



Dave Yost • Auditor of State



**WESTERN BROWN LOCAL SCHOOL DISTRICT  
BROWN COUNTY**

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**WESTERN BROWN LOCAL SCHOOL DISTRICT  
BROWN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Revenue	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through Ohio Department of Education</i>				
<b>Child Nutrition Cluster</b>				
Non-Cash Assistance (Food Distribution)				
National School Lunch Program	10.555	3L60	\$ 75,927	\$ 75,927
Cash Assistance				
School Breakfast Program	10.553	3L70	344,135	344,135
National School Lunch Program	10.555	3L60	<u>612,635</u>	<u>612,635</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>1,032,697</u></b>	<b><u>1,032,697</u></b>
<b>U.S. DEPARTMENT OF DEFENSE (ARMY)</b>				
<i>Direct Program</i>				
National Guard Challenge Program	12.404	N/A	<u>61,636</u>	<u>61,636</u>
<b>Total Department of Defense (Army)</b>			<b><u>61,636</u></b>	<b><u>61,636</u></b>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Passed Through Ohio Department of Education</i>				
Special Education Cluster:				
Special Education Grants to States - IDEA Part B	84.027	3M20-18	544,095	566,046
Special Education Grants to States - IDEA Part B	84.027	3M20-17	<u>123,097</u>	<u>98,424</u>
Total Special Education Grants to States Cluster			667,192	664,470
Title I Grants to Local Education Agencies	84.010	3M00-18	522,534	542,116
Title I Grants to Local Education Agencies	84.010	3M00-17	<u>157,975</u>	<u>99,137</u>
Total Title I Grants to Local Educational Agencies			680,509	641,253
Title IIA - Improving Teacher Quality	84.367	3Y60-18	83,533	91,151
Title IIA - Improving Teacher Quality	84.367	3Y60-18	<u>24,568</u>	<u>20,249</u>
Total Title IIA - Improving Teacher Quality			108,101	111,400
Title IV-A Student Support and Academic Enrichment Program	84.242	3H10	7,500	8,251
<b>Total U.S. Department of Education</b>			<b><u>1,463,302</u></b>	<b><u>1,425,374</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$2,557,635</u></b>	<b><u>\$2,519,707</u></b>

**WESTERN BROWN LOCAL SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Western Brown Local School District, Brown County, Ohio (the District) under programs of the federal government for the year ended June 30, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - 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 D – 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 E - 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, business-type activities, each major fund, and the aggregate remaining fund information of Western Brown Local School District, Brown County, (the District) as of and for the year ended June 30, 2018, 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, 2018, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the 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 report is not suitable for any other purpose.

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**Dave Yost**  
Auditor of State

Columbus, Ohio

December 20, 2018





# 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 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 Western Brown Local School District's major federal programs for the year ended June 30, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

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

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

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

Our responsibility is to opine on the District's compliance for the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and 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 programs. However, our audit does not provide a legal determination of the District's compliance.

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

In our opinion, 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 programs for the year ended June 30, 2018.

***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 Expenditures of Federal Awards Required by the Uniform Guidance***

We have also audited the financial statements of the governmental activities, 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, 2018, 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, 2018. Our opinion also explained that the District adopted *Governmental Accounting Standard No. 75* during the year. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Western Brown Local School District  
Brown County  
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  
Page 3

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**Dave Yost**  
Auditor of State

Columbus, Ohio

December 20, 2018

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**WESTERN BROWN LOCAL SCHOOL DISTRICT  
BROWN COUNTY**

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

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Child Nutrition Cluster
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	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, 2018***





*WESTERN BROWN LOCAL SCHOOL DISTRICT*

*MT. ORAB, OHIO*

*COMPREHENSIVE ANNUAL  
FINANCIAL REPORT*

*FOR THE FISCAL YEAR ENDED JUNE 30, 2018*

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, 2018**

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**Western Brown Local School District**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2018**

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**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2018**

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# WESTERN BROWN LOCAL SCHOOL DISTRICT

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## 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

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December 20, 2018

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, 2018. This Comprehensive Annual Financial Report, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles (GAAP) 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 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, 2018. 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 District into Mt. Orab Local School District. 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, 2018, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Richard E. Pride II	Jan. 2016 - Dec. 2019	10 - ½
JoAnn Hildebrandt	Jan. 2016 - Dec. 2019	14 - ½
Scott Moore	Jun. 2017 – Dec. 2021	1
Lynette Garrett	Jan. 2014 - Dec. 2021	4 - ½
Jennifer Patrick	Jan. 2018 - Dec. 2021	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 expired on July 31, 2018. On March 19, 2018, the Board of Education approved a 4 year contract for Mr. White which expires on July 31, 2022.

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 expired July 31, 2018. On March 19, 2018, The Board of Education approved a 4 year contract for Mr. Dunlap which will expire July 31, 2022.

The School District served 3,212 students during the 2018 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 308 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 which makes it difficult 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 it continues 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 2018, the School District's enrollment decreased by 100 students. The decrease is due to a large senior class graduating and a small Kindergarten class coming in. 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 but the State's budget is a concern. The legislatures have decreased income tax rates for residents. In return, the State of Ohio is collecting fewer taxes for their budget. Based on fewer taxes at the State level and decreased enrollment, the School District is expecting State funds to decrease or remain flat for the future.

## **FINANCIAL TRENDS**

For fiscal year 2018, the School District's special needs student's enrollment continued 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 provide aid to these students, the School District will spend additional funds to make sure these students are provided a proper education. The School District continues to make bus purchases each year in order to update our fleet. We still have many old busses and will continue to purchase buses in the future in order get all of our buses within five years old. The District's kindergarten enrollment has been down 50 students each of the last two years.

## **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 2018 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 continues to utilize the Ohio Improvement Process (OIP) as the support structure for school improvement in all four buildings. The School District 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 District Leadership Team developed a three-year continuous improvement plan based on initiatives that are aligned to the Local Literacy Plan, Striving Readers Comprehensive Literacy Grant, and the Decision Framework / OIP.

The School District has dedicated significant time and funding to strengthening Tier 1 instruction. A major initiative is based on content coaching for all teachers and providing support in developing quality curriculum maps and common assessments with evidence based strategies embedded in instruction, assessments, and interventions. Grant funds and general fund are providing the resources needed for coaching and release time for teacher based teams working on maps and assessments.

The School District is developing processes and procedures to ensure "Vulnerable Youth" are being identified, supported, and provided interventions when appropriate. Staff is being given opportunities to learn more about these subgroups within the student population.

The School District is implementing a five-year plan to roll out "One to One" which will allow students access to individual technology devices to enhance and support learning. This will require a funding for devices, professional development, and maintenance on equipment. We are in year one of the roll out with all 5<sup>th</sup> and 9<sup>th</sup> grade students utilizing their own Chromebook at school and at home. Training for teachers is ongoing and will continue so teachers feel supported throughout this new initiative.

## **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, 2017. 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, 2017 to the Western Brown Local School District. The award certifies that the CAFR for the fiscal year ended June 30, 2017, 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, 2018***

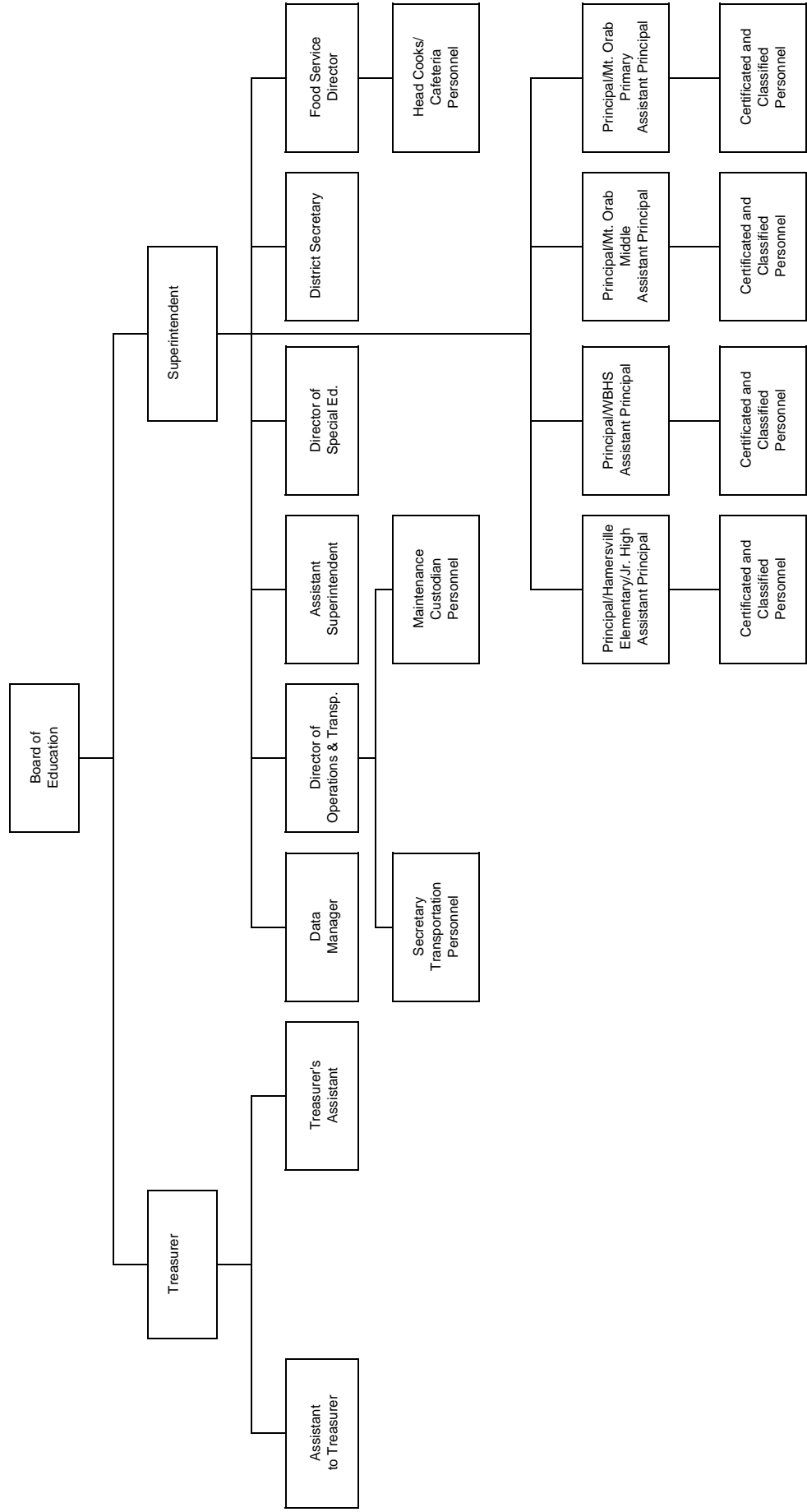
**ELECTED OFFICIALS**

President, Board of Education.....JoAnn Hilderbrandt  
Vice President, Board of Education.....Richard Pride II  
Board Member.....Lynette Garrett  
Board Member..... Jennifer Patrick  
Board Member.....Scott Moore

**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, 2018**



**Western Brown Local School District**  
**Consultants and Advisors**  
**June 30, 2018**

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**Architects**

SHP Leading Design  
82 Williams Avenue  
Hamilton, OH 45011

---

**Bond Counsel**

Dinsmore & Shohl LLP  
Suite 1900  
255 East Fifth Street  
Cincinnati, OH 45202

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**Independent Auditor**

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

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**CAFR Preparation Consultants**

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

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**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 Britton Co., LPA  
1714 West Galbarith Rd.  
Cincinnati, OH 45239

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

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**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, 2017**

*Christopher P. Morrill*

Executive Director/CEO





**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

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

**Western Brown Local School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink that reads "Charles E. Peterson, Jr.".

**Charles E. Peterson, Jr., SFO, RSBA, MBA**  
President

A handwritten signature in black ink that reads "John D. Musso".

**John D. Musso, CAE**  
Executive Director

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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, 2018, 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 such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018, 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, 2018

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**Western Brown Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2018*  
*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, 2018. 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**

- The School District's overall financial net position increased \$15,795,270 from the prior fiscal year. This increase is mainly due to the change in assumption and benefit terms related to STRS.
- Governmental unrestricted net position increased \$16,197,496 due to changes in assumptions for the net pension liability and net OPEB liability by the State-wide pension systems.

### **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 the 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 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 2018?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all *assets, liabilities and deferred inflows and outflows of resources* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

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

**Western Brown Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2018*  
*Unaudited*

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

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

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

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

### **Fund Financial Statements**

The analysis of the School District's major funds begins on page 13. 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.

**Western Brown Local School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**Unaudited**

Table 1 provides a summary of the School District's net position for fiscal years 2018 and 2017:

(Table 1)

**Net Position**

	Governmental Activities		Business-Type Activity		Total	
	2018	Restated 2017	2018	Restated 2017	2018	Restated 2017
<b>Assets</b>						
Current and other Assets	\$29,930,146	\$26,072,168	\$61,209	\$164,933	\$29,991,355	\$26,237,101
Capital Assets, Net	36,265,925	37,708,469	724,768	765,276	36,990,693	38,473,745
<b>Total Assets</b>	<b>66,196,071</b>	<b>63,780,637</b>	<b>785,977</b>	<b>930,209</b>	<b>66,982,048</b>	<b>64,710,846</b>
<b>Deferred Outflows of Resources</b>						
Deferred Charge on Refunding	19,068	25,424	0	0	19,068	25,424
Pension	10,540,223	7,929,079	478,236	807,864	11,018,459	8,736,943
OPEB Liability	548,721	45,040	25,046	20,236	573,767	65,276
<b>Total Deferred Outflows of Resources</b>	<b>11,108,012</b>	<b>7,999,543</b>	<b>503,282</b>	<b>828,100</b>	<b>11,611,294</b>	<b>8,827,643</b>
<b>Liabilities</b>						
Other Liabilities	3,192,037	3,160,830	129,663	129,119	3,321,700	3,289,949
Long-Term Liabilities:						
Due Within One Year	837,450	791,874	22,134	22,619	859,584	814,493
Net Pension Liability	31,151,208	41,689,643	2,251,422	2,788,680	33,402,630	44,478,323
OPEB Liability	6,570,779	7,981,088	1,023,389	1,096,017	7,594,168	9,077,105
Other Amounts	2,718,288	3,070,725	16,792	15,322	2,735,080	3,086,047
<b>Total Liabilities</b>	<b>\$44,469,762</b>	<b>\$56,694,160</b>	<b>\$3,443,400</b>	<b>\$4,051,757</b>	<b>\$47,913,162</b>	<b>\$60,745,917</b>

Continued

**Western Brown Local School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**Unaudited**

(Table 1)

**Net Position**

(Continued)

	Governmental Activities		Business-Type Activity		Total	
		Restated		Restated		Restated
	2018	2017	2018	2017	2018	2017
<b>Deferred Inflows of Resources</b>						
Property Taxes	\$4,297,976	\$4,058,486	\$0	\$0	\$4,297,976	\$4,058,486
Revenue in Lieu of Taxes	125,692	112,113	0	0	125,692	112,113
Pension	1,341,313	382,434	19,089	0	1,360,402	382,434
OPEB	751,470	0	109,831	0	861,301	0
Total Deferred Inflows of Resources	<u>6,516,451</u>	<u>4,553,033</u>	<u>128,920</u>	<u>0</u>	<u>6,645,371</u>	<u>4,553,033</u>
<b>Net Position</b>						
Net Investment in Capital Assets	34,782,821	35,602,997	724,768	765,276	35,507,589	36,368,273
Restricted	5,057,952	4,650,389	0	0	5,057,952	4,650,389
Unrestricted (Deficit)	<u>(13,522,903)</u>	<u>(29,720,399)</u>	<u>(3,007,829)</u>	<u>(3,058,724)</u>	<u>(16,530,732)</u>	<u>(32,779,123)</u>
Total Net Position	<u>\$26,317,870</u>	<u>\$10,532,987</u>	<u>(\$2,283,061)</u>	<u>(\$2,293,448)</u>	<u>\$24,034,809</u>	<u>\$8,239,539</u>

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

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

**Western Brown Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2018*  
*Unaudited*

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

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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

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

**Western Brown Local School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**Unaudited**

As a result of implementing GASB 75, the School District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from \$17,251,368 to \$8,239,539.

Current and other assets of governmental activities increased \$3,857,978 from the prior year. This increase is primarily due to cash and cash equivalents increasing \$3,236,121, due to revenues exceeding expenditures. Net investment in capital assets of governmental activities decreased \$820,176 during fiscal year 2018 due to depreciation exceeding additions. Governmental activities net position increased \$15,784,883, as a result of a change in assumptions relating to State Teachers Retirement System.

Table 2 shows the changes in net position for fiscal years 2018 and 2017.

