



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, 2017**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Revenue	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Education:</i>				
Children Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	10.555	3L60	\$75,638	\$75,638
Cash Assistance:				
National School Breakfast Program	10.553	3L70	\$368,104	\$368,104
National School Lunch Program	10.555	3L60	\$636,221	\$636,221
Total U.S. Department of Agriculture - Total Child Nutrition Cluster			\$1,079,963	\$1,079,963
U.S. DEPARTMENT OF DEFENSE (ARMY)				
<i>Direct Program</i>				
National Guard Civilian Youth Opportunities	12.404	N/A	\$64,423	\$64,423
Total Department of Defense (Army)			\$64,423	\$64,423
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education:</i>				
Special Education Grants to States - (IDEA Part B)	84.027	3M20 - 2016	\$121,216	\$97,398
	84.027	3M20 - 2017	\$522,972	\$547,646
Total Special Education Grants to State Cluster			\$644,188	\$645,044
Title I Grants to Local Education Agencies	84.010	3M00 - 2016	\$98,411	\$92,931
Title I Grants to Local Education Agencies	84.010	3M00 - 2017	\$610,361	\$669,200
Total Title I Grants to Local Educational Agencies			\$708,772	\$762,131
Title IIA - Improving Teacher Quality	84.367	3Y60 - 2016	\$18,933	\$18,933
Title IIA - Improving Teacher Quality	84.367	3Y60 - 2017	\$97,972	\$102,290
			\$116,905	\$121,223
Total U.S. Department of Education			\$1,469,865	\$1,528,398
Total Expenditures of Federal Awards			\$2,614,251	\$2,672,784

The accompanying notes are an integral part of this schedule.

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Receipts and 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, 2017. 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Western Brown Local School District, Brown County, (the District) as of and for the year ended June 30, 2017, 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 18, 2017.

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 opinion 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.

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 18, 2017



Dave Yost • Auditor of State

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

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

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Western Brown Local School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Western Brown Local School District's major federal programs for the year ended June 30, 2017. 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, the Western Brown Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended June 30, 2017.

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, the business-type activities, each major fund and the aggregate remaining fund information Western Brown Local School District (the District) as of and for the year ended June 30, 2017, 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 18, 2017. 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 Each 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 18, 2017

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**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

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WESTERN BROWN

LOCAL SCHOOL DISTRICT

MT. ORAB, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

WESTERN BROWN LOCAL SCHOOL DISTRICT

MT. ORAB, OHIO

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017

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Comprehensive Annual Financial Report
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Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

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WESTERN BROWN LOCAL SCHOOL DISTRICT

BOARD OF EDUCATION

JoAnn Hildebrandt, President
Richard Pride II, Vice President

Lynette Garrett

Brian Rhodes

Tracy O'Hara



524 West Main Street

Mt. Orab, Ohio 45154

(937) 444-2044 Fax (937) 444-4303

ADMINISTRATION

Raegan L. White, Superintendent

Denny Dunlap, CPA, Treasurer

Eva M. Lanter, Executive Secretary

Jina Bohl, Assistant Superintendent

Jennifer Bohrer, Special Education Director

Stella Schneider, Food Service Director

December 18, 2017

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, 2017. 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, 2017. 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, 2017, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Richard E. Pride II	Jan. 2016 - Dec. 2019	9 - ½
JoAnn Hilderbrandt	Jan. 2016 - Dec. 2019	13 - ½
Scott Moore	Jun. 2017 – Dec. 2017	4 days
Lynette Garrett	Jan. 2014 - Dec. 2017	3 - ½
Tracy O'Hara	Jan. 2014 - Dec. 2017	3 - ½

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations, except financial operations, of the School District. Mr. Raegan White was appointed Superintendent on April 20, 2015. His contract expires on July 31, 2018.

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

The School District served 3,312 students during the 2017 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 304 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 2017, the School District's enrollment decreased by 34 students. Even though our enrollment decreased, we feel people living in our communities are staying due to a steady job market and low cost of living in our area.

The economy in Ohio continues to be strong 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 2017, 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 School District has upgraded our technology system to replace outdated or obsolete equipment. We now plan to start making purchases of chrome books in the future so each student has their own.

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 2017 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 along with other school districts in Brown County are integrating the "40 Developmental Assets" into daily curriculum and building activities across the School District. Each building has an Asset Coach that assists in planning events and supporting teachers with integrated curriculum.

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 School District has just completed the process in developing a new mission statement that will be utilized to start building a cohesive focus on School District educational beliefs. Posters and t-shirts are being distributed and other activities are being planned by building teams to roll out the new mission.

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.

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, 2016. 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, 2016 to the Western Brown Local School District. The award certifies that the CAFR for the fiscal year ended June 30, 2016, 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, 2017*

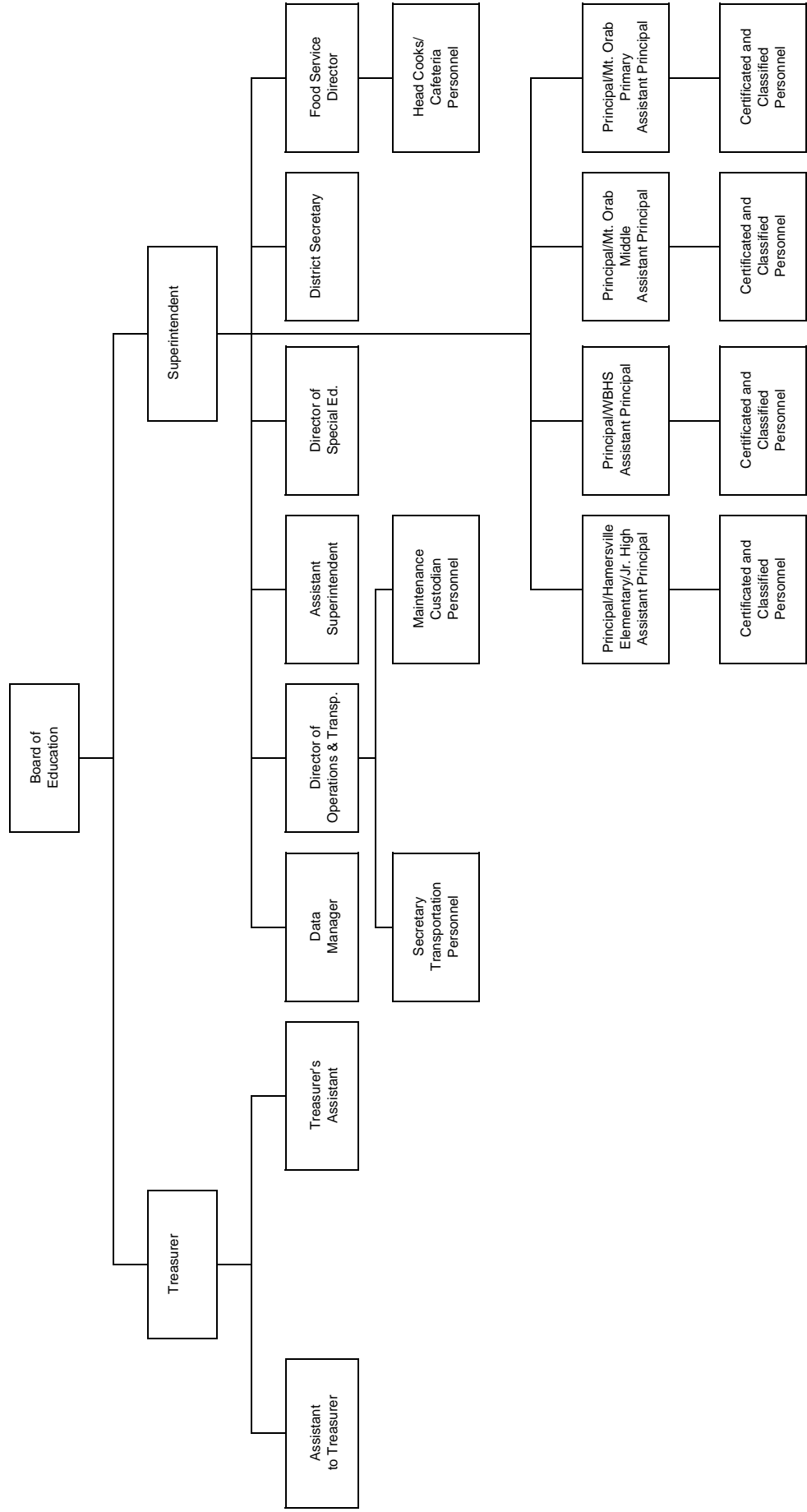
ELECTED OFFICIALS

President, Board of Education.....Lynette Garrett
Vice President, Board of Education.....Tracy O’Hara
Board Member.....JoAnn Hildebrandt
Board Member.....Richard Pride II
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, 2017**



Western Brown Local School District
Consultants and Advisors
June 30, 2017

Architects

SHP Leading Design
82 Williams Avenue
Hamilton, OH 45011

Bond Counsel

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

Independent Auditor

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

CAFR Preparation Consultants

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

**Workers' Compensation/
Unemployment**

CompManagement, Inc.
PO Box 884
Dublin, OH 43017

Investment Advisor

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

Legal Counsel

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

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

Official Depositories

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

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

NCB, FSB
139 South High Street
Hillsboro, OH 45133



Government Finance Officers Association

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

Presented to

**Western Brown Local School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

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, 2016.**

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



A handwritten signature in cursive script, appearing to read 'Anthony N. Dragona'.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in cursive script, appearing to read 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director

Western Brown Local Schools

Strategic Plan

Adopted by the Western Brown Board of Education
June 30, 2017

Beliefs

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

Mission Statement

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

Strategic Parameters

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

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

Goals

- All students will graduate from high school.
- By 2017-2018, all students will reach high standards, at a minimum attaining proficiency or better in reading/language arts.
- By 2017-2018, all students will reach high standards, at a minimum attaining proficiency or better in mathematics.
- Students with disabilities will have Individualized Educational Program goals and measures aligned with the academic content standards.
- All students will be educated in learning environments that are safe, drug free, and conducive in learning.
- By 2017-2018, all students will reach high standards, at a minimum attaining proficiency or better in science.
- By 2017-2018, all students will reach high standards, at a minimum attaining proficiency or better in citizenship.
- The Western Brown Local School District will provide meaningful opportunities for family and community involvement in the educational process.

Vision

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

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FINANCIAL SECTION



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Western Brown Local School District, Brown County, Ohio (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Western Brown Local School District, Brown County, Ohio, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017, 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 18, 2017

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Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
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, 2017. 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 \$1,515,402 from the prior fiscal year.
- Governmental unrestricted net position increased \$2,451,592 due to an increase in intergovernmental revenue due to a change in the State foundation funding formula.
- Property tax revenue increased due to an increase in the Current Agricultural Use Value (CAUV) property values. This increase in value was recognized in the second half collection of calendar year 2016 taxes.

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 2017?" 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.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School District's goal is to provide services to our students, not to generate profits as 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 12. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

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

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

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

The School District as a Whole

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

Table 1 provides a summary of the School District's net position for fiscal years 2017 and 2016:

(Table 1)
Net Position

	Governmental Activities		Business-Type Activity		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other Assets	\$26,072,168	\$21,728,097	\$164,933	\$306,786	\$26,237,101	\$22,034,883
Capital Assets, Net	37,708,469	39,208,695	765,276	807,352	38,473,745	40,016,047
Total Assets	63,780,637	60,936,792	930,209	1,114,138	64,710,846	62,050,930
Deferred Outflows of Resources						
Deferred Charge on Refunding Pension	25,424	31,780	0	0	25,424	31,780
	7,929,079	3,569,571	807,864	190,171	8,736,943	3,759,742
Total Deferred Outflows of Resources	7,954,503	3,601,351	807,864	190,171	8,762,367	3,791,522
Liabilities						
Other Liabilities	3,160,830	3,084,605	129,119	118,125	3,289,949	3,202,730
Long-Term Liabilities:						
Due Within One Year	791,874	799,678	22,619	19,550	814,493	819,228
Net Pension Liability	41,689,643	33,623,230	2,788,680	1,952,989	44,478,323	35,576,219
Other Amounts	3,070,725	3,652,496	15,322	22,591	3,086,047	3,675,087
Total Liabilities	48,713,072	41,160,009	2,955,740	2,113,255	51,668,812	43,273,264
Deferred Inflows of Resources						
Property Taxes	4,058,486	3,897,643	0	0	4,058,486	3,897,643
Revenue in Lieu of Taxes	112,113	101,387	0	0	112,113	101,387
Pension	382,434	2,769,483	0	64,709	382,434	2,834,192
Total Deferred Inflows of Resources	\$4,553,033	\$6,768,513	\$0	\$64,709	\$4,553,033	\$6,833,222

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

(Table 1)

Net Position

(Continued)

	Governmental Activities		Business-Type Activity		Total	
	2017	2016	2017	2016	2017	2016
Net Position						
Net Investment in Capital Assets	\$35,602,997	\$36,388,626	\$765,276	\$807,352	\$36,368,273	\$37,195,978
Restricted	4,650,389	4,456,938	0	0	4,650,389	4,456,938
Unrestricted (Deficit)	(21,784,351)	(24,235,943)	(1,982,943)	(1,681,007)	(23,767,294)	(25,916,950)
Total Net Position	\$18,469,035	\$16,609,621	(\$1,217,667)	(\$873,655)	\$17,251,368	\$15,735,966

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2017 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

GASB 68 requires the net pension liability to equal the School District's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

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

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

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

Net investment in capital assets of governmental activities decreased \$785,629 during fiscal year 2017 due to depreciation exceeding additions. Governmental activities unrestricted net position increased \$2,451,592, as a result of a change in the State foundation funding formula. Business-type unrestricted net position decreased \$301,936 due to the increase in the net pension liability and the associated fringe benefits expense.

