



Dave Yost • Auditor of State

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	Under Separate Cover
Comprehensive Annual Financial Report	Under Separate Cover
Schedule of Receipts and Expenditures of Federal Awards	1
Notes to the Schedule of Receipts and Expenditures of Federal Awards	2
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	5
Schedule of Findings	9

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**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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		\$75,860		\$75,860
Cash Assistance:						
National School Breakfast Program	3L70	10.553	368,293		368,293	
National School Lunch Program	3L60	10.555	613,748		613,748	
Total Nutrition Cluster			<u>982,041</u>	<u>75,860</u>	<u>982,041</u>	<u>75,860</u>
Total Department of Agriculture			982,041	75,860	982,041	75,860
<u>U.S. DEPARTMENT OF DEFENSE (ARMY)</u>						
National Guard Civilian Youth Opportunities	N/A	12.404	62,639		62,639	
Total Department of Defense (Army)			62,639		62,639	
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Grants to States -						
(IDEA Part B)						
Total Special Education Grants to States Cluster	3M20 - 2015 2016	84.027 84.027	96,570 497,992		87,534 532,760	
			<u>594,562</u>		<u>620,294</u>	
Title I Grants to Local Educational Agencies						
Title I Grants to Local Educational Agencies	3M00 - 2015 2016	84.010 84.010	86,197 554,036		99,583 559,517	
Total Title 1 Grants to Local Educational Agencies			<u>640,233</u>		<u>659,100</u>	
ARRA - Race to the Top						
ARRA - Race to the Top -Mini Grant	3FD0 - 2015 3FD0 -2013	84.395 84.395	0 0		2,165 2,269	
Total ARRA Race to the Top			<u>0</u>		<u>4,434</u>	
Title IIA - Improving Teacher Quality						
Title IIA - Improving Teacher Quality	3Y60 - 2015 2016	84.367 84.367	18,059 97,209		18,059 98,422	
Total IIA- Improving Teach Quality			<u>115,268</u>		<u>116,481</u>	
Total Department of Education			1,350,063		1,400,309	
			<u>\$2,394,743</u>	<u>\$75,860</u>	<u>\$2,444,989</u>	<u>\$75,860</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 RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2016**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Receipts and Expenditures of Federal Awards (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 School 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 the Western Brown Local School District, Brown County, (the District) as of and for the year ended June 30, 2016, 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 20, 2016.

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*.

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 20, 2016



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Education:

Report on Compliance for the 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) *Compliance Supplement* that could directly and materially affect the Western Brown Local School District's major federal program for the year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the 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 its major federal program for the year ended June 30, 2016.

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 the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

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

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

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

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, 2016, 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 20, 2016. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of receipts and expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

Columbus, Ohio

December 20, 2016

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**WESTERN BROWN LOCAL SCHOOL
BROWN COUNTY**

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

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 weaknesses in internal control 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 weaknesses in internal control 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 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster: CFDA 84.027 Special Education Grants to States – IDEA Part B
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

**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, 2016***

WESTERN BROWN LOCAL SCHOOL DISTRICT

MT. ORAB, OHIO

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2016

Table of Contents

I. Introductory Section	<u>Page</u>
Table of Contents	i
Letter of Transmittal	iv
Principal Officials	ix
Organizational Chart.....	x
Consultants and Advisors	xi
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	xii
ASBO Certificate of Excellence in Financial Reporting.....	xiii
Strategic Plan	xiv
II. Financial Section	
Independent Auditor’s Report	1
Management’s Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	22
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual – General Fund.....	23
Classroom Facility Maintenance Fund	24
Statement of Fund Net Position - Proprietary Fund	25
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund	26
Statement of Cash Flows - Proprietary Fund.....	27
Statement of Fiduciary Net Position - Fiduciary Funds	28

Western Brown Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016

Table of Contents
(continued)

Statement of Changes in Fiduciary Net Position – Private Purpose Trust Fund.....	29
Notes to the Basic Financial Statements.....	30
Required Supplementary Information:	
Schedule of the School District’s Proportionate Share of the Net Pension Liability – School Employees Retirement System of Ohio Last Three Fiscal Years.....	70
Schedule of the School District’s Proportionate Share of the Net Pension Liability – State Teachers Retirement System of Ohio Last Three Fiscal Years.....	71
Schedule of School District Contributions – School Employees Retirement System of Ohio – Last Ten Fiscal Years.....	72
Schedule of School District Contributions – State Teachers Retirement System of Ohio – Last Ten Fiscal Years.....	74
Combining and Individual Fund Statements and Schedules:	
Combining Statements - Nonmajor Funds: Fund Descriptions	77
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	80
Fund Description - Agency Funds.....	82
Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds.....	83
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund.....	85
Classroom Facility Maintenance Fund	89
Debt Service Fund	90
Nonmajor Funds:	
Other Grant Fund	91
District Managed Activity Fund	92
OneNet Fund.....	93
Alternative School Fund	94

Western Brown Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016

Table of Contents
(continued)

Race to the Top Fund.....	95
Title VI-B Fund	96
Title I Fund	97
Improving Teacher Quality Fund	98
Food Service Fund	99

III. Statistical Section

Statistical Tables Descriptions.....	S1
Net Position by Component - Last Ten Fiscal Years.....	S2
Changes in Net Position - Last Ten Fiscal Years	S4
Program Revenues by Function, Governmental Activities - Last Ten Fiscal Years	S8
Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	S10
Changes in Fund Balances - Last Ten Fiscal Years.....	S12
Assessed and Estimated Actual Value of Taxable Property - Last Ten Years	S14
Property Tax Rates (Per \$1,000 of Assessed Valuation) - Direct and Overlapping Governments - Last Ten Collection (Calendar) Years.....	S16
Property Tax Levies and Collections - Last Ten Collection (Calendar) Years	S18
Principal Tax Payers - Real Property - 2016 and 2007.....	S19
Ratio of Debt to Estimated Actual Value, Personal Income and Debt per Capita - Last Ten Fiscal Years	S20
Legal Debt Margin - Last Ten Fiscal Years	S22
Computation of Direct and Overlapping Debt - Governmental Activities	S24
Demographic and Economic Statistics - Last Ten Years	S25
Principal Employers - 2016 and 2007.....	S26
Per Pupil Cost - Last Ten Fiscal Years	S27
School District Employees by Function/Program - Last Ten Fiscal Years	S28
Building Statistics - Last Ten Fiscal Years.....	S30
Student to Teacher Ratio - Last Ten Fiscal Years	S32
Percentage of Students who Receive Free and Reduced Lunches - Last Ten Fiscal Years	S33

WESTERN BROWN LOCAL SCHOOL DISTRICT

BOARD OF EDUCATION

JoAnn Hildebrandt, President
Richard Pride II, Vice President

Lynette Garrett

Brian Rhodes

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 20, 2016

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, 2016. 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 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, 2016. 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, 2016, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Richard E. Pride II	Jan. 2016 - Dec. 2019	8 - ½
JoAnn Hilderbrandt	Jan. 2016 - Dec. 2019	12 - ½
Brian Rhodes	Jan. 2016 – Dec. 2019	½
Lynette Garrett	Jan. 2014 - Dec. 2017	2 - ½
Tracy O'Hara	Jan. 2014 - Dec. 2017	2 - 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. Mr. Raegan White was appointed Superintendent on April 20, 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 3,346 students during the 2016 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 301 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 17, 18 and 19 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. Hamersville is a small town and relies heavily on farming as employment for its residents. The businesses in Hamersville are family owned and have been there for decades. The town is small and hard to offer anything for new businesses to start up. Mt. Orab is also a farming community. Since Mt. Orab has a major highway going through it, businesses and residential builders find it attractive and continue to grow. The economic conditions in both communities continue to improve. The farming community continues to have good crop yields and have good income. Businesses continue to expand and provide local jobs for the residents.

During fiscal year 2016, the School District's enrollment decreased by 13 students. Even though our enrollment decreased, we feel people living in our communities are staying due to a steady job market and low cost of living 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 2016, the School District's special needs student's enrollment continues to increase. We are finding that many of these students have serious problems and need special services or services outside the School District. While it will cost more to aid in these problems and special services, the School District will spend additional funds to make sure these students are provided a proper education. Our bus fleet continues to be old. In fiscal year 2016, we budgeted for bus purchases, but did not purchase as many buses as intended. We will continue to purchase extra buses in the future in order get all of our buses within five years old. We continue to upgrade our technology system to replace outdated or obsolete equipment. Our funding from the state continues to increase. We plan to use these extra 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 2016 so we keep our fund balance increasing.

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation resolution for all funds 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 for all funds 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 is utilizing the Ohio Improvement Process (OIP) as the support structure for school improvement in all four buildings including at the School District level. Not only does the School District have a team based system but also each building is utilizing the Decision Framework, an analysis tool used in compiling and analyzing report card data. Every level (district, building, and teacher) will be monitoring the implementation of OIP strategies and measuring the effect on student achievement or progress.

The School District has finished the solar field project and is currently beginning to conduct a comparative analysis of the effect on the School District's energy expenses. The School District continues to implement strategies developed through the energy saving program with Cenergistic, a national organization dedicated to monitoring and decreasing utility expenditures through proactive processes and behavioral programs.

The School District is encouraging all buildings to utilize the School-wide Positive Behavioral Supports and Interventions (SWPBIS) Tiered Fidelity Inventory (TFI) which was designed to provide schools one efficient yet valid and reliable instrument that can be used over time to guide both implementation and sustained use of SWPBIS. The inventory is completed by the school planning team(s), with the school's SWPBIS coach present to provide clarification and consultation, producing three 'scores' indicating the extent to which Tier I, Tier II, and Tier III core features are in place. The Ohio SWPBIS Recognition Awards System identifies schools that exemplify best practices in the implementation of Positive Behavioral Interventions and Supports. These schools demonstrate best practices within their system, and also are open and transparent in the sharing of their knowledge and resources with other schools. Each school is striving to reach one of the levels within the SWPBIS award system.

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, 2015. 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, 2015 to the Western Brown Local School District. The award certifies that the CAFR for the fiscal year ended June 30, 2015, 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, 2016*

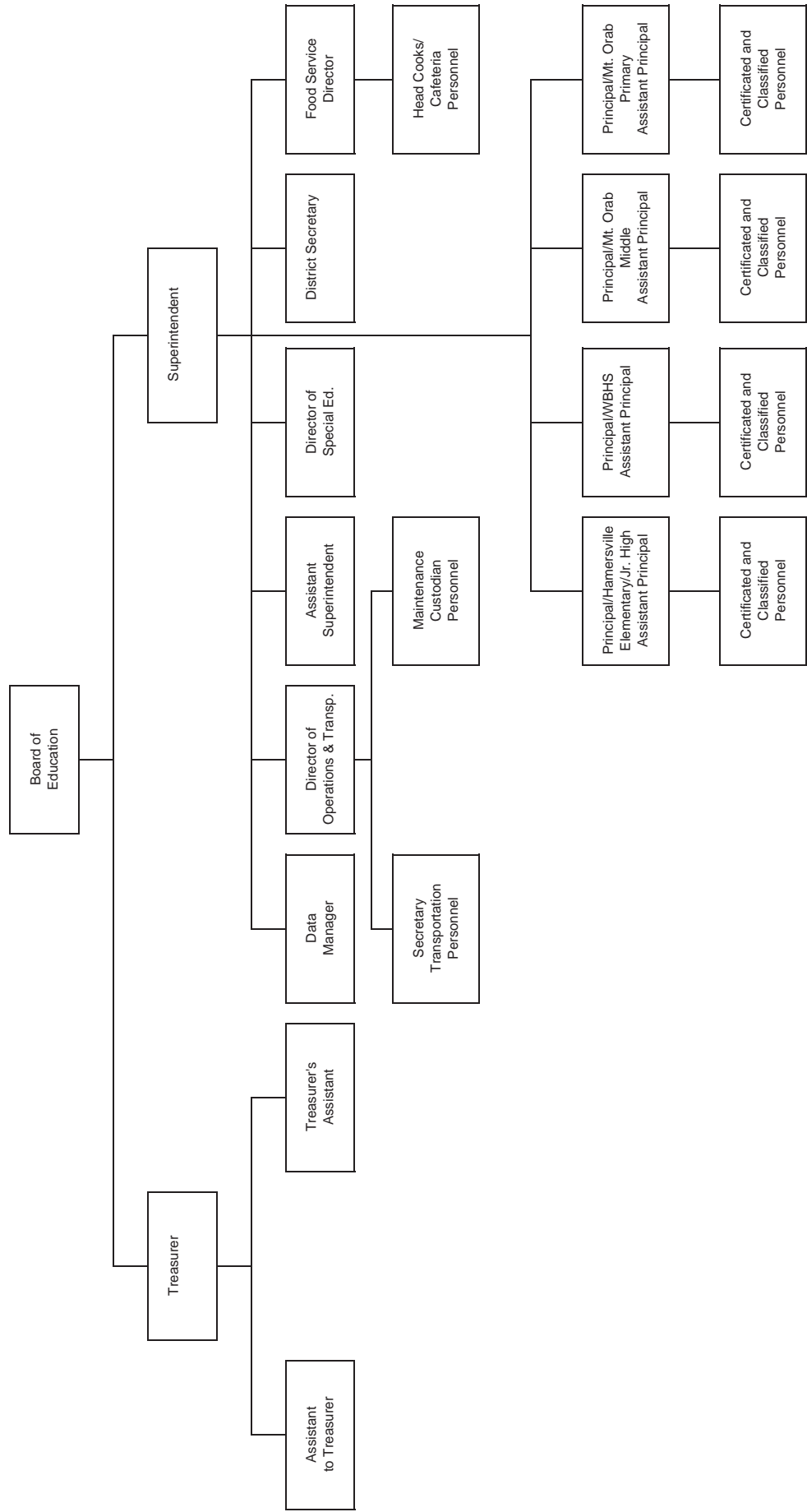
ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

Superintendent.....Raegan White
Treasurer.....Denny Dunlap
Assistant Superintendent.....Jina Bohl
Director of Special Education.....Jennifer Bohrer
Director of Operations and Transportation.....David Tatman

**Western Brown Local School District
Organizational Chart
June 30, 2016**



Western Brown Local School District
Consultants and Advisors
June 30, 2016

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, 2015

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, 2015.**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

Western Brown Local Schools

Strategic Plan

Adopted by the Western Brown Board of Education
June 30, 2016

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, 2016, 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, 2016, 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.

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 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 20, 2016, 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, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

December 20, 2016

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Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
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, 2016. 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 \$1,782,640 due to an increase in State aid.
- Property tax revenue increased due to an update in property taxes and an increase in Current Agricultural Use Value (CAUV) property values.

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, Classroom Facility Maintenance Fund and Debt Service 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 2016?" 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 School District's goal is to provide services to our students, not to generate profits as

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

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 eleven. 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.