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	
	2018	2017	2018	2017	2018	2017
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales	\$2,382,454	\$2,263,189	\$418,419	\$458,823	\$2,800,873	\$2,722,012
Operating Grants and Contributions	4,162,319	4,207,411	1,048,118	1,095,761	5,210,437	5,303,172
Capital Grants and Contributions	55,967	34,776	0	0	55,967	34,776
<b>Total Program Revenues</b>	<b>6,600,740</b>	<b>6,505,376</b>	<b>1,466,537</b>	<b>1,554,584</b>	<b>8,067,277</b>	<b>8,059,960</b>
General Revenues:						
Property Taxes	5,382,145	5,554,054	0	0	5,382,145	5,554,054
Grants and Entitlements not Restricted to Specific Programs	24,397,129	24,132,433	0	0	24,397,129	24,132,433
Interest	177,037	63,627	142	3,103	177,179	66,730
Revenue in Lieu of Taxes	149,934	129,275	0	0	149,934	129,275
Miscellaneous	137,208	149,681	32,304	31,335	169,512	181,016
<b>Total General Revenues</b>	<b>30,243,453</b>	<b>30,029,070</b>	<b>32,446</b>	<b>34,438</b>	<b>30,275,899</b>	<b>30,063,508</b>
<b>Total Revenues</b>	<b>\$36,844,193</b>	<b>\$36,534,446</b>	<b>\$1,498,983</b>	<b>\$1,589,022</b>	<b>\$38,343,176</b>	<b>\$38,123,468</b>

Continued

**Western Brown Local School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**Unaudited**

(Table 2)  
**Changes in Net Position**  
Continued

	Governmental Activities		Business-Type Activity		Total	
	2018	2017	2018	2017	2018	2017
<b>Program Expenses</b>						
Instruction:						
Regular	\$8,132,385	\$18,734,648	\$0	\$0	\$8,132,385	\$18,734,648
Special	2,536,098	3,484,456	0	0	2,536,098	3,484,456
Vocational	108,506	174,992	0	0	108,506	174,992
Student Intervention Services	16,070	16,989	0	0	16,070	16,989
Support Services:						
Pupils	1,128,154	1,565,522	0	0	1,128,154	1,565,522
Instructional Staff	277,397	357,715	0	0	277,397	357,715
Board of Education	18,527	16,741	0	0	18,527	16,741
Administration	1,474,175	2,532,459	0	0	1,474,175	2,532,459
Fiscal	592,771	622,141	0	0	592,771	622,141
Operation and Maintenance of Plant	2,707,453	2,704,836	0	0	2,707,453	2,704,836
Pupil Transportation	2,218,058	2,422,541	0	0	2,218,058	2,422,541
Central	957,832	960,750	0	0	957,832	960,750
Operation of Non-Instructional Services	14,971	63,561	0	0	14,971	63,561
Extracurricular Activities	798,059	925,461	0	0	798,059	925,461
Interest and Fiscal Charges	78,854	92,220	0	0	78,854	92,220
Food Service	0	0	1,488,596	1,933,034	1,488,596	1,933,034
Total Expenses	<u>21,059,310</u>	<u>34,675,032</u>	<u>1,488,596</u>	<u>1,933,034</u>	<u>22,547,906</u>	<u>36,608,066</u>
Change in Net Position	15,784,883	1,859,414	10,387	(344,012)	15,795,270	1,515,402
Net Position at Beginning of Year	<u>10,532,987</u>	<u>N/A</u>	<u>(2,293,448)</u>	<u>N/A</u>	<u>8,239,539</u>	<u>N/A</u>
Net Position at End of Year	<u>\$26,317,870</u>	<u>\$10,532,987</u>	<u>(\$2,283,061)</u>	<u>(\$2,293,448)</u>	<u>\$24,034,809</u>	<u>\$8,239,539</u>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$65,276 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$1,049,332. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

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	Governmental Activities	Business-Type Activities	Total
Total 2018 program expenses under GASB 75	\$21,059,310	\$1,488,596	\$22,547,906
Negative OPEB expense under GASB 75	1,106,771	(57,439)	1,049,332
2018 contractually required contribution	80,795	0	80,795
Adjusted 2018 program expenses	22,246,876	1,431,157	23,678,033
Total 2017 program expenses under GASB 45	34,675,032	1,933,034	36,608,066
Decrease in program expenses not related to OPEB	(\$12,428,156)	(\$501,877)	(\$12,930,033)

The largest component of the decrease in program expenses results from changes in assumptions and benefit terms related to pensions. STRS adopted certain assumption changes, including a reduction in their discount rate, and also voted to suspend cost of living adjustments (COLA). SERS decreased their COLA assumption. (See Note 11) As a result of these changes, pension expense decreased from \$3,727,209 in fiscal year 2017 to a negative pension expense of \$10,107,806 for fiscal year 2018. The allocation of the fiscal year 2018 negative pension expense to program expenses is as follows:

<b>Program Expenses</b>	<b>2018 Program Expenses Related to Negative Pension Expense</b>
Instruction:	
Regular	(\$7,615,010)
Special	(906,174)
Vocational	(74,795)
Support Services:	
Pupils	(362,196)
Instructional Staff	(61,234)
Administration	(748,227)
Pupil Transportation	(53,288)
Extracurricular Activities	(116,440)
Total Expenses	(\$9,937,364)

**Governmental Activities**

The School District remains heavily reliant on State funding. Grants and Entitlements not restricted to specific programs made up 66 percent of revenues for governmental activities of the Western Brown Local School District for fiscal year 2018.

Instruction comprises 51 percent of governmental program expenses while support services are responsible for 45 percent. Overall, expenses have decreased \$13,615,722 predominately due to the negative pension expense.



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

(Table 3)

**Governmental Activities**

	Total Cost of Services 2018	Total Cost of Services 2017	Net Cost of Services 2018	Net Cost of Services 2017
Instruction	\$10,793,059	\$22,411,085	\$5,674,269	\$17,303,179
Support Services	9,374,367	11,182,705	8,361,328	10,227,207
Operation of Non-Instructional Services	14,971	63,561	(2,460)	45,027
Extracurricular Activities	798,059	925,461	346,579	502,023
Interest and Fiscal Charges	78,854	92,220	78,854	92,220
<b>Total Expenses</b>	<b>\$21,059,310</b>	<b>\$34,675,032</b>	<b>\$14,458,570</b>	<b>\$28,169,656</b>

**Business-Type Activity**

The School District's only business-type activity is the food service operation. This program had revenues of \$1,498,983 and expenses of \$1,488,596 for fiscal year 2018. Of the revenues, \$418,419 was charges for services and sales and \$1,048,118 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 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$36,506,734 and expenditures of \$32,271,548.

The General Fund saw an increase in fund balance of \$3,105,753. This was mainly due to revenues outpacing expenditures.

The Debt Service Fund saw an increase in fund balance of \$106,740. This increase is due to property tax collections exceeding the amount needed to pay annual debt payments.

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**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 2018, 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 26, 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 budgeted basis revenues and final budget amounts were \$33,477,802. The School District's actual revenues were \$33,746,166 at fiscal year-end, which represented a 0.8 percent increase over final budgeted revenues. The \$268,364 variance between final budget and actual revenue is primarily due to the increase in the CAUV property values, which were budgeted conservatively, as well as property owners splitting their payments rather than paying in full during the first-half of the collection year combined with increases in intergovernmental revenue and tuition and fees revenue.

Original budget basis appropriations were \$33,270,784 with final budgeted expenditures of \$33,285,784, resulting in an increase of \$15,000. The School District's actual expenditures and encumbrances were \$31,276,227 at fiscal year-end, which represented a 6 percent decrease under final budgeted appropriations. The variance between final budget and actual expenditures for operation and maintenance of plant is due to the School District not needing to make as many repairs as anticipated. Actual pupil transportation expenditures were less than the final budget due to the School District purchasing fewer buses and supplies than planned. The variance between final and actual capital outlay expenditures are due to the School District purchasing fewer capital items than were budgeted.

The School District's ending unobligated cash balance was \$2,251,431 above the final budgeted amount.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2018, the School District had \$36,990,693 invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles.

Table 4 shows fiscal year 2018 balances compared to fiscal year 2017:

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

	Governmental Activities		Business-Type Activity		Total	
	2018	2017	2018	2017	2018	2017
Land	\$2,567,453	\$2,567,453	\$0	\$0	\$2,567,453	\$2,567,453
Construction in Progress	13,485	0	0	0	13,485	0
Buildings and Improvements	32,000,493	33,397,562	712,851	748,247	32,713,344	34,145,809
Furniture and Equipment	548,848	686,168	11,917	17,029	560,765	703,197
Vehicles	1,135,646	1,057,286	0	0	1,135,646	1,057,286
<b>Totals</b>	<b>\$36,265,925</b>	<b>\$37,708,469</b>	<b>\$724,768</b>	<b>\$765,276</b>	<b>\$36,990,693</b>	<b>\$38,473,745</b>

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 not making major capital asset purchases.

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

**Debt**

At June 30, 2018, the School District had \$1,582,995 in bonds outstanding, \$515,000 of which is due within one year. Table 5 summarizes bonds outstanding at fiscal year-end 2018 and 2017:

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

	2018	2017
2011 School Improvement Refunding Bonds	\$1,345,000	\$1,845,000
Premium on Debt Issue	38,172	50,896
Accretion on Capital Appreciation Bonds	199,823	164,693
<b>Total</b>	<b>\$1,582,995</b>	<b>\$2,060,589</b>

At June 30, 2018 the School District's overall legal debt margin was \$25,872,358 with an unvoted debt margin of \$274,638. 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.

**School District Challenges for the Future**

The Western Brown Board of Education and School District Leadership Team have developed a three year continuous improvement plan based on providing fair and equal access to quality instruction and relevant content to all students. These endeavors are faced with current and / or

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unplanned financial and educational variables that could lead to barriers for a more effective and efficient learning and working environment.

Our state aid has drastically increased over the last three years; the School District is now on the guarantee due to our enrollment declining. The School District has been very conservative and thoughtful in spending behaviors which is evidenced by a significant 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.

Our Director of Operations is exploring 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.

WB's 3 year plan includes a "One to One" approach for technology devices for students. Professional development is a large part of the plan, ensuring teachers and other staff members have the knowledge and skills for implementing Google Classroom and utilizing the devices to break down the barriers of a traditional classroom and provide 21<sup>st</sup> learning experiences for students. The School District will gradually purchase devices and determine how long the devices stay in good condition. Over the 3 year plan, all staff will be trained and students in K – 12 will have either have their own devices or classroom sets of devices depending on the grade level.

The most recent Ohio School Report Card indicates the district has made significant gains in Gap Closing (F in 2016 to an A in 2018) and At Risk K-3 (F in 2016 to a C in 2018.) The School District continues to struggle in Achievement, only reaching 4 of the 24 indicators in that area. Prepared for Success is another challenging area signifying that the School District needs to focus on ensuring students are prepared for college, remediation free.

The Ohio improvement process and the 5 step process will be utilized by the School District Leadership Team, Building Leadership Teams, and Teacher Data Teams. Monitoring adult implementation measures will also be a challenge for the School District Leadership Team and Building Leadership Teams in the School District. Professional development on effective instructional practices such as ones listed in Marzano's "The Art and Science of Teaching" will be a focus to strengthen classroom instruction and student learning. Sub-Committees have been convened to plan, implement, and monitor 6 focus areas within the School District's improvement plan: 5 Step Process, PBIS, Teacher Preparedness, MTSS, Family Friendly, and Local Literacy Plan. The SDLT believes that by focusing on the work, these committees can explicitly address these efforts more efficiently and effectively. A challenge is for committees to stay cautiously aware of the "silo" effect (working in separate groups), which can skew global perspectives and forget about the needs of other groups.

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An Equity Access Plan was approved for three years but the School District still is dedicated to ensuring students receive quality instruction from qualified and consistently high performing teachers. Analyzing teacher qualifications and years of experience will assist the district in making appropriate decisions in placement and student-teacher ratio.

**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, Western Brown Local School District, 524 West Main Street, Mt. Orab, OH 45154, or e-mail at [Denny.Dunlap@wbbrncos.com](mailto:Denny.Dunlap@wbbrncos.com).

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**Western Brown Local School District**  
*Statement of Net Position*  
June 30, 2018

	Governmental Activities	Business-Type Activity	Total
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$22,100,187	\$44,395	\$22,144,582
Accounts Receivable	35,818	0	35,818
Prepaid Items	107,341	0	107,341
Inventory Held for Resale	0	12,947	12,947
Materials and Supplies Inventory	0	3,867	3,867
Intergovernmental Receivable	803,149	0	803,149
Taxes Receivable	6,752,959	0	6,752,959
Revenue in Lieu of Taxes Receivable	125,692	0	125,692
Cash and Cash Equivalents with Fiscal Agents	5,000	0	5,000
Capital Assets:			
Nondepreciable Capital Assets	2,580,938	0	2,580,938
Depreciable Capital Assets, Net	33,684,987	724,768	34,409,755
<i>Total Assets</i>	<u>66,196,071</u>	<u>785,977</u>	<u>66,982,048</u>
<b><u>Deferred Outflows of Resources:</u></b>			
Deferred Charge on Refunding	19,068	0	19,068
Pension	10,540,223	478,236	11,018,459
OPEB	548,721	25,046	573,767
<i>Total Deferred Outflows of Resources</i>	<u>11,108,012</u>	<u>503,282</u>	<u>11,611,294</u>
<b><u>Liabilities:</u></b>			
Accounts Payable	108,932	80	109,012
Accrued Wages and Benefits Payable	2,727,135	110,001	2,837,136
Intergovernmental Payable	347,937	19,582	367,519
Matured Bonds Payable	5,000	0	5,000
Accrued Interest Payable	3,033	0	3,033
Long-Term Liabilities:			
Due Within One Year	837,450	22,134	859,584
Due in More Than One Year	2,718,288	16,792	2,735,080
Net Pension Liability (See Note 11)	31,151,208	2,251,422	33,402,630
OPEB Liability (See Note 12)	6,570,779	1,023,389	7,594,168
<i>Total Liabilities</i>	<u>44,469,762</u>	<u>3,443,400</u>	<u>47,913,162</u>
<b><u>Deferred Inflows of Resources:</u></b>			
Property Taxes	4,297,976	0	4,297,976
Revenue in Lieu of Taxes	125,692	0	125,692
Pension	1,341,313	19,089	1,360,402
OPEB	751,470	109,831	861,301
<i>Total Deferred Inflows of Resources</i>	<u>6,516,451</u>	<u>128,920</u>	<u>6,645,371</u>
<b><u>Net Position:</u></b>			
Net Investment in Capital Assets	34,782,821	724,768	35,507,589
Restricted for:			
Debt Service	2,601,658	0	2,601,658
Classroom Facilities	1,969,083	0	1,969,083
District Managed Activities	198,268	0	198,268
Miscellaneous Grants	288,943	0	288,943
Unrestricted (Deficit)	(13,522,903)	(3,007,829)	(16,530,732)
<i>Total Net Position</i>	<u>\$26,317,870</u>	<u>(\$2,283,061)</u>	<u>\$24,034,809</u>

See accompanying notes to the basic financial statements

**Western Brown Local School District**  
**Statement of Activities**  
For the Fiscal Year Ended June 30, 2018

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
<b><u>Governmental Activities:</u></b>				
Instruction:				
Regular	\$8,132,385	\$1,142,832	\$921,383	\$0
Special	2,536,098	218,768	2,591,875	0
Vocational	108,506	0	243,932	0
Student Intervention Services	16,070	0	0	0
Support Services:				
Pupils	1,128,154	109,900	2,597	0
Instructional Staff	277,397	0	4,892	0
Board of Education	18,527	0	0	0
Administration	1,474,175	152,840	109,239	0
Fiscal	592,771	0	0	0
Operation and Maintenance of Plant	2,707,453	202,881	137,029	0
Pupil Transportation	2,218,058	173,547	112,914	0
Central	957,832	0	7,200	0
Operation of Non-Instructional Services	14,971	0	17,431	0
Extracurricular Activities	798,059	381,686	13,827	55,967
Interest and Fiscal Charges	78,854	0	0	0
<b>Total Governmental Activities</b>	<b>21,059,310</b>	<b>2,382,454</b>	<b>4,162,319</b>	<b>55,967</b>
<b><u>Business-Type Activity:</u></b>				
Food Service	1,488,596	418,419	1,048,118	0
<b>Totals</b>	<b>\$22,547,906</b>	<b>\$2,800,873</b>	<b>\$5,210,437</b>	<b>\$55,967</b>

**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 (Deficit) at  
Beginning of Year - (Restated See Note 3)*

*Net Position (Deficit) at End of Year*



Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activity	Total
(\$6,068,170)	\$0	(\$6,068,170)
274,545	0	274,545
135,426	0	135,426
(16,070)	0	(16,070)
(1,015,657)	0	(1,015,657)
(272,505)	0	(272,505)
(18,527)	0	(18,527)
(1,212,096)	0	(1,212,096)
(592,771)	0	(592,771)
(2,367,543)	0	(2,367,543)
(1,931,597)	0	(1,931,597)
(950,632)	0	(950,632)
2,460	0	2,460
(346,579)	0	(346,579)
(78,854)	0	(78,854)
(14,458,570)	0	(14,458,570)
0	(22,059)	(22,059)
(14,458,570)	(22,059)	(14,480,629)
4,708,148	0	4,708,148
85,491	0	85,491
588,506	0	588,506
24,397,129	0	24,397,129
177,037	142	177,179
149,934	0	149,934
137,208	32,304	169,512
30,243,453	32,446	30,275,899
15,784,883	10,387	15,795,270
10,532,987	(2,293,448)	8,239,539
<u>\$26,317,870</u>	<u>(\$2,283,061)</u>	<u>\$24,034,809</u>