Table 2 shows the changes in net position for fiscal years 2017 and 2016.

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

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

(Table 2)
Changes in Net Position

	Governmental Activities		Business-Type Activity		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,263,189	\$2,036,867	\$458,823	\$437,853	\$2,722,012	\$2,474,720
Operating Grants and Contributions	4,207,411	3,986,398	1,095,761	1,073,001	5,303,172	5,059,399
Capital Grants and Contributions	34,776	60,125	0	0	34,776	60,125
Total Program Revenues	6,505,376	6,083,390	1,554,584	1,510,854	8,059,960	7,594,244
General Revenues:						
Property Taxes	5,554,054	5,472,338	0	0	5,554,054	5,472,338
Grants and Entitlements not Restricted to Specific Programs	24,132,433	23,381,209	0	0	24,132,433	23,381,209
Interest	63,627	27,568	3,103	0	66,730	27,568
Revenue in Lieu of Taxes	129,275	116,696	0	0	129,275	116,696
Miscellaneous	149,681	48,951	31,335	27,136	181,016	76,087
Total General Revenues	30,029,070	29,046,762	34,438	27,136	30,063,508	29,073,898
Total Revenues	36,534,446	35,130,152	1,589,022	1,537,990	38,123,468	36,668,142
Program Expenses						
Instruction:						
Regular	18,734,648	16,145,798	0	0	18,734,648	16,145,798
Special	3,484,456	2,963,687	0	0	3,484,456	2,963,687
Vocational	174,992	133,194	0	0	174,992	133,194
Student Intervention Services	16,989	15,421	0	0	16,989	15,421
Support Services:						
Pupils	1,565,522	1,358,978	0	0	1,565,522	1,358,978
Instructional Staff	357,715	373,129	0	0	357,715	373,129
Board of Education	16,741	15,357	0	0	16,741	15,357
Administration	2,532,459	2,389,624	0	0	2,532,459	2,389,624
Fiscal	622,141	564,692	0	0	622,141	564,692
Operation and Maintenance of Plant	2,704,836	2,681,910	0	0	2,704,836	2,681,910
Pupil Transportation	2,422,541	2,163,094	0	0	2,422,541	2,163,094
Central	960,750	899,556	0	0	960,750	899,556
Operation of Non-Instructional Services	63,561	11,790	0	0	63,561	11,790
Extracurricular Activities	925,461	921,251	0	0	925,461	921,251
Interest and Fiscal Charges	92,220	104,257	0	0	92,220	104,257
Food Service	0	0	1,933,034	1,707,923	1,933,034	1,707,923
Total Expenses	34,675,032	30,741,738	1,933,034	1,707,923	36,608,066	32,449,661
Change in Net Position	1,859,414	4,388,414	(344,012)	(169,933)	1,515,402	4,218,481
Net Position at Beginning of Year	16,609,621	12,221,207	(873,655)	(703,722)	15,735,966	11,517,485
Net Position at End of Year	\$18,469,035	\$16,609,621	(\$1,217,667)	(\$873,655)	\$17,251,368	\$15,735,966

Governmental Activities

Program revenues for governmental activities increased \$421,986, while general revenues increased \$982,308.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

Expenses overall increased from 2016 due to increased costs for salaries and benefits associated with annual step increases. Regular instruction also saw an increase related to pension costs. Special instruction and pupil transportation increased due to an increase in the number of special needs students being provided services.

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 2017.

Instruction comprises 65 percent of governmental activities program expenses. Support services expenses make up 32 percent of governmental activities expenses.

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

(Table 3)

Governmental Activities

	Total Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2017	Net Cost of Services 2016
Instruction	\$22,411,085	\$19,258,100	\$17,303,179	\$14,499,408
Support Services	11,182,705	10,446,340	10,227,207	9,568,552
Operation of Non-Instructional Services	63,561	11,790	45,027	5,458
Extracurricular Activities	925,461	921,251	502,023	480,673
Interest and Fiscal Charges	92,220	104,257	92,220	104,257
Total Expenses	\$34,675,032	\$30,741,738	\$28,169,656	\$24,658,348

Business-Type Activity

The School District's only business-type activity is the food service operation. This program had revenues of \$1,589,022 and expenses of \$1,933,034 for fiscal year 2017. Of the revenues, \$458,823 was charges for services and sales and \$1,095,761 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.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

The School District's Funds

Information about the School District's major funds starts on page 20. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$36,839,696 and expenditures of \$32,439,146.

The General Fund saw an increase in fund balance of \$4,014,578. This was mainly due to revenues outpacing expenditures.

The Debt Service Fund saw an increase in fund balance of \$155,461. This increase is due to property tax collections exceeding the amount needed to pay annual debt payments.

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 2017, 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 24, 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 \$33,044,300. The School District's actual revenues were \$33,670,293 at fiscal year-end, which represented a 1.9 percent increase over final budgeted revenues. The \$625,993 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 \$31,718,329 with final budgeted expenditures of \$31,724,829, resulting in an increase of \$6,500. The School District's actual expenditures and encumbrances were \$30,360,001 at fiscal year-end, which represented a 4.3 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 because the School District purchased fewer busses 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 \$1,966,934 above the final budgeted amount.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2017, the School District had \$38,473,745 invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles.

Table 4 shows fiscal year 2017 balances compared to fiscal year 2016:

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

	Governmental Activities		Business-Type Activity		Total	
	2017	2016	2017	2016	2017	2016
Land	\$2,567,453	\$2,567,453	\$0	\$0	\$2,567,453	\$2,567,453
Construction in Progress	0	116,942	0	0	0	116,942
Buildings and Improvements	33,397,562	34,959,876	748,247	783,713	34,145,809	35,743,589
Furniture and Equipment	686,168	754,255	17,029	23,639	703,197	777,894
Vehicles	1,057,286	810,169	0	0	1,057,286	810,169
Totals	\$37,708,469	\$39,208,695	\$765,276	\$807,352	\$38,473,745	\$40,016,047

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, 2017, the School District had \$2,060,589 in bonds outstanding, \$500,000 of which is due within one year. Table 5 summarizes bonds outstanding at fiscal year-end 2017 and 2016:

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

	2017	2016
2011 School Improvement Refunding Bonds	\$1,845,000	\$2,330,000
Premium on Debt Issue	50,896	63,620
Accretion on Capital Appreciation Bonds	164,693	132,162
Total	\$2,060,589	\$2,525,782

***Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited***

At June 30, 2017 the School District's overall legal debt margin was \$24,813,751 with an unvoted debt margin of \$269,617. 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 District Leadership Team believes we had a very successful 2017 school year both financially and educationally, but the School District still faces challenges that could lead to barriers for a more effective and efficient learning and working environment.

Our state aid has drastically increased over the last three years; the School District has finally accumulated a large cash balance. Our challenge financially for the future will be to have a plan where we control our cost and still provide a quality education to our students.

The School District is beginning to address the major roof repairs on our buildings. These repairs are very expensive if done all at once. We are working with our architects to come up with a plan where we can repair the roofs over a period of five years instead of all at once.

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

A five-year plan has been developed to roll out 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 21st learning experiences for students. The School District will gradually purchase devices and determine how long the devices stay in good condition. Over the five-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.

Although the School District's "Progress" measure on the recent state report card indicates that some subgroups are reaching state expectations, there is still an issue with "Closing the Gap." Meeting the needs of students with disabilities and economically disadvantaged will be a focus of the School District's improvement plan. One strategy is to strengthen classroom instruction and progress monitoring. Another is to develop and maintain a Multi-tiered system of supports (MTSS). This system will help teachers determine the learning needs and/or gaps in student learning and provide timely, evidence based interventions that address the specific needs of each student or groups of students such as classroom interventions (80% of students), targeted-flexible small groups (15% of students), or intensive- one on one (5% of students).

***Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited***

The Ohio improvement process and the 5 step process will be utilized by the District Leadership Team, Building Leadership Teams, and Teacher Data Teams. Monitoring adult implementation measures will also be a challenge for the 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.

Due to the School District not meeting the "K-3 Literacy" expectations, a multi-year Reading Achievement Plan will be developed by December 31, 2017 and implemented before the end of the school year. Monitoring the plan's success and providing professional development will be key components of the plan.

An Equity Access Plan will also be developed to ensure students are receiving quality instruction from qualified and consistently high performing teachers. Analyzing teacher qualifications and years of experience will assist the School 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@wbbronzos.com.

Western Brown Local School District
Statement of Net Position
June 30, 2017

	Governmental Activities	Business-Type Activity	Total
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$18,864,066	\$151,964	\$19,016,030
Accounts Receivable	2,188	0	2,188
Prepaid Items	107,640	0	107,640
Inventory Held for Resale	0	9,986	9,986
Materials and Supplies Inventory	0	2,983	2,983
Intergovernmental Receivable	496,081	0	496,081
Taxes Receivable	6,485,080	0	6,485,080
Revenue in Lieu of Taxes Receivable	112,113	0	112,113
Cash and Cash Equivalents with Fiscal Agents	5,000	0	5,000
Capital Assets:			
Nondepreciable Capital Assets	2,567,453	0	2,567,453
Depreciable Capital Assets, Net	35,141,016	765,276	35,906,292
<i>Total Assets</i>	<u>63,780,637</u>	<u>930,209</u>	<u>64,710,846</u>
<u>Deferred Outflows of Resources:</u>			
Deferred Charge on Refunding	25,424	0	25,424
Pension	7,929,079	807,864	8,736,943
<i>Total Deferred Outflows of Resources</i>	<u>7,954,503</u>	<u>807,864</u>	<u>8,762,367</u>
<u>Liabilities:</u>			
Accounts Payable	129,859	1,996	131,855
Accrued Wages and Benefits Payable	2,653,456	114,318	2,767,774
Intergovernmental Payable	368,425	12,805	381,230
Matured Bonds Payable	5,000	0	5,000
Accrued Interest Payable	4,090	0	4,090
Long-Term Liabilities:			
Due Within One Year	791,874	22,619	814,493
Due in More Than One Year			
Net Pension Liability (See Note 11)	41,689,643	2,788,680	44,478,323
Other Amounts	3,070,725	15,322	3,086,047
<i>Total Liabilities</i>	<u>48,713,072</u>	<u>2,955,740</u>	<u>51,668,812</u>
<u>Deferred Inflows of Resources:</u>			
Property Taxes	4,058,486	0	4,058,486
Revenue in Lieu of Taxes	112,113	0	112,113
Pension	382,434	0	382,434
<i>Total Deferred Inflows of Resources</i>	<u>4,553,033</u>	<u>0</u>	<u>4,553,033</u>
<u>Net Position:</u>			
Net Investment in Capital Assets	35,602,997	765,276	36,368,273
Restricted for:			
Debt Service	2,484,033	0	2,484,033
Classroom Facilities	1,843,823	0	1,843,823
District Managed Activities	197,545	0	197,545
Miscellaneous Grants	124,988	0	124,988
Unrestricted (Deficit)	(21,784,351)	(1,982,943)	(23,767,294)
<i>Total Net Position</i>	<u>\$18,469,035</u>	<u>(\$1,217,667)</u>	<u>\$17,251,368</u>

See accompanying notes to the basic financial statements

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Western Brown Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2017

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$18,734,648	\$1,104,102	\$905,578	\$0
Special	3,484,456	191,416	2,661,246	0
Vocational	174,992	0	245,564	0
Student Intervention Services	16,989	0	0	0
Support Services:				
Pupils	1,565,522	101,974	0	0
Instructional Staff	357,715	0	0	0
Board of Education	16,741	0	0	0
Administration	2,532,459	146,937	116,241	0
Fiscal	622,141	0	9,776	0
Operation and Maintenance of Plant	2,704,836	188,147	127,082	0
Pupil Transportation	2,422,541	166,107	92,034	0
Central	960,750	0	7,200	0
Operation of Non-Instructional Services	63,561	0	18,534	0
Extracurricular Activities	925,461	364,506	24,156	34,776
Interest and Fiscal Charges	92,220	0	0	0
Total Governmental Activities	34,675,032	2,263,189	4,207,411	34,776
<u>Business-Type Activity:</u>				
Food Service	1,933,034	458,823	1,095,761	0
Totals	\$36,608,066	\$2,722,012	\$5,303,172	\$34,776