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 2016 and 2015:

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

(Table 1)
Net Position

	Governmental Activities		Business-Type Activity		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current and other Assets	\$21,728,097	\$16,630,635	\$306,786	\$426,452	\$22,034,883	\$17,057,087
Capital Assets, Net	39,208,695	40,325,590	807,352	888,886	40,016,047	41,214,476
Total Assets	60,936,792	56,956,225	1,114,138	1,315,338	62,050,930	58,271,563
Deferred Outflows of Resources						
Deferred Charge on Refunding Pension	31,780	38,136	0	0	31,780	38,136
	3,569,571	2,130,304	190,171	146,680	3,759,742	2,276,984
Total Deferred Outflows of Resources	3,601,351	2,168,440	190,171	146,680	3,791,522	2,315,120
Liabilities						
Other Liabilities	3,084,605	2,858,756	118,125	137,579	3,202,730	2,996,335
Long-Term Liabilities:						
Net Pension Liability	33,623,230	30,167,824	1,952,989	1,711,192	35,576,219	31,879,016
Other Amounts	4,452,174	4,901,466	42,141	39,238	4,494,315	4,940,704
Total Liabilities	41,160,009	37,928,046	2,113,255	1,888,009	43,273,264	39,816,055
Deferred Inflows of Resources						
Property Taxes	3,897,643	3,366,739	0	0	3,897,643	3,366,739
Revenue in Lieu of Taxes	101,387	118,368	0	0	101,387	118,368
Pension	2,769,483	5,490,305	64,709	277,731	2,834,192	5,768,036
Total Deferred Inflows of Resources	6,768,513	8,975,412	64,709	277,731	6,833,222	9,253,143
Net Position						
Net Investment in Capital Assets	36,388,626	37,040,382	807,352	888,886	37,195,978	37,929,268
Restricted	4,456,938	4,084,330	0	0	4,456,938	4,084,330
Unrestricted (Deficit)	(24,235,943)	(28,903,505)	(1,681,007)	(1,592,608)	(25,916,950)	(30,496,113)
Total Net Position	\$16,609,621	\$12,221,207	(\$873,655)	(\$703,722)	\$15,735,966	\$11,517,485

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2016 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." 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.

GASB 68 requires the net pension liability to equal 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 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,

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

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.

Net investment in capital assets decreased \$733,290 during fiscal year 2016 due to depreciation exceeding additions. Restricted net position increased \$372,608, primarily due to an increase in property tax revenue. Governmental activities unrestricted net position increased \$4,667,562, as a result of an increase in grants and entitlements not restricted to specific programs.

Table 2 shows the changes in net position for fiscal years 2016 and 2015.

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.

(Table 2)
Changes in Net Position

	Governmental Activities		Business-Type Activity		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,036,867	\$2,047,058	\$437,853	\$440,605	\$2,474,720	\$2,487,663
Operating Grants and Contributions	3,986,398	3,725,361	1,073,001	1,066,494	5,059,399	4,791,855
Capital Grants and Contributions	60,125	82,167	0	0	60,125	82,167
Total Program Revenues	6,083,390	5,854,586	1,510,854	1,507,099	7,594,244	7,361,685
General Revenues:						
Property Taxes	5,472,338	4,986,287	0	0	5,472,338	4,986,287
Grants and Entitlements not Restricted to Specific Programs	23,381,209	21,598,569	0	0	23,381,209	21,598,569
Interest	27,568	28,295	0	196	27,568	28,491
Revenue in Lieu of Taxes	116,696	106,196	0	0	116,696	106,196
Miscellaneous	48,951	155,616	27,136	29,009	76,087	184,625
Total General Revenues	29,046,762	26,874,963	27,136	29,205	29,073,898	26,904,168
Total Revenues	\$35,130,152	\$32,729,549	\$1,537,990	\$1,536,304	\$36,668,142	\$34,265,853

continued

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

(Table 2)
Changes in Net Position
(Continued)

	Governmental Activities		Business-Type Activity		Total	
	2016	2015	2016	2015	2016	2015
Program Expenses						
Instruction:						
Regular	16,145,798	15,917,475	0	0	16,145,798	15,917,475
Special	2,963,687	3,002,928	0	0	2,963,687	3,002,928
Vocational	133,194	276,074	0	0	133,194	276,074
Student Intervention Services	15,421	0	0	0	15,421	0
Support Services:						
Pupils	1,358,978	1,265,801	0	0	1,358,978	1,265,801
Instructional Staff	373,129	448,287	0	0	373,129	448,287
Board of Education	15,357	17,635	0	0	15,357	17,635
Administration	2,389,624	2,217,956	0	0	2,389,624	2,217,956
Fiscal	564,692	556,300	0	0	564,692	556,300
Operation and Maintenance of Plant	2,681,910	2,659,528	0	0	2,681,910	2,659,528
Pupil Transportation	2,163,094	2,274,156	0	0	2,163,094	2,274,156
Central	899,556	529,657	0	0	899,556	529,657
Operation of Non-Instructional Services	11,790	13,971	0	0	11,790	13,971
Extracurricular Activities	921,251	868,046	0	0	921,251	868,046
Interest and Fiscal Charges	104,257	120,973	0	0	104,257	120,973
Food Service	0	0	1,707,923	1,700,712	1,707,923	1,700,712
Total Expenses	<u>30,741,738</u>	<u>30,168,787</u>	<u>1,707,923</u>	<u>1,700,712</u>	<u>32,449,661</u>	<u>31,869,499</u>
Change in Net Position	4,388,414	2,560,762	(169,933)	(164,408)	4,218,481	2,396,354
Net Position at Beginning of Year	<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>
Net Position at End of Year	<u>\$16,609,621</u>	<u>\$12,221,207</u>	<u>(\$873,655)</u>	<u>(\$703,722)</u>	<u>\$15,735,966</u>	<u>\$11,517,485</u>

Governmental Activities

Program revenues for governmental activities increased \$228,804, while general revenues increased \$2,171,799.

Operating grants and contributions increased \$261,037 due to federal grant funds received during 2016. Capital grants and contributions decreased \$22,042 due to a decrease in donations received. Grants and Entitlements not Restricted to a Specific Program increased \$1,782,640 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 67 percent of revenues for governmental activities of the Western Brown Local School District for fiscal year 2016.

Instruction comprises 63 percent of governmental activities program expenses. Support services expenses make up 34 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

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

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.

(Table 3)
Governmental Activities

	Total Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2016	Net Cost of Services 2015
Instruction	\$19,258,100	\$19,196,477	\$14,499,408	\$14,706,936
Support Services	10,446,340	9,969,320	9,568,552	9,051,721
Operation of Non-Instructional Services	11,790	13,971	5,458	(205)
Extracurricular Activities	921,251	868,046	480,673	434,776
Interest and Fiscal Charges	104,257	120,973	104,257	120,973
Total Expenses	\$30,741,738	\$30,168,787	\$24,658,348	\$24,314,201

Business-Type Activity

The School District's only business-type activity is the food service operation. This program had revenues of \$1,537,990 and expenses of \$1,707,923 for fiscal year 2016. Of the revenues, \$437,853 was charges for services and sales and \$1,073,001 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 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$34,628,249 and expenditures of \$30,773,388.

The General Fund saw an increase in fund balance of \$3,742,499. This was mainly due to the increase in State aid.

The Classroom Facility Maintenance fund experienced an increase of \$114,456 due to property tax collections exceeding the expenditures for the year.

The Debt Service Fund saw an increase in fund balance of \$100,520. This increase is due to property tax collections exceeding the amount needed to pay annual debt payments.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

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.

During the course of fiscal year 2016, 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 \$30,487,872 with a final budget estimate of \$30,475,972. The School District's actual revenues were \$32,370,631 at fiscal year-end, which represented a 6.2 percent increase over final budgeted revenues. The \$1,373,751 variance between final budget and actual intergovernmental revenue is primarily due to an increase in state funding.

Original budget basis appropriations were \$30,541,692 with final budgeted expenditures of \$30,556,692, resulting in an increase of \$15,000. The School District's actual expenditures and encumbrances were \$28,948,263 at fiscal year-end, which represented a 5.3 percent decrease under final budgeted appropriations. The variances between final budget and actual expenditures for regular and special instruction are due to the School District planning to hire additional staff and purchase equipment, which did not occur. Actual operation and maintenance of plant expenditures were less than the final budget because of a repair project coming in under budget when it was completed. The variance between final and actual pupil transportation expenditures are due to the School District planning to purchase additional vehicles, which it did not purchase.

The School District's ending unobligated cash balance was \$3,521,688 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2016, the School District had \$40,016,047 invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles.

Table 4 shows fiscal year 2016 balances compared to fiscal year 2015:

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

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

	Governmental Activities		Business-Type Activity		Total	
	2016	2015	2016	2015	2016	2015
Land	\$2,567,453	\$2,524,314	\$0	\$0	\$2,567,453	\$2,524,314
Construction in Progress	116,942	0	0	0	116,942	0
Buildings and Improvements	34,959,876	36,246,454	783,713	820,113	35,743,589	37,066,567
Furniture and Equipment	754,255	947,169	23,639	68,773	777,894	1,015,942
Vehicles	810,169	607,653	0	0	810,169	607,653
Totals	\$39,208,695	\$40,325,590	\$807,352	\$888,886	\$40,016,047	\$41,214,476

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.

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

Debt

At June 30, 2016, the School District had \$2,525,782 in bonds outstanding, \$485,000 of which is due within one year. Table 5 summarizes bonds outstanding at fiscal year-end 2016 and 2015:

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

	2016	2015
2011 School Improvement Refunding Bonds	\$2,330,000	\$2,790,000
Premium on Debt Issue	63,620	76,344
Accretion on Capital Appreciation Bonds	132,162	102,038
Total	\$2,525,782	\$2,968,382

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, 2016 the School District's overall legal debt margin was \$23,943,030 with an unvoted debt margin of \$267,059. The School District had a AA- bond rating by Standard and Poor's Rating Service on the 2011 School Improvement Refunding Bonds.

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

***Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited***

School District Challenges for the Future

The Western Brown Board of Education and District Leadership Team believes we had a very successful 2016 school year both financially and educationally, but the School District still faces challenges that could lead to barriers for a more effective and efficient learning and working environment.

Our state aid has drastically increased over the last two years; 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 still provide a quality education to our students.

The School District is beginning to address the major roof repairs on our buildings. 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 period of five years instead of all at once.

One of the School District's goals is to continue to purchase new buses each year until all of the old buses are removed from our fleet. Many buses in the fleet are old with high miles and require more maintenance to keep running.

While the School District has replaced all classroom computers, increased the number of computer labs in each building, and replaced cabling and access points over the last three years, there are other components of technology that need replaced such as aging interactive whiteboards, software upgrades, and mobile device labs. Our goal is to develop a three year technology plan that will address these technology issues in a thoughtful, organized manner.

Western Brown's recent state report card indicates that some subgroups within the School District are meeting the desired performance level. Meeting the needs of students with disabilities and economically disadvantaged will be a focus of the School District improvement plan. One strategy is to develop and maintain a Multi-tiered system of supports (MTSS). This system will help teachers determine the learning needs and/or gaps in student learning and provide timely, evidence based interventions that address the specific needs of each student or groups of students such as classroom interventions (80% of students), targeted- flexible small groups (15% of students), or intensive- one on one (5% of students).

The Ohio improvement process and the 5 step process will be utilized by the District Leadership Team, Building Leadership Teams, and Teacher Data Teams. Learning to give quality feedback for encouraging team growth and productivity will be a strategy within the improvement plan and a focus on monitoring adult implementation measures will also be a challenge for the District Leadership Team and Building Leadership Teams in the School District.

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.

Western Brown Local School District
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activity	Total
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$14,831,440	\$293,371	\$15,124,811
Accounts Receivable	23,225	0	23,225
Prepaid Items	14,413	0	14,413
Inventory Held for Resale	0	10,330	10,330
Materials and Supplies Inventory	0	3,085	3,085
Intergovernmental Receivable	386,281	0	386,281
Taxes Receivable	6,366,351	0	6,366,351
Revenue in Lieu of Taxes Receivable	101,387	0	101,387
Cash and Cash Equivalents with Fiscal Agents	5,000	0	5,000
Capital Assets:			
Nondepreciable Capital Assets	2,684,395	0	2,684,395
Depreciable Capital Assets, Net	36,524,300	807,352	37,331,652
<i>Total Assets</i>	<u>60,936,792</u>	<u>1,114,138</u>	<u>62,050,930</u>
<u>Deferred Outflows of Resources:</u>			
Deferred Charge on Refunding	31,780	0	31,780
Pension	3,569,571	190,171	3,759,742
<i>Total Deferred Outflows of Resources</i>	<u>3,601,351</u>	<u>190,171</u>	<u>3,791,522</u>
<u>Liabilities:</u>			
Accounts Payable	93,907	1,041	94,948
Contracts Payable	105,009	0	105,009
Retainage Payable	5,220	0	5,220
Accrued Wages and Benefits Payable	2,494,968	109,837	2,604,805
Intergovernmental Payable	375,434	7,247	382,681
Matured Bonds Payable	5,000	0	5,000
Accrued Interest Payable	5,067	0	5,067
Long-Term Liabilities:			
Due Within One Year	799,678	19,550	819,228
Due in More Than One Year			
Net Pension Liability (See Note 11)	33,623,230	1,952,989	35,576,219
Other Amounts	3,652,496	22,591	3,675,087
<i>Total Liabilities</i>	<u>41,160,009</u>	<u>2,113,255</u>	<u>43,273,264</u>
<u>Deferred Inflows of Resources:</u>			
Property Taxes	3,897,643	0	3,897,643
Revenue in Lieu of Taxes	101,387	0	101,387
Pension	2,769,483	64,709	2,834,192
<i>Total Deferred Inflows of Resources</i>	<u>6,768,513</u>	<u>64,709</u>	<u>6,833,222</u>
<u>Net Position:</u>			
Net Investment in Capital Assets	36,388,626	807,352	37,195,978
Restricted for:			
Debt Service	2,346,950	0	2,346,950
Classroom Facilities	1,672,480	0	1,672,480
District Managed Activities	221,021	0	221,021
Miscellaneous Grants	216,487	0	216,487
Unrestricted (Deficit)	(24,235,943)	(1,681,007)	(25,916,950)
<i>Total Net Position</i>	<u>\$16,609,621</u>	<u>(\$873,655)</u>	<u>\$15,735,966</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2016

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$16,145,798	\$965,159	\$840,683	\$0
Special	2,963,687	156,608	2,619,670	0
Vocational	133,194	0	176,572	0
Student Intervention Services	15,421	0	0	0
Support Services:				
Pupils	1,358,978	86,560	0	0
Instructional Staff	373,129	0	2,298	0
Board of Education	15,357	0	0	0
Administration	2,389,624	139,843	96,317	0
Fiscal	564,692	0	138,661	0
Operation and				
Maintenance of Plant	2,681,910	176,810	0	0
Pupil Transportation	2,163,094	149,943	80,156	0
Central	899,556	0	7,200	0
Operation of Non-Instructional				
Services	11,790	0	6,332	0
Extracurricular Activities	921,251	361,944	18,509	60,125
Interest and Fiscal Charges	104,257	0	0	0
<i>Total Governmental Activities</i>	30,741,738	2,036,867	3,986,398	60,125
<u>Business-Type Activity:</u>				
Food Service	1,707,923	437,853	1,073,001	0
Totals	\$32,449,661	\$2,474,720	\$5,059,399	\$60,125

General Revenues:

Property Taxes Levied for:
General Purposes
Classroom Facility Maintenance
Debt Service
Grants and Entitlements
not Restricted to Specific Programs
Interest
Revenue in Lieu of Taxes
Miscellaneous

