown Local School District records
Individual entity's financial records

(1) Percentages were determined by dividing the total assessed valuation of the School District by each overlapping subdivision's assessed valuation within the School District.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School District. This process recognizes that, when considering the School District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken in account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government.

Western Brown Local School District
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Personal Income (2) (in millions)	Per Capita Personal Income (1)	Median Household Income (1)	Brown County Unemployment Rate (3)
2006	15,717	\$268,477,794	\$17,082	\$41,045	6.20%
2007	15,717	268,477,794	17,082	41,045	6.60%
2008	15,717	268,477,794	17,082	41,045	7.30%
2009	15,717	268,477,794	17,082	41,045	13.70%
2010	15,717	268,477,794	17,082	41,045	11.90%
2011	17,494	349,687,566	19,989	44,796	10.40%
2012	17,494	349,687,566	19,989	44,796	8.30%
2013	17,494	349,687,566	19,989	44,796	7.40%
2014	17,494	349,687,566	19,989	44,796	6.10%
2015	17,494	349,687,566	19,989	44,796	6.10%

Sources: (1) National Center for Education Statistics
2001-2010 from 2000 U.S. Census Data
2011-2015 from 2010 U.S. Census Data

(2) Computation of Per Capita Personal Income
multiplied by population

(3) Bureau of Labor Statistics

Western Brown Local School District
Principal Employers
2015 and 2006

		2015		
Employer	Nature of Business	Number of Employees	Percent	Rank
Kroger	Retail Grocer	389	19.77%	1
Western Brown Local School District	Education	297	15.09%	2
Milacron LLC	Plastic Injection	262	13.31%	3
Mercy Mt. Orab	Medical	177	8.99%	4
Butterbee's Restaurant	Food Service	119	6.05%	5
ATW Ohio , LLC	Farm Implement	99	5.03%	6
Village of Mt. Orab	Local government	98	4.98%	7
McDonalds Restaurant	Food Service	96	4.88%	8
Mt. Orab investments	Rental Properties	93	4.73%	9
Country Inn Restaurant	Food Service	63	3.20%	10
Total Employees		1,693	86.03%	
All Other Employers		275	13.97%	
Total Employment within the City		1,968	100.00%	

		2006		
Employer	Nature of Business	Number of Employees	Percent	Rank
Kroger	Retail Grocer	287	18.34%	1
Cincinnati Milacron	Plastic Injection	263	16.81%	2
Western Brown Local School District	Education	172	10.99%	3
McDonald's	Food Service	127	8.12%	4
N A L Company	Paper Products	50	3.19%	5
Kibler Lumber	Retail Lumber	45	2.88%	6
Liberty Sheet Metal	Manufacturing	40	2.56%	7
Cincinnati Wood & Dowel	Wood Products	40	2.56%	8
Hawkline Nevada	Farm Implements	40	2.56%	9
Stevens Plumbing & Mechanical	Commercial Plumbing & Fabrication	37	2.36%	10
Total Employees		1,101	70.37%	
All Other Employers		464	29.63%	
Total Employment within the City		1,565	100.00%	

Source: Brown County Department of Economic Development

Western Brown Local School District
Per Pupil Cost
Last Ten Fiscal Years

Fiscal Year	Enrollment	General Government		Governmental Activities	
		Total Expenditures (1)	Per Pupil Cost	Total Expenses (2)	Per Pupil Cost
2006	3,367	\$26,501,894	\$7,871	\$28,706,102	\$8,526
2007	3,314	26,074,597	7,868	28,032,527	8,459
2008	3,356	26,960,282	8,033	28,981,565	8,636
2009	3,422	28,770,929	8,408	30,780,059	8,995
2010	3,466	30,596,230	8,828	31,623,803	9,124
2011	3,481	30,264,746	8,694	31,631,618	9,087
2012	3,413	29,464,669	8,633	31,187,716	9,138
2013	3,352	27,687,666	8,260	29,338,447	8,753
2014	3,366	28,826,617	8,564	30,364,704	9,021
2015	3,359	29,107,387	8,665	30,047,814	8,945

Source: Western Brown Local School District Records

(1) Excludes debt service expenditures

(2) The Total Expenses does not include interest and fiscal charges.

Western Brown Local School District
School District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009
Regular Instruction				
Elementary Classroom Teachers	129	125	125	122
High School Classroom Teachers	36	36	36	36
Special Instruction				
Elementary Classroom Teachers	14	14	14	14
High School Classroom Teachers	5	6	6	6
Vocational Instruction				
High School Classroom Teachers	3	3	3	3
Pupil Support Services				
Guidance Counselors	5	5	5	5
Librarians	3	3	3	3
Psychologists	1	1	1	1
Nurses	2	1	1	1
Aides	13	13	13	13
Administrators				
Elementary	6	6	6	6
High School	3	3	3	3
District	13	13	13	9
Secretaries	4	4	4	4
Secretaries' Assistants	4	4	4	4
Fiscal Services	4	4	4	4
Data Management	0	0	0	0
Operation and Maintenance of Plant				
Custodians	26	26	26	25
Maintenance	3	3	3	3
Pupil Transportation				
Bus Drivers	39	38	38	34
Bus Aides	3	3	3	3
Bus Mechanics	0	0	0	0
Food Service Program				
Elementary Cooks	18	18	18	18
High School Cooks	6	6	6	6
Totals:	<u>340</u>	<u>335</u>	<u>335</u>	<u>323</u>

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Source: Western Brown Local School District records.