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

Net Position (Deficit) at End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activity	Total
(\$16,724,968)	\$0	(\$16,724,968)
(631,794)	0	(631,794)
70,572	0	70,572
(16,989)	0	(16,989)
(1,463,548)	0	(1,463,548)
(357,715)	0	(357,715)
(16,741)	0	(16,741)
(2,269,281)	0	(2,269,281)
(612,365)	0	(612,365)
(2,389,607)	0	(2,389,607)
(2,164,400)	0	(2,164,400)
(953,550)	0	(953,550)
(45,027)	0	(45,027)
(502,023)	0	(502,023)
(92,220)	0	(92,220)
(28,169,656)	0	(28,169,656)
0	(378,450)	(378,450)
(28,169,656)	(378,450)	(28,548,106)
4,857,225	0	4,857,225
89,687	0	89,687
607,142	0	607,142
24,132,433	0	24,132,433
63,627	3,103	66,730
129,275	0	129,275
149,681	31,335	181,016
30,029,070	34,438	30,063,508
1,859,414	(344,012)	1,515,402
16,609,621	(873,655)	15,735,966
\$18,469,035	(\$1,217,667)	\$17,251,368

Western Brown Local School District
Balance Sheet
Governmental Funds
June 30, 2017

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$14,561,196	\$2,222,789	\$2,080,081	\$18,864,066
Cash and Cash Equivalents with Fiscal Agents	0	5,000	0	5,000
Receivables:				
Taxes	5,682,822	696,232	106,026	6,485,080
Revenue in Lieu of Taxes	112,113	0	0	112,113
Accounts	1,458	0	730	2,188
Intergovernmental	75,038	0	421,043	496,081
Interfund	90,451	0	0	90,451
Prepaid Items	107,640	0	0	107,640
<i>Total Assets</i>	<u>\$20,630,718</u>	<u>\$2,924,021</u>	<u>\$2,607,880</u>	<u>\$26,162,619</u>
<u>Liabilities:</u>				
Accounts Payable	\$89,103	\$0	\$40,756	\$129,859
Accrued Wages and Benefits Payable	2,459,241	0	194,215	2,653,456
Interfund Payable	0	0	90,451	90,451
Intergovernmental Payable	341,933	0	26,492	368,425
Matured Bonds Payable	0	5,000	0	5,000
<i>Total Liabilities</i>	<u>2,890,277</u>	<u>5,000</u>	<u>351,914</u>	<u>3,247,191</u>
<u>Deferred Inflows of Resources:</u>				
Property Taxes	3,560,151	430,898	67,437	4,058,486
Revenue in Lieu of Taxes	112,113	0	0	112,113
Unavailable Revenue	759,226	94,903	134,607	988,736
<i>Total Deferred Inflows of Resources</i>	<u>4,431,490</u>	<u>525,801</u>	<u>202,044</u>	<u>5,159,335</u>
<u>Fund Balances:</u>				
Nonspendable	107,640	0	0	107,640
Restricted	0	2,393,220	2,061,677	4,454,897
Committed	252,720	0	0	252,720
Assigned	209,135	0	0	209,135
Unassigned (Deficit)	12,739,456	0	(7,755)	12,731,701
<i>Total Fund Balances</i>	<u>13,308,951</u>	<u>2,393,220</u>	<u>2,053,922</u>	<u>17,756,093</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$20,630,718</u>	<u>\$2,924,021</u>	<u>\$2,607,880</u>	<u>\$26,162,619</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, 2017*

Total Governmental Fund Balances		\$17,756,093
<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	
Depreciable capital assets	73,909,029	
Accumulated depreciation	<u>(38,768,013)</u>	
Total capital assets		37,708,469
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	867,929	
Intergovernmental	<u>120,807</u>	
Total Unavailable Revenues		988,736
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		(4,090)
Deferred Outflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.		
Deferred Charge on Refunding		25,424
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:		
Deferred Outflows - Pension	7,929,079	
Deferred Inflows - Pension	(382,434)	
Net Pension Liability	<u>(41,689,643)</u>	
Total Pension		(34,142,998)
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	(1,845,000)	
Premium on debt issue	(50,896)	
Accretion on capital appreciation bonds	(164,693)	
Capital leases payable	(235,000)	
Compensated absences payable	<u>(1,567,010)</u>	
Total liabilities		<u>(3,862,599)</u>
Net Position of Governmental Activities		<u><u>\$18,469,035</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, 2017

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$5,012,060	\$626,497	\$92,537	\$5,731,094
Intergovernmental	26,512,497	90,206	1,817,151	28,419,854
Interest	63,627	0	0	63,627
Tuition and Fees	1,897,783	0	1,300	1,899,083
Extracurricular Activities	116,494	0	246,712	363,206
Rent	900	0	0	900
Contributions and Donations	34,776	0	48,200	82,976
Revenue in Lieu of Taxes	129,275	0	0	129,275
Miscellaneous	147,681	0	2,000	149,681
<i>Total Revenues</i>	<u>33,915,093</u>	<u>716,703</u>	<u>2,207,900</u>	<u>36,839,696</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	15,699,412	0	920,870	16,620,282
Special	2,717,495	0	547,662	3,265,157
Vocational	147,078	0	0	147,078
Student Intervention Services	16,989	0	0	16,989
Support Services:				
Pupils	1,469,430	0	5,667	1,475,097
Instructional Staff	337,456	0	0	337,456
Board of Education	16,741	0	0	16,741
Administration	2,104,820	0	113,104	2,217,924
Fiscal	584,601	19,404	2,835	606,840
Operation and Maintenance of Plant	2,733,613	0	36,852	2,770,465
Pupil Transportation	2,375,426	0	0	2,375,426
Central	950,678	0	7,200	957,878
Operation of Non-Instructional Services	50,171	0	13,390	63,561
Extracurricular Activities	446,023	0	297,644	743,667
Capital Outlay	127,386	0	32,165	159,551
Debt Service:				
Principal Retirement	113,000	485,000	0	598,000
Interest and Fiscal Charges	10,196	56,838	0	67,034
<i>Total Expenditures</i>	<u>29,900,515</u>	<u>561,242</u>	<u>1,977,389</u>	<u>32,439,146</u>
<i>Net Change in Fund Balances</i>	4,014,578	155,461	230,511	4,400,550
<i>Fund Balances at Beginning of Year</i>	<u>9,294,373</u>	<u>2,237,759</u>	<u>1,823,411</u>	<u>13,355,543</u>
<i>Fund Balances at End of Year</i>	<u>\$13,308,951</u>	<u>\$2,393,220</u>	<u>\$2,053,922</u>	<u>\$17,756,093</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, 2017*

Net Change in Fund Balances - Total Governmental Funds \$4,400,550

*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	443,720	
Depreciation expense	<u>(1,943,946)</u>	
Excess of depreciation expense over capital outlay		(1,500,226)

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

Delinquent property taxes	(177,040)	
Intergovernmental	<u>(128,210)</u>	
Total		(305,250)

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	485,000	
Capital lease payments	<u>113,000</u>	
Total long-term debt repayment		598,000

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	977	
Amortization of deferred charge on refunding	(6,356)	
Amortization of bond premium	12,724	
Accretion on capital appreciation bonds	<u>(32,531)</u>	
Total		(25,186)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 2,064,836

Except for amounts reported as deferred inflows/outflows, changes in the net position liability are reported as pension expense in the statement of activities (3,384,692)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in compensated absences	<u>11,382</u>
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Change in Net Position of Governmental Activities \$1,859,414

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property Taxes	\$4,626,876	\$4,626,876	\$4,894,010	\$267,134
Intergovernmental	26,318,467	26,318,467	26,434,058	115,591
Interest	27,000	27,000	63,620	36,620
Tuition and Fees	1,778,031	1,778,031	1,897,703	119,672
Extracurricular Activities	84,467	84,467	116,494	32,027
Rent	200	200	900	700
Contributions and Donations	43,849	43,849	45,074	1,225
Revenue in Lieu of Taxes	129,275	129,275	129,275	0
Miscellaneous	36,135	36,135	89,159	53,024
Total Revenues	33,044,300	33,044,300	33,670,293	625,993
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	15,862,696	15,818,096	15,690,389	127,707
Special	2,810,743	2,759,643	2,677,996	81,647
Vocational	232,430	232,430	150,397	82,033
Student Intervention Services	17,110	17,110	17,110	0
Support Services:				
Pupils	1,363,505	1,465,705	1,465,676	29
Instructional Staff	330,636	347,636	347,318	318
Board of Education	22,929	22,929	16,897	6,032
Administration	2,139,948	2,122,948	2,113,530	9,418
Fiscal	579,141	579,141	573,705	5,436
Operation and Maintenance of Plant	3,274,555	3,168,555	2,894,831	273,724
Pupil Transportation	3,012,697	3,012,697	2,656,892	355,805
Central	904,333	1,010,333	1,009,392	941
Operation of Non-Instructional Services	2,857	2,857	0	2,857
Extracurricular Activities	487,566	487,566	446,243	41,323
Capital Outlay	521,586	521,586	176,429	345,157
Debt Service:				
Principal Retirement	133,215	133,215	113,000	20,215
Interest and Fiscal Charges	22,382	22,382	10,196	12,186
Total Expenditures	31,718,329	31,724,829	30,360,001	1,364,828
Excess of Revenues Over Expenditures	\$1,325,971	\$1,319,471	\$3,310,292	\$1,990,821

(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, 2017
(continued)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	\$0	\$0	\$14,414	\$14,414
Advances In	31,400	31,400	31,400	0
Advances Out	(52,150)	(52,150)	(90,451)	(38,301)
<i>Total Other Financing Sources (Uses)</i>	<u>(20,750)</u>	<u>(20,750)</u>	<u>(44,637)</u>	<u>(23,887)</u>
Net Change in Fund Balance	1,305,221	1,298,721	3,265,655	1,966,934
Fund Balance at Beginning of Year	10,087,629	10,087,629	10,087,629	0
Prior Year Encumbrances Appropriated	<u>698,336</u>	<u>698,336</u>	<u>698,336</u>	<u>0</u>
Fund Balance at End of Year	<u>\$12,091,186</u>	<u>\$12,084,686</u>	<u>\$14,051,620</u>	<u>\$1,966,934</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Fund Net Position
Proprietary Fund
June 30, 2017

	Food Service Fund
<u>Assets:</u>	
<u>Current Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$151,964
Inventory Held for Resale	9,986
Materials and Supplies Inventory	2,983
<i>Total Current Assets</i>	164,933
<u>Noncurrent Assets:</u>	
Capital Assets, Net	765,276
<i>Total Assets</i>	930,209
<u>Deferred Outflows of Resources:</u>	
Pension	807,864
<u>Liabilities:</u>	
<u>Current Liabilities:</u>	
Accounts Payable	1,996
Accrued Wages and Benefits Payable	114,318
Compensated Absences Payable	22,619
Intergovernmental Payable	12,805
<i>Total Current Liabilities</i>	151,738
<u>Long-term Liabilities:</u>	
Compensated Absences Payable	15,322
Net Pension Liability	2,788,680
<i>Total Long-term Liabilities</i>	2,804,002
<i>Total Liabilities</i>	2,955,740
<u>Net Position:</u>	
Investment in Capital Assets	765,276
Unrestricted (Deficit)	(1,982,943)
<i>Total Net Position</i>	(\$1,217,667)

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, 2017*

	<u>Food Service Fund</u>
<u>Operating Revenues:</u>	
Sales	\$458,823
Other	<u>31,335</u>
<i>Total Operating Revenues</i>	<u>490,158</u>
<u>Operating Expenses:</u>	
Salaries	506,990
Fringe Benefits	613,366
Purchased Services	3,703
Materials and Supplies	51,972
Cost of Sales	714,927
Depreciation	<u>42,076</u>
<i>Total Operating Expenses</i>	<u>1,933,034</u>
<i>Operating Loss</i>	<u>(1,442,876)</u>
<u>Non-Operating Revenues:</u>	
Donated Commodities	75,638
Operating Grants	1,020,123
Interest	<u>3,103</u>
<i>Total Non-Operating Revenues</i>	<u>1,098,864</u>
<i>Change in Net Position</i>	(344,012)
<i>Net Position (Deficit) at Beginning of Year</i>	<u>(873,655)</u>
<i>Net Position (Deficit) at End of Year</i>	<u><u>(\$1,217,667)</u></u>

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2017

	Food Service Fund
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$458,823
Cash Received from Others	31,335
Cash Payments for Employee Salaries	(504,707)
Cash Payments to Employees for Services	(456,521)
Cash Payments to Suppliers for Goods and Services	(693,563)
	(1,164,633)
<i>Net Cash Used for Operating Activities</i>	(1,164,633)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Operating Grants Received	1,020,123
	1,020,123
<u>Cash Flows from Investing Activities:</u>	
Interest	3,103
	3,103
<i>Net Decrease in Cash and Cash Equivalents</i>	(141,407)
<i>Cash and Cash Equivalents at Beginning of Year</i>	293,371
	293,371
<i>Cash and Cash Equivalents at End of Year</i>	\$151,964
<u>Reconciliation of Operating Loss to Net</u>	
<u>Cash Used for Operating Activities:</u>	
Operating Loss	(\$1,442,876)
<u>Adjustments to Reconcile Operating Loss to</u>	
<u>Net Cash Used for Operating Activities:</u>	
Depreciation	42,076
Donated Commodities Used During Fiscal Year	75,638
Decrease (Increase) in Assets:	
Inventory Held for Resale	344
Materials and Supplies Inventory	102
Increase in Deferred Outflows of Resources - Pension	204,630
Increase (Decrease) in Liabilities:	
Accounts Payable	955
Accrued Wages and Benefits Payable	4,481
Compensated Absences Payable	(4,200)
Intergovernmental Payable	5,558
Net Pension Liability	26,922
Decrease in Deferred Inflows of Resources - Pension	(78,263)
	(78,263)
Total Adjustments	278,243
	278,243
<i>Net Cash Used for Operating Activities</i>	(\$1,164,633)

Non-Cash Transactions:

During fiscal year 2017, the Food Service Enterprise Fund used \$75,638 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, 2017

	Private Purpose Trust Funds	Agency Funds
	Scholarships	
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$64,912	\$114,968
<u>Liabilities:</u>		
Undistributed Monies	0	\$114,968
<u>Net Position:</u>		
Held in Trust for Scholarships	\$64,912	

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, 2017

	Scholarship Funds
<u>Additions:</u>	
Contributions and Donations	\$8,001
Interest	548
<i>Total Additions</i>	8,549
<u>Deductions:</u>	
Scholarships Awarded	6,700
<i>Change in Net Position</i>	1,849
<i>Net Position at Beginning of Year</i>	63,063
<i>Net Position at End of Year</i>	\$64,912

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, 2017*

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 104 non-certificated, 179 teaching and 21 administrative employees providing education to 3,312 students.