Total General Revenues

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activity	Total
(\$14,339,956)	\$0	(\$14,339,956)
(187,409)	0	(187,409)
43,378	0	43,378
(15,421)	0	(15,421)
(1,272,418)	0	(1,272,418)
(370,831)	0	(370,831)
(15,357)	0	(15,357)
(2,153,464)	0	(2,153,464)
(426,031)	0	(426,031)
(2,505,100)	0	(2,505,100)
(1,932,995)	0	(1,932,995)
(892,356)	0	(892,356)
(5,458)	0	(5,458)
(480,673)	0	(480,673)
(104,257)	0	(104,257)
(24,658,348)	0	(24,658,348)
0	(197,069)	(197,069)
(24,658,348)	(197,069)	(24,855,417)
4,786,063	0	4,786,063
88,034	0	88,034
598,241	0	598,241
23,381,209	0	23,381,209
27,568	0	27,568
116,696	0	116,696
48,951	27,136	76,087
29,046,762	27,136	29,073,898
4,388,414	(169,933)	4,218,481
12,221,207	(703,722)	11,517,485
<u>\$16,609,621</u>	<u>(\$873,655)</u>	<u>\$15,735,966</u>

Western Brown Local School District
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Classroom Facility Maintenance Fund	Debt Service Fund
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$10,786,783	\$1,710,996	\$2,082,085
Cash and Cash Equivalents with Fiscal Agents	0	0	5,000
Receivables:			
Taxes	5,556,327	106,480	703,544
Revenue in Lieu of Taxes	101,387	0	0
Accounts	23,225	0	0
Intergovernmental	0	0	0
Interfund	31,400	0	0
Prepaid Items	14,413	0	0
<i>Total Assets</i>	<u>\$16,513,535</u>	<u>\$1,817,476</u>	<u>\$2,790,629</u>
<u>Liabilities:</u>			
Accounts Payable	\$91,941	\$0	\$0
Contracts Payable	45,596	59,413	0
Retainage Payable	3,447	1,773	0
Accrued Wages and Benefits Payable	2,312,291	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	353,568	0	0
Matured Bonds Payable	0	0	5,000
<i>Total Liabilities</i>	<u>2,806,843</u>	<u>61,186</u>	<u>5,000</u>
<u>Deferred Inflows of Resources:</u>			
Property Taxes	3,396,871	67,160	433,612
Revenue in Lieu of Taxes	101,387	0	0
Unavailable Revenue	914,061	16,650	114,258
<i>Total Deferred Inflows of Resources</i>	<u>4,412,319</u>	<u>83,810</u>	<u>547,870</u>
<u>Fund Balances:</u>			
Nonspendable	14,413	0	0
Restricted	0	1,672,480	2,237,759
Committed	388,420	0	0
Assigned	588,318	0	0
Unassigned (Deficit)	8,303,222	0	0
<i>Total Fund Balances</i>	<u>9,294,373</u>	<u>1,672,480</u>	<u>2,237,759</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$16,513,535</u>	<u>\$1,817,476</u>	<u>\$2,790,629</u>

See accompanying notes to the basic financial statements

Nonmajor Governmental Funds	Total Governmental Funds
\$251,576	\$14,831,440
0	5,000
0	6,366,351
0	101,387
0	23,225
386,281	386,281
0	31,400
0	14,413
<u>\$637,857</u>	<u>\$21,759,497</u>
\$1,966	\$93,907
0	105,009
0	5,220
182,677	2,494,968
31,400	31,400
21,866	375,434
0	5,000
<u>237,909</u>	<u>3,110,938</u>
0	3,897,643
0	101,387
<u>249,017</u>	<u>1,293,986</u>
<u>249,017</u>	<u>5,293,016</u>
0	14,413
248,457	4,158,696
0	388,420
0	588,318
<u>(97,526)</u>	<u>8,205,696</u>
<u>150,931</u>	<u>13,355,543</u>
<u><u>\$637,857</u></u>	<u><u>\$21,759,497</u></u>

Western Brown Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2016*

Total Governmental Fund Balances		\$13,355,543
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	2,567,453	
Construction in progress	116,942	
Depreciable capital assets	73,506,938	
Accumulated depreciation	<u>(36,982,638)</u>	
Total capital assets		39,208,695
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	1,044,969	
Intergovernmental	<u>249,017</u>	
Total Unavailable Revenues		1,293,986
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		(5,067)
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		31,780
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:		
Deferred Outflows - Pension	3,569,571	
Deferred Inflows - Pension	(2,769,483)	
Net Pension Liability	<u>(33,623,230)</u>	
Total Pension		(32,823,142)
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	(2,330,000)	
Premium on debt issue	(63,620)	
Accretion on capital appreciation bonds	(132,162)	
Capital leases payable	(348,000)	
Compensated absences payable	<u>(1,578,392)</u>	
Total liabilities		<u>(4,452,174)</u>
Net Position of Governmental Activities		<u><u>\$16,609,621</u></u>

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, 2016

	General Fund	Classroom Facility Maintenance Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$4,476,514	\$83,544	\$559,553	\$0	\$5,119,611
Intergovernmental	25,623,297	138,661	88,859	1,338,246	27,189,063
Interest	27,568	0	0	0	27,568
Tuition and Fees	1,674,773	0	0	5,099	1,679,872
Extracurricular Activities	84,478	0	0	272,367	356,845
Rent	150	0	0	0	150
Contributions and Donations	60,125	0	0	29,368	89,493
Revenue in Lieu of Taxes	116,696	0	0	0	116,696
Miscellaneous	47,951	0	0	1,000	48,951
<i>Total Revenues</i>	<u>32,111,552</u>	<u>222,205</u>	<u>648,412</u>	<u>1,646,080</u>	<u>34,628,249</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	14,615,191	0	0	766,629	15,381,820
Special	2,380,197	0	0	556,290	2,936,487
Vocational	118,528	0	0	0	118,528
Student Intervention Services	15,421	0	0	0	15,421
Support Services:					
Pupils	1,316,247	0	0	5,917	1,322,164
Instructional Staff	342,425	0	0	4,250	346,675
Board of Education	15,357	0	0	0	15,357
Administration	2,113,583	0	0	98,175	2,211,758
Fiscal	527,815	2,929	19,242	0	549,986
Operation and Maintenance of Plant	2,679,382	0	0	0	2,679,382
Pupil Transportation	2,286,482	0	0	0	2,286,482
Central	879,162	0	0	7,200	886,362
Operation of Non-Instructional Services	81	0	0	11,709	11,790
Extracurricular Activities	479,299	0	0	298,524	777,823
Capital Outlay	478,106	104,820	0	0	582,926
Debt Service:					
Principal Retirement	109,000	0	460,000	0	569,000
Interest and Fiscal Charges	12,777	0	68,650	0	81,427
<i>Total Expenditures</i>	<u>28,369,053</u>	<u>107,749</u>	<u>547,892</u>	<u>1,748,694</u>	<u>30,773,388</u>
<i>Net Change in Fund Balances</i>	3,742,499	114,456	100,520	(102,614)	3,854,861
<i>Fund Balances at Beginning 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>
<i>Fund Balances at End of Year</i>	<u>\$9,294,373</u>	<u>\$1,672,480</u>	<u>\$2,237,759</u>	<u>\$150,931</u>	<u>\$13,355,543</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, 2016*

Net Change in Fund Balances - Total Governmental Funds \$3,854,861

*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	823,545	
Depreciation expense	<u>(1,940,440)</u>	
Excess of depreciation expense over capital outlay		(1,116,895)

Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Delinquent property taxes	352,727	
Intergovernmental	<u>149,176</u>	
Total		501,903

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

Bond principal retirement	460,000	
Capital lease payments	<u>109,000</u>	
Total long-term debt repayment		569,000

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	926	
Amortization of deferred charge on refunding	(6,356)	
Amortization of bond premium	12,724	
Accretion on capital appreciation bonds	<u>(30,124)</u>	
Total		(22,830)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 2,165,435

Except for amounts reported as deferred inflows/outflows, changes in the net position liability are reported as pension expense in the statement of activities (1,460,752)

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:

Increase in compensated absences	<u>(102,308)</u>
----------------------------------	------------------

Change in Net Position of Governmental Activities \$4,388,414

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, 2016

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$4,348,398	\$4,348,398	\$4,618,020	\$269,622
Intergovernmental	24,313,754	24,313,754	25,687,505	1,373,751
Interest	12,000	12,000	27,366	15,366
Tuition and Fees	1,607,361	1,605,361	1,740,453	135,092
Extracurricular Activities	42,270	39,523	84,478	44,955
Rent	7,000	7,000	150	(6,850)
Contributions and Donations	14,605	10,012	48,449	38,437
Revenue in Lieu of Taxes	116,696	116,696	116,696	0
Miscellaneous	25,788	23,228	47,514	24,286
<i>Total Revenues</i>	<u>30,487,872</u>	<u>30,475,972</u>	<u>32,370,631</u>	<u>1,894,659</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	15,236,299	15,073,699	14,597,518	476,181
Special	2,681,843	2,681,843	2,404,881	276,962
Vocational	222,839	222,839	181,385	41,454
Student Intervention Services	0	15,300	15,300	0
Support Services:				
Pupils	1,304,847	1,318,896	1,318,896	0
Instructional Staff	317,670	341,830	341,830	0
Board of Education	21,984	21,984	15,492	6,492
Administration	2,025,145	2,149,422	2,149,422	0
Fiscal	555,272	555,272	530,962	24,310
Operation and Maintenance of Plant	3,528,404	3,242,424	2,745,990	496,434
Pupil Transportation	2,811,740	2,893,240	2,665,394	227,846
Central	754,433	881,327	881,327	0
Operation of Non-Instructional Services	2,820	2,820	81	2,739
Extracurricular Activities	451,662	493,562	489,536	4,026
Capital Outlay	477,552	513,052	488,472	24,580
Debt Service:				
Principal Retirement	109,000	109,000	109,000	0
Interest and Fiscal Charges	40,182	40,182	12,777	27,405
<i>Total Expenditures</i>	<u>30,541,692</u>	<u>30,556,692</u>	<u>28,948,263</u>	<u>1,608,429</u>
Excess of Revenues Over (Under) Expenditures	<u>(53,820)</u>	<u>(80,720)</u>	<u>3,422,368</u>	<u>3,503,088</u>
<u>Other Financing Uses:</u>				
Advances Out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(31,400)</u>	<u>18,600</u>
Net Change in Fund Balance	(103,820)	(130,720)	3,390,968	3,521,688
Fund Balance at Beginning of Year	5,442,766	5,442,766	5,442,766	0
Prior Year Encumbrances Appropriated	<u>1,253,895</u>	<u>1,253,895</u>	<u>1,253,895</u>	<u>0</u>
Fund Balance at End of Year	<u>\$6,592,841</u>	<u>\$6,565,941</u>	<u>\$10,087,629</u>	<u>\$3,521,688</u>

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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property Taxes	\$86,500	\$86,500	\$88,736	\$2,236
Intergovernmental	139,597	139,597	138,661	(936)
<i>Total Revenues</i>	<u>226,097</u>	<u>226,097</u>	<u>227,397</u>	<u>1,300</u>
<u>Expenditures:</u>				
Support Services:				
Fiscal	3,400	3,400	2,929	471
Operation and Maintenance of Plant	20,000	20,000	0	20,000
Capital Outlay	1,043,035	1,043,035	107,238	935,797
<i>Total Expenditures</i>	<u>1,066,435</u>	<u>1,066,435</u>	<u>110,167</u>	<u>956,268</u>
Net Change in Fund Balance	(840,338)	(840,338)	117,230	957,568
Fund Balance at Beginning of Year	1,527,127	1,527,127	1,527,127	0
Prior Year Encumbrances Appropriated	<u>3,035</u>	<u>3,035</u>	<u>3,035</u>	<u>0</u>
Fund Balance at End of Year	<u>\$689,824</u>	<u>\$689,824</u>	<u>\$1,647,392</u>	<u>\$957,568</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Fund Net Position
Proprietary Fund
June 30, 2016

	Food Service Fund
<u>Assets:</u>	
<u>Current Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$293,371
Inventory Held for Resale	10,330
Materials and Supplies Inventory	3,085
<i>Total Current Assets</i>	306,786
<u>Noncurrent Assets:</u>	
Capital Assets, Net	807,352
<i>Total Assets</i>	1,114,138
<u>Deferred Outflows of Resources:</u>	
Pension	190,171
<u>Liabilities:</u>	
<u>Current Liabilities:</u>	
Accounts Payable	1,041
Accrued Wages and Benefits Payable	109,837
Compensated Absences Payable	19,550
Intergovernmental Payable	7,247
<i>Total Current Liabilities</i>	137,675
<u>Long-term Liabilities:</u>	
Compensated Absences Payable	22,591
Net Pension Liability	1,952,989
<i>Total Liabilities</i>	2,113,255
<u>Deferred Inflows of Resources:</u>	
Pension	64,709
<u>Net Position:</u>	
Net Investment in Capital Assets	807,352
Unrestricted (Deficit)	(1,681,007)
<i>Total Net Position</i>	(\$873,655)

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, 2016*

	<u>Food Service Fund</u>
<u>Operating Revenues:</u>	
Sales	\$437,853
Other	<u>27,136</u>
<i>Total Operating Revenues</i>	<u>464,989</u>
<u>Operating Expenses:</u>	
Salaries	487,767
Fringe Benefits	404,089
Purchased Services	878
Materials and Supplies	70,511
Cost of Sales	663,144
Depreciation	<u>81,534</u>
<i>Total Operating Expenses</i>	<u>1,707,923</u>
<i>Operating Loss</i>	<u>(1,242,934)</u>
<u>Non-Operating Revenues:</u>	
Donated Commodities	74,214
Operating Grants	<u>998,787</u>
<i>Total Non-Operating Revenues</i>	<u>1,073,001</u>
<i>Change in Net Position</i>	(169,933)
<i>Net Position (Deficit) at Beginning of Year</i>	<u>(703,722)</u>
<i>Net Position (Deficit) at End of Year</i>	<u><u>(\$873,655)</u></u>

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, 2016

	Food Service Fund
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$437,853
Cash Received from Others	30,173
Cash Payments for Employee Salaries	(482,088)
Cash Payments to Employees for Services	(434,606)
Cash Payments to Suppliers for Goods and Services	(666,518)
	(1,115,186)
<i>Net Cash Used for Operating Activities</i>	(1,115,186)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Operating Grants Received	998,787
	(116,399)
<i>Net Decrease in Cash and Cash Equivalents</i>	(116,399)
<i>Cash and Cash Equivalents at Beginning of Year</i>	409,770
<i>Cash and Cash Equivalents at End of Year</i>	\$293,371
<u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</u>	
Operating Loss	(\$1,242,934)
<u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u>	
Depreciation	81,534
Donated Commodities Used During Fiscal Year	74,214
Decrease (Increase) in Assets:	
Inventory Held for Resale	143
Materials and Supplies Inventory	87
Accounts Receivable	3,037
Decrease in Deferred Outflows of Resources - Pension	(43,491)
Increase (Decrease) in Liabilities:	
Accounts Payable	(6,429)
Accrued Wages and Benefits Payable	3,444
Compensated Absences Payable	2,903
Intergovernmental Payable	(16,469)
Net Pension Liability	241,797
Decrease in Deferred Inflows of Resources - Pension	(213,022)
	127,748
<i>Total Adjustments</i>	127,748
<i>Net Cash Used for Operating Activities</i>	(\$1,115,186)

Non-Cash Transactions:

During fiscal year 2016, the Food Service Enterprise Fund used \$74,214 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, 2016

	Private Purpose Trust Funds	Agency Funds
	Scholarship	
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$63,063	\$104,558
<u>Liabilities:</u>		
Undistributed Monies	0	\$104,558
<u>Net Position:</u>		
Held in Trust for Scholarships	\$63,063	

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, 2016

	Scholarship Funds
<u>Additions:</u>	
Contributions and Donations	\$7,610
<u>Deductions:</u>	
Scholarships Awarded	5,500
<i>Change in Net Position</i>	2,110
<i>Net Position at Beginning of Year</i>	60,953
<i>Net Position at End of Year</i>	\$63,063

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, 2016*

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 102 non-certificated, 178 teaching and 21 administrative employees providing education to 3,346 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 17, 18 and 19 to the basic financial statements. These organizations are:

Jointly Governed Organizations:

South Central Ohio Computer Association Regional Council of Governments
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, 2016*

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, 2016

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.