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
122	122	114	114	114	114
36	36	36	36	36	36
16	16	16	16	16	16
6	6	6	6	6	6
4	4	2	2	2	2
5	5	5	5	5	5
3	3	1	1	1	1
1	1	0	0	0	0
1	1	1	1	1	1
13	13	13	13	15	15
6	6	6	6	6	6
3	3	3	2	3	3
9	9	8	8	8	8
4	4	4	4	4	4
4	4	4	0	0	0
4	4	3	3	3	3
0	0	0	0	0	1
25	25	25	25	19	19
3	3	3	3	3	3
34	34	35	23	23	23
3	3	3	3	3	3
0	0	1	2	2	2
20	20	20	20	20	20
<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
<u><u>328</u></u>	<u><u>328</u></u>	<u><u>315</u></u>	<u><u>299</u></u>	<u><u>296</u></u>	<u><u>297</u></u>

Western Brown Local School District

Building Statistics

Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Mt. Orab Elementary/Middle School:</u>				
Constructed in 1971				
Additions in 1988 and 1998				
Total Building Square Footage	100,965	100,965	100,965	100,965
Enrollment Grades K-8 1997 - 2001	0	0	0	0
Enrollment Grades K-4 2002 - Present	883	851	865	903
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	44	44	44	44
Regular Instruction Teachers	38	38	38	47
Special Instruction Classrooms	4	4	4	4
Special Instruction Teachers	3	3	3	3
<u>Mt. Orab Middle School:</u>				
Converted from the old High School				
Constructed in 1957				
Additions in 1971, 1984, 1992 and 1998				
Total Building Square Footage	94,851	94,851	94,851	94,851
Enrollment Grades K-8	728	744	743	760
Student Capacity	1,000	1,000	1,000	1,000
Regular Instruction Classrooms	34	34	34	34
Regular Instruction Teachers	32	32	32	35
Special Instruction Classrooms	7	7	7	7
Special Instruction Teachers	6	6	6	5
<u>Hamersville Elementary & Middle School:</u>				
Constructed in 2002				
Total Building Square Footage	129,780	129,780	129,780	129,780
Enrollment Grades K-8	701	663	676	668
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	36	36	36	36
Regular Instruction Teachers	32	32	32	40
Special Instruction Classrooms	8	8	8	8
Special Instruction Teachers	5	5	4	4
<u>Western Brown High School:</u>				
Constructed in 2002				
Total Building Square Footage	189,729	189,729	187,729	187,729
Enrollment Grades 9-12	1,055	1,056	1,072	1,091
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	40	40	40	40
Regular Instruction Teachers	36	36	36	36
Special Instruction Classrooms	5	5	5	5
Special Instruction Teachers	5	5	5	6

Source: Western Brown Local School District records.

2010	2011	2012	2013	2014	2015
100,965	100,965	100,965	100,965	100,965	100,965
0	0	0	0	0	0
1,017	1,024	973	882	889	892
1,100	1,100	1,100	1,100	1,100	1,100
44	44	44	44	44	44
37	37	37	37	37	37
4	4	4	4	4	4
4	4	4	4	4	4
94,851	94,851	94,851	94,851	94,851	94,851
682	690	682	694	702	700
1,000	1,000	1,000	1,000	1,000	1,000
34	34	34	34	34	34
29	29	29	29	29	29
7	7	7	7	7	7
5	5	6	6	6	6
129,780	129,780	129,780	129,780	129,780	129,780
686	674	662	673	667	653
1,100	1,100	1,100	1,100	1,100	1,100
36	36	36	36	36	36
34	34	32	32	32	32
8	8	8	8	8	8
4	4	6	6	6	6
187,729	187,729	187,729	187,729	187,729	187,729
1,081	1,093	1,096	1,103	1,108	1,114
1,200	1,200	1,200	1,200	1,200	1,200
40	40	40	40	40	40
36	36	36	36	36	36
5	5	5	5	5	5
4	4	6	6	6	6

Western Brown Local School District
Student to Teacher Ratio
Last Ten Fiscal Years

<u>Year</u>	<u>Average Number of Students per Teacher (1)</u>
2006	18.0
2007	18.0
2008	18.2
2009	18.9
2010	18.8
2011	18.9
2012	19.6
2013	19.3
2014	19.3
2015	21.5

Sources: (1) Western Brown Local School District records.

Western Brown Local School District
Percentage of Students who Receive Free and Reduced Lunches
Last Ten Fiscal Years

	<u>Hamersville Elementary</u>	<u>Mt. Orab Elementary</u>	<u>Mt. Orab Middle School</u>	<u>Western Brown High School</u>
2006	42.02	37.66	36.91	24.45
2007	39.23	40.31	37.94	27.73
2008	41.23	41.33	38.37	27.09
2009	49.70	46.11	43.50	34.51
2010	55.39	53.79	48.60	42.58
2011	52.62	49.57	51.34	44.63
2012	51.54	52.53	52.96	46.93
2013	51.63	57.54	52.97	46.09
2014	51.69	57.94	53.26	45.89
2015	54.35	57.98	52.48	46.61

Source: Ohio Department of Education

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Dave Yost • Auditor of State

WESTERN BROWN LOCAL SCHOOL DISTRICT

BROWN 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 5, 2016**