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

Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, and student related activities of the School District.

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

The School District participates in three jointly governed organizations, one public entity shared risk and one insurance purchasing pool. These organizations are presented in Notes 17, 18 and 19 to the basic financial statements. These organizations are:

Jointly Governed Organizations:

South Central Ohio Computer Association Regional Council of Governments
Unified Purchasing Cooperative of the Ohio River Valley
Southern Hills Joint Vocational School District

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

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, 2017

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, 2017

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.

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.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported in the government-wide statement of net position for deferred charges on refunding and for

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue and pension. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the 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 21. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 11)

Expenses/Expenditures

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

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

Pension

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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2017 amounted to \$63,627, which includes \$15,363 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.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, 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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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.

Accrued Liabilities and Long-term Obligations

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

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

Fund Balance

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

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (School District resolutions). Enabling legislation authorizes the School District to assess, levy, charge, or otherwise

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

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.

*Western Brown Local School District
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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

For fiscal year 2017, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*. GASB Statement No. 77 requires disclosure of information about the nature and magnitude of tax abatements. These changes were incorporated in the School District's 2017 financial statements; however, there were no material abatements.

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The School District also implemented GASB's *Implementation Guide No. 2016-1*. These changes were incorporated in the School District's fiscal year 2017 financial statements; however, there was no effect on beginning net position/fund balance.

NOTE 4- ACCOUNTABILITY

At June 30, 2017, the following nonmajor special revenue funds had deficit fund balances:

<u>Funds</u>	<u>Amounts</u>
Governmental Funds:	
Title VI-B Fund	\$5,465
Title I Fund	1,677
Improving Teacher Quality Fund	613
Total Governmental Funds	<u>7,755</u>

The Food Service Fund also had a deficit net position of \$1,982,943 as of June 30, 2017. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and actual for the General Fund 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).
5. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statement.

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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	\$4,014,578
Adjustments:	
Revenue Accruals	(229,564)
Expenditure Accruals	49,268
Encumbrances	(508,754)
Advances	(59,051)
Unrecorded Cash	(822)
Budget Basis	\$3,265,655

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National

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Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Investments

Investments are reported at fair value. As of June 30, 2017, the School District had the following investments, which are in an internal investment pool:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Net Asset Value per Share:				
STAROhio	\$2,013,853	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

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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, 2017.

Interest Rate Risk

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

Credit Risk

STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

Custodial Credit Risk

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

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.

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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 2017 represents collections of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed value listed as of January 1, 2016, the lien date. Assessed values for real property taxes are established by State 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 2017 represents collections of calendar year 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2017 became a lien December 31, 2015, were levied after April 1, 2016, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Brown County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2017, are available to finance fiscal year 2017 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which were measurable as of June 30, 2017 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, 2017, was \$1,558,665 and is recognized as revenue: \$1,363,445 in the General Fund, and \$170,431 in the Debt Service Fund, and \$24,789 in the Classroom Facility Maintenance Fund. The amount available as an advance at June 30, 2016, was \$1,245,395 in the General Fund, \$155,674 in the Debt Service Fund, and \$22,670 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 2017 taxes were collected are:

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	2016 Second- Half Collections		2017 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$256,714,660	96.13%	\$259,309,670	96.18%
Public Utility Personal	10,343,910	3.87%	10,307,340	3.82%
Total Assessed Value	\$267,058,570	100.00%	\$269,617,010	100.00%
Tax rate per \$1,000 of assessed valuation	\$23.00		\$23.00	

NOTE 8 - RECEIVABLES

Receivables at June 30, 2017, 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.

The intergovernmental receivables are as follows:

	Amounts
<u>Governmental Activities:</u>	
Title VI-B - Special Education IDEA Grant	\$124,677
Title I - Targeted Assistance Grant	257,597
Improving Teacher Quality Grant	38,769
Bureau of Worker's Compensation Refund	55,174
Medicaid Reimbursements	19,381
State Teachers Retirement System Refund	483
Total Intergovernmental Receivables	\$496,081

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Notes to the Basic Financial Statements
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NOTE 9 - CAPITAL ASSETS

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

	Balance 6/30/2016	Additions	Deductions	Balance 6/30/2017
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$2,567,453	\$0	\$0	\$2,567,453
Construction in Progress	116,942	0	(116,942)	0
Total Capital Assets, Not Being Depreciated	<u>2,684,395</u>	<u>0</u>	<u>(116,942)</u>	<u>2,567,453</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	64,113,169	40,759	0	64,153,928
Furniture and Equipment	6,344,107	116,256	0	6,460,363
Vehicles	3,049,662	403,647	(158,571)	3,294,738
Total Capital Assets, Being Depreciated	<u>73,506,938</u>	<u>560,662</u>	<u>(158,571)</u>	<u>73,909,029</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(29,153,293)	(1,603,073)	0	(30,756,366)
Furniture and Equipment	(5,589,852)	(184,343)	0	(5,774,195)
Vehicles	(2,239,493)	(156,530)	158,571	(2,237,452)
Total Accumulated Depreciation	<u>(36,982,638)</u>	<u>(1,943,946) *</u>	<u>158,571</u>	<u>(38,768,013)</u>
Total Capital Assets, Being Depreciated, Net	<u>36,524,300</u>	<u>(1,383,284)</u>	<u>0</u>	<u>35,141,016</u>
Governmental Activities Capital Assets, Net	<u>\$39,208,695</u>	<u>(\$1,383,284)</u>	<u>(\$116,942)</u>	<u>\$37,708,469</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,184,370
Special	83,835
Vocational	17,852
Support Services:	
Pupils	56,894
Instructional Staff	13,037
Administration	213,738
Fiscal	9,081
Operation and Maintenance of Plant	29,423
Pupil Transportation	166,459
Central	7,712
Extracurricular Activities	161,545
Total Depreciation Expense	<u>\$1,943,946</u>

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	Balance 6/30/2016	Additions	Deductions	Balance 6/30/2017
<u>Business-Type Activity:</u>				
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$1,466,883	\$0	\$0	\$1,466,883
Furniture and Equipment	1,255,132	0	0	1,255,132
Total Capital Assets, Being Depreciated	<u>2,722,015</u>	<u>0</u>	<u>0</u>	<u>2,722,015</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(683,170)	(35,466)	0	(718,636)
Furniture and Equipment	<u>(1,231,493)</u>	<u>(6,610)</u>	<u>0</u>	<u>(1,238,103)</u>
Total Accumulated Depreciation	<u>(1,914,663)</u>	<u>(42,076)</u>	<u>0</u>	<u>(1,956,739)</u>
Business-Type Activity				
Capital Assets, Net	<u>\$807,352</u>	<u>(\$42,076)</u>	<u>\$0</u>	<u>\$765,276</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 2017, the School District contracted with Netherlands Insurance Company for general liability insurance and School Board errors and omissions coverage. The School District contracted with Indiana Insurance Group for commercial umbrella liability insurance. The School District's vehicles are covered by Netherlands Insurance Company under a business policy.

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

Workers' Compensation

For fiscal year 2017, 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.

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Employee Medical

The School District participates in the Brown County Schools Benefits Consortium (the Consortium), a public entity shared risk and insurance purchasing pool and one insurance purchasing pool (see Note 18) consisting of nine districts. The Consortium has elected to have United Healthcare provide medical coverage purchased as a group through the Consortium. Dental coverage is being provided through a shared risk pool based on member districts' number of employees. The School District is responsible for providing a current listing of enrolled employees and for providing timely pro-rata payments of premiums to the Consortium for employee health coverage and dental benefits. The Consortium is responsible for the management and operations of the program. Upon termination from the Consortium, for any reason, the terminated member relinquishes their portion of equity in the Consortium's cash pool.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on 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, 2017, the allocation to pension, death benefits, and Medicare B was 14 percent. No allocation was made to the Health Care Fund.

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The School District's contractually required contributions to SERS for governmental and business-type activities were \$384,189 and \$189,228, respectively for fiscal year 2017. Of this amount \$62,801 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.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 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 is applied 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.

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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.

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, 2017, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The statutory member contribution rate was increased one percent to 14 percent on July 1, 2016. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The School District’s contractually required contribution to STRS was \$1,680,647 for the fiscal year 2017. Of this amount \$271,387 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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>
Proportion of the Net Pension Liability		
Prior Measurement Date	0.11069680%	0.10587137%
Proportion of the Net Pension Liability		
Current Measurement Date	<u>0.11549030%</u>	<u>0.10762550%</u>
Change in Proportionate Share	<u>0.00479350%</u>	<u>0.00175413%</u>

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	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$8,452,823	\$36,025,500	\$44,478,323
Pension Expense	\$909,410	\$2,817,799	\$3,727,209

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

	SERS	STRS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$114,009	\$1,455,604	\$1,569,613
Changes of assumptions	564,272	0	564,272
Net difference between projected and actual earnings on pension plan investments	697,235	2,991,084	3,688,319
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	178,958	481,717	660,675
School District contributions subsequent to the measurement date	573,417	1,680,647	2,254,064
Total Deferred Outflows of Resources	\$2,127,891	\$6,609,052	\$8,736,943

Deferred Inflows of Resources:			
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	\$78,334	\$304,100	\$382,434

\$2,254,064 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2018	\$374,507	\$723,106	\$1,097,613
2019	374,005	723,107	1,097,112
2020	527,202	1,870,871	2,398,073
2021	200,426	1,307,221	1,507,647
Total	\$1,476,140	\$4,624,305	\$6,100,445

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Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2016, compared with June 30, 2015, are presented below:

	June 30, 2016	June 30, 2015
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
COLA or Ad Hoc COLA	3 percent	3 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal	Entry Age Normal

For 2016, the mortality assumptions are that 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. For 2015, the mortality assumptions were 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.

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

long-term expected nominal rate of return has been determined by calculating an arithmetic weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
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>	

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. A discount rate of 7.75 percent was used in the prior measurement period. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the 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 (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$11,191,013	\$8,452,823	\$6,160,847

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Western Brown Local School District
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For the Fiscal Year Ended June 30, 2017

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

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

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

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:

Asset Class	Target Allocation	Long-Term Expected Rate of Return *
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	7.61 %

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

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions of future plan members, are excluded. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

Western Brown Local School District
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For the Fiscal Year Ended 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 7.75 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$47,874,961	\$36,025,500	\$26,029,779

Changes between Measurement Date and Report Date

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

NOTE 12 - POSTEMPLOYMENT BENEFITS

School Employees Retirement System

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrator and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Western Brown Local School District
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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 2017, no allocation 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 2017, this amount was \$23,500. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2017, the School District's surcharge obligation was \$56,745.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$56,745, \$56,079, and \$43,455, respectively. The full amount has been contributed for fiscal years 2017, 2016 and 2015.

State Teachers Retirement System of Ohio

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For the fiscal years ended June 30, 2017, June 30, 2016 and June 30, 2015, STRS Ohio did not allocate any employer contributions to post-employment health care.

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.

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

Insurance Benefits

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

NOTE 14 - CAPITALIZED LEASE - LESSEE DISCLOSURE

In prior fiscal years, the School District entered into a lease-purchase agreement for the construction of a new School District administration building. The School District is leasing the project from Columbus Regional Airport Authority (formerly known as Rickenbacker Port Authority). Columbus Regional Airport Authority will retain title to the project during the lease term. Columbus Regional Airport Authority has assigned PNC Bank as trustee. The School District makes semi-annual lease payments to PNC Bank. Interest rates are based on a calculation of the TBMA Index. The lease is renewable annually and expires in fiscal year 2018. The intention of the School District is to renew the lease annually. In fiscal year 2017, the School District made the scheduled principal payment of \$46,000 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 2019. The intention of the School District is to renew the lease annually. At fiscal year-end, the project was complete. During the fiscal year, the School District made the scheduled principal payment of \$67,000 from the General Fund. This year, \$61,000 was included in depreciation expense.