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.

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.

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, 2016*

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 four fiduciary funds: a private purpose trust fund used to account for college scholarship programs for students and three agency funds; one is used to account for an external scholarship which is overseen by an outside committee, another is used to account for student managed activity programs and the last one 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, 2016*

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, interest, tuition and fees, rentals, and grants.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the 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, 2016*

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 2016, the School District invested in STAR Ohio and a money market mutual fund. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value. The money market mutual fund is reported at fair value which is based on quoted market prices.

For the fiscal year 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2016 amounted to \$27,568, which includes \$8,123 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.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivable/Payable”. Interfund balances are eliminated in the Statement of Net Position.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

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 consumable supplies and purchased and donated food held for resale. Consumable supplies inventory is stated at cost, while inventory held for resale is stated at the lower of cost or market.

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 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.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by back-trending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The capitalization threshold is two thousand five hundred dollars. 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.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

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.

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 or enabling legislation (School District resolutions). Enabling legislation authorizes the School District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the School District can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the legislation.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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 Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the School District Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. 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 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.

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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

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.

Budgetary Process

All funds, other than the agency funds, 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 amounts reported as the final budgeted amounts reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

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. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Education during the fiscal year, including all supplemental appropriations.

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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

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.

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 PRINCIPLE

For fiscal year 2016, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application,” GASB Statement No 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,” GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” GASB Statement No. 79, “Certain External Investment Pools and Pool Participants,” and GASB Statement No. 82, “Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the School District’s fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68. The implementation of this GASB pronouncement did not result in any changes to the School District’s financial statements.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

GASB Statement No. 76 identifies-in the context of the current governmental financial reporting environment-the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the School District's financial statements.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The School Districts participates in STAR Ohio which implemented GASB Statement No. 79 for fiscal year 2016. The School District incorporated the corresponding GASB 79 guidance into their fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the School District's fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

NOTE 4- ACCOUNTABILITY

At June 30, 2016, the following nonmajor special revenue funds had deficit fund balances:

<u>Funds</u>	<u>Amounts</u>
Title VI-B Fund	\$ 42,796
Title I Fund	45,406
Improving Teacher Quality Fund	<u>9,324</u>
Total	<u><u>\$ 97,526</u></u>

The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

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:

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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	\$3,742,499	\$114,456
Adjustments:		
Revenue Accruals	259,897	5,192
Expenditure Accruals	119,126	61,186
Encumbrances	(698,336)	(63,604)
Advances	(31,400)	0
Unrecorded Cash	(818)	0
Budget Basis	\$3,390,968	\$117,230

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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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 obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

Investments

Investments are reported at fair value. As of June 30, 2016, the School District had the following investments, which are in an internal investment pool:

<u>Measurement/Investment</u>	<u>Measurement Amount</u>	<u>Maturity</u>	<u>Standard & Poor's Rating</u>	<u>Percent of Total Investments</u>
Net Asset Value per Share:				
STAROhio	<u>\$1,998,480</u>	Less than one year	AAAm	100.00 %

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2016. All of the School District's investments measured at fair value are valued using quoted market prices (Level 1 inputs).

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 carries a rating of AAAm 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.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District's investments are either insured and registered in the name of the School District or at least registered in the name of the School District. The School District does not have a policy for custodial credit risk.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District places no limit on the amount it may invest in any one issuer.

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 2016 represents collections of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed value listed as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State 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 2016 represents collections of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2016 became a lien December 31, 2014, were levied after April 1, 2015, 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, 2016, are available to finance fiscal year 2016 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which were measurable as of June 30, 2016 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, 2016, was \$1,423,739 and is recognized as revenue: \$1,245,395 in the General Fund, \$22,670 in the Classroom Facility Maintenance Fund and \$155,674 in the Debt Service Fund. The amount available as an advance at June 30, 2015, was \$1,386,901 in the General Fund, \$27,862 in the Classroom Facility Maintenance Fund and \$173,363 in the Debt Service Fund.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

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 2016 taxes were collected are:

	2015 Second- Half Collections		2016 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$230,959,290	95.81%	\$256,714,660	96.13%
Public Utility Personal	10,090,430	4.19%	10,343,910	3.87%
Total Assessed Value	\$241,049,720	100.00%	\$267,058,570	100.00%
 Tax rate per \$1,000 of assessed valuation	 \$23.00		 \$23.00	

NOTE 8 - RECEIVABLES

Receivables at June 30, 2016, 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. Revenue in Lieu of Taxes will be received over the designated period established by the agreement.

The intergovernmental receivables are as follows:

	Amounts
<u>Governmental Activities:</u>	
Title VI-B - Special Education IDEA Grant	\$138,765
Title I - Targeted Assistance Grant	203,141
Improving Teacher Quality Grant	44,375
Total Intergovernmental Receivables	\$386,281

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 9 - CAPITAL ASSETS

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

	Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$2,524,314	\$43,139	\$0	\$2,567,453
Construction in Progress	0	116,942	0	116,942
Total Capital Assets, Not Being Depreciated	<u>2,524,314</u>	<u>160,081</u>	<u>0</u>	<u>2,684,395</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	63,767,406	345,763	0	64,113,169
Furniture and Equipment	6,329,390	14,717	0	6,344,107
Vehicles	2,746,678	302,984	0	3,049,662
Total Capital Assets, Being Depreciated	<u>72,843,474</u>	<u>663,464</u>	<u>0</u>	<u>73,506,938</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(27,520,952)	(1,632,341)	0	(29,153,293)
Furniture and Equipment	(5,382,221)	(207,631)	0	(5,589,852)
Vehicles	(2,139,025)	(100,468)	0	(2,239,493)
Total Accumulated Depreciation	<u>(35,042,198)</u>	<u>(1,940,440) *</u>	<u>0</u>	<u>(36,982,638)</u>
Total Capital Assets, Being Depreciated, Net	<u>37,801,276</u>	<u>(1,276,976)</u>	<u>0</u>	<u>36,524,300</u>
Governmental Activities Capital Assets, Net	<u>\$40,325,590</u>	<u>(\$1,116,895)</u>	<u>\$0</u>	<u>\$39,208,695</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,198,064
Special	86,269
Vocational	24,391
Support Services:	
Pupils	58,408
Instructional Staff	31,324
Administration	218,029
Fiscal	9,396
Operation and Maintenance of Plant	25,359
Pupil Transportation	115,513
Central	8,674
Extracurricular Activities	165,013
Total Depreciation Expense	<u>\$1,940,440</u>

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

	Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016
<u>Business-Type Activity:</u>				
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$1,466,883	\$0	\$0	\$1,466,883
Furniture and Equipment	1,255,132	0	0	1,255,132
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	(646,770)	(36,400)	0	(683,170)
Furniture and Equipment	<u>(1,186,359)</u>	<u>(45,134)</u>	<u>0</u>	<u>(1,231,493)</u>
Total Accumulated Depreciation	<u>(1,833,129)</u>	<u>(81,534)</u>	<u>0</u>	<u>(1,914,663)</u>
Business-Type Activity				
Capital Assets, Net	<u>\$888,886</u>	<u>(\$81,534)</u>	<u>\$0</u>	<u>\$807,352</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 2016, the School District contracted with Netherlands Insurance Company for general liability insurance and School Board errors and omissions coverage. The School District contracted with Indiana Insurance Group for commercial umbrella liability insurance. The School District's vehicles are covered by Netherlands Insurance Company under a business policy.

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 2016, the School District participated in the Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 19). 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.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

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 18) 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 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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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.

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, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. No allocation was made to the Health Care Fund.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

The School District's contractually required contributions to SERS for governmental and business-type activities were \$313,159 and \$140,163, respectively for fiscal year 2016.

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 is 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 year of service on August 1, 2026.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 11 percent of the 12 percent member rate goes to the DC Plan and 1 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member 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.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

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

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

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

The School District's contractually required contribution to STRS was \$1,852,276 for the fiscal year 2016. Of this amount \$266,460 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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:

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability Prior Measurement Date	0.11289400%	0.10757315%	
Proportion of the Net Pension Liability Current Measurement Date	<u>0.11069680%</u>	<u>0.10587137%</u>	
Change in Proportionate Share	<u><u>-0.00219720%</u></u>	<u><u>-0.00170178%</u></u>	
Proportionate Share of the Net Pension Liability	\$6,316,468	\$29,259,751	\$35,576,219
Pension Expense	\$369,528	\$1,216,671	\$1,586,199

At June 30, 2016, 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	\$101,707	\$1,333,875	\$1,435,582
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	18,562	0	18,562
School District contributions subsequent to the measurement date	<u>453,322</u>	<u>1,852,276</u>	<u>2,305,598</u>
Total Deferred Outflows of Resources	<u><u>\$573,591</u></u>	<u><u>\$3,186,151</u></u>	<u><u>\$3,759,742</u></u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$209,285	\$2,104,329	\$2,313,614
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>115,111</u>	<u>405,467</u>	<u>520,578</u>
Total Deferred Inflows of Resources	<u><u>\$324,396</u></u>	<u><u>\$2,509,796</u></u>	<u><u>\$2,834,192</u></u>

\$2,305,598 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2017	(\$106,849)	(\$576,244)	(\$683,093)
2018	(106,849)	(576,244)	(683,093)
2019	(107,330)	(576,244)	(683,574)
2020	116,901	552,811	669,712
Total	(\$204,127)	(\$1,175,921)	(\$1,380,048)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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 an arithmetic weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

<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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$8,758,670	\$6,316,468	\$4,259,931

Actuarial Assumptions - STRS

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

Inflation	2.75 percent
Projected salary increases	12.25 percent at age 20 to 2.75 percent at age 70
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 commences on fifth anniversary of retirement date.

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Nominal Rate of Return *</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
 Total	 <u>100.00 %</u>	

* 10 year annualized geometric nominal returns include the real rate of return and inflation of 2.5 percent.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

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

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:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$40,644,000	\$29,259,751	\$19,632,669

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2016, one member of the Board of Education has elected Social Security. The contribution rate is 6.2 percent of wages.

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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

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 2016, no allocation 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 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the School District's surcharge obligation was \$56,079.

The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$43,455, and \$45,432, respectively. The full amount has been contributed for all three years.

State Teachers Retirement System of Ohio

Plan Description – The State Teachers Retirement System of Ohio (STRS Ohio) administers a cost-sharing multiple-employer defined benefit Health Plan administered 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.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For the fiscal years ended June 30, 2016 and June 30, 2015, STRS Ohio did not allocate any employer contributions to post-employment health care. For the fiscal year ended June 30, 2014, one percent of covered payroll was allocated to post-employment health care. The School District’s contributions for health care for the fiscal years ended June 30, 2016, 2015 and 2014 were \$0, \$0 and \$111,649, 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.

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 2016, the School District made the scheduled principal payment of \$44,000 from the General Fund.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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 scheduled principal payment of \$65,000 from the General Fund.

The assets acquired through the capital leases are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Buildings and Improvements	\$991,436	\$515,547	\$475,889
Furniture and Equipment	610,000	396,500	213,500
Total	\$1,601,436	\$912,047	\$689,389

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, 2016.

Fiscal Year Ending June 30,	Total Payments
2017	\$123,441
2018	122,844
2019	122,149
Total	368,434
Less: Amount Representing Interest	(20,434)
Present Value of Minimum Lease Payments	\$348,000

NOTE 15 - LONG-TERM LIABILITIES

The changes in the School District's long-term liabilities during fiscal year 2016 were as follows:

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

	Amount Outstanding 6/30/2015	Additions	Deductions	Amount Outstanding 6/30/2016	Amounts Due in One Year
<u>Governmental Activities:</u>					
Bonds 2011:					
Serial Bonds 3.75%	\$2,515,000	\$0	\$460,000	\$2,055,000	\$485,000
Capital Appreciation Bonds 6.25%	275,000	0	0	275,000	0
Premium on Debt Issue	76,344	0	12,724	63,620	0
Accretion of Capital					
Appreciation Bonds	102,038	30,124	0	132,162	0
Total General Obligation Bonds	<u>2,968,382</u>	<u>30,124</u>	<u>472,724</u>	<u>2,525,782</u>	<u>485,000</u>
<u>Other Long-Term Obligations:</u>					
Net Pension Liability:					
SERS	4,002,310	361,169	0	4,363,479	0
STRS	26,165,514	3,094,237	0	29,259,751	0
Total Net Pension Liability	<u>30,167,824</u>	<u>3,455,406</u>	<u>0</u>	<u>33,623,230</u>	<u>0</u>
Compensated Absences	1,476,084	277,762	175,454	1,578,392	201,678
Capital Leases	457,000	0	109,000	348,000	113,000
Total Other Long-Term Obligations	<u>32,100,908</u>	<u>3,733,168</u>	<u>284,454</u>	<u>35,549,622</u>	<u>314,678</u>
Total Governmental Activities Long-Term Obligations	<u>\$35,069,290</u>	<u>\$3,763,292</u>	<u>\$757,178</u>	<u>\$38,075,404</u>	<u>\$799,678</u>
<u>Business-Type Activities:</u>					
<u>Other Long-Term Obligations:</u>					
Net Pension Liability:					
SERS	\$1,711,192	\$241,797	\$0	\$1,952,989	\$0
Compensated Absences	39,238	24,592	21,689	42,141	19,550
Total Business-Type Activities	<u>\$1,750,430</u>	<u>\$266,389</u>	<u>\$21,689</u>	<u>\$1,995,130</u>	<u>\$19,550</u>

School Improvement Bonds 2011

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, 2016, \$2,330,000 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 2016, the capital appreciation bond was accreted \$30,124.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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 \$23,943,030 with an unvoted debt margin of \$267,059 at June 30, 2016.

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

Fiscal Year Ending June 30,	School Improvement Refunding Bonds 2011				
	Serial Bonds	Serial Bonds	Capital	Capital	Total
	Principal	Interest	Appreciation Principal	Appreciation Interest	
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
2021	0	0	0	0	0
Total	\$2,055,000	\$142,076	\$275,000	\$300,000	\$2,772,076

NOTE 16 – INTERFUND ACTIVITY

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

		Receivable
Payable	Nonmajor Governmental Funds	General Fund \$31,400

General Fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Advancing monies to other funds is necessary due to timing differences in the receipt of grant monies. When the monies are finally received, the grant fund will use these restricted monies to reimburse the General Fund for the initial advance. All advances are expected to be repaid within one year.

NOTE 17 - 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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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.