**Western Brown Local School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2018*

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$17,568,789	\$2,336,235	\$2,195,163	\$22,100,187
Cash and Cash Equivalents with Fiscal Agents	0	5,000	0	5,000
Receivables:				
Taxes	6,026,837	625,703	100,419	6,752,959
Revenue in Lieu of Taxes	125,692	0	0	125,692
Accounts	35,818	0	0	35,818
Intergovernmental	262,003	0	541,146	803,149
Interfund	80,882	0	0	80,882
Prepaid Items	107,341	0	0	107,341
<i>Total Assets</i>	<u>\$24,207,362</u>	<u>\$2,966,938</u>	<u>\$2,836,728</u>	<u>\$30,011,028</u>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$79,514	\$0	\$29,418	\$108,932
Accrued Wages and Benefits Payable	2,533,530	0	193,605	2,727,135
Interfund Payable	0	0	80,882	80,882
Intergovernmental Payable	336,887	0	11,050	347,937
Matured Bonds Payable	0	5,000	0	5,000
<i>Total Liabilities</i>	<u>2,949,931</u>	<u>5,000</u>	<u>314,955</u>	<u>3,269,886</u>
<b><u>Deferred Inflows of Resources:</u></b>				
Property Taxes	3,879,184	357,247	61,545	4,297,976
Revenue in Lieu of Taxes	125,692	0	0	125,692
Unavailable Revenue	837,851	104,731	383,613	1,326,195
<i>Total Deferred Inflows of Resources</i>	<u>4,842,727</u>	<u>461,978</u>	<u>445,158</u>	<u>5,749,863</u>
<b><u>Fund Balances:</u></b>				
Nonspendable	107,341	0	0	107,341
Restricted	0	2,499,960	2,187,175	4,687,135
Committed	282,696	0	0	282,696
Assigned	194,405	0	0	194,405
Unassigned (Deficit)	15,830,262	0	(110,560)	15,719,702
<i>Total Fund Balances</i>	<u>16,414,704</u>	<u>2,499,960</u>	<u>2,076,615</u>	<u>20,991,279</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$24,207,362</u>	<u>\$2,966,938</u>	<u>\$2,836,728</u>	<u>\$30,011,028</u>

See accompanying notes to the basic financial statements

**Western Brown Local School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2018*

<b>Total Governmental Fund Balances</b>		\$20,991,279
<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	13,485	
Depreciable capital assets	74,247,455	
Accumulated depreciation	<u>(40,562,468)</u>	
Total capital assets		36,265,925
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	957,795	
Intergovernmental	<u>368,400</u>	
Total Unavailable Revenues		1,326,195
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		(3,033)
Deferred Outflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.		
		19,068
The net pension/opeb liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:		
Deferred Outflows - Pension	10,540,223	
Deferred Outflows - OPEB	548,721	
Deferred Inflows - Pension	(1,341,313)	
Deferred Inflows - OPEB	(751,470)	
Net Pension Liability	(31,151,208)	
Net OPEB	<u>(6,570,779)</u>	
Total Pension/OPEB		(28,725,826)
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	(1,345,000)	
Premium on debt issue	(38,172)	
Accretion on capital appreciation bonds	(199,823)	
Capital leases payable	(119,000)	
Compensated absences payable	<u>(1,853,743)</u>	
Total liabilities		<u>(3,555,738)</u>
<b>Net Position of Governmental Activities</b>		<u><u>\$26,317,870</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, 2018*

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>				
Property Taxes	\$4,629,523	\$578,678	\$84,078	\$5,292,279
Intergovernmental	26,701,587	91,047	1,480,041	28,272,675
Interest	177,037	0	0	177,037
Tuition and Fees	2,000,768	0	10,109	2,010,877
Extracurricular Activities	114,609	0	256,968	371,577
Contributions and Donations	55,967	0	39,180	95,147
Revenue in Lieu of Taxes	149,934	0	0	149,934
Miscellaneous	67,844	0	69,364	137,208
<i>Total Revenues</i>	<u>33,897,269</u>	<u>669,725</u>	<u>1,939,740</u>	<u>36,506,734</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	16,077,517	0	770,988	16,848,505
Special	3,085,274	0	554,808	3,640,082
Vocational	177,550	0	0	177,550
Student Intervention Services	16,070	0	0	16,070
Support Services:				
Pupils	1,535,466	0	2,560	1,538,026
Instructional Staff	343,260	0	7,000	350,260
Board of Education	18,527	0	0	18,527
Administration	2,116,444	0	111,964	2,228,408
Fiscal	553,383	18,772	2,734	574,889
Operation and Maintenance of Plant	2,771,631	0	0	2,771,631
Pupil Transportation	2,435,666	0	751	2,436,417
Central	953,477	0	7,200	960,677
Operation of Non-Instructional Services	0	0	14,971	14,971
Extracurricular Activities	532,717	0	281,681	814,398
Capital Outlay	51,598	0	162,390	213,988
Debt Service:				
Principal Retirement	116,000	500,000	0	616,000
Interest and Fiscal Charges	6,936	44,213	0	51,149
<i>Total Expenditures</i>	<u>30,791,516</u>	<u>562,985</u>	<u>1,917,047</u>	<u>33,271,548</u>
<i>Net Change in Fund Balances</i>	3,105,753	106,740	22,693	3,235,186
<i>Fund Balances at Beginning of Year</i>	<u>13,308,951</u>	<u>2,393,220</u>	<u>2,053,922</u>	<u>17,756,093</u>
<i>Fund Balances at End of Year</i>	<u>\$16,414,704</u>	<u>\$2,499,960</u>	<u>\$2,076,615</u>	<u>\$20,991,279</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, 2018*

**Net Change in Fund Balances - Total Governmental Funds** \$3,235,186

*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	543,471	
Depreciation expense	(1,986,015)	
Excess of depreciation expense over capital outlay		(1,442,544)

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

Delinquent property taxes	89,866	
Intergovernmental	247,593	
Total		337,459

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current fiscal year, these amounts consist of:

Bond principal retirement	500,000	
Capital lease payments	116,000	
Total long-term debt repayment		616,000

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

Decrease in accrued interest	1,057	
Amortization of deferred charge on refunding	(6,356)	
Amortization of bond premium	12,724	
Accretion on capital appreciation bonds	(35,130)	
Total		(27,705)

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

Pension	2,109,805	
OPEB	55,749	
Total		2,165,554

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

Pension	10,080,895	
OPEB	1,106,771	
Total		11,187,666

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	(286,733)
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**Change in Net Position of Governmental Activities** \$15,784,883

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, 2018**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Property Taxes	\$4,916,978	\$4,916,978	\$4,683,166	(\$233,812)
Intergovernmental	26,280,959	26,280,959	26,542,041	261,082
Interest	45,000	45,000	177,862	132,862
Tuition and Fees	1,879,438	1,879,438	1,968,993	89,555
Extracurricular Activities	117,988	117,988	114,599	(3,389)
Rent	200	200	0	(200)
Contributions and Donations	48,667	48,667	57,345	8,678
Revenue in Lieu of Taxes	149,934	149,934	149,934	0
Miscellaneous	38,638	38,638	52,226	13,588
<b>Total Revenues</b>	<b>33,477,802</b>	<b>33,477,802</b>	<b>33,746,166</b>	<b>268,364</b>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	16,475,975	16,320,975	16,112,231	208,744
Special	2,925,884	3,095,884	3,084,246	11,638
Vocational	240,167	240,167	178,178	61,989
Student Intervention Services	16,070	16,070	16,070	0
Support Services:				
Pupils	1,419,741	1,534,741	1,530,693	4,048
Instructional Staff	347,578	347,578	342,796	4,782
Board of Education	23,916	23,916	18,522	5,394
Administration	2,216,037	2,216,037	2,097,221	118,816
Fiscal	606,168	606,168	567,836	38,332
Operation and Maintenance of Plant	3,412,542	3,297,542	2,941,393	356,149
Pupil Transportation	3,000,556	3,000,556	2,705,633	294,923
Central	1,037,480	1,037,480	910,030	127,450
Operation of Non-Instructional Services	2,980	2,980	0	2,980
Extracurricular Activities	501,350	601,350	540,898	60,452
Capital Outlay	882,051	782,051	107,544	674,507
Debt Service:				
Principal Retirement	140,552	140,552	116,000	24,552
Interest and Fiscal Charges	21,737	21,737	6,936	14,801
<b>Total Expenditures</b>	<b>33,270,784</b>	<b>33,285,784</b>	<b>31,276,227</b>	<b>2,009,557</b>
<b>Excess of Revenues Over Expenditures</b>	<b>\$207,018</b>	<b>\$192,018</b>	<b>\$2,469,939</b>	<b>\$2,277,921</b>

*(continued)*

**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, 2018*  
*(continued)*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Other Financing Sources (Uses):</u></b>				
Advances In	\$90,451	\$90,451	\$90,451	\$0
Advances Out	(54,392)	(54,392)	(80,882)	(26,490)
<i>Total Other Financing Sources (Uses)</i>	<u>36,059</u>	<u>36,059</u>	<u>9,569</u>	<u>(26,490)</u>
Net Change in Fund Balance	243,077	228,077	2,479,508	2,251,431
Fund Balance at Beginning of Year	14,051,620	14,051,620	14,051,620	0
Prior Year Encumbrances Appropriated	<u>508,752</u>	<u>508,752</u>	<u>508,752</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$14,803,449</u></u>	<u><u>\$14,788,449</u></u>	<u><u>\$17,039,880</u></u>	<u><u>\$2,251,431</u></u>

See accompanying notes to the basic financial statements

**Western Brown Local School District**  
**Statement of Fund Net Position**  
**Proprietary Fund**  
**June 30, 2018**

	Food Service Fund
<b><u>Assets:</u></b>	
<b><u>Current Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$44,395
Inventory Held for Resale	12,947
Materials and Supplies Inventory	3,867
<i>Total Current Assets</i>	61,209
<b><u>Noncurrent Assets:</u></b>	
Capital Assets, Net	724,768
<i>Total Assets</i>	785,977
<b><u>Deferred Outflows of Resources:</u></b>	
Pension	478,236
OPEB	25,046
<i>Total Outflows</i>	503,282
<b><u>Liabilities:</u></b>	
<b><u>Current Liabilities:</u></b>	
Accounts Payable	80
Accrued Wages and Benefits Payable	110,001
Compensated Absences Payable	22,134
Intergovernmental Payable	19,582
<i>Total Current Liabilities</i>	151,797
<b><u>Long-term Liabilities:</u></b>	
Compensated Absences Payable	16,792
Net Pension Liability	2,251,422
Net OPEB Liability	1,023,389
<i>Total Long-term Liabilities</i>	3,291,603
<i>Total Liabilities</i>	3,443,400
<b><u>Deferred Inflows of Resources:</u></b>	
Pension	19,089
OPEB	109,831
<i>Total Outflows</i>	128,920
<b><u>Net Position:</u></b>	
Investment in Capital Assets	724,768
Unrestricted (Deficit)	(3,007,829)
<i>Total Net Position</i>	(\$2,283,061)

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, 2018*

	Food Service Fund
<b><u>Operating Revenues:</u></b>	
Sales	\$418,419
Other	32,304
	450,723
 <b><u>Operating Expenses:</u></b>	
Salaries	517,824
Fringe Benefits	278,253
Purchased Services	501
Materials and Supplies	36,093
Cost of Sales	615,417
Depreciation	40,508
	1,488,596
<i>Total Operating Expenses</i>	<i>1,488,596</i>
<i>Operating Loss</i>	<i>(1,037,873)</i>
 <b><u>Non-Operating Revenues:</u></b>	
Donated Commodities	75,927
Operating Grants	972,191
Interest	142
	1,048,260
<i>Total Non-Operating Revenues</i>	<i>1,048,260</i>
<i>Change in Net Position</i>	<i>10,387</i>
<i>Net Position (Deficit) at Beginning of Year - Restated See Note 3</i>	<i>(2,293,448)</i>
<i>Net Position (Deficit) at End of Year</i>	<i>(\$2,283,061)</i>

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, 2018**

	Food Service Fund
<b><u>Increase (Decrease) in Cash and Cash Equivalents:</u></b>	
<b><u>Cash Flows from Operating Activities:</u></b>	
Cash Received from Customers	\$418,419
Cash Received from Others	32,304
Cash Payments for Employee Salaries	(517,209)
Cash Payments to Employees for Services	(431,571)
Cash Payments to Suppliers for Goods and Services	(581,845)
	(1,079,902)
<i>Net Cash Used for Operating Activities</i>	(1,079,902)
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>	
Operating Grants Received	972,191
	972,191
<b><u>Cash Flows from Investing Activities:</u></b>	
Interest	142
	142
<i>Net Decrease in Cash and Cash Equivalents</i>	(107,569)
<i>Cash and Cash Equivalents at Beginning of Year</i>	151,964
	151,964
<i>Cash and Cash Equivalents at End of Year</i>	\$44,395
<b><u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</u></b>	
Operating Loss	(\$1,037,873)
<b><u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u></b>	
Depreciation	40,508
Donated Commodities Used During Fiscal Year	75,927
Decrease (Increase) in Assets:	
Inventory Held for Resale	(2,961)
Materials and Supplies Inventory	(884)
Increase in Deferred Outflows of Resources - Pension	306,417
Increase in Deferred Outflows of Resources - OPEB	(4,810)
Increase (Decrease) in Liabilities:	
Accounts Payable	(1,916)
Accrued Wages and Benefits Payable	(4,317)
Compensated Absences Payable	985
Intergovernmental Payable	6,777
Net Pension Liability	(362,006)
Net OPEB Liability	76,693
Decrease in Deferred Inflows of Resources - Pension	(132,952)
Decrease in Deferred Inflows of Resources - OPEB	(39,490)
	(39,490)
Total Adjustments	(42,029)
<i>Net Cash Used for Operating Activities</i>	(\$1,079,902)

**Non-Cash Transactions:**

During fiscal year 2018, the Food Service Enterprise Fund used \$75,927 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, 2018**

	Private Purpose Trust Funds	Agency Funds
	Scholarships	
<b><u>Assets:</u></b>		
Equity in Pooled Cash and Cash Equivalents	\$29,673	\$143,489
<b><u>Liabilities:</u></b>		
Undistributed Monies	0	\$143,489
<b><u>Net Position:</u></b>		
Held in Trust for Scholarships	\$29,673	

See accompanying notes to the basic financial statements

**Western Brown Local School District**  
*Statement of Changes in Fiduciary Net Position*  
*Private Purpose Trust Fund*  
*For the Fiscal Year Ended June 30, 2018*

	Scholarship Funds
<b><u>Additions:</u></b>	
Contributions and Donations	\$12,252
Interest	325
	12,577
<i>Total Additions</i>	<i>12,577</i>
<b><u>Deductions:</u></b>	
Scholarships Awarded	47,816
	(35,239)
<i>Change in Net Position</i>	<i>(35,239)</i>
<i>Net Position at Beginning of Year</i>	<i>64,912</i>
	\$29,673
<i>Net Position at End of Year</i>	<i>\$29,673</i>

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, 2018*

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**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 107 non-certificated, 180 teaching and 21 administrative employees providing education to 3,212 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:

Metropolitan Educational Technology Association (META)  
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, 2018*

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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, 2018*

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**Fund Financial Statements**

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**Fund Accounting**

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

**Governmental Funds**

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

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

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

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

**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.

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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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 Ohio High School Athletic Association monies and the last one is used to account for student managed activity programs.

**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, 2018*

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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, 2018*

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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 on the government-wide statement of net position for deferred charges on refunding and for pension and OPEB plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Note 11 and 12.

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, pension, OPEB plans and unavailable revenue. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the 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. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 23. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Note 11 and 12)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the

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pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

**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 2018, the School District invested in STAR Ohio. 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.

For fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2018 amounted to \$177,037, which includes \$37,671 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.

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**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

**Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories consist of 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:

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

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**Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

On the government fund financial statement, compensated absences are recognized as a liability and expenditure to the extent that payments come due each period upon occurrence of employee resignation and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees will be paid.

**Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences 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 during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**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.

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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.

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.

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**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.

**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.

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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 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.

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

**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 AND RESTATEMENT OF NET POSITION**

For fiscal year 2018, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB)



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Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

For fiscal year 2018, the School District also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2017-1*. These changes were incorporated in the School District's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

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

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

	Governmental	Business	Total
Net Position June 30, 2017	\$18,469,035	(\$1,217,667)	\$17,251,368
Adjustments:			
Net OPEB Liability	(7,981,088)	(1,096,017)	(9,077,105)
Deferred Outflow - Payments Subsequent to Measurement Date	45,040	20,236	65,276
Restated Net Position June 30, 2017	\$10,532,987	(\$2,293,448)	\$8,239,539

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

**NOTE 4- ACCOUNTABILITY**

At June 30, 2018, the following nonmajor special revenue funds had deficit fund balances:

Funds	Amounts
Governmental Funds:	
Title VI-B Fund	\$54,388
Title I Fund	47,197
Reducing Class Size	8,975
Total Governmental Funds	\$110,560

The Food Service Fund also had a deficit net position of \$2,283,061 as of June 30, 2018. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

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**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 is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to Balance Sheet transactions (GAAP basis).

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

Net Change in Fund Balance	General Fund
GAAP Basis	\$3,105,753
Adjustments:	
Revenue Accruals	(151,103)
Expenditure Accruals	44,198
Encumbrances	(528,909)
Advances	9,569
Budget Basis	\$2,479,508

**NOTE 6 - DEPOSITS AND INVESTMENTS**

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

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

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

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

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. 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;

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5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer’s investment pool (STAR Ohio).
8. 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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Investments**

Investments are reported at fair value. As of June 30, 2018, 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 &amp; Poor's Rating</u>	<u>Percent of Total Investments</u>
Net Asset Value per Share:				
STAROhio	<u>\$2,043,308</u>	Less than one year	AAAm	N/A

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, 2018. The School District’s investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers

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and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 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. The School District has no investment policy that addresses credit risk.

**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 2018 represents collections of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed value listed as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State 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 2018 represents collections of calendar year 2017 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 became a lien December 31, 2016, were levied after April 1, 2017, 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.