The assets acquired through the capital leases are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Buildings and Improvements	\$991,436	(\$555,204)	\$436,232
Furniture and Equipment	610,000	(457,500)	152,500
Total	\$1,601,436	(\$1,012,704)	\$588,732

Western Brown Local School District
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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, 2017.

Fiscal Year Ending June 30,	Total Payments
2018	\$122,844
2019	122,149
Total	244,993
Less: Amount Representing Interest	(9,993)
Present Value of Minimum Lease Payments	\$235,000

NOTE 15 - LONG-TERM LIABILITIES

The changes in the School District's long-term liabilities during fiscal year 2017 were as follows:

	Amount Outstanding 6/30/2016	Additions	Deductions	Amount Outstanding 6/30/2017	Amounts Due in One Year
<u>Governmental Activities:</u>					
Refunding Bonds 2011:					
Serial Bonds 3.75%	\$2,055,000	\$0	\$485,000	\$1,570,000	\$500,000
Capital Appreciation Bonds 6.25%	275,000	0	0	275,000	0
Premium on Debt Issue	63,620	0	12,724	50,896	0
Accretion of Capital					
Appreciation Bonds	132,162	32,531	0	164,693	0
Total General Obligation Bonds	2,525,782	32,531	497,724	2,060,589	500,000
<u>Other Long-Term Obligations:</u>					
Net Pension Liability:					
SERS	4,363,479	1,300,664	0	5,664,143	0
STRS	29,259,751	6,765,749	0	36,025,500	0
Total Net Pension Liability	33,623,230	8,066,413	0	41,689,643	0
Compensated Absences	1,578,392	196,786	208,168	1,567,010	175,874
Capital Leases	348,000	0	113,000	235,000	116,000
Total Other Long-Term Obligations	35,549,622	8,263,199	321,168	43,491,653	291,874
Total Governmental Activities Long-Term Obligations	\$38,075,404	\$8,295,730	\$818,892	\$45,552,242	\$791,874

Western Brown Local School District
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	Amount Outstanding 6/30/2016	Additions	Deductions	Amount Outstanding 6/30/2017	Amounts Due in One Year
<u>Business-Type Activities:</u>					
<u>Other Long-Term Obligations:</u>					
Net Pension Liability:					
SERS	\$1,952,989	\$835,691	\$0	\$2,788,680	\$0
Compensated Absences	42,141	23,032	27,232	37,941	22,619
Total Business-Type Activities	<u>\$1,995,130</u>	<u>\$858,723</u>	<u>\$27,232</u>	<u>\$2,826,621</u>	<u>\$22,619</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, 2017, \$1,845,000 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 2017, the capital appreciation bond was accreted \$32,531.

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 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 liability see Note 11.

The School District's overall legal debt margin was \$24,813,751 with an unvoted debt margin of \$269,617 at June 30, 2017.

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

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School Improvement Refunding Bonds 2011					
Fiscal Year Ending June 30,	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Principal	Capital Appreciation Interest	Total
2018	\$500,000	\$44,213	\$0	\$0	\$544,213
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	\$1,570,000	\$85,238	\$275,000	\$300,000	\$2,230,238

NOTE 16 – INTERFUND ACTIVITY

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

	Payable	Receivable
	Nonmajor Governmental Funds	<u>General Fund</u>
		<u>\$90,451</u>

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

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association Regional Council of Governments

The School District is a participant in the South Central Ohio Computer Association Regional Council of Governments (SCOCARCoG), which is organized under ORC Code Chapter 167 as a council of governments. SCOCARCoG is an association of public school districts within the boundaries of Pickaway, Gallia, Adams, Brown, Highland, Pike, Ross, Scioto, Vinton, Jackson, and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCARCoG consists of two representatives from each county in the SCOCARCoG service region designated by the Ohio Department of Education and two representatives of the school treasurers. The Board exercises total control over the operations of SCOCARCoG including budgeting, appropriating, contracting and designating management. Each School District’s degree of control is limited to its representation on the Board.

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During fiscal year 2016, SCOCARCoG entered into a merger agreement with Metropolitan Educational Technology Association (“META”). Pursuant to an addendum to the agreement, certain liabilities will remain the sole responsibility of SCOCARCoG, and once these remaining liabilities are satisfied, SCOCARCoG will be dissolved and the member districts will become members of META. SCOCARCoG entered into a subcontract agreement with META to provide services to SCOCARCoG, and on behalf of SCOCARCoG, to the member districts. The sub-contract agreement is currently set to expire after October 31, 2017. Consistent with the merger agreement and updated bylaws, SCOCARCoG is currently governed by a four person executive governing board. The School District paid SCOCARCoG \$289,070 and paid META \$319,465 for services provided during the fiscal year. Financial information can be obtained from the SCOCARCoG through 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

*Western Brown Local School District
Notes to the Basic Financial Statements
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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 School Comp Workers' Compensation Group Rating Plan

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

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Notes to the Basic Financial Statements
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NOTE 20 - SET-ASIDE CALCULATIONS

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

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

	Capital Acquisition
Set-aside Balance as of June 30, 2016	\$0
Current Fiscal Year Set-aside Requirement	570,237
Qualifying Disbursements	(570,237)
Set-aside Balance as of June 30, 2017	\$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.

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	\$508,754
Nonmajor Governmental Funds	141,508
Enterprise Fund	2,012
Total	\$652,274

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:

Western Brown Local School District
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Fund Balances	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
<i>Nonspendable:</i>				
Prepays	\$107,640	\$0	\$0	\$107,640
<i>Restricted for:</i>				
Debt Payment	0	2,393,220	0	2,393,220
Miscellaneous Grants	0	0	34,109	34,109
District Managed Activities	0	0	197,545	197,545
Classroom Facilities	0	0	1,830,023	1,830,023
<i>Total Restricted</i>	0	2,393,220	2,061,677	4,454,897
<i>Committed to:</i>				
Bus Purchases	252,720	0	0	252,720
<i>Assigned to:</i>				
Purchased Services	116,891	0	0	116,891
Materials and Supplies	72,024	0	0	72,024
Capital Purchases	12,291	0	0	12,291
Other	7,929	0	0	7,929
<i>Total Assigned</i>	209,135	0	0	209,135
<i>Unassigned (Deficit):</i>	12,739,456	0	(7,755)	12,731,701
<i>Total Fund Balances</i>	\$13,308,951	\$2,393,220	\$2,053,922	\$17,756,093

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, 2017, 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, 2017*

School Foundation

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

Litigation

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

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

	<u>2017</u>	<u>2016</u>
School District's Proportion of the Net Pension Liability	0.11549030%	0.11069680%
School District's Proportionate Share of the Net Pension Liability	\$8,452,823	\$6,316,468
School District's Covered Payroll	\$3,238,014	\$3,346,921
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	261.05%	188.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.98%	69.16%

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

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

<u>2015</u>	<u>2014</u>
0.11289400%	0.11289400%
\$5,713,502	\$6,713,444
\$3,280,473	\$2,959,458
174.17%	226.85%
71.70%	65.52%

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

	2017	2016
School District's Proportion of the Net Pension Liability	0.10762550%	0.10587137%
School District's Proportionate Share of the Net Pension Liability	\$36,025,500	\$29,259,751
School District's Covered Payroll	\$13,230,543	\$10,966,657
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	272.29%	266.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	72.10%

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

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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$573,417	\$453,322	\$441,124	\$454,674
Contributions in Relation to the Contractually Required Contribution	<u>(573,417)</u>	<u>(453,322)</u>	<u>(441,124)</u>	<u>(454,674)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$4,095,836	\$3,238,014	\$3,346,921	\$3,280,473
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.18%	13.86%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$409,589	\$416,926	\$687,609	\$591,787	\$352,144	\$316,417
<u>(409,589)</u>	<u>(416,926)</u>	<u>(687,609)</u>	<u>(591,787)</u>	<u>(352,144)</u>	<u>(316,417)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,959,458	\$3,099,819	\$5,470,237	\$4,370,657	\$3,578,702	\$3,222,172
13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$1,680,647	\$1,852,276	\$1,535,332	\$1,473,951
Contributions in Relation to the Contractually Required Contribution	<u>(1,680,647)</u>	<u>(1,852,276)</u>	<u>(1,535,332)</u>	<u>(1,473,951)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
School District Covered Payroll	\$12,004,621	\$13,230,543	\$10,966,657	\$11,338,085
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$1,475,786	\$1,563,006	\$1,610,952	\$1,569,632	\$1,518,268	\$1,473,444
<u>(1,475,786)</u>	<u>(1,563,006)</u>	<u>(1,610,952)</u>	<u>(1,569,632)</u>	<u>(1,518,268)</u>	<u>(1,473,444)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$11,352,200	\$12,023,123	\$12,391,938	\$12,074,092	\$11,678,985	\$11,334,185
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Western Brown Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2017

Changes in Assumptions - SERS

Amounts reported for fiscal year 2017 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

Amounts reported for fiscal year 2017 use mortality assumptions with 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.

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

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Western Brown Local School District

Nonmajor Fund Descriptions

Special Revenue Funds

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

Nonmajor Special Revenue Funds

MEMORIAL FUND - This fund accounts for and reports donations received by the School District restricted for the purchase of new signs and a bench to be placed on the grounds of the new school buildings. This fund had no activity during fiscal year 2017. 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.

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

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

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

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

Western Brown Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	Memorial Fund	Other Grant Fund	Classroom Facility Maintenance Fund
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$391	\$33,718	\$1,842,086
Receivables:			
Taxes	0	0	106,026
Accounts	0	0	0
Intergovernmental	0	0	0
<i>Total Assets</i>	<u>\$391</u>	<u>\$33,718</u>	<u>\$1,948,112</u>
<u>Liabilities:</u>			
Accounts Payable	\$0	\$0	\$36,852
Accrued Wages and Benefits Payable	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>36,852</u>
<u>Deferred Inflows of Resources:</u>			
Property Taxes	0	0	67,437
Unavailable Revenue	0	0	13,800
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>81,237</u>
<u>Fund Balances:</u>			
Restricted	391	33,718	1,830,023
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>391</u>	<u>33,718</u>	<u>1,830,023</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$391</u>	<u>\$33,718</u>	<u>\$1,948,112</u>

District Managed Activity Fund	Title VI-B Fund	Title I Fund	Improving Teacher Quality Fund	Total Nonmajor Special Revenue Funds
\$200,719	\$2,000	\$1,167	\$0	\$2,080,081
0	0	0	0	106,026
730	0	0	0	730
0	124,677	257,597	38,769	421,043
<u>\$201,449</u>	<u>\$126,677</u>	<u>\$258,764</u>	<u>\$38,769</u>	<u>\$2,607,880</u>
\$3,904	\$0	\$0	\$0	\$40,756
0	87,297	88,835	18,083	194,215
0	26,674	59,458	4,319	90,451
0	14,011	10,193	2,288	26,492
<u>3,904</u>	<u>127,982</u>	<u>158,486</u>	<u>24,690</u>	<u>351,914</u>
0	0	0	0	67,437
0	4,160	101,955	14,692	134,607
<u>0</u>	<u>4,160</u>	<u>101,955</u>	<u>14,692</u>	<u>202,044</u>
197,545	0	0	0	2,061,677
0	(5,465)	(1,677)	(613)	(7,755)
<u>197,545</u>	<u>(5,465)</u>	<u>(1,677)</u>	<u>(613)</u>	<u>2,053,922</u>
<u>\$201,449</u>	<u>\$126,677</u>	<u>\$258,764</u>	<u>\$38,769</u>	<u>\$2,607,880</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, 2017

	Memorial Fund	Other Grant Fund	Classroom Facility Maintenance Fund	District Managed Activity Fund
<u>Revenues:</u>				
Taxes	\$0	\$0	\$92,537	\$0
Intergovernmental	0	0	136,858	0
Tuition and Fees	0	0	0	1,300
Extracurricular Activities	0	0	0	246,712
Contributions and Donations	0	24,044	0	24,156
Miscellaneous	0	0	0	2,000
<i>Total Revenues</i>	<u>0</u>	<u>24,044</u>	<u>229,395</u>	<u>274,168</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	3,981	0	0
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	2,835	0
Operation and Maintenance of Plant	0	0	36,852	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	13,390	0	0
Extracurricular Activities	0	0	0	297,644
Capital Outlay	0	0	32,165	0
<i>Total Expenditures</i>	<u>0</u>	<u>17,371</u>	<u>71,852</u>	<u>297,644</u>
<i>Net Change in Fund Balances</i>	0	6,673	157,543	(23,476)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>391</u>	<u>27,045</u>	<u>1,672,480</u>	<u>221,021</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$391</u>	<u>\$33,718</u>	<u>\$1,830,023</u>	<u>\$197,545</u>