During fiscal year 2016, SCOCARCoG entered into a merger agreement with Metropolitan Educational Technology Association (META). Pursuant to an addendum to the agreement, certain liabilities will remain the sole responsibility of SCOCARCoG, and once these remaining liabilities are satisfied, SCOCARCoG will be dissolved and the member districts will become members of META. SCOCARCoG entered into a subcontract agreement with META to provide services to SCOCARCoG, and on behalf of SCOCARCoG, to the member districts. Consistent with the merger agreement and updated bylaws, SCOCARCoG is currently governed by a four person executive governing board. The School District paid SCOCARCoG \$432,573 for services provided during the fiscal year.

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 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.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

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 18 - 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 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 9193 Hamer Rd., Georgetown, Ohio 45121.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016*

NOTE 19 - INSURANCE PURCHASING POOL

Ohio School Comp 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 20 - 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, 2015	\$0
Current Fiscal Year Set-aside Requirement	558,484
Qualifying Disbursements	<u>(558,484)</u>
Set-aside Balance as of June 30, 2016	<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.

NOTE 21 – 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:

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

General Fund	\$698,336
Classroom Facility Maintenance Fund	63,604
Enterprise Fund	52,284
Nonmajor Governmental Funds	21,774
Total	\$835,998

Contractual Commitments

The following table provides a summary of the outstanding contractual commitments as of June 30, 2016:

Project	Contract Amount	Amount Expended	Amount Remaining
Paving and Tennis Court	\$121,980	\$111,722	\$10,258

NOTE 22 – 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	Classroom Facility Maintenance Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>					
Prepays	\$14,413	\$0	\$0	\$0	\$14,413
<i>Restricted for</i>					
Debt Payment	0	0	2,237,759	0	2,237,759
Miscellaneous Grants	0	0	0	27,436	27,436
District Managed Activity	0	0	0	221,021	221,021
Classroom Facilities	0	1,672,480	0	0	1,672,480
<i>Total Restricted</i>	0	1,672,480	2,237,759	248,457	4,158,696
<i>Committed to</i>					
Bus Purchases	388,420	0	0	0	388,420
<i>Assigned to</i>					
Purchased Services	143,291	0	0	0	143,291
Materials and Supplies	36,623	0	0	0	36,623
Capital Purchases	405,184	0	0	0	405,184
Other	3,220	0	0	0	3,220
<i>Total Assigned</i>	\$588,318	\$0	\$0	\$0	\$588,318

(continued)

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Fund Balances	General Fund	Classroom Facility Maintenance Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
<i>Unassigned (Deficit)</i>	\$8,303,222	\$0	\$0	(\$97,526)	\$8,205,696
<i>Total Fund Balances</i>	<u>\$9,294,373</u>	<u>\$1,672,480</u>	<u>\$2,237,759</u>	<u>\$150,931</u>	<u>\$13,355,543</u>

NOTE 23 – 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, 2016, 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, 2016 Foundation funding for the school district; therefore, the financial statement impact is not determinable at this time. ODE and management believe this may 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.

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's Proportion of the Net Pension Liability	0.11069680%	0.11289400%	0.11289400%
School District's Proportionate Share of the Net Pension Liability	\$6,316,468	\$5,713,502	\$6,713,444
School District's Covered-Employee Payroll	\$3,346,921	\$3,280,473	\$2,959,458
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	188.72%	174.17%	226.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.16%	71.70%	65.52%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's Proportion of the Net Pension Liability	0.10587137%	0.10757315%	0.10757315%
School District's Proportionate Share of the Net Pension Liability	\$29,259,751	\$26,165,514	\$31,168,188
School District's Covered-Employee Payroll	\$10,966,657	\$11,338,085	\$11,352,200
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	266.81%	230.78%	274.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.10%	74.70%	69.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$453,322	\$441,124	\$454,674	\$409,589
Contributions in Relation to the Contractually Required Contribution	<u>(453,322)</u>	<u>(441,124)</u>	<u>(454,674)</u>	<u>(409,589)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$3,238,014	\$3,346,921	\$3,280,473	\$2,959,458
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.18%	13.86%	13.84%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$416,926	\$687,609	\$591,787	\$352,144	\$316,417	\$262,008
<u>(416,926)</u>	<u>(687,609)</u>	<u>(591,787)</u>	<u>(352,144)</u>	<u>(316,417)</u>	<u>(262,008)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,099,819	\$5,470,237	\$4,370,657	\$3,578,702	\$3,222,172	\$2,453,258
13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$1,852,276	\$1,535,332	\$1,473,951	\$1,475,786
Contributions in Relation to the Contractually Required Contribution	<u>(1,852,276)</u>	<u>(1,535,332)</u>	<u>(1,473,951)</u>	<u>(1,475,786)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$13,230,543	\$10,966,657	\$11,338,085	\$11,352,200
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.00%	13.00%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$1,563,006	\$1,610,952	\$1,569,632	\$1,518,268	\$1,473,444	\$1,436,374
<u>(1,563,006)</u>	<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>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$12,023,123	\$12,391,938	\$12,074,092	\$11,678,985	\$11,334,185	\$11,049,031
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

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 2016. 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.

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.

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, 2016

	Memorial Fund	Other Grant Fund	District Managed Activity Fund
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$391	\$27,134	\$221,402
Receivables:			
Intergovernmental	0	0	0
<i>Total Assets</i>	<u>\$391</u>	<u>\$27,134</u>	<u>\$221,402</u>
<u>Liabilities:</u>			
Accounts Payable	\$0	\$89	\$381
Accrued Wages and Benefits Payable	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>89</u>	<u>381</u>
<u>Deferred Inflows of Resources:</u>			
Unavailable Revenue	0	0	0
<u>Fund Balances:</u>			
Restricted	391	27,045	221,021
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>391</u>	<u>27,045</u>	<u>221,021</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$391</u>	<u>\$27,134</u>	<u>\$221,402</u>

Title VI-B Fund	Title I Fund	Improving Teacher Quality Fund	Total Nonmajor Special Revenue Funds
\$2,083	\$566	\$0	\$251,576
138,765	203,141	44,375	386,281
<u>\$140,848</u>	<u>\$203,707</u>	<u>\$44,375</u>	<u>\$637,857</u>
\$1,496	\$0	\$0	\$1,966
82,640	83,050	16,987	182,677
25,900	5,500	0	31,400
10,657	9,391	1,818	21,866
<u>120,693</u>	<u>97,941</u>	<u>18,805</u>	<u>237,909</u>
<u>62,951</u>	<u>151,172</u>	<u>34,894</u>	<u>249,017</u>
0	0	0	248,457
(42,796)	(45,406)	(9,324)	(97,526)
<u>(42,796)</u>	<u>(45,406)</u>	<u>(9,324)</u>	<u>150,931</u>
<u>\$140,848</u>	<u>\$203,707</u>	<u>\$44,375</u>	<u>\$637,857</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, 2016

	Memorial Fund	Other Grant Fund	District Managed Activity Fund	OneNet Fund
<u>Revenues:</u>				
Intergovernmental	\$0	\$4,703	\$0	\$7,200
Tuition and Fees	0	0	5,099	0
Extracurricular Activities	0	0	272,367	0
Contributions and Donations	0	10,859	18,509	0
Miscellaneous	0	0	1,000	0
<i>Total Revenues</i>	<u>0</u>	<u>15,562</u>	<u>296,975</u>	<u>7,200</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	4,123	0	0
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	4,250	0	0
Administration	0	0	0	0
Central	0	0	0	7,200
Operation of Non-Instructional Services	0	11,709	0	0
Extracurricular Activities	0	0	298,524	0
<i>Total Expenditures</i>	<u>0</u>	<u>20,082</u>	<u>298,524</u>	<u>7,200</u>
<i>Net Change in Fund Balances</i>	0	(4,520)	(1,549)	0
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>391</u>	<u>31,565</u>	<u>222,570</u>	<u>0</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$391</u></u>	<u><u>\$27,045</u></u>	<u><u>\$221,021</u></u>	<u><u>\$0</u></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
\$39,734	\$0	\$573,806	\$606,111	\$106,692	\$1,338,246
0	0	0	0	0	5,099
0	0	0	0	0	272,367
0	0	0	0	0	29,368
0	0	0	0	0	1,000
<u>39,734</u>	<u>0</u>	<u>573,806</u>	<u>606,111</u>	<u>106,692</u>	<u>1,646,080</u>
29,869	3,092	0	612,617	116,928	766,629
0	0	526,002	30,288	0	556,290
0	0	0	5,917	0	5,917
0	0	0	0	0	4,250
0	0	98,175	0	0	98,175
0	0	0	0	0	7,200
0	0	0	0	0	11,709
0	0	0	0	0	298,524
<u>29,869</u>	<u>3,092</u>	<u>624,177</u>	<u>648,822</u>	<u>116,928</u>	<u>1,748,694</u>
9,865	(3,092)	(50,371)	(42,711)	(10,236)	(102,614)
<u>(9,865)</u>	<u>3,092</u>	<u>7,575</u>	<u>(2,695)</u>	<u>912</u>	<u>253,545</u>
<u>\$0</u>	<u>\$0</u>	<u>(\$42,796)</u>	<u>(\$45,406)</u>	<u>(\$9,324)</u>	<u>\$150,931</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:

ROBERT L. WILSON SCHOLARSHIP FUND – This fund accounts for and reports money received and distributed by the School District on behalf of an external scholarship committee.

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, 2016

	Balance at 6/30/15	Additions	Reductions	Balance at 6/30/16
<u>Robert L. Wilson Scholarship Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$1,500	\$1,500	\$0
<u>Liabilities:</u>				
Undistributed Monies	\$0	\$1,500	\$1,500	\$0
<u>OHSAA District Agency Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$14,178	\$14,178	\$0
<u>Liabilities:</u>				
Undistributed Monies	\$0	\$14,178	\$14,178	\$0
<u>Student Managed Activity Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$95,115	\$182,916	\$173,473	\$104,558
<u>Liabilities:</u>				
Undistributed Monies	\$95,115	\$182,916	\$173,473	\$104,558
<u>Total</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$95,115	\$198,594	\$189,151	\$104,558
<u>Liabilities:</u>				
Undistributed Monies	\$95,115	\$198,594	\$189,151	\$104,558

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, 2016

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Property Taxes	\$4,348,398	\$4,618,020	\$269,622
Intergovernmental	24,313,754	25,687,505	1,373,751
Interest	12,000	27,366	15,366
Tuition and Fees	1,605,361	1,740,453	135,092
Extracurricular Activities	39,523	84,478	44,955
Rent	7,000	150	(6,850)
Contributions and Donations	10,012	48,449	38,437
Revenue in Lieu of Taxes	116,696	116,696	0
Miscellaneous	23,228	47,514	24,286
<i>Total Revenues</i>	<u>30,475,972</u>	<u>32,370,631</u>	<u>1,894,659</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	8,379,774	8,239,862	139,912
Fringe Benefits	3,344,320	3,137,202	207,118
Purchased Services	2,759,981	2,757,565	2,416
Materials and Supplies	523,364	446,763	76,601
Capital Outlay	64,394	14,491	49,903
Other	1,866	1,635	231
Total Regular	<u>15,073,699</u>	<u>14,597,518</u>	<u>476,181</u>
Special:			
Salaries and Wages	868,426	754,445	113,981
Fringe Benefits	455,334	320,051	135,283
Purchased Services	1,351,016	1,323,405	27,611
Materials and Supplies	7,067	6,980	87
Total Special	<u>2,681,843</u>	<u>2,404,881</u>	<u>276,962</u>
Vocational:			
Salaries and Wages	131,681	104,538	27,143
Fringe Benefits	54,554	42,620	11,934
Purchased Services	6,000	5,139	861
Materials and Supplies	29,789	29,088	701
Other	815	0	815
Total Vocational	<u>222,839</u>	<u>181,385</u>	<u>41,454</u>
Student Intervention Services:			
Salaries and Wages	15,300	15,300	0
Total Instruction	<u>\$17,993,681</u>	<u>\$17,199,084</u>	<u>\$794,597</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, 2016
(continued)

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Support Services:			
Pupils:			
Salaries and Wages	\$468,251	\$468,251	\$0
Fringe Benefits	168,775	168,775	0
Purchased Services	676,056	676,056	0
Materials and Supplies	5,564	5,564	0
Other	250	250	0
Total Pupils	<u>1,318,896</u>	<u>1,318,896</u>	<u>0</u>
Instructional Staff:			
Salaries and Wages	156,150	156,150	0
Fringe Benefits	87,819	87,819	0
Purchased Services	69,156	69,156	0
Materials and Supplies	28,705	28,705	0
Total Instructional Staff	<u>341,830</u>	<u>341,830</u>	<u>0</u>
Board of Education:			
Salaries and Wages	11,198	7,875	3,323
Fringe Benefits	106	0	106
Purchased Services	2,486	277	2,209
Materials and Supplies	731	658	73
Other	7,463	6,682	781
Total Board of Education	<u>21,984</u>	<u>15,492</u>	<u>6,492</u>
Administration:			
Salaries and Wages	1,167,294	1,167,294	0
Fringe Benefits	649,781	649,781	0
Purchased Services	266,112	266,112	0
Materials and Supplies	11,319	11,319	0
Other	54,916	54,916	0
Total Administration	<u>2,149,422</u>	<u>2,149,422</u>	<u>0</u>
Fiscal:			
Salaries and Wages	197,497	195,536	1,961
Fringe Benefits	120,460	105,342	15,118
Purchased Services	16,959	15,749	1,210
Materials and Supplies	5,533	5,501	32
Other	214,823	208,834	5,989
Total Fiscal	<u>\$555,272</u>	<u>\$530,962</u>	<u>\$24,310</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, 2016
(continued)

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Operation and Maintenance of Plant:			
Salaries and Wages	\$1,015,404	\$1,006,034	\$9,370
Fringe Benefits	477,130	473,930	3,200
Purchased Services	1,442,772	1,022,397	420,375
Materials and Supplies	272,080	232,255	39,825
Capital Outlay	35,000	11,339	23,661
Other	38	35	3
Total Operation and Maintenance of Plant	3,242,424	2,745,990	496,434
Pupil Transportation:			
Salaries and Wages	964,659	960,377	4,282
Fringe Benefits	577,802	577,624	178
Purchased Services	63,505	63,186	319
Materials and Supplies	641,796	419,189	222,607
Capital Outlay	645,078	644,633	445
Other	400	385	15
Total Pupil Transportation	2,893,240	2,665,394	227,846
Central:			
Salaries and Wages	123,723	123,723	0
Fringe Benefits	39,833	39,833	0
Purchased Services	234,379	234,379	0
Materials and Supplies	233,926	233,926	0
Other	249,466	249,466	0
Total Central	881,327	881,327	0
Total Support Services	11,404,395	10,649,313	755,082
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	2,820	81	2,739
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	59,920	59,920	0
Fringe Benefits	2,088	2,088	0
Purchased Services	4,077	4,077	0
Materials and Supplies	18,668	18,668	0
Capital Outlay	5,117	5,117	0
Other	12,476	12,476	0
Total Academic and Subject Oriented Activities	\$102,346	\$102,346	\$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, 2016
(continued)