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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, 2018, are available to finance fiscal year 2018 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which were measurable as of June 30, 2018 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, 2018, was \$1,497,188 and is recognized as revenue: \$1,309,802 in the General Fund, and \$163,725 in the Debt Service Fund, and \$23,661 in the Classroom Facility Maintenance Fund. The amount available as an advance at June 30, 2017, was \$1,363,445 in the General Fund, \$170,431 in the Debt Service Fund, and \$24,789 in the Classroom Facility Maintenance Fund.

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

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

	2017 Second- Half Collections		2018 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$259,309,670	96.18%	\$263,342,320	95.89%
Public Utility Personal	10,307,340	3.82%	11,295,440	4.11%
Total Assessed Value	\$269,617,010	100.00%	\$274,637,760	100.00%
 Tax rate per \$1,000 of assessed valuation	 \$23.00		 \$23.00	

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2018, consisted of property taxes, revenue in lieu of taxes, accounts, intergovernmental grants, and interfund. 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.

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The intergovernmental receivables are as follows:

<u>Governmental Activities:</u>	<u>Amounts</u>
Miscellaneous State Grants	\$1,750
IDEA-B	98,471
Title I - Targeted Assistance Grant	251,790
Title II	49,821
Striving Readers Comprehensive Literacy	67,182
Title IV-A	9,061
Title V-B	63,071
Bureau of Worker's Compensation Refund	67,322
Medicaid Reimbursements	10,001
E-Rate	184,680
Total Intergovernmental Receivables	<u><u>\$803,149</u></u>

**NOTE 9 - CAPITAL ASSETS**

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

	<u>Balance</u> <u>6/30/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2018</u>
<b><u>Governmental Activities:</u></b>				
Capital Assets, Not Being Depreciated:				
Land	\$2,567,453	\$0	\$0	\$2,567,453
Construction in Progress	<u>0</u>	<u>13,485</u>	<u>0</u>	<u>13,485</u>
Total Capital Assets, Not Being Depreciated	<u>2,567,453</u>	<u>13,485</u>	<u>0</u>	<u>2,580,938</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	64,153,928	216,531		64,370,459
Furniture and Equipment	6,460,363	44,616		6,504,979
Vehicles	3,294,738	268,839	(191,560)	3,372,017
Total Capital Assets, Being Depreciated	<u>73,909,029</u>	<u>529,986</u>	<u>(191,560)</u>	<u>74,247,455</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(30,756,366)	(1,613,600)	0	(32,369,966)
Furniture and Equipment	(5,774,195)	(181,936)	0	(5,956,131)
Vehicles	(2,237,452)	(190,479)	191,560	(2,236,371)
Total Accumulated Depreciation	<u>(38,768,013)</u>	<u>(1,986,015) *</u>	<u>191,560</u>	<u>(40,562,468)</u>
Total Capital Assets, Being Depreciated, Net	<u>35,141,016</u>	<u>(1,456,029)</u>	<u>0</u>	<u>33,684,987</u>
Governmental Activities Capital Assets, Net	<u><u>\$37,708,469</u></u>	<u><u>(\$1,442,544)</u></u>	<u><u>\$0</u></u>	<u><u>\$36,265,925</u></u>

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\* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,197,167
Special	83,671
Vocational	17,627
Support Services:	
Pupils	56,782
Instructional Staff	9,859
Administration	213,383
Fiscal	9,064
Operation and Maintenance of Plant	30,033
Pupil Transportation	200,300
Central	6,919
Extracurricular Activities	161,210
Total Depreciation Expense	<u><u>\$1,986,015</u></u>

	Balance 6/30/2017	Additions	Deductions	Balance 6/30/2018
<b><u>Business-Type Activity:</u></b>				
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	(718,636)	(35,396)	0	(754,032)
Furniture and Equipment	(1,238,103)	(5,112)	0	(1,243,215)
Total Accumulated Depreciation	<u>(1,956,739)</u>	<u>(40,508)</u>	<u>0</u>	<u>(1,997,247)</u>
Business-Type Activity				
Capital Assets, Net	<u><u>\$765,276</u></u>	<u><u>(\$40,508)</u></u>	<u><u>\$0</u></u>	<u><u>\$724,768</u></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 2018, 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 Consolidated Insurance Company under a business policy.



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

**Workers' Compensation**

For fiscal year 2018, 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.

**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**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

**Net Pension Liability/Net OPEB Liability**

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

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The net pension/OPEB liability represent the School District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the 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 and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

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

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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 years 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, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining .5 percent was allocated to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$521,387 for fiscal year 2018. Of this amount \$44,405 is reported as an intergovernmental payable.

***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 system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

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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. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 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 service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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 to 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.

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Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2018, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The School District’s contractually required contribution to STRS was \$1,750,048 for fiscal year 2018. Of this amount \$262,519 is reported as an intergovernmental payable.

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Prior Measurement Date	0.11549030%	0.10762550%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>0.12159580%</u>	<u>0.11002868%</u>	
Change in Proportionate Share	<u>0.00610550%</u>	<u>0.00240318%</u>	
Proportionate Share of the Net			
Pension Liability	\$7,265,081	\$26,137,549	\$33,402,630
Pension Expense	(\$170,442)	(\$9,937,364)	(\$10,107,806)

At June 30, 2018, 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>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$312,664	\$1,009,310	\$1,321,974
Changes of assumptions	375,683	5,716,569	6,092,252
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	428,351	904,447	1,332,798
School District contributions subsequent to the measurement date	<u>521,387</u>	<u>1,750,048</u>	<u>2,271,435</u>
Total Deferred Outflows of Resources	<u>\$1,638,085</u>	<u>\$9,380,374</u>	<u>\$11,018,459</u>

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	SERS	STRS	Total
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$210,658	\$210,658
Net difference between projected and actual earnings on pension plan investments	34,486	862,570	897,056
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	49,955	202,733	252,688
Total Deferred Inflows of Resources	\$84,441	\$1,275,961	\$1,360,402

\$2,271,435 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2019	\$423,376	\$1,331,227	\$1,754,603
2020	584,159	2,504,619	3,088,778
2021	194,085	1,926,119	2,120,204
2022	(169,363)	592,400	423,037
Total	\$1,032,257	\$6,354,365	\$7,386,622

**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

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death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

Prior to 2017, an assumption of 3 percent was used for COLA or Ad Hoc COLA.

For 2017, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

The long-term return expectation for the Pension Plan Investments has been determined by 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 average 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 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

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**Discount Rate** The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**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 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$10,082,044	\$7,265,081	\$4,905,299

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented below:

	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

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



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retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For the July 1, 2016 actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

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

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

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

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

**Discount Rate** The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes that 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. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future

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benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$37,467,287	\$26,137,549	\$16,593,943

**Note 12 – DEFINED BENEFIT OPEB PLANS**

See note 11 for a description of the net OPEB liability.

***Plan Description - School Employees Retirement System (SERS)***

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

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for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the School District's surcharge obligation was \$61,484.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$80,795 for fiscal year 2018. Of this amount \$63,129 is reported as an intergovernmental payable.

***Plan Description - State Teachers Retirement System (STRS)***

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

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

**Western Brown Local School District**  
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***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.11652050%	0.10762550%	
Proportion of the Net OPEB Liability			
Current Measurement Date	<u>0.12300960%</u>	<u>0.11002868%</u>	
Change in Proportionate Share	<u>0.00648910%</u>	<u>0.00240318%</u>	
Proportionate Share of the Net			
OPEB Liability	\$3,301,255	\$4,292,913	\$7,594,168
OPEB Expense	\$242,273	(\$1,291,605)	(\$1,049,332)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$0	\$247,813	\$247,813
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	134,997	110,162	245,159
School District contributions subsequent to the measurement date	<u>80,795</u>	<u>0</u>	<u>80,795</u>
Total Deferred Outflows of Resources	<u>\$215,792</u>	<u>\$357,975</u>	<u>\$573,767</u>
<b>Deferred Inflows of Resources</b>			
Changes of assumptions	\$313,272	\$345,808	\$659,080
Net difference between projected and actual earnings on OPEB plan investments	8,718	183,489	192,207
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>10,014</u>	<u>0</u>	<u>10,014</u>
Total Deferred Inflows of Resources	<u>\$332,004</u>	<u>\$529,297</u>	<u>\$861,301</u>

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
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\$80,795 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2019	(\$70,400)	(\$43,844)	(\$114,244)
2020	(70,400)	(43,844)	(114,244)
2021	(54,028)	(43,844)	(97,872)
2022	(2,179)	(43,845)	(46,024)
2023	0	2,028	2,028
Thereafter	0	2,027	2,027
Total	(\$197,007)	(\$171,322)	(\$368,329)

***Actuarial Assumptions - SERS***

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
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Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

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

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

The most recent experience study was completed for the five year period ended June 30, 2015. The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2018

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

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

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
School District's proportionate share of the net OPEB liability	\$3,986,685	\$3,301,255	\$2,758,218
	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
School District's proportionate share of the net OPEB liability	\$2,678,721	\$3,301,255	\$4,125,189

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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**Actuarial Assumptions – STRS**

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

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

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

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

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

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

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



**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2018

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The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

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

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

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
School District's proportionate share of the net OPEB liability	\$5,763,167	\$4,292,913	\$3,130,932
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	\$2,982,532	\$4,292,913	\$6,017,528

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018*

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**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 2019. The intention of the School District is to renew the lease annually. In fiscal year 2018, the School District made the scheduled principal payment of \$47,000 from the General Fund. This year, \$39,657 was included in depreciation expense.

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 2020. 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 \$69,000 from the General Fund. This year, \$61,001 was included in depreciation expense.

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The assets acquired through the capital leases are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Buildings and Improvements	\$991,436	(\$594,862)	\$396,574
Furniture and Equipment	610,000	(518,500)	91,500
Total	\$1,601,436	(\$1,113,362)	\$488,074

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, 2018.

Fiscal Year Ending June 30,	Total Payments
2019	\$122,149
Less: Amount Representing Interest	(3,149)
Present Value of Minimum Lease Payments	\$119,000

**NOTE 15 - LONG-TERM LIABILITIES**

The changes in the School District's long-term liabilities during fiscal year 2018 were as follows:

	Amount Outstanding 6/30/2017	Additions	Deductions	Amount Outstanding 6/30/2018	Amounts Due in One Year
<b><u>Governmental Activities:</u></b>					
Refunding Bonds 2011:					
Serial Bonds 3.75%	\$1,570,000	\$0	\$500,000	\$1,070,000	\$515,000
Capital Appreciation Bonds 6.25%	275,000	0	0	275,000	0
Premium on Debt Issue	50,896	0	12,724	38,172	0
Accretion of Capital Appreciation Bonds	164,693	35,130	0	199,823	0
Total General Obligation Bonds	\$2,060,589	\$35,130	\$512,724	\$1,582,995	\$515,000

*(continued)*

**Western Brown Local School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

	Amount Outstanding 6/30/2017	Additions	Deductions	Amount Outstanding 6/30/2018	Amounts Due in One Year
<b><u>Other Long-Term Obligations:</u></b>					
Net Pension Liability:					
SERS	\$5,664,143	\$0	\$650,484	\$5,013,659	\$0
STRS	36,025,500	0	9,887,951	26,137,549	0
Total Net Pension Liability	<u>41,689,643</u>	<u>0</u>	<u>10,538,435</u>	<u>31,151,208</u>	<u>0</u>
Net OPEB Liability:					
SERS	2,225,248	52,618	0	2,277,866	0
STRS	5,755,840	0	1,462,927	4,292,913	0
Total Net OPEB Liability	<u>7,981,088</u>	<u>52,618</u>	<u>1,462,927</u>	<u>6,570,779</u>	<u>0</u>
Compensated Absences	1,567,010	498,303	211,570	1,853,743	203,450
Capital Leases	235,000	0	116,000	119,000	119,000
Total Other Long-Term Obligations	<u>51,472,741</u>	<u>550,921</u>	<u>12,328,932</u>	<u>39,694,730</u>	<u>322,450</u>
Total Governmental Activities					
Long-Term Obligations	<u>\$53,533,330</u>	<u>\$586,051</u>	<u>\$12,841,656</u>	<u>\$41,277,725</u>	<u>\$837,450</u>
<b><u>Business-Type Activities:</u></b>					
<b><u>Other Long-Term Obligations:</u></b>					
Net Pension Liability:					
SERS	\$2,788,680	\$0	\$537,258	\$2,251,422	\$0
Net OPEB Liability:					
SERS	1,096,017	0	72,628	1,023,389	0
Compensated Absences	37,941	26,761	25,776	38,926	22,134
Total Business-Type Activities	<u>\$3,922,638</u>	<u>\$26,761</u>	<u>\$635,662</u>	<u>\$3,313,737</u>	<u>\$22,134</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, 2018, \$1,690,000 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 2018, the capital appreciation bond was accreted \$35,130.

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
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Compensated absences will be paid from the General, Title VI-B, Title I, Improving Teacher Quality and Food Service funds. There is no repayment schedule for the net pension/OPEB liability. However, employer pension contributions are made from the following funds: General, Title VI-B, Title I, Improving Teacher Quality and Food Service funds. For additional information related to the net pension/OPEB liability see Notes 11 and 12.

The School District's overall legal debt margin was \$25,872,358 with an unvoted debt margin of \$274,638 at June 30, 2018.

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

School Improvement Refunding Bonds 2011					
Fiscal Year	Serial Bonds	Serial Bonds	Capital	Capital	
Ending June 30,	Principal	Interest	Appreciation	Appreciation	Total
			Principal	Interest	
2019	\$515,000	\$29,925	\$0	\$0	\$544,925
2020	555,000	11,100	0	0	566,100
2021	0	0	275,000	300,000	575,000
Total	\$1,070,000	41,025	\$275,000	\$300,000	\$1,686,025

**NOTE 16 – INTERFUND ACTIVITY**

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

<b>Payable</b>	Nonmajor Governmental Funds	<b>Receivable</b>
		<b>General Fund</b>
		<b>\$80,882</b>

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**

**Metropolitan Educational Technology Association (META)**

The School District is a participant in the Metropolitan Educational Technology Association (META), which is a computer consortium and a regional council of governments. META is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology, and student services, a purchasing cooperative, and other individual services based on each client's needs.

***Western Brown Local School District***  
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The governing board of META consists of a president, vice president and twelve board members who represent the members of META. The Board works with META's Chief Executive Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The School District paid META \$480,373 for services provided during the fiscal year. Financial information can be obtained from META Solutions, David Varda, CFO, 100 Executive Drive, Marion Ohio 43302.

**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 53 public school districts, 81 non-public schools, three joint vocational school districts, one MRDD, two Head Start programs, four Educational Service centers and six other non-profit organizations in Southwestern Ohio, Northern Kentucky and Southeastern 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.

**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, Kari Barnes, 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 9231 Hamer Rd., Georgetown, Ohio 45121.

**NOTE 19 - INSURANCE PURCHASING POOL**

**Ohio SchoolComp Workers’ Compensation Group Rating Plan**

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

**NOTE 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.

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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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.

	Capital Acquisition
Set-aside Balance as of June 30, 2017	\$0
Current Fiscal Year Set-aside Requirement	573,977
Qualifying Disbursements	(573,977)
Set-aside Balance as of June 30, 2018	\$0

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. Although the School District may have had additional offsets and qualifying expenditures for capital acquisitions, these amounts may not be used to reduce the set-aside requirements of future fiscal years and therefore is not presented as being carried forward to the next fiscal year.

**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:

General Fund	\$528,909
Nonmajor Governmental Funds	166,019
Enterprise Fund	80
Total	\$695,008



**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2018

**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:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b><i>Nonspendable:</i></b>				
Prepays	\$107,341	\$0	\$0	\$107,341
<b><i>Restricted for:</i></b>				
Debt Payment	0	2,499,960	0	2,499,960
Classroom Facilities	0	0	1,953,870	1,953,870
District Managed Activities	0	0	198,268	198,268
Miscellaneous Grants	0	0	35,037	35,037
<b><i>Total Restricted</i></b>	<b>0</b>	<b>2,499,960</b>	<b>2,187,175</b>	<b>4,687,135</b>
<b><i>Committed to:</i></b>				
Bus Purchases	282,696	0	0	282,696
<b><i>Assigned to:</i></b>				
Purchased Services	157,501	0	0	157,501
Materials and Supplies	24,033	0	0	24,033
Capital Purchases	12,871	0	0	12,871
<b><i>Total Assigned</i></b>	<b>194,405</b>	<b>0</b>	<b>0</b>	<b>194,405</b>
<b><i>Unassigned (Deficit):</i></b>	<b>15,830,262</b>	<b>0</b>	<b>(110,560)</b>	<b>15,719,702</b>
<b><i>Total Fund Balances</i></b>	<b>\$16,414,704</b>	<b>\$2,499,960</b>	<b>\$2,076,615</b>	<b>\$20,991,279</b>

**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, 2018, if applicable, cannot be determined at this time.

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018*

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**School Foundation**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

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

	2018	2017	2016
School District's Proportion of the Net Pension Liability	0.12159580%	0.11549030%	0.11069680%
School District's Proportionate Share of the Net Pension Liability	\$7,265,081	\$8,452,823	\$6,316,463
School District's Covered Payroll	\$4,095,836	\$3,238,014	\$3,346,921
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	177.38%	261.05%	188.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%

(1) Information prior to 2014 is not available.

\*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

2015	2014
0.11289400%	0.11289400%
\$5,713,501	\$6,713,444
\$3,280,473	\$2,959,458
174.17%	226.85%
71.70%	65.52%

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

	2018	2017
School District's Proportion of the Net OPEB Liability	0.12300960%	0.11652050%
School District's Proportionate Share of the Net OPEB Liability	\$3,301,255	\$3,321,265
School District's Covered Payroll	\$4,095,836	\$3,238,014
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	80.60%	102.57%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%

(1) Information prior to 2017 is not available.