OneNet Fund	Alternative School Fund	Title VI-B Fund	Title I Fund	Improving Teacher Quality Fund	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$92,537
7,200	40,255	688,891	812,445	131,502	1,817,151
0	0	0	0	0	1,300
0	0	0	0	0	246,712
0	0	0	0	0	48,200
0	0	0	0	0	2,000
<u>7,200</u>	<u>40,255</u>	<u>688,891</u>	<u>812,445</u>	<u>131,502</u>	<u>2,207,900</u>
0	40,255	0	753,843	122,791	920,870
0	0	538,456	9,206	0	547,662
0	0	0	5,667	0	5,667
0	0	113,104	0	0	113,104
0	0	0	0	0	2,835
0	0	0	0	0	36,852
7,200	0	0	0	0	7,200
0	0	0	0	0	13,390
0	0	0	0	0	297,644
0	0	0	0	0	32,165
<u>7,200</u>	<u>40,255</u>	<u>651,560</u>	<u>768,716</u>	<u>122,791</u>	<u>1,977,389</u>
0	0	37,331	43,729	8,711	230,511
0	0	(42,796)	(45,406)	(9,324)	1,823,411
<u>\$0</u>	<u>\$0</u>	<u>(\$5,465)</u>	<u>(\$1,677)</u>	<u>(\$613)</u>	<u>\$2,053,922</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, 2017

	<u>Balance at</u> <u>6/30/16</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>6/30/17</u>
<u>Robert L. Wilson Scholarship Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$7,000	\$7,000	\$0
<u>Liabilities:</u>				
Undistributed Monies	\$0	\$7,000	\$7,000	\$0
<u>OHSAA District Agency Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$18,547	\$18,547	\$0
<u>Liabilities:</u>				
Undistributed Monies	\$0	\$18,547	\$18,547	\$0
<u>Student Managed Activity Fund</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$104,558	\$212,564	\$202,154	\$114,968
<u>Liabilities:</u>				
Undistributed Monies	\$104,558	\$212,564	\$202,154	\$114,968
<u>Total</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$104,558	\$238,111	\$227,701	\$114,968
<u>Liabilities:</u>				
Undistributed Monies	\$104,558	\$238,111	\$227,701	\$114,968

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, 2017

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Property Taxes	\$4,626,876	\$4,894,010	\$267,134
Intergovernmental	26,318,467	26,434,058	115,591
Interest	27,000	63,620	36,620
Tuition and Fees	1,778,031	1,897,703	119,672
Extracurricular Activities	84,467	116,494	32,027
Rent	200	900	700
Contributions and Donations	43,849	45,074	1,225
Revenue in Lieu of Taxes	129,275	129,275	0
Miscellaneous	36,135	89,159	53,024
<i>Total Revenues</i>	<u>33,044,300</u>	<u>33,670,293</u>	<u>625,993</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	8,605,819	8,601,039	4,780
Fringe Benefits	3,488,125	3,457,954	30,171
Purchased Services	3,062,895	3,053,826	9,069
Materials and Supplies	579,851	516,252	63,599
Capital Outlay	59,040	39,572	19,468
Other	22,366	21,746	620
Total Regular	<u>15,818,096</u>	<u>15,690,389</u>	<u>127,707</u>
Special:			
Salaries and Wages	888,486	888,182	304
Fringe Benefits	436,915	361,209	75,706
Purchased Services	1,422,687	1,417,577	5,110
Materials and Supplies	11,555	11,028	527
Total Special	<u>2,759,643</u>	<u>2,677,996</u>	<u>81,647</u>
Vocational:			
Salaries and Wages	145,688	93,288	52,400
Fringe Benefits	55,298	34,708	20,590
Purchased Services	1,600	1,528	72
Materials and Supplies	27,994	19,156	8,838
Other	1,850	1,717	133
Total Vocational	<u>232,430</u>	<u>150,397</u>	<u>82,033</u>
Student Intervention Services:			
Salaries and Wages	17,110	17,110	0
Total Instruction	<u>\$18,827,279</u>	<u>\$18,535,892</u>	<u>\$291,387</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, 2017
(continued)

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Support Services:			
Pupils:			
Salaries and Wages	\$480,056	\$480,051	\$5
Fringe Benefits	242,279	242,279	0
Purchased Services	735,231	735,215	16
Materials and Supplies	8,014	8,006	8
Other	125	125	0
Total Pupils	<u>1,465,705</u>	<u>1,465,676</u>	<u>29</u>
Instructional Staff:			
Salaries and Wages	150,774	150,571	203
Fringe Benefits	85,904	85,868	36
Purchased Services	87,515	87,513	2
Materials and Supplies	23,443	23,366	77
Total Instructional Staff	<u>347,636</u>	<u>347,318</u>	<u>318</u>
Board of Education:			
Salaries and Wages	12,275	9,625	2,650
Fringe Benefits	141	137	4
Purchased Services	2,567	727	1,840
Materials and Supplies	162	150	12
Other	7,784	6,258	1,526
Total Board of Education	<u>22,929</u>	<u>16,897</u>	<u>6,032</u>
Administration:			
Salaries and Wages	1,162,974	1,160,351	2,623
Fringe Benefits	609,591	607,966	1,625
Purchased Services	219,929	215,503	4,426
Materials and Supplies	12,954	12,929	25
Capital Outlay	3,800	3,790	10
Other	113,700	112,991	709
Total Administration	<u>2,122,948</u>	<u>2,113,530</u>	<u>9,418</u>
Fiscal:			
Salaries and Wages	200,989	200,804	185
Fringe Benefits	105,383	105,302	81
Purchased Services	44,886	44,799	87
Materials and Supplies	6,235	6,165	70
Capital Outlay	7,800	7,728	72
Other	213,848	208,907	4,941
Total Fiscal	<u>\$579,141</u>	<u>\$573,705</u>	<u>\$5,436</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, 2017
(continued)

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Operation and Maintenance of Plant:			
Salaries and Wages	\$1,066,292	\$1,065,904	\$388
Fringe Benefits	497,645	450,468	47,177
Purchased Services	1,205,023	981,299	223,724
Materials and Supplies	310,030	308,272	1,758
Capital Outlay	89,505	88,835	670
Other	60	53	7
Total Operation and Maintenance of Plant	3,168,555	2,894,831	273,724
Pupil Transportation:			
Salaries and Wages	1,068,722	1,030,821	37,901
Fringe Benefits	591,067	591,021	46
Purchased Services	63,972	31,485	32,487
Materials and Supplies	665,724	418,966	246,758
Capital Outlay	622,012	583,534	38,478
Other	1,200	1,065	135
Total Pupil Transportation	3,012,697	2,656,892	355,805
Central:			
Salaries and Wages	143,673	143,468	205
Fringe Benefits	95,340	95,127	213
Purchased Services	231,430	231,246	184
Materials and Supplies	86,584	86,383	201
Capital Outlay	11,000	10,890	110
Other	442,306	442,278	28
Total Central	1,010,333	1,009,392	941
Total Support Services	11,729,944	11,078,241	651,703
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	\$2,857	\$0	\$2,857
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	63,295	63,107	188
Fringe Benefits	1,826	1,800	26
Purchased Services	5,942	5,935	7
Materials and Supplies	10,322	10,287	35
Capital Outlay	300	270	30
Other	9,553	9,165	388
Total Academic and Subject Oriented Activities	91,238	90,564	674

(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, 2017
(continued)

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Sports Oriented Activities:			
Salaries and Wages	\$301,525	\$297,049	\$4,476
Fringe Benefits	41,078	32,075	9,003
Purchased Services	11,282	10,003	1,279
Materials and Supplies	9,618	9,578	40
Capital Outlay	32,525	6,750	25,775
Other	300	224	76
Total Sports Oriented Activities	396,328	355,679	40,649
Total Extracurricular Activities	487,566	446,243	41,323
Capital Outlay:			
Facilities Acquisition and Construction Services:			
Site Acquisition Services:			
Purchased Services	11,935	0	11,935
Site Improvement Services:			
Capital Outlay	78,225	8,747	69,478
Architecture and Engineering Services:			
Purchased Services	23,661	225	23,436
Building Acquisition and Construction Services:			
Capital Outlay	391,000	151,265	239,735
Building Improvement Services:			
Capital Outlay	16,765	16,192	573
Total Capital Outlay	521,586	176,429	345,157
Debt Service:			
Principal Retirement	133,215	113,000	20,215
Interest and Fiscal Charges	22,382	10,196	12,186
Total Debt Service	155,597	123,196	32,401
Total Expenditures	31,724,829	30,360,001	1,364,828
Excess of Revenues Over Expenditures	\$1,319,471	\$3,310,292	\$1,990,821

(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, 2017
(continued)

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<i>Other Financing Sources (Uses):</i>			
Refund of Prior Year Expenditures	\$0	\$14,414	\$14,414
Advances In	31,400	31,400	0
Advances Out	(52,150)	(90,451)	(38,301)
<i>Total Other Financing Sources (Uses)</i>	<u>(20,750)</u>	<u>(44,637)</u>	<u>(23,887)</u>
Net Change in Fund Balance	1,298,721	3,265,655	1,966,934
Fund Balance at Beginning of Year	10,087,629	10,087,629	0
Prior Year Encumbrances Appropriated	698,336	698,336	0
Fund Balance at End of Year	<u>\$12,084,686</u>	<u>\$14,051,620</u>	<u>\$1,966,934</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, 2017

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$591,000	\$611,740	\$20,740
Intergovernmental	89,000	90,206	1,206
<i>Total Revenues</i>	<u>680,000</u>	<u>701,946</u>	<u>21,946</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Fiscal:			
Other	24,000	19,404	4,596
Debt Service:			
Principal Retirement	485,000	485,000	0
Interest and Fiscal Charges	56,838	56,838	0
Total Debt Service	<u>541,838</u>	<u>541,838</u>	<u>0</u>
<i>Total Expenditures</i>	<u>565,838</u>	<u>561,242</u>	<u>4,596</u>
Net Change in Fund Balance	114,162	140,704	26,542
Fund Balance at Beginning of Year	<u>2,082,085</u>	<u>2,082,085</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,196,247</u></u>	<u><u>\$2,222,789</u></u>	<u><u>\$26,542</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, 2017

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Contributions and Donations	\$5,203	\$24,043	\$18,840
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	900	810	90
Materials and Supplies	4,491	3,171	1,320
Total Instruction	5,391	3,981	1,410
Operation of Non-Instructional Services:			
Community Services:			
Fringe Benefits	21	0	21
Materials and Supplies	14,466	13,729	737
Total Operation of Non-Instructional Services	14,487	13,729	758
<i>Total Expenditures</i>	19,878	17,710	2,168
Net Change in Fund Balance	(14,675)	6,333	21,008
Fund Balance at Beginning of Year	26,806	26,806	0
Prior Year Encumbrances Appropriated	328	328	0
Fund Balance at End of Year	<u>\$12,459</u>	<u>\$33,467</u>	<u>\$21,008</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, 2017

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$88,614	\$90,418	\$1,804
Intergovernmental	138,662	136,858	(1,804)
<i>Total Revenues</i>	<u>227,276</u>	<u>227,276</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Fiscal:			
Other	3,400	2,835	565
Operation and Maintenance of Plant:			
Purchased Services	10,000	0	10,000
Materials and Supplies	10,000	0	10,000
Total Operation and Maintenance of Plant	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total Support Services	<u>23,400</u>	<u>2,835</u>	<u>20,565</u>
Capital Outlay:			
Site Improvement Services:			
Capital Outlay	10,000	7,386	2,614
Architecture and Engineering Services:			
Purchased Services	4,144	2,249	1,895
Building Acquisition and Construction Services:			
Purchased Services	109,460	60,596	48,864
Capital Outlay	980,000	149,480	830,520
Total Building Acquisition and Construction Services:	<u>1,089,460</u>	<u>210,076</u>	<u>879,384</u>
Total Capital Outlay	<u>1,103,604</u>	<u>219,711</u>	<u>883,893</u>
<i>Total Expenditures</i>	<u>1,127,004</u>	<u>222,546</u>	<u>904,458</u>
Net Change in Fund Balance	(899,728)	4,730	904,458
Fund Balance at Beginning of Year	1,647,392	1,647,392	0
Prior Year Encumbrances Appropriated	63,604	63,604	0
Fund Balance at End of Year	<u>\$811,268</u>	<u>\$1,715,726</u>	<u>\$904,458</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, 2017

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and Fees	\$2,699	\$1,300	(\$1,399)
Extracurricular Activities	245,317	245,982	665
Contributions and Donations	18,509	24,156	5,647
Miscellaneous	1,000	2,000	1,000
<i>Total Revenues</i>	<u>267,525</u>	<u>273,438</u>	<u>5,913</u>
<u>Expenditures:</u>			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	19,808	19,647	161
Purchased Services	56,908	53,478	3,430
Materials and Supplies	245,824	228,520	17,304
Other	7,450	7,375	75
<i>Total Expenditures</i>	<u>329,990</u>	<u>309,020</u>	<u>20,970</u>
Net Change in Fund Balance	(62,465)	(35,582)	26,883
Fund Balance at Beginning of Year	201,567	201,567	0
Prior Year Encumbrances Appropriated	<u>19,836</u>	<u>19,836</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$158,938</u></u>	<u><u>\$185,821</u></u>	<u><u>\$26,883</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, 2017

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

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Alternative School Fund
For the Fiscal Year Ended June 30, 2017

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$40,255	\$40,255	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	40,255	40,255	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, 2017