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Sports Oriented Activities:			
Salaries and Wages	\$290,547	\$290,161	\$386
Fringe Benefits	37,384	35,675	1,709
Purchased Services	12,816	12,781	35
Materials and Supplies	6,169	6,114	55
Capital Outlay	44,300	42,459	1,841
Total Sports Oriented Activities	391,216	387,190	4,026
Total Extracurricular Activities	493,562	489,536	4,026
Capital Outlay:			
Facilities Acquisition and Construction Services:			
Site Acquisition Services:			
Purchased Services	6,889	0	6,889
Capital Outlay	370,000	357,541	12,459
Total Site Acquisition Services	376,889	357,541	19,348
Architecture and Engineering Services:			
Purchased Services	10,232	5,000	5,232
Building Acquisition and Construction Services:			
Capital Outlay	115,054	115,054	0
Building Improvement Services:			
Capital Outlay	10,877	10,877	0
Total Capital Outlay	513,052	488,472	24,580
Debt Service:			
Principal Retirement	109,000	109,000	0
Interest and Fiscal Charges	40,182	12,777	27,405
Total Debt Service	149,182	121,777	27,405
<i>Total Expenditures</i>	30,556,692	28,948,263	1,608,429
Excess of Revenues Over (Under) Expenditures	(80,720)	3,422,368	3,503,088
<u>Other Financing Uses:</u>			
Advances Out	(50,000)	(31,400)	18,600
Net Change in Fund Balance	(130,720)	3,390,968	3,521,688
Fund Balance at Beginning of Year	5,442,766	5,442,766	0
Prior Year Encumbrances Appropriated	1,253,895	1,253,895	0
Fund Balance at End of Year	<u>\$6,565,941</u>	<u>\$10,087,629</u>	<u>\$3,521,688</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, 2016

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Property Taxes	\$86,500	\$88,736	\$2,236
Intergovernmental	139,597	138,661	(936)
<i>Total Revenues</i>	<u>226,097</u>	<u>227,397</u>	<u>1,300</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Fiscal:			
Other	3,400	2,929	471
Operation and Maintenance of Plant:			
Purchased Services	10,000	0	10,000
Materials and Supplies	10,000	0	10,000
Total Operation and Maintenance of Plant	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total Support Services	<u>23,400</u>	<u>2,929</u>	<u>20,471</u>
Capital Outlay:			
Architecture and Engineering Services:			
Purchased Services	7,500	7,500	0
Building Acquisition and Construction Services			
Purchased Services	60,000	59,460	540
Capital Outlay	975,535	40,278	935,257
Total Building Acquisition and Construction Services	<u>1,035,535</u>	<u>99,738</u>	<u>935,797</u>
Total Capital Outlay	<u>1,043,035</u>	<u>107,238</u>	<u>935,797</u>
<i>Total Expenditures</i>	<u>1,066,435</u>	<u>110,167</u>	<u>956,268</u>
Net Change in Fund Balance	(840,338)	117,230	957,568
Fund Balance at Beginning of Year	1,527,127	1,527,127	0
Prior Year Encumbrances Appropriated	<u>3,035</u>	<u>3,035</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$689,824</u></u>	<u><u>\$1,647,392</u></u>	<u><u>\$957,568</u></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, 2016

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$525,000	\$577,242	\$52,242
Intergovernmental	85,000	88,859	3,859
<i>Total Revenues</i>	<u>610,000</u>	<u>666,101</u>	<u>56,101</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Fiscal:			
Other	19,800	19,242	558
Debt Service:			
Principal Retirement	460,000	460,000	0
Interest and Fiscal Charges	68,650	68,650	0
Total Debt Service	<u>528,650</u>	<u>528,650</u>	<u>0</u>
<i>Total Expenditures</i>	<u>548,450</u>	<u>547,892</u>	<u>558</u>
Net Change in Fund Balance	61,550	118,209	56,659
Fund Balance at Beginning of Year	<u>1,963,876</u>	<u>1,963,876</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,025,426</u></u>	<u><u>\$2,082,085</u></u>	<u><u>\$56,659</u></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, 2016

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$4,703	\$4,703	\$0
Contributions and Donations	10,811	10,859	48
<i>Total Revenues</i>	<u>15,514</u>	<u>15,562</u>	<u>48</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	4,123	4,123	0
Support Services:			
Instructional Staff:			
Salaries and Wages	4,677	4,250	427
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	591	500	91
Fringe Benefits	21	13	8
Materials and Supplies	12,454	11,435	1,019
Total Operation of Non-Instructional Services	<u>13,066</u>	<u>11,948</u>	<u>1,118</u>
<i>Total Expenditures</i>	<u>21,866</u>	<u>20,321</u>	<u>1,545</u>
Net Change in Fund Balance	(6,352)	(4,759)	1,593
Fund Balance at Beginning of Year	31,249	31,249	0
Prior Year Encumbrances Appropriated	<u>316</u>	<u>316</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$25,213</u></u>	<u><u>\$26,806</u></u>	<u><u>\$1,593</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, 2016

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and Fees	\$7,876	\$5,099	(\$2,777)
Extracurricular Activities	267,885	272,367	4,482
Contributions and Donations	6,914	18,509	11,595
Miscellaneous	0	1,000	1,000
<i>Total Revenues</i>	<u>282,675</u>	<u>296,975</u>	<u>14,300</u>
<u>Expenditures:</u>			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	17,271	16,521	750
Purchased Services	53,285	52,182	1,103
Materials and Supplies	248,678	244,685	3,993
Other	7,057	6,041	1,016
<i>Total Expenditures</i>	<u>326,291</u>	<u>319,429</u>	<u>6,862</u>
Net Change in Fund Balance	(43,616)	(22,454)	21,162
Fund Balance at Beginning of Year	200,328	200,328	0
Prior Year Encumbrances Appropriated	<u>23,693</u>	<u>23,693</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$180,405</u></u>	<u><u>\$201,567</u></u>	<u><u>\$21,162</u></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, 2016

	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, 2016

	<u>Final Budgeted Amount</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues:</u>			
Intergovernmental	\$39,734	\$39,734	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	<u>39,734</u>	<u>39,734</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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, 2016

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased Services	<u>3,244</u>	<u>3,244</u>	<u>0</u>
Instructional Staff:			
Salaries and Wages	<u>1,096</u>	<u>1,096</u>	<u>0</u>
<i>Total Expenditures</i>	<u>4,340</u>	<u>4,340</u>	<u>0</u>
Excess of Revenues Under Expenditures	(4,340)	(4,340)	0
<u>Other Financing Uses:</u>			
Refund of Prior Year Receipts	<u>(94)</u>	<u>(94)</u>	<u>0</u>
Net Change in Fund Balance	(4,434)	(4,434)	0
Fund Balance at Beginning of Year	1,189	1,189	0
Prior Year Encumbrances Appropriated	<u>3,245</u>	<u>3,245</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></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, 2016

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$594,562	\$594,562	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and Wages	384,824	384,824	0
Fringe Benefits	135,817	135,817	0
Purchased Services	4,400	4,400	0
Total Instruction	525,041	525,041	0
Support Services:			
Administration:			
Salaries and Wages	83,106	83,106	0
Fringe Benefits	13,756	13,756	0
Total Support Services	96,862	96,862	0
<i>Total Expenditures</i>	621,903	621,903	0
Excess of Revenues Under Expenditures	(27,341)	(27,341)	0
<u>Other Financing Sources:</u>			
Advances In	25,900	25,900	0
Net Change in Fund Balance	(1,441)	(1,441)	0
Fund Balance at Beginning of Year	1,914	1,914	0
Fund Balance at End of Year	\$473	\$473	\$0

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, 2016

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$640,233	\$640,233	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	433,262	433,262	0
Fringe Benefits	175,474	175,474	0
Materials and Supplies	5,548	5,548	0
Total Regular	614,284	614,284	0
Special:			
Salaries and Wages	11,046	11,046	0
Fringe Benefits	27,853	27,853	0
Total Special	38,899	38,899	0
Total Instruction	653,183	653,183	0
Support Services:			
Pupils:			
Purchased Services	5,917	5,917	0
<i>Total Expenditures</i>	659,100	659,100	0
Excess of Revenues Under Expenditures	(18,867)	(18,867)	0
<u>Other Financing Sources:</u>			
Advances In	5,500	5,500	0
Net Change in Fund Balance	(13,367)	(13,367)	0
Fund Balance at Beginning of Year	13,933	13,933	0
Fund Balance at End of Year	\$566	\$566	\$0

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, 2016

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$115,270	\$115,270	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	78,625	78,625	0
Fringe Benefits	37,859	37,859	0
<i>Total Expenditures</i>	116,484	116,484	0
Net Change in Fund Balance	(1,214)	(1,214)	0
Fund Balance at Beginning of Year	1,214	1,214	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</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, 2016

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Sales	\$440,604	\$437,853	(\$2,751)
Interest	196	0	(196)
Federal and State Subsidies	988,765	998,787	10,022
Other Revenues	29,607	30,173	566
<i>Total Revenues</i>	<u>1,459,172</u>	<u>1,466,813</u>	<u>7,641</u>
<u>Expenses:</u>			
Salaries and Wages	482,088	482,088	0
Fringe Benefits	442,844	434,606	8,238
Purchased Services	10,739	888	9,851
Materials and Supplies	751,727	717,913	33,814
<i>Total Expenses</i>	<u>1,687,398</u>	<u>1,635,495</u>	<u>51,903</u>
<i>Net Change in Fund Equity</i>	(228,226)	(168,682)	59,544
Fund Equity at Beginning of Year	404,154	404,154	0
Prior Year Encumbrances Appropriated	5,615	5,615	0
Fund Equity at End of Year	<u><u>\$181,543</u></u>	<u><u>\$241,087</u></u>	<u><u>\$59,544</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)

	2007	2008	2009	2010
<u>Governmental Activities:</u>				
Net Investment in Capital Assets	\$47,291,229	\$45,577,012	\$44,066,679	\$42,686,618
Restricted for:				
Debt Service	1,787,001	1,813,830	1,853,926	1,848,836
Capital Projects	719,152	1,242,909	1,241,278	1,123,922
Classroom Facilities	736,086	839,232	902,512	862,681
Other Purposes (2)	325,876	243,919	166,439	502,243
Set-Asides	319,466	658,004	829,827	1,084,762
Unrestricted (Deficit)	(757,121)	430,367	(1,544,952)	(2,279,839)
Total Governmental Activities Net Position	<u>\$50,421,689</u>	<u>\$50,805,273</u>	<u>\$47,515,709</u>	<u>\$45,829,223</u>
<u>Business-Type Activity:</u>				
Net Investment in Capital Assets	\$1,793,601	\$1,674,004	\$1,554,351	\$1,444,079
Unrestricted	<u>123,828</u>	<u>131,134</u>	<u>144,784</u>	<u>227,013</u>
Total Business-Type Activity Net Position	<u>\$1,917,429</u>	<u>\$1,805,138</u>	<u>\$1,699,135</u>	<u>\$1,671,092</u>
<u>Primary Government:</u>				
Net Investment in Capital Assets	\$49,084,830	\$47,251,016	\$45,621,030	\$44,130,697
Restricted	3,803,169	4,797,894	4,993,982	5,422,444
Unrestricted (Deficit)	<u>(591,087)</u>	<u>561,501</u>	<u>(1,400,168)</u>	<u>(2,052,826)</u>
Total Primary Government Net Position	<u>\$52,296,912</u>	<u>\$52,610,411</u>	<u>\$49,214,844</u>	<u>\$47,500,315</u>

- (1) The School District implemented GASB 68 in fiscal year 2015.
- (2) Aside from Classroom Facilities, amounts restricted for other purposes are combined for presentation in the statistical section.

2011	2012	2013	2014 (1)	2015 (1)	2016
\$41,732,010	\$40,359,279	\$39,181,798	\$38,055,996	\$37,040,382	\$36,388,626
1,858,861	1,973,331	2,023,139	2,144,362	2,206,816	2,346,950
0	0	0	0	0	0
1,739,648	1,681,243	1,600,304	1,649,620	1,570,184	1,672,480
236,936	443,354	210,080	546,013	307,330	437,508
1,321,337	4,619	0	0	0	0
(1,962,978)	(592,876)	(162,922)	(32,735,546)	(28,903,505)	(24,235,943)
<u>\$44,925,814</u>	<u>\$43,868,950</u>	<u>\$42,852,399</u>	<u>\$9,660,445</u>	<u>\$12,221,207</u>	<u>\$16,609,621</u>
\$1,329,033	\$1,245,925	\$1,126,899	\$1,008,320	\$888,886	\$807,352
332,937	407,029	391,002	(1,547,634)	(1,592,608)	(1,681,007)
<u>\$1,661,970</u>	<u>\$1,652,954</u>	<u>\$1,517,901</u>	<u>(\$539,314)</u>	<u>(\$703,722)</u>	<u>(\$873,655)</u>
\$43,061,043	\$41,605,204	\$40,308,697	\$39,064,316	\$37,929,268	\$37,195,978
5,156,782	4,102,547	3,833,523	4,339,995	4,084,330	4,456,938
(1,630,041)	(185,847)	228,080	(34,283,180)	(30,496,113)	(25,916,950)
<u>\$46,587,784</u>	<u>\$45,521,904</u>	<u>\$44,370,300</u>	<u>\$9,121,131</u>	<u>\$11,517,485</u>	<u>\$15,735,966</u>

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

	2007	2008	2009	2010
<u>Expenses:</u>				
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$14,051,085	\$14,208,369	\$15,372,518	\$15,767,971
Special	3,028,459	3,382,298	3,698,014	3,946,902
Vocational	254,430	297,494	328,952	417,110
Student Intervention Services	87,630	203,039	146,996	3,274
Support Services:				
Pupils	1,042,719	986,900	928,674	746,707
Instructional Staff	833,832	998,888	1,076,896	1,432,569
Board of Education	17,796	17,970	20,524	19,962
Administration	2,252,897	2,104,497	2,254,135	2,268,018
Fiscal	526,057	584,051	585,596	556,440
Business	168	0	0	0
Operation and Maintenance of Plant	2,824,911	2,959,634	3,158,807	3,083,917
Pupil Transportation	2,235,642	2,246,022	2,188,838	2,160,710
Central	225,768	274,331	266,667	325,781
Operation of Non-Instructional Services	2,865	3,565	16,395	16,760
Extracurricular Activities	648,268	714,507	737,047	877,682
Interest and Fiscal Charges	309,796	294,509	275,376	276,176
<i>Total Governmental Activities Expenses</i>	<u>28,342,323</u>	<u>29,276,074</u>	<u>31,055,435</u>	<u>31,899,979</u>
 <u>Business-Type Activity:</u>				
Food Service	1,485,512	1,566,497	1,642,631	1,689,343
<i>Total Expenses</i>	<u>29,827,835</u>	<u>30,842,571</u>	<u>32,698,066</u>	<u>33,589,322</u>
 <u>Program Revenues:</u>				
<u>Governmental Activities:</u>				
Charges for Services and Sales:				
Instruction:				
Regular	1,016,663	1,062,083	1,069,057	1,190,898
Special	161,032	189,825	192,087	201,941
Vocational	16,658	21,463	21,464	26,925
Student Intervention Services	3,332	0	5,305	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	11,230	14,444	12,995	15,568
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	105,919	147,101	141,313	335,596
Operating Grants and Contributions	2,745,174	3,228,610	3,056,239	4,155,561
Capital Grants and Contributions	0	0	0	79,000
<i>Total Governmental Activities Program Revenues</i>	<u>\$4,060,008</u>	<u>\$4,663,526</u>	<u>\$4,498,460</u>	<u>\$6,005,489</u>