\*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

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

	2018	2017	2016
School District's Proportion of the Net Pension Liability	0.11002868%	0.10762550%	0.10587137%
School District's Proportionate Share of the Net Pension Liability	\$26,137,549	\$36,025,499	\$29,259,751
School District's Covered Payroll	\$12,004,621	\$13,230,543	\$10,966,657
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	217.73%	272.29%	266.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%

(1) Information prior to 2014 is not available.

\*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information



2015	2014
0.10757315%	0.10757315%
\$26,165,514	\$31,168,188
\$11,338,085	\$11,352,200
230.78%	274.56%
74.70%	69.30%

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

	2018	2017
School District's Proportion of the Net OPEB Liability	0.11002868%	0.10762550%
School District's Proportionate Share of the Net OPEB Liability	\$4,292,913	\$5,755,840
School District's Covered Payroll	\$12,004,621	\$13,230,543
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	35.76%	43.50%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

(1) Information prior to 2017 is not available.

\*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

**Western Brown**  
*Required Supplementary Information*  
*Schedule of the School District's Contributions*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$521,387	\$573,417	\$453,322	\$441,124
Contributions in Relation to the Contractually Required Contribution	<u>(521,387)</u>	<u>(573,417)</u>	<u>(453,322)</u>	<u>(441,124)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$3,862,126	\$4,095,836	\$3,238,014	\$3,346,921
Pension Contributions as a Percentage of Covered Payroll	<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution (2)	80,795	65,276	0	27,445
Contributions in Relation to the Contractually Required Contribution	<u>(80,795)</u>	<u>(65,276)</u>	<u>0</u>	<u>(27,445)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>2.09%</u>	<u>1.59%</u>	<u>0.00%</u>	<u>0.82%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.59%</u>	<u>15.59%</u>	<u>14.00%</u>	<u>14.00%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2014	2013	2012	2011	2010	2009
\$454,674	\$409,589	\$416,926	\$687,609	\$591,787	\$352,144
(454,674)	(409,589)	(416,926)	(687,609)	(591,787)	(352,144)
\$0	\$0	\$0	\$0	\$0	\$0
\$3,280,473	\$2,959,458	\$3,099,819	\$5,470,237	\$4,370,657	\$3,578,702
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%
4,593	4,735	17,049	78,224	20,105	148,874
(4,593)	(4,735)	(17,049)	(78,224)	(20,105)	(148,874)
\$0	\$0	\$0	\$0	\$0	\$0
0.14%	0.16%	0.55%	1.43%	0.46%	4.16%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

**Western Brown**  
*Required Supplementary Information*  
*Schedule of the School District's Contributions*  
*School Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$1,750,048	\$1,680,647	\$1,852,276	\$1,535,332
Contributions in Relation to the Contractually Required Contribution	<u>(1,750,048)</u>	<u>(1,680,647)</u>	<u>(1,852,276)</u>	<u>(1,535,332)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (2)	\$12,500,343	\$12,004,621	\$13,230,543	\$10,966,657
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

(1) Includes information for Miscellaneous Local School.

See accompanying notes to the required supplementary information

2014	2013	2012	2011	2010	2009
\$1,473,951	\$1,475,786	\$1,563,006	\$1,610,952	\$1,569,632	\$1,518,268
(1,473,951)	(1,475,786)	(1,563,006)	(1,610,952)	(1,569,632)	(1,518,268)
\$0	\$0	\$0	\$0	\$0	\$0
\$11,338,085	\$11,352,200	\$12,023,123	\$12,391,938	\$12,074,092	\$11,678,985
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
\$113,381	\$113,522	\$120,231	\$123,919	\$120,741	\$116,790
(113,381)	(113,522)	(120,231)	(123,919)	(120,741)	(116,790)
\$0	\$0	\$0	\$0	\$0	\$0
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

**Western Brown Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2018*

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**Net Pension Liability**

**Changes in Assumptions – SERS**

For fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

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

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

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

**Changes in Assumptions - STRS**

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

	Fiscal Year 2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.



**Western Brown Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2018*

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

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

### **Net OPEB Liability**

#### **Changes in Assumptions – SERS**

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

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

#### **Changes in Assumptions – STRS**

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

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

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 2018. 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.

CLASSROOM FACILITY MAINTENANCE 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.

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.

MISCELLANEOUS STATE GRANTS FUND - To account for and report various restricted grants received from State agencies which are not classified elsewhere. This fund did not have any budgetary activity in fiscal year 2018, therefore, budgetary information is not provided.

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.

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

MISCELLANEOUS FEDERAL GRANTS FUND - To account for and report restricted grants received from the federal government which are not classified elsewhere.

**Western Brown Local School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2018**

	Memorial Fund	Other Grant Fund	Classroom Facility Maintenance Fund	District Managed Activity Fund
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$391	\$34,646	\$1,930,209	\$198,391
Receivables:				
Taxes	0	0	100,419	0
Intergovernmental	0	0	0	0
<i>Total Assets</i>	<u>\$391</u>	<u>\$34,646</u>	<u>\$2,030,628</u>	<u>\$198,391</u>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$0	\$0	\$0	\$123
Accrued Wages and Benefits Payable	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>123</u>
<b><u>Deferred Inflows of Resources:</u></b>				
Property Taxes	0	0	61,545	0
Unavailable Revenue	0	0	15,213	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>76,758</u>	<u>0</u>
<b><u>Fund Balances:</u></b>				
Restricted	391	34,646	1,953,870	198,268
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>391</u>	<u>34,646</u>	<u>1,953,870</u>	<u>198,268</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$391</u>	<u>\$34,646</u>	<u>\$2,030,628</u>	<u>\$198,391</u>

Miscellaneous State Grants	Title VI-B Fund	Title I Fund	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$0	\$1,580	\$29,945	\$0	\$1	\$2,195,163
0	0	0	0	0	100,419
1,750	98,471	251,790	49,821	139,314	541,146
<u>\$1,750</u>	<u>\$100,051</u>	<u>\$281,735</u>	<u>\$49,821</u>	<u>\$139,315</u>	<u>\$2,836,728</u>
\$0	\$0	\$29,295	\$0	\$0	\$29,418
0	93,711	84,648	15,246	0	193,605
0	23,531	48,981	7,618	752	80,882
0	1,906	7,431	1,713	0	11,050
0	119,148	170,355	24,577	752	314,955
0	0	0	0	0	61,545
1,750	35,291	158,577	34,219	138,563	383,613
1,750	35,291	158,577	34,219	138,563	445,158
0	0	0	0	0	2,187,175
0	(54,388)	(47,197)	(8,975)	0	(110,560)
0	(54,388)	(47,197)	(8,975)	0	2,076,615
<u>\$1,750</u>	<u>\$100,051</u>	<u>\$281,735</u>	<u>\$49,821</u>	<u>\$139,315</u>	<u>\$2,836,728</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, 2018*

	Memorial Fund	Other Grant Fund	Classroom Facility Maintenance Fund	District Managed Activity Fund
<b><u>Revenues:</u></b>				
Taxes	\$0	\$0	\$84,078	\$0
Intergovernmental	0	0	137,029	0
Tuition and Fees	0	0	0	10,109
Extracurricular Activities	0	0	0	256,968
Contributions and Donations	0	25,353	0	13,827
Miscellaneous	0	0	67,864	1,500
<i>Total Revenues</i>	<u>0</u>	<u>25,353</u>	<u>288,971</u>	<u>282,404</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	0	6,804	0	0
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	2,650	0	0
Administration	0	0	0	0
Fiscal	0	0	2,734	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	14,971	0	0
Extracurricular Activities	0	0	0	281,681
Capital Outlay	0	0	162,390	0
<i>Total Expenditures</i>	<u>0</u>	<u>24,425</u>	<u>165,124</u>	<u>281,681</u>
<i>Net Change in Fund Balances</i>	0	928	123,847	723
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>391</u>	<u>33,718</u>	<u>1,830,023</u>	<u>197,545</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$391</u>	<u>\$34,646</u>	<u>\$1,953,870</u>	<u>\$198,268</u>

OneNet Fund	Title VI-B Fund	Title I Fund	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$84,078
7,200	609,855	618,080	99,626	8,251	1,480,041
0	0	0	0	0	10,109
0	0	0	0	0	256,968
0	0	0	0	0	39,180
0	0	0	0	0	69,364
<u>7,200</u>	<u>609,855</u>	<u>618,080</u>	<u>99,626</u>	<u>8,251</u>	<u>1,939,740</u>
0	0	653,046	103,638	7,500	770,988
0	546,814	7,994	0	0	554,808
0	0	2,560	0	0	2,560
0	0	0	4,350	0	7,000
0	111,964	0	0	0	111,964
0	0	0	0	0	2,734
0	0	0	0	751	751
7,200	0	0	0	0	7,200
0	0	0	0	0	14,971
0	0	0	0	0	281,681
0	0	0	0	0	162,390
<u>7,200</u>	<u>658,778</u>	<u>663,600</u>	<u>107,988</u>	<u>8,251</u>	<u>1,917,047</u>
0	(48,923)	(45,520)	(8,362)	0	22,693
0	(5,465)	(1,677)	(613)	0	2,053,922
<u>\$0</u>	<u>(\$54,388)</u>	<u>(\$47,197)</u>	<u>(\$8,975)</u>	<u>\$0</u>	<u>\$2,076,615</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, 2018*

	<u>Balance at</u> <u>6/30/17</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>6/30/18</u>
<b><u>Robert L. Wilson Scholarship Fund</u></b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$9,000	\$9,000	\$0
<b><u>Liabilities:</u></b>				
Undistributed Monies	\$0	\$9,000	\$9,000	\$0
<b><u>OHSAA District Agency Fund</u></b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$12,536	\$12,536	\$0
<b><u>Liabilities:</u></b>				
Undistributed Monies	\$0	\$12,536	\$12,536	\$0
<b><u>Student Managed Activity Fund</u></b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$114,968	\$240,850	\$212,329	\$143,489
<b><u>Liabilities:</u></b>				
Undistributed Monies	\$114,968	\$240,850	\$212,329	\$143,489
<b><u>Total</u></b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$114,968	\$262,386	\$233,865	\$143,489
<b><u>Liabilities:</u></b>				
Undistributed Monies	\$114,968	\$262,386	\$233,865	\$143,489

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, 2018*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Property Taxes	\$4,916,978	\$4,683,166	(\$233,812)
Intergovernmental	26,280,959	26,542,041	261,082
Interest	45,000	177,862	132,862
Tuition and Fees	1,879,438	1,968,993	89,555
Extracurricular Activities	117,988	114,599	(3,389)
Rent	200	0	(200)
Contributions and Donations	48,667	57,345	8,678
Revenue in Lieu of Taxes	149,934	149,934	0
Miscellaneous	38,638	52,226	13,588
<i>Total Revenues</i>	<u>33,477,802</u>	<u>33,746,166</u>	<u>268,364</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	8,982,256	8,929,719	52,537
Fringe Benefits	3,858,113	3,849,363	8,750
Purchased Services	2,869,649	2,808,557	61,092
Materials and Supplies	515,274	488,841	26,433
Capital Outlay	80,713	30,192	50,521
Other	14,970	5,559	9,411
<i>Total Regular</i>	<u>16,320,975</u>	<u>16,112,231</u>	<u>208,744</u>
Special:			
Salaries and Wages	957,652	957,254	398
Fringe Benefits	335,338	328,501	6,837
Purchased Services	1,786,021	1,781,931	4,090
Materials and Supplies	16,873	16,560	313
<i>Total Special</i>	<u>3,095,884</u>	<u>3,084,246</u>	<u>11,638</u>
Vocational:			
Salaries and Wages	130,952	101,873	29,079
Fringe Benefits	59,342	40,931	18,411
Purchased Services	20,430	16,945	3,485
Materials and Supplies	27,556	16,634	10,922
Other	1,887	1,795	92
<i>Total Vocational</i>	<u>240,167</u>	<u>178,178</u>	<u>61,989</u>
Student Intervention Services:			
Purchased Services	16,070	16,070	0
<i>Total Instruction</i>	<u>\$19,673,096</u>	<u>\$19,390,725</u>	<u>\$282,371</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, 2018*  
*(continued)*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Support Services:			
Pupils:			
Salaries and Wages	\$502,228	\$501,718	\$510
Fringe Benefits	197,006	194,135	2,871
Purchased Services	829,281	829,036	245
Materials and Supplies	6,101	5,679	422
Other	125	125	0
Total Pupils	<u>1,534,741</u>	<u>1,530,693</u>	<u>4,048</u>
Instructional Staff:			
Salaries and Wages	141,214	139,691	1,523
Fringe Benefits	89,456	88,176	1,280
Purchased Services	94,394	94,366	28
Materials and Supplies	22,514	20,563	1,951
Total Instructional Staff	<u>347,578</u>	<u>342,796</u>	<u>4,782</u>
Board of Education:			
Salaries and Wages	11,834	8,500	3,334
Fringe Benefits	116	0	116
Purchased Services	2,704	1,330	1,374
Materials and Supplies	1,143	902	241
Other	8,119	7,790	329
Total Board of Education	<u>23,916</u>	<u>18,522</u>	<u>5,394</u>
Administration:			
Salaries and Wages	1,230,716	1,210,474	20,242
Fringe Benefits	643,011	615,612	27,399
Purchased Services	226,090	194,226	31,864
Materials and Supplies	44,266	40,294	3,972
Other	71,954	36,615	35,339
Total Administration	<u>2,216,037</u>	<u>2,097,221</u>	<u>118,816</u>
Fiscal:			
Salaries and Wages	214,847	205,027	9,820
Fringe Benefits	110,031	99,180	10,851
Purchased Services	53,157	51,707	1,450
Materials and Supplies	5,311	5,218	93
Other	222,822	206,704	16,118
Total Fiscal	<u>\$606,168</u>	<u>\$567,836</u>	<u>\$38,332</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, 2018*  
*(continued)*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b>Operation and Maintenance of Plant:</b>			
Salaries and Wages	\$1,094,963	\$1,091,074	\$3,889
Fringe Benefits	519,044	513,641	5,403
Purchased Services	1,327,272	1,078,783	248,489
Materials and Supplies	306,162	208,848	97,314
Capital Outlay	49,059	48,976	83
Other	1,042	71	971
<b>Total Operation and Maintenance of Plant</b>	<b>3,297,542</b>	<b>2,941,393</b>	<b>356,149</b>
<b>Pupil Transportation:</b>			
Salaries and Wages	1,114,677	1,032,764	81,913
Fringe Benefits	589,288	588,513	775
Purchased Services	68,708	67,718	990
Materials and Supplies	688,937	492,971	195,966
Capital Outlay	537,946	522,917	15,029
Other	1,000	750	250
<b>Total Pupil Transportation</b>	<b>3,000,556</b>	<b>2,705,633</b>	<b>294,923</b>
<b>Central:</b>			
Salaries and Wages	164,083	160,137	3,946
Fringe Benefits	109,707	109,329	378
Purchased Services	312,961	232,164	80,797
Materials and Supplies	97,277	95,977	1,300
Capital Outlay	12,000	11,720	280
Other	341,452	300,703	40,749
<b>Total Central</b>	<b>1,037,480</b>	<b>910,030</b>	<b>127,450</b>
<b>Total Support Services</b>	<b>12,064,018</b>	<b>11,114,124</b>	<b>949,894</b>
<b>Operation of Non-Instructional Services:</b>			
<b>Community Services:</b>			
Purchased Services	\$2,980	\$0	\$2,980
<b>Extracurricular Activities:</b>			
<b>Academic and Subject Oriented Activities:</b>			
Salaries and Wages	82,381	81,808	573
Fringe Benefits	3,156	1,800	1,356
Purchased Services	4,819	4,630	189
Materials and Supplies	22,326	21,601	725
Capital Outlay	45,000	42,652	2,348
Other	11,031	10,735	296
<b>Total Academic and Subject Oriented Activities</b>	<b>168,713</b>	<b>163,226</b>	<b>5,487</b>

*(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, 2018*  
*(continued)*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Sports Oriented Activities:			
Salaries and Wages	\$346,823	\$333,610	\$13,213
Fringe Benefits	42,845	32,562	10,283
Purchased Services	11,767	9,018	2,749
Materials and Supplies	3,774	2,300	1,474
Capital Outlay	27,196	0	27,196
Other	232	182	50
<b>Total Sports Oriented Activities</b>	<b>432,637</b>	<b>377,672</b>	<b>54,965</b>
<b>Total Extracurricular Activities</b>	<b>601,350</b>	<b>540,898</b>	<b>60,452</b>
Capital Outlay:			
Facilities Acquisition and Construction Services:			
Site Acquisition Services:			
Purchased Services	12,448	0	12,448
Site Improvement Services:			
Capital Outlay	81,589	13,485	68,104
Architecture and Engineering Services:			
Purchased Services	22,964	20,000	2,964
Building Acquisition and Construction Services:			
Purchased Services	40,000	35,946	4,054
Capital Outlay	622,050	36,006	586,044
Building Improvement Services:			
Capital Outlay	3,000	2,107	893
<b>Total Capital Outlay</b>	<b>782,051</b>	<b>107,544</b>	<b>674,507</b>
Debt Service:			
Principal Retirement	140,552	116,000	24,552
Interest and Fiscal Charges	21,737	6,936	14,801
<b>Total Debt Service</b>	<b>162,289</b>	<b>122,936</b>	<b>39,353</b>
<b>Total Expenditures</b>	<b>33,285,784</b>	<b>31,276,227</b>	<b>2,009,557</b>
<b>Excess of Revenues Over Expenditures</b>	<b>\$192,018</b>	<b>\$2,469,939</b>	<b>\$2,277,921</b>