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$644,188	\$644,188	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and Wages	388,167	388,167	0
Fringe Benefits	143,953	143,953	0
Purchased Services	1,496	1,496	0
Total Instruction	533,616	533,616	0
Support Services:			
Administration:			
Salaries and Wages	84,903	84,903	0
Fringe Benefits	26,526	26,526	0
Total Support Services	111,429	111,429	0
<i>Total Expenditures</i>	645,045	645,045	0
Excess of Revenues Under Expenditures	(857)	(857)	0
<u>Other Financing Sources (Uses):</u>			
Advances In	26,674	26,674	0
Advances Out	(25,900)	(25,900)	0
<i>Total Other Financing Sources (Uses)</i>	774	774	0
Net Change in Fund Balance	(83)	(83)	0
Fund Balance at Beginning of Year	473	473	0
Prior Year Encumbrances Appropriated	1,610	1,610	0
Fund Balance at End of Year	\$2,000	\$2,000	\$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, 2017

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$708,772	\$708,772	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	505,026	505,026	0
Fringe Benefits	208,717	208,717	0
Materials and Supplies	43,339	42,719	620
Total Instruction	757,082	756,462	620
Support Services:			
Pupils:			
Purchased Services	5,667	5,667	0
<i>Total Expenditures</i>	762,749	762,129	620
Excess of Revenues Under Expenditures	(53,977)	(53,357)	620
<u>Other Financing Sources (Uses):</u>			
Advances In	59,458	59,458	0
Advances Out	(5,500)	(5,500)	0
<i>Total Other Financing Sources (Uses)</i>	53,958	53,958	0
Net Change in Fund Balance	(19)	601	620
Fund Balance at Beginning of Year	566	566	0
Fund Balance at End of Year	\$547	\$1,167	\$620

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Improving Teacher Quality Fund
For the Fiscal Year Ended June 30, 2017

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$116,906	\$116,906	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	83,266	83,266	0
Fringe Benefits	37,959	37,959	0
<i>Total Expenditures</i>	121,225	121,225	0
Excess of Revenues Under Expenditures	(4,319)	(4,319)	0
<u>Other Financing Sources:</u>			
Advances In	4,319	4,319	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2017

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Sales	\$453,786	\$458,823	\$5,037
Interest	0	3,103	3,103
Federal and State Subsidies	998,784	1,020,123	21,339
Other Revenues	30,174	31,335	1,161
<i>Total Revenues</i>	<u>1,482,744</u>	<u>1,513,384</u>	<u>30,640</u>
<u>Expenses:</u>			
Salaries and Wages	504,851	504,707	144
Fringe Benefits	456,917	456,521	396
Purchased Services	8,018	3,719	4,299
Materials and Supplies	806,329	691,856	114,473
<i>Total Expenses</i>	<u>1,776,115</u>	<u>1,656,803</u>	<u>119,312</u>
<i>Net Change in Fund Equity</i>	(293,371)	(143,419)	149,952
Fund Equity at Beginning of Year	241,087	241,087	0
Prior Year Encumbrances Appropriated	52,284	52,284	0
Fund Equity at End of Year	<u><u>\$0</u></u>	<u><u>\$149,952</u></u>	<u><u>\$149,952</u></u>

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STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S2-S13
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S14-S19
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S20-S24
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S25-S26
Operating Information These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S27-S33

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

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

	2008	2009	2010	2011
<u>Governmental Activities:</u>				
Net Investment in Capital Assets	\$45,577,012	\$44,066,679	\$42,686,618	\$41,732,010
Restricted for:				
Debt Service	1,813,830	1,853,926	1,848,836	1,858,861
Capital Projects	1,242,909	1,241,278	1,123,922	0
Classroom Facilities	839,232	902,512	862,681	1,739,648
Other Purposes (2)	243,919	166,439	502,243	236,936
Set-Asides	658,004	829,827	1,084,762	1,321,337
Unrestricted (Deficit)	430,367	(1,544,952)	(2,279,839)	(1,962,978)
Total Governmental Activities Net Position	<u>\$50,805,273</u>	<u>\$47,515,709</u>	<u>\$45,829,223</u>	<u>\$44,925,814</u>
<u>Business-Type Activity:</u>				
Net Investment in Capital Assets	\$1,674,004	\$1,554,351	\$1,444,079	\$1,329,033
Unrestricted	131,134	144,784	227,013	332,937
Total Business-Type Activity Net Position	<u>\$1,805,138</u>	<u>\$1,699,135</u>	<u>\$1,671,092</u>	<u>\$1,661,970</u>
<u>Primary Government:</u>				
Net Investment in Capital Assets	\$47,251,016	\$45,621,030	\$44,130,697	\$43,061,043
Restricted	4,797,894	4,993,982	5,422,444	5,156,782
Unrestricted (Deficit)	561,501	(1,400,168)	(2,052,826)	(1,630,041)
Total Primary Government Net Position	<u>\$52,610,411</u>	<u>\$49,214,844</u>	<u>\$47,500,315</u>	<u>\$46,587,784</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.

2012	2013	2014 (1)	2015 (1)	2016	2017
\$40,359,279	\$39,181,798	\$38,055,996	\$37,040,382	\$36,388,626	\$35,602,997
1,973,331	2,023,139	2,144,362	2,206,816	2,346,950	2,484,033
0	0	0	0	0	0
1,681,243	1,600,304	1,649,620	1,570,184	1,672,480	1,843,823
443,354	210,080	546,013	307,330	437,508	322,533
4,619	0	0	0	0	0
(592,876)	(162,922)	(32,735,546)	(28,903,505)	(24,235,943)	(21,784,351)
<u>\$43,868,950</u>	<u>\$42,852,399</u>	<u>\$9,660,445</u>	<u>\$12,221,207</u>	<u>\$16,609,621</u>	<u>\$18,469,035</u>
\$1,245,925	\$1,126,899	\$1,008,320	\$888,886	\$807,352	\$765,276
407,029	391,002	(1,547,634)	(1,592,608)	(1,681,007)	(1,982,943)
<u>\$1,652,954</u>	<u>\$1,517,901</u>	<u>(\$539,314)</u>	<u>(\$703,722)</u>	<u>(\$873,655)</u>	<u>(\$1,217,667)</u>
\$41,605,204	\$40,308,697	\$39,064,316	\$37,929,268	\$37,195,978	\$36,368,273
4,102,547	3,833,523	4,339,995	4,084,330	4,456,938	4,650,389
(185,847)	228,080	(34,283,180)	(30,496,113)	(25,916,950)	(23,767,294)
<u>\$45,521,904</u>	<u>\$44,370,300</u>	<u>\$9,121,131</u>	<u>\$11,517,485</u>	<u>\$15,735,966</u>	<u>\$17,251,368</u>

Western Brown Local School District

*Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)*

	2008	2009	2010	2011
<u>Expenses:</u>				
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$14,208,369	\$15,372,518	\$15,767,971	\$15,933,550
Special	3,382,298	3,698,014	3,946,902	4,139,227
Vocational	297,494	328,952	417,110	293,826
Student Intervention Services	203,039	146,996	3,274	930
Support Services:				
Pupils	986,900	928,674	746,707	678,606
Instructional Staff	998,888	1,076,896	1,432,569	1,324,285
Board of Education	17,970	20,524	19,962	25,568
Administration	2,104,497	2,254,135	2,268,018	2,135,651
Fiscal	584,051	585,596	556,440	575,912
Operation and Maintenance of Plant	2,959,634	3,158,807	3,083,917	3,066,553
Pupil Transportation	2,246,022	2,188,838	2,160,710	2,184,223
Central	274,331	266,667	325,781	329,013
Operation of Non-Instructional Services	3,565	16,395	16,760	11,155
Extracurricular Activities	714,507	737,047	877,682	933,119
Interest and Fiscal Charges	294,509	275,376	276,176	194,224
<i>Total Governmental Activities Expenses</i>	<u>29,276,074</u>	<u>31,055,435</u>	<u>31,899,979</u>	<u>31,825,842</u>
<u>Business-Type Activity:</u>				
Food Service	<u>1,566,497</u>	<u>1,642,631</u>	<u>1,689,343</u>	<u>1,747,805</u>
<i>Total Expenses</i>	<u>30,842,571</u>	<u>32,698,066</u>	<u>33,589,322</u>	<u>33,573,647</u>
<u>Program Revenues:</u>				
<u>Governmental Activities:</u>				
Charges for Services and Sales:				
Instruction:				
Regular	1,062,083	1,069,057	1,190,898	1,101,017
Special	189,825	192,087	201,941	178,086
Vocational	21,463	21,464	26,925	20,798
Student Intervention Services	0	5,305	0	0
Support Services:				
Pupils	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	14,444	12,995	15,568	16,168
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	147,101	141,313	335,596	401,741
Operating Grants and Contributions	3,228,610	3,056,239	4,155,561	4,278,859
Capital Grants and Contributions	0	0	79,000	0
<i>Total Governmental Activities Program Revenues</i>	<u>\$4,663,526</u>	<u>\$4,498,460</u>	<u>\$6,005,489</u>	<u>\$5,996,669</u>

2012	2013	2014	2015 (1)	2016	2017
\$16,329,045	\$15,183,324	\$15,914,440	\$15,917,475	\$16,145,798	\$18,734,648
4,004,178	3,168,562	3,368,468	3,002,928	2,963,687	3,484,456
239,806	236,356	238,825	276,074	133,194	174,992
0	0	2,687	0	15,421	16,989
693,481	1,281,375	1,298,697	1,265,801	1,358,978	1,565,522
861,619	733,687	339,109	448,287	373,129	357,715
24,927	20,703	20,759	17,635	15,357	16,741
2,142,559	2,085,421	2,245,388	2,217,956	2,389,624	2,532,459
614,206	541,757	455,280	556,300	564,692	622,141
2,904,360	2,656,532	2,628,338	2,659,528	2,681,910	2,704,836
2,176,110	2,115,404	2,171,951	2,274,156	2,163,094	2,422,541
348,599	453,459	776,721	529,657	899,556	960,750
13,539	17,161	12,975	13,971	11,790	63,561
835,287	844,706	891,066	868,046	921,251	925,461
192,209	230,059	143,684	120,973	104,257	92,220
31,379,925	29,568,506	30,508,388	30,168,787	30,741,738	34,675,032
1,866,996	1,826,662	1,754,036	1,700,712	1,707,923	1,933,034
33,246,921	31,395,168	32,262,424	31,869,499	32,449,661	36,608,066
1,223,260	1,370,366	1,345,989	981,304	965,159	1,104,102
272,525	205,826	221,692	152,271	156,608	191,416
19,087	20,599	15,836	0	0	0
0	0	0	0	0	0
0	0	0	84,595	86,560	101,974
0	0	0	135,352	139,843	146,937
0	0	20,955	0	0	0
17,946	19,780	135,075	194,500	176,810	188,147
0	0	0	152,271	149,943	166,107
0	22,293	85	2,576	0	0
398,730	354,750	389,437	344,189	361,944	364,506
4,785,087	3,051,153	3,740,821	3,725,361	3,986,398	4,207,411
0	61,181	56,579	82,167	60,125	34,776
\$6,716,635	\$5,105,948	\$5,926,469	\$5,854,586	\$6,083,390	\$6,505,376

(continued)

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

	2008	2009	2010	2011
<u>Business-Type Activity:</u>				
Food Service:				
Charges for Services and Sales	\$642,333	\$635,435	\$603,869	\$571,093
Operating Grants and Contributions	781,692	868,996	1,023,119	1,133,010
<i>Total Business-Type Activity Program Revenues</i>	<u>1,424,025</u>	<u>1,504,431</u>	<u>1,626,988</u>	<u>1,704,103</u>
<i>Total Program Revenues</i>	<u>6,087,551</u>	<u>6,002,891</u>	<u>7,632,477</u>	<u>7,700,772</u>
<u>Net (Expense)/Revenue:</u>				
Governmental Activities	(24,612,548)	(26,556,975)	(25,894,490)	(25,829,173)
Business-Type Activity	(142,472)	(138,200)	(62,355)	(43,702)
<i>Total Net (Expense)/Revenue</i>	<u>(24,755,020)</u>	<u>(26,695,175)</u>	<u>(25,956,845)</u>	<u>(25,872,875)</u>
<u>General Revenues and Other Changes in Net Position:</u>				
<u>Governmental Activities:</u>				
Property Taxes Levied for:				
General Purposes	4,132,956	4,328,426	4,082,309	4,676,874
Classroom Facility Maintenance	83,722	88,056	79,882	91,402
Debt Service	514,460	496,617	459,556	413,833
Grants and Entitlements not				
Restricted to Specific Programs	18,173,233	19,244,661	19,187,402	19,513,313
Contributions and Donations	10,198	0	2,366	7,773
Interest	234,172	142,432	19,643	19,362
Gain on Sale of Capital Assets	0	0	35,360	0
Revenue in Lieu of Taxes	0	0	88,076	97,575
Miscellaneous	162,666	212,655	253,410	105,632
<i>Total Governmental Activities</i>	<u>23,311,407</u>	<u>24,512,847</u>	<u>24,208,004</u>	<u>24,925,764</u>
<i>Extraordinary Item - Insurance Settlement</i>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Business-Type Activity:</u>				
Interest	8,116	2,737	368	275
Miscellaneous	22,065	29,460	33,944	34,305
<i>Total Business-Type Activity</i>	<u>30,181</u>	<u>32,197</u>	<u>34,312</u>	<u>34,580</u>
<i>Total Primary Government</i>	<u>23,841,588</u>	<u>24,545,044</u>	<u>24,242,316</u>	<u>24,960,344</u>
<u>Change in Net Position:</u>				
Governmental Activities	(801,141)	(2,044,128)	(1,686,486)	(903,409)
Business-Type Activity	(112,291)	(106,003)	(28,043)	(9,122)
<i>Total Change in Net Position</i>	<u>(\$913,432)</u>	<u>(\$2,150,131)</u>	<u>(\$1,714,529)</u>	<u>(\$912,531)</u>