2011	2012	2013	2014	2015	2016
\$15,933,550	\$16,329,045	\$15,183,324	\$15,914,440	\$15,917,475	\$16,145,798
4,139,227	4,004,178	3,168,562	3,368,468	3,002,928	2,963,687
293,826	239,806	236,356	238,825	276,074	133,194
930	0	0	2,687	0	15,421
678,606	693,481	1,281,375	1,298,697	1,265,801	1,358,978
1,324,285	861,619	733,687	339,109	448,287	373,129
25,568	24,927	20,703	20,759	17,635	15,357
2,135,651	2,142,559	2,085,421	2,245,388	2,217,956	2,389,624
575,912	614,206	541,757	455,280	556,300	564,692
0	0	0	0	0	0
3,066,553	2,904,360	2,656,532	2,628,338	2,659,528	2,681,910
2,184,223	2,176,110	2,115,404	2,171,951	2,274,156	2,163,094
329,013	348,599	453,459	776,721	529,657	899,556
11,155	13,539	17,161	12,975	13,971	11,790
933,119	835,287	844,706	891,066	868,046	921,251
194,224	192,209	230,059	143,684	120,973	104,257
31,825,842	31,379,925	29,568,506	30,508,388	30,168,787	30,741,738
1,747,805	1,866,996	1,826,662	1,754,036	1,700,712	1,707,923
33,573,647	33,246,921	31,395,168	32,262,424	31,869,499	32,449,661
1,101,017	1,223,260	1,370,366	1,345,989	981,304	965,159
178,086	272,525	205,826	221,692	152,271	156,608
20,798	19,087	20,599	15,836	0	0
0	0	0	0	0	0
0	0	0	0	84,595	86,560
0	0	0	0	0	0
0	0	0	0	135,352	139,843
0	0	0	20,955	0	0
16,168	17,946	19,780	135,075	194,500	176,810
0	0	0	0	152,271	149,943
0	0	0	0	0	0
0	0	22,293	85	2,576	0
401,741	398,730	354,750	389,437	344,189	361,944
4,278,859	4,785,087	3,051,153	3,740,821	3,725,361	3,986,398
0	0	61,181	56,579	82,167	60,125
\$5,996,669	\$6,716,635	\$5,105,948	\$5,926,469	\$5,854,586	\$6,083,390

(continued)

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

	2007	2008	2009	2010
<u>Business-Type Activity:</u>				
Food Service				
Charges for Services and Sales	\$625,630	\$642,333	\$635,435	\$603,869
Operating Grants and Contributions	758,600	781,692	868,996	1,023,119
<i>Total Business-Type Activity Program Revenues</i>	<u>1,384,230</u>	<u>1,424,025</u>	<u>1,504,431</u>	<u>1,626,988</u>
<i>Total Program Revenues</i>	<u>5,444,238</u>	<u>6,087,551</u>	<u>6,002,891</u>	<u>7,632,477</u>
<u>Net (Expense)/Revenue:</u>				
Governmental Activities	(24,282,315)	(24,612,548)	(26,556,975)	(25,894,490)
Business-Type Activity	(101,282)	(142,472)	(138,200)	(62,355)
<i>Total Net (Expense)/Revenue</i>	<u>(24,383,597)</u>	<u>(24,755,020)</u>	<u>(26,695,175)</u>	<u>(25,956,845)</u>
<u>General Revenues and Other Changes in Net Position:</u>				
<u>Governmental Activities:</u>				
Property Taxes Levied for:				
General Purposes	4,251,580	4,132,956	4,328,426	4,082,309
Classroom Facility Maintenance	88,306	83,722	88,056	79,882
Debt Service	533,573	514,460	496,617	459,556
Grants and Entitlements not				
Restricted to Specific Programs	17,584,596	18,173,233	19,244,661	19,187,402
Contributions and Donations	9,672	10,198	0	2,366
Interest	261,884	234,172	142,432	19,643
Gain on Sale of Capital Assets	0	0	0	35,360
Revenue in Lieu of Taxes	0	0	0	88,076
Miscellaneous	128,449	162,666	212,655	253,410
<i>Total Governmental Activities</i>	<u>22,858,060</u>	<u>23,311,407</u>	<u>24,512,847</u>	<u>24,208,004</u>
<i>Extraordinary Item - Insurance Settlement</i>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>0</u>
<u>Business-Type Activity:</u>				
Interest	0	8,116	2,737	368
Miscellaneous	25,779	22,065	29,460	33,944
<i>Total Business-Type Activity</i>	<u>25,779</u>	<u>30,181</u>	<u>32,197</u>	<u>34,312</u>
<i>Total Primary Government</i>	<u>22,883,839</u>	<u>23,841,588</u>	<u>24,545,044</u>	<u>24,242,316</u>
<u>Change in Net Position:</u>				
Governmental Activities	(1,424,255)	(801,141)	(2,044,128)	(1,686,486)
Business-Type Activity	(75,503)	(112,291)	(106,003)	(28,043)
<i>Total Change in Net Position</i>	<u>(\$1,499,758)</u>	<u>(\$913,432)</u>	<u>(\$2,150,131)</u>	<u>(\$1,714,529)</u>

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

2011	2012	2013	2014	2015	2016
\$571,093	\$620,025	\$545,730	\$460,518	\$440,605	\$437,853
1,133,010	1,189,043	1,122,380	1,077,477	1,066,494	1,073,001
1,704,103	1,809,068	1,668,110	1,537,995	1,507,099	1,510,854
7,700,772	8,525,703	6,774,058	7,464,464	7,361,685	7,594,244
(25,829,173)	(24,663,290)	(24,462,558)	(24,581,919)	(24,314,201)	(24,658,348)
(43,702)	(57,928)	(158,552)	(216,041)	(193,613)	(197,069)
(25,872,875)	(24,721,218)	(24,621,110)	(24,797,960)	(24,507,814)	(24,855,417)
4,676,874	4,342,422	4,324,242	4,846,070	4,353,541	4,786,063
91,402	84,908	87,738	98,687	88,572	88,034
413,833	600,867	515,886	604,018	544,174	598,241
19,513,313	18,627,278	18,291,506	19,724,363	21,598,569	23,381,209
7,773	0	0	0	0	0
19,362	10,197	12,024	10,157	28,295	27,568
0	0	0	0	0	0
97,575	104,257	102,547	98,405	106,196	116,696
105,632	76,508	112,064	87,047	155,616	48,951
24,925,764	23,846,437	23,446,007	25,468,747	26,874,963	29,046,762
0	0	0	0	0	0
275	0	522	100	196	0
34,305	29,004	22,977	32,951	29,009	27,136
34,580	29,004	23,499	33,051	29,205	27,136
24,960,344	23,875,441	23,469,506	25,501,798	26,904,168	29,073,898
(903,409)	(816,853)	(1,016,551)	886,828	2,560,762	4,388,414
(9,122)	(28,924)	(135,053)	(182,990)	(164,408)	(169,933)
(\$912,531)	(\$845,777)	(\$1,151,604)	\$703,838	\$2,396,354	\$4,218,481

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

	2007	2008	2009	2010
<u>Governmental Activities:</u>				
Function:				
Instruction:				
Regular	\$1,277,396	\$1,345,399	\$1,322,534	\$1,514,112
Special	1,902,715	2,291,226	2,274,353	3,084,477
Vocational	95,796	140,838	154,259	160,716
Student Intervention Services	3,332	8,233	5,305	0
Support Services:				
Pupils	335,209	259,923	157,957	39,704
Instructional Staff	38,578	148,568	135,256	463,710
Administration	145,956	175,565	184,420	193,649
Fiscal	0	0	0	0
Business	66	0	0	0
Operation and Maintenance of Plant	11,230	14,444	23,647	15,568
Pupil Transportation	86,255	115,813	80,917	75,040
Central	54,205	12,000	12,000	9,145
Operation of Non-Instructional Services	3,191	4,416	1,129	14,392
Extracurricular Activities	106,079	147,101	146,683	434,976
Total Program Revenues	<u>\$4,060,008</u>	<u>\$4,663,526</u>	<u>\$4,498,460</u>	<u>\$6,005,489</u>

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$1,364,499	\$2,629,195	\$1,544,537	\$1,793,957	\$1,580,736	\$1,805,842
3,286,052	2,901,777	2,531,470	3,119,871	2,819,158	2,776,278
155,592	153,881	155,393	96,622	89,647	176,572
0	0	0	4,072	0	0
2,910	16,002	4,040	9,973	84,595	86,560
511,392	185,739	40,114	69,188	4,240	2,298
156,807	103,025	123,677	109,777	236,976	236,160
0	3,834	13,916	20,955	28,020	138,661
0	0	0	0	0	0
16,168	151,037	145,446	135,075	306,580	176,810
76,737	72,574	80,171	86,312	249,988	230,099
9,100	7,434	7,200	7,200	7,200	7,200
14,771	15,374	37,137	8,678	14,176	6,332
402,641	476,763	422,847	464,789	433,270	440,578
<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>	<u>\$6,083,390</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 (1)</u>
General Fund				
Reserved	\$1,642,030	\$1,820,710	\$2,163,347	\$0
Unreserved (Deficit)	(856,912)	(853,070)	(1,566,273)	0
Nonspendable	0	0	0	10,026
Restricted	0	0	0	1,084,762
Committed	0	0	0	0
Assigned	0	0	0	220,708
Unassigned (Deficit)	0	0	0	(1,060,775)
Total General Fund	<u>785,118</u>	<u>967,640</u>	<u>597,074</u>	<u>254,721</u>
All Other Governmental Funds				
Reserved	234,802	214,861	211,842	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	928,812	1,006,332	973,306	0
Debt Service Fund	1,648,831	1,702,309	1,736,031	0
Capital Projects Funds	719,152	1,242,909	1,239,028	0
Restricted	0	0	0	4,110,152
Unassigned (Deficit)	0	0	0	(34,253)
Total All Other Governmental Funds	<u>3,531,597</u>	<u>4,166,411</u>	<u>4,160,207</u>	<u>4,075,899</u>
Total Governmental Funds	<u>\$4,316,715</u>	<u>\$5,134,051</u>	<u>\$4,757,281</u>	<u>\$4,330,620</u>

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

<u>2011 (1)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
10,911	11,471	11,812	13,613	14,021	14,413
1,321,337	4,619	0	0	0	0
0	0	0	0	629,578	388,420
131,813	176,733	603,017	624,315	1,224,126	588,318
(653,767)	658,232	685,942	1,556,120	3,684,149	8,303,222
<u>810,294</u>	<u>851,055</u>	<u>1,300,771</u>	<u>2,194,048</u>	<u>5,551,874</u>	<u>9,294,373</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
3,751,681	3,837,543	3,802,516	3,953,817	3,961,368	4,158,696
<u>(125,035)</u>	<u>(11,355)</u>	<u>(8,393)</u>	<u>(3,014)</u>	<u>(12,560)</u>	<u>(97,526)</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>4,061,170</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>	<u>\$13,355,543</u>

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

	2007	2008	2009	2010
<u>Revenues:</u>				
Property Taxes	\$4,875,707	\$4,661,669	\$4,883,793	\$4,624,437
Intergovernmental	20,306,460	21,335,869	22,288,451	23,274,692
Interest	261,884	234,172	142,432	19,643
Tuition and Fees	1,197,685	1,273,371	1,287,913	1,419,764
Extracurricular Activities	105,919	147,101	141,313	335,596
Rent	11,230	14,444	12,995	15,568
Contributions and Donations	14,223	14,614	6,499	116,138
Customer Sales and Services	0	0	0	0
Revenue in Lieu of Taxes	0	0	0	88,076
Miscellaneous	128,449	162,666	212,655	253,410
Total Revenues	26,901,557	27,843,906	28,976,051	30,147,324
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	12,668,464	12,915,717	14,026,999	14,581,326
Special	2,925,480	3,286,834	3,615,310	3,852,285
Vocational	220,087	268,917	292,940	384,613
Student Intervention Services	87,630	203,039	146,996	3,274
Support Services:				
Pupils	973,060	919,811	888,765	685,038
Instructional Staff	823,038	1,004,078	1,059,607	1,420,869
Board of Education	17,796	17,970	20,524	19,962
Administration	1,980,783	1,833,720	1,956,104	2,041,708
Fiscal	502,126	574,482	542,751	560,881
Business	168	0	0	0
Operation and Maintenance of Plant	2,800,624	2,957,372	3,069,098	3,115,637
Pupil Transportation	2,251,693	2,097,419	2,055,205	2,087,277
Central	236,577	280,721	273,575	329,933
Operation of Non-Instructional Services	2,865	3,565	16,395	16,760
Extracurricular Activities	522,518	592,662	611,076	773,966
Capital Outlay	61,688	3,975	195,584	722,701
Debt Service:				
Principal Retirement	273,000	272,000	288,000	348,000
Interest and Fiscal Charges	309,737	294,288	275,387	276,255
Issuance Costs	0	0	0	0
Total Expenditures	26,657,334	27,526,570	29,334,316	31,220,485
Excess of Revenues Over (Under) Expenditures	244,223	317,336	(358,265)	(1,073,161)
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	9,798	0	0	36,500
Inception of Capital Lease	0	0	0	610,000
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	0	78	0	0
Transfers Out	0	(78)	0	0
Total Other Financing Sources (Uses)	9,798	0	0	646,500
Extraordinary Item - Insurance Settlement	0	500,000	0	0
Net Change in Fund Balances	\$254,021	\$817,336	(\$358,265)	(\$426,661)
Debt Service as a Percentage of Noncapital Expenditures	2.2%	2.1%	1.9%	2.0%

2011	2012	2013	2014	2015	2016
\$5,182,202	\$5,028,289	\$4,844,003	\$5,047,210	\$5,127,717	\$5,119,611
23,815,510	23,124,431	21,604,858	23,225,498	25,555,045	27,189,063
19,362	10,197	12,024	10,157	28,295	27,568
1,300,819	1,519,029	1,602,627	1,606,908	1,708,329	1,679,872
400,823	394,573	348,914	366,046	327,763	356,845
16,168	17,946	19,780	16,333	8,390	150
23,444	93,847	83,281	86,810	105,892	89,493
0	0	22,293	85	2,576	0
97,575	104,257	102,547	98,405	106,196	116,696
105,632	76,508	112,064	87,047	155,616	48,951
<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>	<u>34,628,249</u>
14,639,886	15,082,311	13,910,196	14,674,145	15,090,494	15,381,820
4,044,393	3,923,800	3,080,064	3,288,699	3,053,865	2,936,487
273,355	208,088	204,325	207,405	259,171	118,528
930	0	0	2,687	0	15,421
612,813	657,316	1,213,548	1,237,817	1,217,317	1,322,164
1,477,877	809,625	678,132	304,760	400,346	346,675
25,568	24,927	20,703	20,759	17,635	15,357
1,955,852	1,910,985	1,835,740	2,030,910	2,023,423	2,211,758
564,727	574,518	525,410	562,212	540,792	549,986
0	0	0	0	0	0
3,042,340	2,824,492	2,663,905	2,605,498	2,648,656	2,679,382
2,127,937	2,216,069	2,158,512	2,159,825	2,269,864	2,286,482
317,809	336,920	444,276	771,597	516,957	886,362
11,155	13,539	17,161	12,975	13,971	11,790
763,964	643,355	655,780	705,501	709,118	777,823
406,140	238,724	279,914	241,827	345,778	582,926
391,000	494,000	498,000	542,000	570,000	569,000
199,469	170,105	149,074	125,925	101,246	81,427
65,745	0	0	0	0	0
<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>30,773,388</u>
<u>40,575</u>	<u>240,303</u>	<u>417,651</u>	<u>1,049,957</u>	<u>3,347,186</u>	<u>3,854,861</u>
0	0	0	0	8,645	0
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	0
<u>65,745</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,645</u>	<u>0</u>
0	0	0	0	0	0
<u>\$106,320</u>	<u>\$240,303</u>	<u>\$417,651</u>	<u>\$1,049,957</u>	<u>\$3,355,831</u>	<u>\$3,854,861</u>
1.9%	2.2%	2.3%	2.3%	2.3%	2.2%

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
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
2016	233,477,150	23,237,510	733,470,457	10,343,910	12,929,888

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 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 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.