*(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, 2018*  
*(continued)*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Other Financing Sources (Uses):</u></b>			
Advances In	90,451	90,451	0
Advances Out	(54,392)	(80,882)	(26,490)
<i>Total Other Financing Sources (Uses)</i>	<u>36,059</u>	<u>9,569</u>	<u>(26,490)</u>
Net Change in Fund Balance	228,077	2,479,508	2,251,431
Fund Balance at Beginning of Year	14,051,620	14,051,620	0
Prior Year Encumbrances Appropriated	<u>508,752</u>	<u>508,752</u>	<u>0</u>
Fund Balance at End of Year	<u>\$14,788,449</u>	<u>\$17,039,880</u>	<u>\$2,251,431</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, 2018*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Property Taxes	\$579,105	\$585,384	\$6,279
Intergovernmental	89,000	91,047	2,047
<i>Total Revenues</i>	<u>668,105</u>	<u>676,431</u>	<u>8,326</u>
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Fiscal:			
Other	20,700	18,772	1,928
Debt Service:			
Principal Retirement	500,000	500,000	0
Interest and Fiscal Charges	44,213	44,213	0
Total Debt Service	<u>544,213</u>	<u>544,213</u>	<u>0</u>
<i>Total Expenditures</i>	<u>564,913</u>	<u>562,985</u>	<u>1,928</u>
Net Change in Fund Balance	103,192	113,446	10,254
Fund Balance at Beginning of Year	<u>2,222,789</u>	<u>2,222,789</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,325,981</u></u>	<u><u>\$2,336,235</u></u>	<u><u>\$10,254</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, 2018*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Contributions and Donations	\$19,169	\$25,353	\$6,184
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	7,723	6,803	920
Total Instruction	7,723	6,803	920
Support Services:			
Instructional Staff:			
Salaries and Wages	2,784	2,650	134
Total Support Services	2,784	2,650	134
Operation of Non-Instructional Services:			
Community Services:			
Fringe Benefits	22	0	22
Materials and Supplies	19,853	15,140	4,713
Total Operation of Non-Instructional Services	19,875	15,140	4,735
<i>Total Expenditures</i>	30,382	24,593	5,789
Net Change in Fund Balance	(11,213)	760	11,973
Fund Balance at Beginning of Year	33,467	33,467	0
Prior Year Encumbrances Appropriated	250	250	0
Fund Balance at End of Year	<u>\$22,504</u>	<u>\$34,477</u>	<u>\$11,973</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, 2018*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Property Taxes	\$92,226	\$85,206	(\$7,020)
Intergovernmental	139,594	137,029	(2,565)
Miscellaneous	0	67,864	67,864
<i>Total Revenues</i>	<u>231,820</u>	<u>290,099</u>	<u>58,279</u>
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Fiscal:			
Other	3,550	2,734	816
Operation and Maintenance of Plant:			
Purchased Services	10,000	0	10,000
Materials and Supplies	1,000	0	1,000
Total Operation and Maintenance of Plant	<u>11,000</u>	<u>0</u>	<u>11,000</u>
Total Support Services	<u>14,550</u>	<u>2,734</u>	<u>11,816</u>
Capital Outlay:			
Architecture and Engineering Services:			
Purchased Services	9,000	8,551	449
Building Acquisition and Construction Services:			
Purchased Services	160,000	156,679	3,321
Capital Outlay	991,360	160,384	830,976
Total Building Acquisition and Construction Services:	<u>1,151,360</u>	<u>317,063</u>	<u>834,297</u>
Total Capital Outlay	<u>1,160,360</u>	<u>325,614</u>	<u>834,746</u>
<i>Total Expenditures</i>	<u>1,174,910</u>	<u>328,348</u>	<u>846,562</u>
Net Change in Fund Balance	(943,090)	(38,249)	904,841
Fund Balance at Beginning of Year	1,715,726	1,715,726	0
Prior Year Encumbrances Appropriated	126,360	126,360	0
Fund Balance at End of Year	<u><u>\$898,996</u></u>	<u><u>\$1,803,837</u></u>	<u><u>\$904,841</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, 2018*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Tuition and Fees	\$1,326	\$10,109	\$8,783
Extracurricular Activities	246,502	257,698	11,196
Contributions and Donations	18,539	13,827	(4,712)
Miscellaneous	2,040	1,500	(540)
<i>Total Revenues</i>	<u>268,407</u>	<u>283,134</u>	<u>14,727</u>
<b><u>Expenditures:</u></b>			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	19,041	15,825	3,216
Purchased Services	59,851	56,843	3,008
Materials and Supplies	246,340	211,327	35,013
Capital Outlay	1,250	0	1,250
Other	10,978	9,968	1,010
<i>Total Expenditures</i>	<u>337,460</u>	<u>293,963</u>	<u>43,497</u>
Net Change in Fund Balance	(69,053)	(10,829)	58,224
Fund Balance at Beginning of Year	185,821	185,821	0
Prior Year Encumbrances Appropriated	<u>14,898</u>	<u>14,898</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$131,666</u></u>	<u><u>\$189,890</u></u>	<u><u>\$58,224</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, 2018*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$7,200	\$7,200	\$0
<b><u>Expenditures:</u></b>			
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*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2018*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$667,192	\$667,192	\$0
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	396,414	396,414	0
Fringe Benefits	154,222	154,222	0
Purchased Services	1,579	1,579	0
Total Instruction	552,215	552,215	0
Support Services:			
Administration:			
Salaries and Wages	86,830	86,830	0
Fringe Benefits	27,004	27,004	0
Total Support Services	113,834	113,834	0
<i>Total Expenditures</i>	666,049	666,049	0
Excess of Revenues Over Expenditures	1,143	1,143	0
<b><u>Other Financing Sources (Uses):</u></b>			
Advances In		23,531	23,531
Advances Out	(26,674)	(26,674)	0
Transfers In	23,531	0	(23,531)
<i>Total Other Financing Sources (Uses)</i>	(3,143)	(3,143)	0
Net Change in Fund Balance	(2,000)	(2,000)	0
Fund Balance at Beginning of Year	2,000	2,000	0
Prior Year Encumbrances Appropriated	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*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2018*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$680,509	\$680,509	\$0
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	437,151	437,151	0
Fringe Benefits	192,607	192,607	0
Materials and Supplies	38,334	38,334	0
Total Instruction	668,092	668,092	0
Support Services:			
Pupils:			
Purchased Services	2,560	2,560	0
<i>Total Expenditures</i>	670,652	670,652	0
Excess of Revenues Over Expenditures	9,857	9,857	0
<b><u>Other Financing Sources (Uses):</u></b>			
Advances In	0	48,981	48,981
Advances Out	(59,458)	(59,458)	0
Transfers In	48,981		(48,981)
<i>Total Other Financing Sources (Uses)</i>	(10,477)	(10,477)	0
Net Change in Fund Balance	(620)	(620)	0
Fund Balance at Beginning of Year	1,167	1,167	0
Fund Balance at End of Year	\$547	\$547	\$0

**WESTERN BROWN LOCAL SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Reducing Class Size Fund*  
*For the Fiscal Year Ended June 30, 2018*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$108,101	\$108,101	\$0
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	74,983	74,983	0
Fringe Benefits	32,067	32,067	0
Total Instruction	107,050	107,050	0
Support Services:			
Instructional Staff:			
Salaries and Wages	3,550	3,550	0
Materials and Supplies	800	800	0
Total Instructional Staff	4,350	4,350	0
<i>Total Expenditures</i>	111,400	111,400	0
Excess of Revenues Under Expenditures	(3,299)	(3,299)	0
<b><u>Other Financing Sources (Uses):</u></b>			
Advances In	0	7,618	7,618
Advances Out	(4,319)	(4,319)	0
Transfers In	7,618	0	(7,618)
<i>Total Other Financing Sources (Uses)</i>	3,299	3,299	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*  
*Miscellaneous Federal Grants*  
*For the Fiscal Year Ended June 30, 2018*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$7,500	\$7,500	\$0
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Purchased Services	1,816	1,816	0
Materials and Supplies	5,685	5,685	0
Total Instruction	7,501	7,501	0
Support Services:			
Pupil Transportation:			
Purchased Services	751	751	0
<i>Total Expenditures</i>	8,252	8,252	0
Excess of Revenues Under Expenditures	(752)	(752)	0
<b><u>Other Financing Sources:</u></b>			
Advances In	752	752	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, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2018*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Sales	\$418,332	\$418,419	\$87
Interest	142	142	0
Federal and State Subsidies	972,191	972,191	0
Other Revenues	31,736	32,304	568
<i>Total Revenues</i>	<u>1,422,401</u>	<u>1,423,056</u>	<u>655</u>
<b><u>Expenses:</u></b>			
Salaries and Wages	517,416	517,209	207
Fringe Benefits	437,435	431,571	5,864
Purchased Services	2,507	2,417	90
Materials and Supplies	592,613	579,508	13,105
<i>Total Expenses</i>	<u>1,549,971</u>	<u>1,530,705</u>	<u>19,266</u>
<i>Net Change in Fund Equity</i>	(127,570)	(107,649)	19,921
Fund Equity at Beginning of Year	149,952	149,952	0
Prior Year Encumbrances Appropriated	<u>2,012</u>	<u>2,012</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$24,394</u></u>	<u><u>\$44,315</u></u>	<u><u>\$19,921</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.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S2-S13
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S14-S19
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S20-S24
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S25-S26
<b>Operating Information</b> 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)*

	2009	2010	2011	2012
<b><u>Governmental Activities:</u></b>				
Net Investment in Capital Assets	\$44,066,679	\$42,686,618	\$41,732,010	\$40,359,279
Restricted for:				
Debt Service	1,853,926	1,848,836	1,858,861	1,973,331
Capital Projects	1,241,278	1,123,922	0	0
Classroom Facilities	902,512	862,681	1,739,648	1,681,243
Other Purposes (2)	166,439	502,243	236,936	443,354
Set-Asides	829,827	1,084,762	1,321,337	4,619
Unrestricted (Deficit)	<u>(1,544,952)</u>	<u>(2,279,839)</u>	<u>(1,962,978)</u>	<u>(592,876)</u>
Total Governmental Activities Net Position	<u>\$47,515,709</u>	<u>\$45,829,223</u>	<u>\$44,925,814</u>	<u>\$43,868,950</u>
<b><u>Business-Type Activity:</u></b>				
Net Investment in Capital Assets	\$1,554,351	\$1,444,079	\$1,329,033	\$1,245,925
Unrestricted	<u>144,784</u>	<u>227,013</u>	<u>332,937</u>	<u>407,029</u>
Total Business-Type Activity Net Position	<u>\$1,699,135</u>	<u>\$1,671,092</u>	<u>\$1,661,970</u>	<u>\$1,652,954</u>
<b><u>Primary Government:</u></b>				
Net Investment in Capital Assets	\$45,621,030	\$44,130,697	\$43,061,043	\$41,605,204
Restricted	4,993,982	5,422,444	5,156,782	4,102,547
Unrestricted (Deficit)	<u>(1,400,168)</u>	<u>(2,052,826)</u>	<u>(1,630,041)</u>	<u>(185,847)</u>
Total Primary Government Net Position	<u>\$49,214,844</u>	<u>\$47,500,315</u>	<u>\$46,587,784</u>	<u>\$45,521,904</u>

(1) The School District reported the impact of GASB Statement No. 68 beginning in fiscal year 2014.

(2) Aside from Classroom Facilities, amounts restricted for other purposes are combined for presentation in the statistical section.

<u>2013</u>	<u>2014 (1)</u>	<u>2015 (1)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$39,181,798	\$38,055,996	\$37,040,382	\$36,388,626	\$35,602,997	\$34,782,821
2,023,139	2,144,362	2,206,816	2,346,950	2,484,033	2,601,658
0	0	0	0	0	0
1,600,304	1,649,620	1,570,184	1,672,480	1,843,823	1,969,083
210,080	546,013	307,330	437,508	322,533	487,211
0	0	0	0	0	0
<u>(162,922)</u>	<u>(32,735,546)</u>	<u>(28,903,505)</u>	<u>(24,235,943)</u>	<u>(21,784,351)</u>	<u>(13,522,903)</u>
<u>\$42,852,399</u>	<u>\$9,660,445</u>	<u>\$12,221,207</u>	<u>\$16,609,621</u>	<u>\$18,469,035</u>	<u>\$26,317,870</u>
\$1,126,899	\$1,008,320	\$888,886	\$807,352	\$765,276	\$724,768
<u>391,002</u>	<u>(1,547,634)</u>	<u>(1,592,608)</u>	<u>(1,681,007)</u>	<u>(1,982,943)</u>	<u>(3,007,829)</u>
<u>\$1,517,901</u>	<u>(\$539,314)</u>	<u>(\$703,722)</u>	<u>(\$873,655)</u>	<u>(\$1,217,667)</u>	<u>(\$2,283,061)</u>
\$40,308,697	\$39,064,316	\$37,929,268	\$37,195,978	\$36,368,273	\$35,507,589
3,833,523	4,339,995	4,084,330	4,456,938	4,650,389	5,057,952
<u>228,080</u>	<u>(34,283,180)</u>	<u>(30,496,113)</u>	<u>(25,916,950)</u>	<u>(23,767,294)</u>	<u>(16,530,732)</u>
<u>\$44,370,300</u>	<u>\$9,121,131</u>	<u>\$11,517,485</u>	<u>\$15,735,966</u>	<u>\$17,251,368</u>	<u>\$24,034,809</u>

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

	2009	2010	2011	2012
<b><u>Expenses:</u></b>				
<b><u>Governmental Activities:</u></b>				
Instruction:				
Regular	\$15,372,518	\$15,767,971	\$15,933,550	\$16,329,045
Special	3,698,014	3,946,902	4,139,227	4,004,178
Vocational	328,952	417,110	293,826	239,806
Student Intervention Services	146,996	3,274	930	0
Support Services:				
Pupils	928,674	746,707	678,606	693,481
Instructional Staff	1,076,896	1,432,569	1,324,285	861,619
Board of Education	20,524	19,962	25,568	24,927
Administration	2,254,135	2,268,018	2,135,651	2,142,559
Fiscal	585,596	556,440	575,912	614,206
Operation and Maintenance of Plant	3,158,807	3,083,917	3,066,553	2,904,360
Pupil Transportation	2,188,838	2,160,710	2,184,223	2,176,110
Central	266,667	325,781	329,013	348,599
Operation of Non-Instructional Services	16,395	16,760	11,155	13,539
Extracurricular Activities	737,047	877,682	933,119	835,287
Interest and Fiscal Charges	275,376	276,176	194,224	192,209
<i>Total Governmental Activities Expenses</i>	<u>31,055,435</u>	<u>31,899,979</u>	<u>31,825,842</u>	<u>31,379,925</u>
<b><u>Business-Type Activity:</u></b>				
Food Service	1,642,631	1,689,343	1,747,805	1,866,996
<i>Total Expenses</i>	<u>32,698,066</u>	<u>33,589,322</u>	<u>33,573,647</u>	<u>33,246,921</u>
<b><u>Program Revenues:</u></b>				
<b><u>Governmental Activities:</u></b>				
Charges for Services and Sales:				
Instruction:				
Regular	1,069,057	1,190,898	1,101,017	1,223,260
Special	192,087	201,941	178,086	272,525
Vocational	21,464	26,925	20,798	19,087
Student Intervention Services	5,305	0	0	0
Support Services:				
Pupils	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	12,995	15,568	16,168	17,946
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	141,313	335,596	401,741	398,730
Operating Grants and Contributions	3,056,239	4,155,561	4,278,859	4,785,087
Capital Grants and Contributions	0	79,000	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>\$4,498,460</u>	<u>\$6,005,489</u>	<u>\$5,996,669</u>	<u>\$6,716,635</u>



2013	2014	2015 (1)	2016	2017	2018
\$15,183,324	\$15,914,440	\$15,917,475	\$16,145,798	\$18,734,648	\$8,132,385
3,168,562	3,368,468	3,002,928	2,963,687	3,484,456	2,536,098
236,356	238,825	276,074	133,194	174,992	108,506
0	2,687	0	15,421	16,989	16,070
1,281,375	1,298,697	1,265,801	1,358,978	1,565,522	1,128,154
733,687	339,109	448,287	373,129	357,715	277,397
20,703	20,759	17,635	15,357	16,741	18,527
2,085,421	2,245,388	2,217,956	2,389,624	2,532,459	1,474,175
541,757	455,280	556,300	564,692	622,141	592,771
2,656,532	2,628,338	2,659,528	2,681,910	2,704,836	2,707,453
2,115,404	2,171,951	2,274,156	2,163,094	2,422,541	2,218,058
453,459	776,721	529,657	899,556	960,750	957,832
17,161	12,975	13,971	11,790	63,561	14,971
844,706	891,066	868,046	921,251	925,461	798,059
230,059	143,684	120,973	104,257	92,220	78,854
29,568,506	30,508,388	30,168,787	30,741,738	34,675,032	21,059,310
1,826,662	1,754,036	1,700,712	1,707,923	1,933,034	1,488,596
31,395,168	32,262,424	31,869,499	32,449,661	36,608,066	22,547,906
1,370,366	1,345,989	981,304	965,159	1,104,102	1,142,832
205,826	221,692	152,271	156,608	191,416	218,768
20,599	15,836	0	0	0	0
0	0	0	0	0	0
0	0	84,595	86,560	101,974	109,900
0	0	135,352	139,843	146,937	152,840
0	20,955	0	0	0	0
19,780	135,075	194,500	176,810	188,147	202,881
0	0	152,271	149,943	166,107	173,547
22,293	85	2,576	0	0	0
354,750	389,437	344,189	361,944	364,506	381,686
3,051,153	3,740,821	3,725,361	3,986,398	4,207,411	4,162,319
61,181	56,579	82,167	60,125	34,776	55,967
\$5,105,948	\$5,926,469	\$5,854,586	\$6,083,390	\$6,505,376	\$6,600,740

(continued)

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

	2009	2010	2011	2012
<b><u>Business-Type Activity:</u></b>				
Food Service:				
Charges for Services and Sales	\$635,435	\$603,869	\$571,093	\$620,025
Operating Grants and Contributions	868,996	1,023,119	1,133,010	1,189,043
<i>Total Business-Type Activity Program Revenues</i>	<u>1,504,431</u>	<u>1,626,988</u>	<u>1,704,103</u>	<u>1,809,068</u>
<i>Total Program Revenues</i>	<u>6,002,891</u>	<u>7,632,477</u>	<u>7,700,772</u>	<u>8,525,703</u>
<b><u>Net (Expense)/Revenue:</u></b>				
Governmental Activities	(26,556,975)	(25,894,490)	(25,829,173)	(24,663,290)
Business-Type Activity	(138,200)	(62,355)	(43,702)	(57,928)
<i>Total Net (Expense)/Revenue</i>	<u>(26,695,175)</u>	<u>(25,956,845)</u>	<u>(25,872,875)</u>	<u>(24,721,218)</u>
<b><u>General Revenues and Other Changes in Net Position:</u></b>				
<b><u>Governmental Activities:</u></b>				
Property Taxes Levied for:				
General Purposes	4,328,426	4,082,309	4,676,874	4,342,422
Classroom Facility Maintenance	88,056	79,882	91,402	84,908
Debt Service	496,617	459,556	413,833	600,867
Grants and Entitlements not				
Restricted to Specific Programs	19,244,661	19,187,402	19,513,313	18,627,278
Contributions and Donations	0	2,366	7,773	0
Interest	142,432	19,643	19,362	10,197
Gain on Sale of Capital Assets	0	35,360	0	0
Revenue in Lieu of Taxes	0	88,076	97,575	104,257
Miscellaneous	212,655	253,410	105,632	76,508
<i>Total Governmental Activities</i>	<u>24,512,847</u>	<u>24,208,004</u>	<u>24,925,764</u>	<u>23,846,437</u>
<i>Extraordinary Item - Insurance Settlement</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>Business-Type Activity:</u></b>				
Interest	2,737	368	275	0
Miscellaneous	29,460	33,944	34,305	29,004
<i>Total Business-Type Activity</i>	<u>32,197</u>	<u>34,312</u>	<u>34,580</u>	<u>29,004</u>
<i>Total Primary Government</i>	<u>24,545,044</u>	<u>24,242,316</u>	<u>24,960,344</u>	<u>23,875,441</u>
<b><u>Change in Net Position:</u></b>				
Governmental Activities	(2,044,128)	(1,686,486)	(903,409)	(816,853)
Business-Type Activity	(106,003)	(28,043)	(9,122)	(28,924)
<i>Total Change in Net Position</i>	<u>(\$2,150,131)</u>	<u>(\$1,714,529)</u>	<u>(\$912,531)</u>	<u>(\$845,777)</u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in fiscal year 2015.

2013	2014	2015 (1)	2016	2017	2018
\$545,730	\$460,518	\$440,605	\$437,853	\$458,823	\$418,419
1,122,380	1,077,477	1,066,494	1,073,001	1,095,761	1,048,118
<u>1,668,110</u>	<u>1,537,995</u>	<u>1,507,099</u>	<u>1,510,854</u>	<u>1,554,584</u>	<u>1,466,537</u>
6,774,058	7,464,464	7,361,685	7,594,244	8,059,960	8,067,277
(24,462,558)	(24,581,919)	(24,314,201)	(24,658,348)	(28,169,656)	(14,458,570)
(158,552)	(216,041)	(193,613)	(197,069)	(378,450)	(22,059)
<u>(24,621,110)</u>	<u>(24,797,960)</u>	<u>(24,507,814)</u>	<u>(24,855,417)</u>	<u>(28,548,106)</u>	<u>(14,480,629)</u>
4,324,242	4,846,070	4,353,541	4,786,063	4,857,225	4,708,148
87,738	98,687	88,572	88,034	89,687	85,491
515,886	604,018	544,174	598,241	607,142	588,506
18,291,506	19,724,363	21,598,569	23,381,209	24,132,433	24,397,129
0	0	0	0	0	0
12,024	10,157	28,295	27,568	63,627	177,037
0	0	0	0	0	0
102,547	98,405	106,196	116,696	129,275	149,934
112,064	87,047	155,616	48,951	149,681	137,208
<u>23,446,007</u>	<u>25,468,747</u>	<u>26,874,963</u>	<u>29,046,762</u>	<u>30,029,070</u>	<u>30,243,453</u>
0	0	0	0	0	0
522	100	196	0	3,103	142
22,977	32,951	29,009	27,136	31,335	32,304
<u>23,499</u>	<u>33,051</u>	<u>29,205</u>	<u>27,136</u>	<u>34,438</u>	<u>32,446</u>
23,469,506	25,501,798	26,904,168	29,073,898	30,063,508	30,275,899
(1,016,551)	886,828	2,560,762	4,388,414	1,859,414	15,784,883
(135,053)	(182,990)	(164,408)	(169,933)	(344,012)	10,387
<u>(\$1,151,604)</u>	<u>\$703,838</u>	<u>\$2,396,354</u>	<u>\$4,218,481</u>	<u>\$1,515,402</u>	<u>\$15,795,270</u>

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b><u>Governmental Activities:</u></b>				
Function:				
Instruction:				
Regular	\$1,322,534	\$1,514,112	\$1,364,499	\$2,629,195
Special	2,274,353	3,084,477	3,286,052	2,901,777
Vocational	154,259	160,716	155,592	153,881
Student Intervention Services	5,305	0	0	0
Support Services:				
Pupils	157,957	39,704	2,910	16,002
Instructional Staff	135,256	463,710	511,392	185,739
Administration	184,420	193,649	156,807	103,025
Fiscal	0	0	0	3,834
Operation and Maintenance of Plant	23,647	15,568	16,168	151,037
Pupil Transportation	80,917	75,040	76,737	72,574
Central	12,000	9,145	9,100	7,434
Operation of Non-Instructional Services	1,129	14,392	14,771	15,374
Extracurricular Activities	146,683	434,976	402,641	476,763
Total Program Revenues	<u>\$4,498,460</u>	<u>\$6,005,489</u>	<u>\$5,996,669</u>	<u>\$6,716,635</u>

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$1,544,537	\$1,793,957	\$1,580,736	\$1,805,842	\$2,009,680	\$2,064,215
2,531,470	3,119,871	2,819,158	2,776,278	2,852,662	2,810,643
155,393	96,622	89,647	176,572	245,564	243,932
0	4,072	0	0	0	0
4,040	9,973	84,595	86,560	101,974	112,497
40,114	69,188	4,240	2,298	0	4,892
123,677	109,777	236,976	236,160	263,178	262,079
13,916	20,955	28,020	138,661	9,776	0
145,446	135,075	306,580	176,810	315,229	339,910
80,171	86,312	249,988	230,099	258,141	286,461
7,200	7,200	7,200	7,200	7,200	7,200
37,137	8,678	14,176	6,332	18,534	17,431
422,847	464,789	433,270	440,578	423,438	451,480
<u>\$5,105,948</u>	<u>\$5,926,469</u>	<u>\$5,854,586</u>	<u>\$6,083,390</u>	<u>\$6,505,376</u>	<u>\$6,600,740</u>

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

	<u>2009</u>	<u>2010 (1)</u>	<u>2011 (1)</u>	<u>2012</u>
<b>General Fund</b>				
Reserved	\$2,163,347	\$0	\$0	\$0
Unreserved (Deficit)	(1,566,273)	0	0	0
Nonspendable	0	10,026	10,911	11,471
Restricted	0	1,084,762	1,321,337	4,619
Committed	0	0	0	0
Assigned	0	220,708	131,813	176,733
Unassigned (Deficit)	0	(1,060,775)	(653,767)	658,232
<b>Total General Fund</b>	<u>597,074</u>	<u>254,721</u>	<u>810,294</u>	<u>851,055</u>
<b>All Other Governmental Funds</b>				
Reserved	211,842	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	973,306	0	0	0
Debt Service Fund	1,736,031	0	0	0
Capital Projects Funds	1,239,028	0	0	0
Restricted	0	4,110,152	3,751,681	3,837,543
Unassigned (Deficit)	0	(34,253)	(125,035)	(11,355)
<b>Total All Other Governmental Funds</b>	<u>4,160,207</u>	<u>4,075,899</u>	<u>3,626,646</u>	<u>3,826,188</u>
<b>Total Governmental Funds</b>	<u><u>\$4,757,281</u></u>	<u><u>\$4,330,620</u></u>	<u><u>\$4,436,940</u></u>	<u><u>\$4,677,243</u></u>

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

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
11,812	13,613	14,021	14,413	107,640	107,341
0	0	0	0	0	0
0	0	629,578	388,420	252,720	282,696
603,017	624,315	1,224,126	588,318	209,135	194,405
685,942	1,556,120	3,684,149	8,303,222	12,739,456	15,830,262
<u>1,300,771</u>	<u>2,194,048</u>	<u>5,551,874</u>	<u>9,294,373</u>	<u>13,308,951</u>	<u>16,414,704</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
3,802,516	3,953,817	3,961,368	4,158,696	4,454,897	4,687,135
<u>(8,393)</u>	<u>(3,014)</u>	<u>(12,560)</u>	<u>(97,526)</u>	<u>(7,755)</u>	<u>(110,560)</u>
<u>3,794,123</u>	<u>3,950,803</u>	<u>3,948,808</u>	<u>4,061,170</u>	<u>4,447,142</u>	<u>4,576,575</u>
<u>\$5,094,894</u>	<u>\$6,144,851</u>	<u>\$9,500,682</u>	<u>\$13,355,543</u>	<u>\$17,756,093</u>	<u>\$20,991,279</u>

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

	2009	2010	2011	2012
<b><u>Revenues:</u></b>				
Property Taxes	\$4,883,793	\$4,624,437	\$5,182,202	\$5,028,289
Intergovernmental	22,288,451	23,274,692	23,815,510	23,124,431
Interest	142,432	19,643	19,362	10,197
Tuition and Fees	1,287,913	1,419,764	1,300,819	1,519,029
Extracurricular Activities	141,313	335,596	400,823	394,573
Rent	12,995	15,568	16,168	17,946
Contributions and Donations	6,499	116,138	23,444	93,847
Customer Sales and Services	0	0	0	0
Revenue in Lieu of Taxes	0	88,076	97,575	104,257
Miscellaneous	212,655	253,410	105,632	76,508
<b>Total Revenues</b>	<b>28,976,051</b>	<b>30,147,324</b>	<b>30,961,535</b>	<b>30,369,077</b>
<b><u>Expenditures:</u></b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	14,026,999	14,581,326	14,639,886	15,082,311
Special	3,615,310	3,852,285	4,044,393	3,923,800
Vocational	292,940	384,613	273,355	208,088
Student Intervention Services	146,996	3,274	930	0
<b>Support Services:</b>				
Pupils	888,765	685,038	612,813	657,316
Instructional Staff	1,059,607	1,420,869	1,477,877	809,625
Board of Education	20,524	19,962	25,568	24,927
Administration	1,956,104	2,041,708	1,955,852	1,910,985
Fiscal	542,751	560,881	564,727	574,518
Operation and Maintenance of Plant	3,069,098	3,115,637	3,042,340	2,824,492
Pupil Transportation	2,055,205	2,087,277	2,127,937	2,216,069
Central	273,575	329,933	317,809	336,920
Operation of Non-Instructional Services	16,395	16,760	11,155	13,539
Extracurricular Activities	611,076	773,966	763,964	643,355
Capital Outlay	195,584	722,701	406,140	238,724
<b>Debt Service:</b>				
Principal Retirement	288,000	348,000	391,000	494,000
Interest and Fiscal Charges	275,387	276,255	199,469	170,105
Issuance Costs	0	0	65,745	0
<b>Total Expenditures</b>	<b>29,334,316</b>	<b>31,220,485</b>	<b>30,920,960</b>	<b>30,128,774</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(358,265)</b>	<b>(1,073,161)</b>	<b>40,575</b>	<b>240,303</b>
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds from Sale of Capital Assets	0	36,500	0	0
Inception of Capital Lease	0	610,000	0	0
Refunding Bonds Issued	0	0	3,075,000	0
Premium on Refunding Bonds Issued	0	0	131,355	0
Payment to Refunded Bond Escrow Agent	0	0	(3,140,610)	0
Transfers In	0	0	740,853	0
Transfers Out	0	0	(740,853)	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>646,500</b>	<b>65,745</b>	<b>0</b>
<b>Extraordinary Item - Insurance Settlement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(\$358,265)</b>	<b>(\$426,661)</b>	<b>\$106,320</b>	<b>\$240,303</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>1.9%</b>	<b>2.0%</b>	<b>1.9%</b>	<b>2.2%</b>



2013	2014	2015	2016	2017	2018
\$4,844,003	\$5,047,210	\$5,127,717	\$5,119,611	\$5,731,094	\$5,292,279
21,604,858	23,225,498	25,555,045	27,189,063	28,419,854	28,272,675
12,024	10,157	28,295	27,568	63,627	177,037
1,602,627	1,606,908	1,708,329	1,679,872	1,899,083	2,010,877
348,914	366,046	327,763	356,845	363,206	371,577
19,780	16,333	8,390	150	900	0
83,281	86,810	105,892	89,493	82,976	95,147
22,293	85	2,576	0	0	0
102,547	98,405	106,196	116,696	129,275	149,934
112,064	87,047	155,616	48,951	149,681	137,208
<u>28,752,391</u>	<u>30,544,499</u>	<u>33,125,819</u>	<u>34,628,249</u>	<u>36,839,696</u>	<u>36,506,734</u>
13,910,196	14,674,145	15,090,494	15,381,820	16,620,282	16,848,505
3,080,064	3,288,699	3,053,865	2,936,487	3,265,157	3,640,082
204,325	207,405	259,171	118,528	147,078	177,550
0	2,687	0	15,421	16,989	16,070
1,213,548	1,237,817	1,217,317	1,322,164	1,475,097	1,538,026
678,132	304,760	400,346	346,675	337,456	350,260
20,703	20,759	17,635	15,357	16,741	18,527
1,835,740	2,030,910	2,023,423	2,211,758	2,217,924	2,228,408
525,410	562,212	540,792	549,986	606,840	574,889
2,663,905	2,605,498	2,648,656	2,679,382	2,770,465	2,771,631
2,158,512	2,159,825	2,269,864	2,286,482	2,375,426	2,436,417
444,276	771,597	516,957	886,362	957,878	960,677
17,161	12,975	13,971	11,790	63,561	14,971
655,780	705,501	709,118	777,823	743,667	814,398
279,914	241,827	345,778	582,926	159,551	213,988
498,000	542,000	570,000	569,000	598,000	616,000
149,074	125,925	101,246	81,427	67,034	51,149
0	0	0	0	0	0
<u>28,334,740</u>	<u>29,494,542</u>	<u>29,778,633</u>	<u>30,773,388</u>	<u>32,439,146</u>	<u>33,271,548</u>
417,651	1,049,957	3,347,186	3,854,861	4,400,550	3,235,186
0	0	8,645	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	8,645	0	0	0
0	0	0	0	0	0
<u>\$417,651</u>	<u>\$1,049,957</u>	<u>\$3,355,831</u>	<u>\$3,854,861</u>	<u>\$4,400,550</u>	<u>\$3,235,186</u>
2.3%	2.3%	2.3%	2.2%	2.1%	2.0%

**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
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
2017	236,019,140	23,290,530	740,884,771	10,307,340	12,884,175
2018	237,560,710	25,781,610	752,406,629	11,295,440	14,119,300

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. 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 tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, (except telephone companies whose last year to pay tangible personal property tax was in 2010).