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	Actual Value		
\$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%	19.87
0	0	267,058,570	746,400,345	35.78%	20.11

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

	2007	2008	2009	2010
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	1.75	1.75
Commercial/Industrial and Public Utility Real	2.00	2.00	1.75	1.75
General Business and Public Utility Personal	2.00	2.00	1.75	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	0.40	0.40	0.40	0.38
Commercial/Industrial and Public Utility Real	0.40	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	18.20	18.20	17.95	17.93
Commercial/Industrial and Public Utility Real	18.20	18.20	17.95	17.95
General Business and Public Utility Personal	18.30	18.30	18.05	18.05
TOTAL SCHOOL DISTRICT MILLAGE				
	23.00	23.00	22.75	22.75
WEIGHTED AVERAGE				
	22.91	22.90	22.66	22.64
OVERLAPPING RATES BY TAXING DISTRICT				
TOWNSHIPS:				
Residential/Agricultural Real	0.10 - 3.67	0.10 - 3.69	0.10 - 3.46	0.10 - 3.46
Commercial/Industrial and Public Utility Real	0.10 - 3.74	0.10 - 3.77	0.10 - 3.60	0.10 - 3.59
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 - 2.61	0.60 - 4.51	0.60 - 2.61	0.60 - 5.00
Commercial/Industrial and Public Utility Real	0.60 - 2.91	0.60 - 4.66	0.60 - 2.91	0.60 - 5.00
General Business and Public Utility Personal	0.60 - 4.00	0.60 - 5.00	0.60 - 4.00	0.60 - 5.00
SOUTHERN HILLS JOINT VOCATIONAL DISTRICT:				
Residential/Agricultural Real	3.06	3.06	3.06	2.92
Commercial/Industrial and Public Utility Real	3.59	3.61	3.62	3.63
General Business and Public Utility Personal	6.40	6.40	6.40	6.40
COUNTY AND OTHER UNITS:				
BROWN COUNTY				
Residential/Agricultural Real	4.67	4.67	5.47	7.15
Commercial/Industrial and Public Utility Real	4.75	4.75	5.55	7.34
General Business and Public Utility Personal	5.80	5.80	6.60	7.60
CLERMONT COUNTY				
Residential/Agricultural Real	7.42	7.41	7.80	7.82
Commercial/Industrial and Public Utility Real	7.90	7.90	8.49	8.52
General Business and Public Utility Personal	9.55	9.55	9.95	9.95
BROWN COUNTY PUBLIC LIBRARY				
Residential/Agricultural Real	0.50	0.35	0.35	0.35
Commercial/Industrial and Public Utility Real	0.50	0.35	0.35	0.35
General Business and Public Utility Personal	0.50	0.35	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.

2011	2012	2013	2014	2015	2016
\$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	2.00	2.00	2.00	2.00
1.75	1.75	2.00	2.00	2.00	2.00
1.75	1.75	2.00	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
0.41	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	18.18	18.18	18.18	18.18
17.96	17.96	18.21	18.21	18.21	18.21
18.05	18.05	18.30	18.30	18.30	18.30
22.75	22.75	23.00	23.00	23.00	23.00
16.57	19.89	19.79	19.84	19.87	20.11
0.10 - 3.47	0.90 - 3.85	0.90 - 3.85	0.90 - 3.85	0.90 - 3.85	0.90 - 3.85
0.10 - 3.64	0.90 - 4.00	0.90 - 4.00	0.90 - 4.00	0.90 - 4.00	0.90 - 4.00
0.10 - 4.10	0.09 - 4.00	0.09 - 4.00	0.09 - 4.00	0.09 - 4.00	0.90 - 4.00
0.60 - 5.00	0.60 - 2.37	0.60 - 2.37	0.60 - 2.37	0.60 - 2.37	0.60 - 2.37
0.60 - 5.00	0.60 - 2.89	0.60 - 2.89	0.60 - 2.89	0.60 - 2.89	0.60 - 2.89
0.60 - 5.00	0.60 - 3.60	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
3.65	3.68	3.68	3.68	3.68	3.68
6.40	6.40	6.40	6.40	6.40	6.40
7.15	7.16	7.16	7.16	7.16	7.16
7.34	7.35	7.35	7.35	7.35	7.35
7.60	7.60	7.60	7.60	7.60	7.60
8.55	8.83	8.83	8.83	8.83	8.83
9.12	9.25	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)
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	4,805,864	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	6,138,862	4,982,910	81.17%	472,391	5,455,301	88.87%
2016 (1)	N/A	N/A	N/A	N/A	N/A	N/A

Source: Brown County Auditor

- (1) The 2016 collections cannot be presented because all collections have not been made by June 30, 2016.
- (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
2016 and 2007 (1)

Name of Taxpayer	2016	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$1,827,160	0.68%
Milacron LLC	1,458,270	0.55%
Brown County Industrial Park	1,354,323	0.51%
Ava Jo Bohl	794,910	0.30%
Locust Ridge Land Corp.	691,760	0.26%
Alma Monk Trustee	691,190	0.26%
Scottwood Commons	662,440	0.25%
Shriji Krupa	609,490	0.23%
N A L Company	505,103	0.19%
Northpoint Centre	430,801	0.16%
Totals	<u>\$9,025,447</u>	<u>3.39%</u>
Total Assessed Valuation	<u>\$267,058,570</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	<u>1,319,142</u>	<u>0.55%</u>
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 2016 and 2007 collections were based.

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
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
2016	17,494	746,400,345	2,525,782	0.34%	144.38

Sources:

(1) National Center for Education Statistics
 2001-2010 from 2000 U.S. Census Data
 2011-2016 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 - 2016 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
\$5,560,000	\$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
2,525,782	348,000	2,873,782	0.39%	0.82%	164.27

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

	2007	2008	2009 (3)	2010
Assessed Valuation (1)	\$237,988,790	\$236,168,840	\$238,028,600	\$245,940,190
Less:				
General Business Personal Property	(4,198,610)	(2,655,650)	(551,880)	(275,940)
Railroad and Telephone Tangible Property	(1,792,870)	(1,193,050)	(361,410)	(84,120)
Total Assessed Valuation used to calculate Legal Debt Margin	231,997,310	232,320,140	237,115,310	245,580,130
Debt Limit - 9% of Assessed Value (2)	20,879,758	20,908,813	21,340,378	22,102,212
Amount of Debt Applicable to Debt Limit				
Gross Indebtedness	5,560,000	5,320,000	5,065,000	4,795,000
Less Exempt Debt	0	0	0	0
Less Amount Available in Debt Service	(1,790,395)	(1,812,098)	(1,850,785)	(1,844,614)
Amount of Debt Subject to Limit	3,769,605	3,507,902	3,214,215	2,950,386
Legal Debt Margin	<u>\$17,110,153</u>	<u>\$17,400,911</u>	<u>\$18,126,163</u>	<u>\$19,151,826</u>
Legal Debt Margin as a Percentage of the Debt Limit	81.95%	83.22%	84.94%	86.65%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$231,997	\$232,320	\$237,115	\$245,580
Amount of Debt Subject to Limit	0	0	0	0
Unvoted Legal Debt Margin	<u>\$231,997</u>	<u>\$232,320</u>	<u>\$237,115</u>	<u>\$245,580</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) The definition of tax valuation for the purpose of calculating the debt margin was modified by H.B. 530, effective 3/30/06, to exclude tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.
- (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.

2011	2012	2013	2014	2015	2016
\$245,329,030	\$245,873,590	\$239,951,080	\$240,005,500	\$241,049,720	\$267,058,570
0	0	0	0	0	0
(82,660)	0	0	0	0	0
245,246,370	245,873,590	239,951,080	240,005,500	241,049,720	267,058,570
22,072,173	22,128,623	21,595,597	21,600,495	21,694,475	24,035,271
4,495,000	4,095,000	3,695,000	3,255,000	2,790,000	2,330,000
0	0	0	0	0	0
(1,846,627)	(1,959,693)	(1,997,717)	(2,061,140)	(2,137,239)	(2,237,759)
2,648,373	2,135,307	1,697,283	1,193,860	652,761	92,241
<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>	<u>\$23,943,030</u>
88.00%	90.35%	92.14%	94.47%	96.99%	99.62%
\$245,246	\$245,874	\$239,951	\$240,006	\$241,050	\$267,059
0	0	0	0	0	0
<u>\$245,246</u>	<u>\$245,874</u>	<u>\$239,951</u>	<u>\$240,006</u>	<u>\$241,050</u>	<u>\$267,059</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, 2016

	General Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
General Obligation Bonds	\$2,525,782	100.00%	\$2,525,782
Capital Leases	348,000	100.00%	348,000
Total Direct	<u>2,873,782</u>		<u>2,873,782</u>
Overlapping:			
Brown County General Obligation Bonds	1,788,560	33.62%	601,314
Southern Hills Joint Vocational School District	3,768,354	29.98%	1,129,753
Village of Mt. Orab	2,105,000	100.00%	2,105,000
Pike Township	<u>330,000</u>	100.00%	<u>330,000</u>
Total Overlapping	<u>7,991,914</u>		<u>4,166,067</u>
Total	<u><u>\$10,865,696</u></u>		<u><u>\$7,039,849</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)
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%
2016	17,494	349,687,566	19,989	44,796	5.40%

Sources: (1) National Center for Education Statistics
2001-2010 from 2000 U.S. Census Data
2011-2016 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
2016 and 2007

		2016		
Employer	Nature of Business	Number of Employees	Percent	Rank
Kroger	Retail Grocer	389	19.47%	1
Western Brown Local School District	Education	301	15.07%	2
Milacron LLC	Plastic Injection	262	13.11%	3
Mercy Mt. Orab	Medical	182	9.11%	4
Butterbee's Restaurant	Food Service	123	6.16%	5
ATW Ohio , LLC	Farm Implement	101	5.06%	6
Village of Mt. Orab	Local government	100	5.01%	7
McDonalds Restaurant	Food Service	99	4.95%	8
Mt. Orab Investments	Rental Properties	93	4.65%	9
Country Inn Restaurant	Food Service	65	3.25%	10
Total Employees		1,715	85.84%	
All Other Employers		283	14.16%	
Total Employment within the City		1,998	100.00%	
		2007		
Employer	Nature of Business	Number of Employees	Percent	Rank
Western Brown Local School District	Education	335	21.82%	1
Kroger	Retail Grocer	287	18.70%	2
Cincinnati Milacron	Plastic Injection	230	14.98%	3
McDonald's	Food Service	127	8.27%	4
Hawline Nevada	Farm Implements	110	7.17%	5
N A L Company	Paper Products	50	3.26%	6
Kibler Lumber	Retail Lumber	45	2.93%	7
Liberty Sheet Metal	Manufacturing	40	2.61%	8
Cincinnati Wood & Dowel	Wood Products	40	2.61%	9
Stevens Plumbing and Mechanical	Commercial Plumbing & Fabrication	39	2.54%	10
Total Employees		1,303	84.89%	
All Other Employers		232	15.11%	
Total Employment within the City		1,535	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
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
2016	3,346	30,122,961	9,003	30,637,481	9,156

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	2007	2008	2009	2010
Regular Instruction				
Elementary Classroom Teachers	125	125	122	122
High School Classroom Teachers	36	36	36	36
Special Instruction				
Elementary Classroom Teachers	14	14	14	16
High School Classroom Teachers	6	6	6	6
Vocational Instruction				
High School Classroom Teachers	3	3	3	4
Pupil Support Services				
Guidance Counselors	5	5	5	5
Librarians	3	3	3	3
Psychologists	1	1	1	1
Nurses	1	1	1	1
Aides	13	13	13	13
Administrators				
Elementary	6	6	6	6
High School	3	3	3	3
District	13	13	9	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	25	25
Maintenance	3	3	3	3
Pupil Transportation				
Bus Drivers	38	38	34	34
Bus Aides	3	3	3	3
Bus Mechanics	0	0	0	0
Food Service Program				
Elementary Cooks	18	18	18	20
High School Cooks	6	6	6	6
Totals:	<u>335</u>	<u>335</u>	<u>323</u>	<u>328</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
122	114	114	114	114	116
36	36	36	36	36	37
16	16	16	16	16	17
6	6	6	6	6	6
4	2	2	2	2	2
5	5	5	5	5	5
3	1	1	1	1	1
1	0	0	0	0	0
1	1	1	1	1	1
13	13	13	15	15	15
6	6	6	6	6	6
3	3	2	3	3	3
9	8	8	8	8	8
4	4	4	4	4	4
4	4	0	0	0	0
4	3	3	3	3	3
0	0	0	0	1	1
25	25	25	19	19	19
3	3	3	3	3	3
34	35	23	23	23	23
3	3	3	3	3	3
0	1	2	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>315</u></u>	<u><u>299</u></u>	<u><u>296</u></u>	<u><u>297</u></u>	<u><u>301</u></u>

Western Brown Local School District
Building Statistics
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Mt. Orab Elementary 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-4	851	865	903	1,017
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	44	44	44	44
Regular Instruction Teachers	38	38	47	37
Special Instruction Classrooms	4	4	4	4
Special Instruction Teachers	3	3	3	4
<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	744	743	760	682
Student Capacity	1,000	1,000	1,000	1,000
Regular Instruction Classrooms	34	34	34	34
Regular Instruction Teachers	32	32	35	29
Special Instruction Classrooms	7	7	7	7
Special Instruction Teachers	6	6	5	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	663	676	668	686
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	36	36	36	36
Regular Instruction Teachers	32	32	40	34
Special Instruction Classrooms	8	8	8	8
Special Instruction Teachers	5	4	4	4
<u>Western Brown High School:</u>				
Constructed in 2002				
Total Building Square Footage	189,729	187,729	187,729	187,729
Enrollment Grades 9-12	1,056	1,072	1,091	1,081
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	6	4

Source: Western Brown Local School District records.

2011	2012	2013	2014	2015	2016
100,965	100,965	100,965	100,965	100,965	100,965
1,024	973	882	889	892	854
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
690	682	694	702	700	723
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	6	6	6	6	6
129,780	129,780	129,780	129,780	129,780	129,780
674	662	673	667	653	661
1,100	1,100	1,100	1,100	1,100	1,100
36	36	36	36	36	36
34	32	32	32	32	32
8	8	8	8	8	8
4	6	6	6	6	6
187,729	187,729	187,729	187,729	187,729	187,729
1,093	1,096	1,103	1,108	1,114	1,108
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	6	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>
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
2016	18.8

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>
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
2016	47.39	50.61	48.54	49.19

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
DECEMBER 29, 2016**