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 a 10 percent and a 2 1/2 percent rollback and 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		
\$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
0	0	269,617,010	753,768,946	35.77%	20.13
0	0	274,637,760	766,525,929	35.83%	19.89

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

	2008	2009	2010	2011
<b>UNVOTED MILLAGE:</b>				
Operating	\$4.70	\$4.70	\$4.70	\$4.70
<b>VOTED MILLAGE - BY LEVY:</b>				
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	1.75	1.75	1.75
Commercial/Industrial and Public Utility Real	2.00	1.75	1.75	1.75
General Business and Public Utility Personal	2.00	1.75	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	0.38	0.38
Commercial/Industrial and Public Utility Real	0.40	0.40	0.40	0.41
General Business and Public Utility Personal	0.50	0.50	0.50	0.50
<b>TOTAL VOTED MILLAGE BY TYPE OF PROPERTY</b>				
Residential/Agricultural Real	18.20	17.95	17.93	17.93
Commercial/Industrial and Public Utility Real	18.20	17.95	17.95	17.96
General Business and Public Utility Personal	18.30	18.05	18.05	18.05
<b>TOTAL SCHOOL DISTRICT MILLAGE</b>				
	<b>23.00</b>	<b>22.75</b>	<b>22.75</b>	<b>22.75</b>
<b>WEIGHTED AVERAGE</b>				
	<b>22.90</b>	<b>22.66</b>	<b>22.64</b>	<b>16.57</b>
<b>OVERLAPPING RATES BY TAXING DISTRICT</b>				
<b>TOWNSHIPS:</b>				
Residential/Agricultural Real	0.10 - 3.69	0.10 - 3.46	0.10 - 3.46	0.10 - 3.47
Commercial/Industrial and Public Utility Real	0.10 - 3.77	0.10 - 3.60	0.10 - 3.59	0.10 - 3.64
General Business and Public Utility Personal	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10
<b>CORPORATIONS:</b>				
Residential/Agricultural Real	0.60 - 4.51	0.60 - 2.61	0.60 - 5.00	0.60 - 5.00
Commercial/Industrial and Public Utility Real	0.60 - 4.66	0.60 - 2.91	0.60 - 5.00	0.60 - 5.00
General Business and Public Utility Personal	0.60 - 5.00	0.60 - 4.00	0.60 - 5.00	0.60 - 5.00
<b>SOUTHERN HILLS JOINT VOCATIONAL DISTRICT:</b>				
Residential/Agricultural Real	3.06	3.06	2.92	2.92
Commercial/Industrial and Public Utility Real	3.61	3.62	3.63	3.65
General Business and Public Utility Personal	6.40	6.40	6.40	6.40
<b>COUNTY AND OTHER UNITS:</b>				
<b>BROWN COUNTY</b>				
Residential/Agricultural Real	4.67	5.47	7.15	7.15
Commercial/Industrial and Public Utility Real	4.75	5.55	7.34	7.34
General Business and Public Utility Personal	5.80	6.60	7.60	7.60
<b>CLERMONT COUNTY</b>				
Residential/Agricultural Real	7.41	7.80	7.82	8.55
Commercial/Industrial and Public Utility Real	7.90	8.49	8.52	9.12
General Business and Public Utility Personal	9.55	9.95	9.95	9.95
<b>BROWN COUNTY PUBLIC LIBRARY</b>				
Residential/Agricultural Real	0.35	0.35	0.35	0.35
Commercial/Industrial and Public Utility Real	0.35	0.35	0.35	0.35
General Business and Public Utility Personal	0.35	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 improvements 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.

2012	2013	2014	2015	2016	2017	2018
\$4.70	\$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	15.30	15.30	15.30
1.75	2.00	2.00	2.00	2.00	2.00	2.00
1.75	2.00	2.00	2.00	2.00	2.00	2.00
1.75	2.00	2.00	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	0.50	0.50	0.50
0.38	0.38	0.38	0.38	0.38	0.38	0.39
0.41	0.41	0.41	0.41	0.41	0.41	0.36
0.50	0.50	0.50	0.50	0.50	0.50	0.50
17.93	18.18	18.18	18.18	18.18	18.18	18.19
17.96	18.21	18.21	18.21	18.21	18.21	18.16
18.05	18.30	18.30	18.30	18.30	18.30	18.30
<b>22.75</b>	<b>23.00</b>	<b>23.00</b>	<b>23.00</b>	<b>23.00</b>	<b>23.00</b>	<b>23.00</b>
<b>19.89</b>	<b>19.79</b>	<b>19.84</b>	<b>19.87</b>	<b>20.11</b>	<b>20.13</b>	<b>19.89</b>
0.90 - 3.85	0.90 - 3.85	0.90 - 3.85	0.90 - 3.85	0.90 - 3.85	0.90 - 3.85	0.90 - 3.49
0.90 - 4.00	0.90 - 4.00	0.90 - 4.00	0.90 - 4.00	0.90 - 4.00	0.90 - 4.00	0.90 - 4.00
0.09 - 4.00	0.09 - 4.00	0.09 - 4.00	0.09 - 4.00	0.90 - 4.00	0.90 - 4.00	0.90 - 4.00
0.60 - 2.37	0.60 - 2.37	0.60 - 2.37	0.60 - 2.37	0.60 - 2.37	0.60 - 2.37	0.60 - 3.11
0.60 - 2.89	0.60 - 2.89	0.60 - 2.89	0.60 - 2.89	0.60 - 2.89	0.60 - 2.89	0.60 - 3.96
0.60 - 3.60	0.60 - 3.60	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	2.78
3.68	3.68	3.68	3.68	3.68	3.68	3.91
6.40	6.40	6.40	6.40	6.40	6.40	6.40
7.16	7.16	7.16	7.16	7.16	7.16	6.90
7.35	7.35	7.35	7.35	7.35	7.35	7.40
7.60	7.60	7.60	7.60	7.60	7.60	7.60
8.83	8.83	8.83	8.83	8.83	8.83	9.55
9.25	9.25	9.25	9.25	9.25	9.25	10.21
9.95	9.95	9.95	9.95	9.95	9.95	10.70
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	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)
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	6,200,530	4,894,009	78.93%	468,321	5,362,330	86.48%
2017	6,242,382	4,992,045	79.97%	419,369	5,411,414	86.69%
2018 (1)	N/A	N/A	N/A	N/A	N/A	N/A

**Source:** Brown County Auditor

- (1) The 2018 collections cannot be presented because all collections have not been made by June 30, 2017.
- (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*  
*2018 and 2008 (1)*

Name of Taxpayer	2018	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$2,010,953	0.76%
Milacron LLC	1,560,420	0.59%
Brown County Industrial Park	1,378,321	0.52%
Locust Ridge Land Corp.	1,101,060	0.42%
Ava Jo Bohl	1,070,340	0.41%
Scottwood Commons	786,690	0.30%
Alma Monk Trustee	687,440	0.26%
Shriji Krupa	618,480	0.23%
N A L Company	530,110	0.20%
Northpoint Centre	488,340	0.19%
Totals	<u>\$10,232,154</u>	<u>3.88%</u>
Total Assessed Valuation	<u>\$263,342,320</u>	<u>100.00%</u>

Name of Taxpayer	2009	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$5,769,657	2.51%
Cincinnati Milacron	4,805,114	2.09%
Sterling Group	4,000,000	1.74%
Barry Burkenmeier	1,990,400	0.87%
Brown County Industrial Park	1,984,228	0.86%
Shriji Krupa LLC	1,741,400	0.76%
Locust Ridge Land Corporation	1,452,171	0.63%
Northpoint Center	1,327,314	0.58%
Alma Monk Trustee	1,319,142	0.57%
Scottwood Commons	<u>1,303,800</u>	<u>0.57%</u>
Totals	<u>\$25,693,226</u>	<u>11.18%</u>
Total Assessed Valuation	<u>\$230,092,600</u>	<u>100.00%</u>

(1) The amounts represent the assessed values upon which 2018 and 2009 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
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
2017	17,494	753,768,946	2,060,589	0.27%	117.79
2018	17,494	766,525,929	1,582,995	0.21%	90.49

**Sources:**

(1) National Center for Education Statistics  
 2001-2010 from 2000 U.S. Census Data  
 2011-2017 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 - 2017 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
\$5,065,000	\$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
2,060,589	235,000	2,295,589	0.30%	0.66%	131.22
1,582,995	119,000	1,701,995	0.22%	0.49%	97.29

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

	<u>2009 (3)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Assessed Valuation (1)	\$238,028,600	\$245,940,190	\$245,329,030	\$245,873,590
Less:				
General Business Personal Property	(551,880)	(275,940)	0	0
Railroad and Telephone Tangible Property	(361,410)	(84,120)	(82,660)	0
Total Assessed Valuation used to calculate Legal Debt Margin	<u>237,115,310</u>	<u>245,580,130</u>	<u>245,246,370</u>	<u>245,873,590</u>
Debt Limit - 9% of Assessed Value (2)	<u>21,340,378</u>	<u>22,102,212</u>	<u>22,072,173</u>	<u>22,128,623</u>
Amount of Debt Applicable to Debt Limit				
Gross Indebtedness	5,065,000	4,795,000	4,495,000	4,095,000
Less Exempt Debt	0	0	0	0
Less Amount Available in Debt Service	(1,850,785)	(1,844,614)	(1,846,627)	(1,959,693)
Amount of Debt Subject to Limit	<u>3,214,215</u>	<u>2,950,386</u>	<u>2,648,373</u>	<u>2,135,307</u>
Legal Debt Margin	<u>\$18,126,163</u>	<u>\$19,151,826</u>	<u>\$19,423,800</u>	<u>\$19,993,316</u>
Legal Debt Margin as a Percentage of the Debt Limit	84.94%	86.65%	88.00%	90.35%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$237,115	\$245,580	\$245,246	\$245,874
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$237,115</u>	<u>\$245,580</u>	<u>\$245,246</u>	<u>\$245,874</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.

2013	2014	2015	2016	2017	2018
\$239,951,080	\$240,005,500	\$241,049,720	\$267,058,570	\$269,617,010	\$274,637,760
0	0	0	0	0	0
0	0	0	0	0	0
239,951,080	240,005,500	241,049,720	267,058,570	269,617,010	274,637,760
21,595,597	21,600,495	21,694,475	24,035,271	24,265,531	24,717,398
3,695,000	3,255,000	2,790,000	2,330,000	1,845,000	1,345,000
0	0	0	0	0	0
(1,997,717)	(2,061,140)	(2,137,239)	(2,237,759)	(2,393,220)	(2,499,960)
1,697,283	1,193,860	652,761	92,241	(548,220)	(1,154,960)
<u>\$19,898,314</u>	<u>\$20,406,635</u>	<u>\$21,041,714</u>	<u>\$23,943,030</u>	<u>\$24,813,751</u>	<u>\$25,872,358</u>
92.14%	94.47%	96.99%	99.62%	102.26%	104.67%
\$239,951	\$240,006	\$241,050	\$267,059	\$269,617	\$274,638
0	0	0	0	0	0
<u>\$239,951</u>	<u>\$240,006</u>	<u>\$241,050</u>	<u>\$267,059</u>	<u>\$269,617</u>	<u>\$274,638</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, 2018*

	<u>General Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
<b>Direct:</b>			
General Obligation Bonds	\$1,582,955	100.00%	\$1,582,955
Capital Leases	<u>119,000</u>	100.00%	<u>119,000</u>
<b>Total Direct</b>	<u>1,701,955</u>		<u>1,701,955</u>
<b>Overlapping:</b>			
Brown County General Obligation Bonds	3,846,788	33.62%	1,293,290
Southern Hills Joint Vocational School District	1,012,626	32.19%	325,964
Village of Mt. Orab	1,500,000	100.00%	1,500,000
Pike Township	<u>35,000</u>	100.00%	<u>35,000</u>
<b>Total Overlapping</b>	<u>6,394,414</u>		<u>3,154,254</u>
<b>Total</b>	<u><u>\$8,096,369</u></u>		<u><u>\$4,856,209</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)
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%
2017	17,494	349,687,566	19,989	44,796	5.80%
2018	17,494	349,687,566	19,989	44,796	4.60%

**Sources:** (1) National Center for Education Statistics  
2001-2010 from 2000 U.S. Census Data  
2011-2017 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*

2018 and 2009

		2018		
Employer	Nature of Business	Number of Employees	Percent	Rank
Kroger	Retail Grocer	396	19.29%	1
Western Brown Local School District	Education	308	15.00%	2
Milacron LLC	Plastic Injection	278	13.54%	3
Mercy Mt. Orab	Medical	185	9.01%	4
Butterbee's Restaurant	Food Service	128	6.23%	5
ATW Ohio , LLC	Farm Implement	106	5.16%	6
Village of Mt. Orab	Local government	103	5.02%	7
McDonalds Restaurant	Food Service	101	4.92%	8
Mt. Orab Investments	Rental Properties	97	4.72%	9
Country Inn Restaurant	Food Service	68	3.31%	10
Total Employees		1,770	86.20%	
All Other Employers		283	13.80%	
Total Employment within the City		2,053	100.00%	

		2009		
Employer	Nature of Business	Number of Employees	Percent	Rank
Western Brown Local School District	Education	517	32.54%	1
Kroger	Retail Grocer	287	18.06%	2
Cincinnati Milacron	Plastic Injection	175	11.01%	3
McDonald's	Food Service	127	7.99%	4
Hawklene Nevada	Farm Implements	60	3.78%	5
N A L Company	Paper Products	50	3.15%	6
Kibler Lumber	Retail Lumber	45	2.83%	7
Cincinnati Wood & Dowel	Wood Products	40	2.52%	8
Liberty Sheet Metal	Manufacturing	30	1.89%	9
Mt. Orab Ford	Auto Sales	30	1.89%	10
Total Employees		1,361	85.66%	
All Other Employers		228	14.34%	
Total Employment within the City		1,589	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
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
2017	3,312	31,774,112	9,594	34,582,812	10,442
2018	3,212	32,604,399	10,151	20,980,456	6,532

**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	2009	2010	2011	2012
<b>Regular Instruction</b>				
Elementary Classroom Teachers	122	122	122	114
High School Classroom Teachers	36	36	36	36
<b>Special Instruction</b>				
Elementary Classroom Teachers	14	16	16	16
High School Classroom Teachers	6	6	6	6
<b>Vocational Instruction</b>				
High School Classroom Teachers	3	4	4	2
<b>Pupil Support Services</b>				
Guidance Counselors	5	5	5	5
Librarians	3	3	3	1
Psychologists	1	1	1	0
Nurses	1	1	1	1
Aides	13	13	13	13
<b>Administrators</b>				
Elementary	6	6	6	6
High School	3	3	3	3
District	9	9	9	8
Secretaries	4	4	4	4
Secretaries' Assistants	4	4	4	4
Fiscal Services	4	4	4	3
Data Management	0	0	0	0
<b>Operation and Maintenance of Plant</b>				
Custodians	25	25	25	25
Maintenance	3	3	3	3
<b>Pupil Transportation</b>				
Bus Drivers	34	34	34	35
Bus Aides	3	3	3	3
Bus Mechanics	0	0	0	1
<b>Food Service Program</b>				
Elementary Cooks	18	20	20	20
High School Cooks	6	6	6	6
Totals:	<u>323</u>	<u>328</u>	<u>328</u>	<u>315</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
114	114	114	116	117	118
36	36	36	37	37	37
16	16	16	17	17	17
6	6	6	6	6	6
2	2	2	2	2	2
5	5	5	5	5	5
1	1	1	1	1	1
0	0	0	0	0	0
1	1	1	1	0	0
13	15	15	15	15	16
6	6	6	6	6	6
2	3	3	3	3	3
8	8	8	8	8	8
4	4	4	4	4	4
0	0	0	0	0	0
3	3	3	3	3	3
0	0	1	1	4	4
25	19	19	19	19	19
3	3	3	3	3	3
23	23	23	23	23	25
3	3	3	3	3	3
2	2	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>299</u>	<u>296</u>	<u>297</u>	<u>301</u>	<u>304</u>	<u>308</u>

**Western Brown Local School District**  
*Building Statistics*  
*Last Ten Fiscal Years*

	2009	2010	2011	2012
<b><u>Mt. Orab Elementary School:</u></b>				
Constructed in 1971				
Additions in 1988 and 1998				
Total Building Square Footage	100,965	100,965	100,965	100,965
Enrollment Grades K-4	903	1,017	1,024	973
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	44	44	44	44
Regular Instruction Teachers	47	37	37	37
Special Instruction Classrooms	4	4	4	4
Special Instruction Teachers	3	4	4	4
<b><u>Mt. Orab Middle School:</u></b>				
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	760	682	690	682
Student Capacity	1,000	1,000	1,000	1,000
Regular Instruction Classrooms	34	34	34	34
Regular Instruction Teachers	35	29	29	29
Special Instruction Classrooms	7	7	7	7
Special Instruction Teachers	5	5	5	6
<b><u>Hamersville Elementary &amp; Middle School:</u></b>				
Constructed in 2002				
Total Building Square Footage	129,780	129,780	129,780	129,780
Enrollment Grades K-8	668	686	674	662
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	36	36	36	36
Regular Instruction Teachers	40	34	34	32
Special Instruction Classrooms	8	8	8	8
Special Instruction Teachers	4	4	4	6
<b><u>Western Brown High School:</u></b>				
Constructed in 2002				
Total Building Square Footage	187,729	187,729	187,729	187,729
Enrollment Grades 9-12	1,091	1,081	1,093	1,096
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	6	4	4	6

**Source:** Western Brown Local School District records.

2013	2014	2015	2016	2017	2018
100,965	100,965	100,965	100,965	100,965	100,965
882	889	892	854	830	857
1,100	1,100	1,100	1,100	1,100	1,100
44	44	44	44	44	44
37	37	37	37	43	44
4	4	4	4	4	4
4	4	4	4	5	5
94,851	94,851	94,851	94,851	94,851	94,851
694	702	700	723	712	740
1,000	1,000	1,000	1,000	1,000	1,000
34	34	34	34	34	34
29	29	29	29	36	36
7	7	7	7	7	7
6	6	6	6	8	8
129,780	129,780	129,780	129,780	129,780	129,780
673	667	653	661	652	703
1,100	1,100	1,100	1,100	1,100	1,100
36	36	36	36	36	36
32	32	32	32	33	33
8	8	8	8	8	8
6	6	6	6	6	6
187,729	187,729	187,729	187,729	187,729	187,729
1,103	1,108	1,114	1,108	1,118	912
1,200	1,200	1,200	1,200	1,200	1,200
40	40	40	40	40	40
36	36	36	36	42	42
5	5	5	5	5	5
6	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>
2009	18.9
2010	18.8
2011	18.9
2012	19.6
2013	19.3
2014	19.3
2015	21.5
2016	18.8
2017	18.5
2018	17.8

**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>
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
2017	45.36	53.32	47.65	48.86
2018	43.28	43.37	44.28	37.36

**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 27, 2018**