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

2012	2013	2014	2015 (1)	2016	2017
\$620,025	\$545,730	\$460,518	\$440,605	\$437,853	\$458,823
1,189,043	1,122,380	1,077,477	1,066,494	1,073,001	1,095,761
<u>1,809,068</u>	<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>
8,525,703	6,774,058	7,464,464	7,361,685	7,594,244	8,059,960
(24,663,290)	(24,462,558)	(24,581,919)	(24,314,201)	(24,658,348)	(28,169,656)
(57,928)	(158,552)	(216,041)	(193,613)	(197,069)	(378,450)
<u>(24,721,218)</u>	<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>
4,342,422	4,324,242	4,846,070	4,353,541	4,786,063	4,857,225
84,908	87,738	98,687	88,572	88,034	89,687
600,867	515,886	604,018	544,174	598,241	607,142
18,627,278	18,291,506	19,724,363	21,598,569	23,381,209	24,132,433
0	0	0	0	0	0
10,197	12,024	10,157	28,295	27,568	63,627
0	0	0	0	0	0
104,257	102,547	98,405	106,196	116,696	129,275
76,508	112,064	87,047	155,616	48,951	149,681
<u>23,846,437</u>	<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>
0	0	0	0	0	0
0	522	100	196	0	3,103
29,004	22,977	32,951	29,009	27,136	31,335
<u>29,004</u>	<u>23,499</u>	<u>33,051</u>	<u>29,205</u>	<u>27,136</u>	<u>34,438</u>
<u>23,875,441</u>	<u>23,469,506</u>	<u>25,501,798</u>	<u>26,904,168</u>	<u>29,073,898</u>	<u>30,063,508</u>
(816,853)	(1,016,551)	886,828	2,560,762	4,388,414	1,859,414
(28,924)	(135,053)	(182,990)	(164,408)	(169,933)	(344,012)
<u>(\$845,777)</u>	<u>(\$1,151,604)</u>	<u>\$703,838</u>	<u>\$2,396,354</u>	<u>\$4,218,481</u>	<u>\$1,515,402</u>

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

	2008	2009	2010	2011
<u>Governmental Activities:</u>				
Function:				
Instruction:				
Regular	\$1,345,399	\$1,322,534	\$1,514,112	\$1,364,499
Special	2,291,226	2,274,353	3,084,477	3,286,052
Vocational	140,838	154,259	160,716	155,592
Student Intervention Services	8,233	5,305	0	0
Support Services:				
Pupils	259,923	157,957	39,704	2,910
Instructional Staff	148,568	135,256	463,710	511,392
Administration	175,565	184,420	193,649	156,807
Fiscal	0	0	0	0
Operation and Maintenance of Plant	14,444	23,647	15,568	16,168
Pupil Transportation	115,813	80,917	75,040	76,737
Central	12,000	12,000	9,145	9,100
Operation of Non-Instructional Services	4,416	1,129	14,392	14,771
Extracurricular Activities	147,101	146,683	434,976	402,641
Total Program Revenues	<u>\$4,663,526</u>	<u>\$4,498,460</u>	<u>\$6,005,489</u>	<u>\$5,996,669</u>

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$2,629,195	\$1,544,537	\$1,793,957	\$1,580,736	\$1,805,842	\$2,009,680
2,901,777	2,531,470	3,119,871	2,819,158	2,776,278	2,852,662
153,881	155,393	96,622	89,647	176,572	245,564
0	0	4,072	0	0	0
16,002	4,040	9,973	84,595	86,560	101,974
185,739	40,114	69,188	4,240	2,298	0
103,025	123,677	109,777	236,976	236,160	263,178
3,834	13,916	20,955	28,020	138,661	9,776
151,037	145,446	135,075	306,580	176,810	315,229
72,574	80,171	86,312	249,988	230,099	258,141
7,434	7,200	7,200	7,200	7,200	7,200
15,374	37,137	8,678	14,176	6,332	18,534
476,763	422,847	464,789	433,270	440,578	423,438
<u>\$6,716,635</u>	<u>\$5,105,948</u>	<u>\$5,926,469</u>	<u>\$5,854,586</u>	<u>\$6,083,390</u>	<u>\$6,505,376</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010 (1)</u>	<u>2011 (1)</u>
General Fund				
Reserved	\$1,820,710	\$2,163,347	\$0	\$0
Unreserved (Deficit)	(853,070)	(1,566,273)	0	0
Nonspendable	0	0	10,026	10,911
Restricted	0	0	1,084,762	1,321,337
Committed	0	0	0	0
Assigned	0	0	220,708	131,813
Unassigned (Deficit)	0	0	(1,060,775)	(653,767)
Total General Fund	<u>967,640</u>	<u>597,074</u>	<u>254,721</u>	<u>810,294</u>
All Other Governmental Funds				
Reserved	214,861	211,842	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,006,332	973,306	0	0
Debt Service Fund	1,702,309	1,736,031	0	0
Capital Projects Funds	1,242,909	1,239,028	0	0
Restricted	0	0	4,110,152	3,751,681
Unassigned (Deficit)	0	0	(34,253)	(125,035)
Total All Other Governmental Funds	<u>4,166,411</u>	<u>4,160,207</u>	<u>4,075,899</u>	<u>3,626,646</u>
Total Governmental Funds	<u>\$5,134,051</u>	<u>\$4,757,281</u>	<u>\$4,330,620</u>	<u>\$4,436,940</u>

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

2012	2013	2014	2015	2016	2017
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
11,471	11,812	13,613	14,021	14,413	107,640
4,619	0	0	0	0	0
0	0	0	629,578	388,420	252,720
176,733	603,017	624,315	1,224,126	588,318	209,135
658,232	685,942	1,556,120	3,684,149	8,303,222	12,739,456
<u>851,055</u>	<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>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
3,837,543	3,802,516	3,953,817	3,961,368	4,158,696	4,454,897
<u>(11,355)</u>	<u>(8,393)</u>	<u>(3,014)</u>	<u>(12,560)</u>	<u>(97,526)</u>	<u>(7,755)</u>
<u>3,826,188</u>	<u>3,794,123</u>	<u>3,950,803</u>	<u>3,948,808</u>	<u>4,061,170</u>	<u>4,447,142</u>
<u>\$4,677,243</u>	<u>\$5,094,894</u>	<u>\$6,144,851</u>	<u>\$9,500,682</u>	<u>\$13,355,543</u>	<u>\$17,756,093</u>

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

	2008	2009	2010	2011
<u>Revenues:</u>				
Property Taxes	\$4,661,669	\$4,883,793	\$4,624,437	\$5,182,202
Intergovernmental	21,335,869	22,288,451	23,274,692	23,815,510
Interest	234,172	142,432	19,643	19,362
Tuition and Fees	1,273,371	1,287,913	1,419,764	1,300,819
Extracurricular Activities	147,101	141,313	335,596	400,823
Rent	14,444	12,995	15,568	16,168
Contributions and Donations	14,614	6,499	116,138	23,444
Customer Sales and Services	0	0	0	0
Revenue in Lieu of Taxes	0	0	88,076	97,575
Miscellaneous	162,666	212,655	253,410	105,632
Total Revenues	27,843,906	28,976,051	30,147,324	30,961,535
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	12,915,717	14,026,999	14,581,326	14,639,886
Special	3,286,834	3,615,310	3,852,285	4,044,393
Vocational	268,917	292,940	384,613	273,355
Student Intervention Services	203,039	146,996	3,274	930
Support Services:				
Pupils	919,811	888,765	685,038	612,813
Instructional Staff	1,004,078	1,059,607	1,420,869	1,477,877
Board of Education	17,970	20,524	19,962	25,568
Administration	1,833,720	1,956,104	2,041,708	1,955,852
Fiscal	574,482	542,751	560,881	564,727
Operation and Maintenance of Plant	2,957,372	3,069,098	3,115,637	3,042,340
Pupil Transportation	2,097,419	2,055,205	2,087,277	2,127,937
Central	280,721	273,575	329,933	317,809
Operation of Non-Instructional Services	3,565	16,395	16,760	11,155
Extracurricular Activities	592,662	611,076	773,966	763,964
Capital Outlay	3,975	195,584	722,701	406,140
Debt Service:				
Principal Retirement	272,000	288,000	348,000	391,000
Interest and Fiscal Charges	294,288	275,387	276,255	199,469
Issuance Costs	0	0	0	65,745
Total Expenditures	27,526,570	29,334,316	31,220,485	30,920,960
Excess of Revenues Over (Under) Expenditures	317,336	(358,265)	(1,073,161)	40,575
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	0	0	36,500	0
Inception of Capital Lease	0	0	610,000	0
Refunding Bonds Issued	0	0	0	3,075,000
Premium on Refunding Bonds Issued	0	0	0	131,355
Payment to Refunded Bond Escrow Agent	0	0	0	(3,140,610)
Transfers In	78	0	0	740,853
Transfers Out	(78)	0	0	(740,853)
Total Other Financing Sources (Uses)	0	0	646,500	65,745
Extraordinary Item - Insurance Settlement	500,000	0	0	0
Net Change in Fund Balances	\$817,336	(\$358,265)	(\$426,661)	\$106,320
Debt Service as a Percentage of Noncapital Expenditures	2.1%	1.9%	2.0%	1.9%

2012	2013	2014	2015	2016	2017
\$5,028,289	\$4,844,003	\$5,047,210	\$5,127,717	\$5,119,611	\$5,731,094
23,124,431	21,604,858	23,225,498	25,555,045	27,189,063	28,419,854
10,197	12,024	10,157	28,295	27,568	63,627
1,519,029	1,602,627	1,606,908	1,708,329	1,679,872	1,899,083
394,573	348,914	366,046	327,763	356,845	363,206
17,946	19,780	16,333	8,390	150	900
93,847	83,281	86,810	105,892	89,493	82,976
0	22,293	85	2,576	0	0
104,257	102,547	98,405	106,196	116,696	129,275
76,508	112,064	87,047	155,616	48,951	149,681
<u>30,369,077</u>	<u>28,752,391</u>	<u>30,544,499</u>	<u>33,125,819</u>	<u>34,628,249</u>	<u>36,839,696</u>
15,082,311	13,910,196	14,674,145	15,090,494	15,381,820	16,620,282
3,923,800	3,080,064	3,288,699	3,053,865	2,936,487	3,265,157
208,088	204,325	207,405	259,171	118,528	147,078
0	0	2,687	0	15,421	16,989
657,316	1,213,548	1,237,817	1,217,317	1,322,164	1,475,097
809,625	678,132	304,760	400,346	346,675	337,456
24,927	20,703	20,759	17,635	15,357	16,741
1,910,985	1,835,740	2,030,910	2,023,423	2,211,758	2,217,924
574,518	525,410	562,212	540,792	549,986	606,840
2,824,492	2,663,905	2,605,498	2,648,656	2,679,382	2,770,465
2,216,069	2,158,512	2,159,825	2,269,864	2,286,482	2,375,426
336,920	444,276	771,597	516,957	886,362	957,878
13,539	17,161	12,975	13,971	11,790	63,561
643,355	655,780	705,501	709,118	777,823	743,667
238,724	279,914	241,827	345,778	582,926	159,551
494,000	498,000	542,000	570,000	569,000	598,000
170,105	149,074	125,925	101,246	81,427	67,034
0	0	0	0	0	0
<u>30,128,774</u>	<u>28,334,740</u>	<u>29,494,542</u>	<u>29,778,633</u>	<u>30,773,388</u>	<u>32,439,146</u>
<u>240,303</u>	<u>417,651</u>	<u>1,049,957</u>	<u>3,347,186</u>	<u>3,854,861</u>	<u>4,400,550</u>
0	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
<u>\$240,303</u>	<u>\$417,651</u>	<u>\$1,049,957</u>	<u>\$3,355,831</u>	<u>\$3,854,861</u>	<u>\$4,400,550</u>
2.2%	2.3%	2.3%	2.3%	2.2%	2.1%

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
2008	\$204,389,990	\$21,877,410	\$646,478,286	\$7,245,790	\$9,057,238
2009	207,785,260	22,307,340	657,407,429	7,384,120	9,230,150
2010	214,707,910	23,132,980	679,545,400	7,823,360	9,779,200
2011	214,997,650	22,205,380	677,722,943	8,126,000	10,157,500
2012	214,964,430	22,296,410	677,888,114	8,612,750	10,765,938
2013	206,498,460	24,587,130	660,244,543	8,865,490	11,081,863
2014	207,052,320	23,470,620	658,636,971	9,482,560	11,853,200
2015	208,219,400	22,739,890	659,883,686	10,090,430	12,613,038
2016	233,477,150	23,237,510	733,470,457	10,343,910	12,929,888
2017	236,019,140	23,290,530	740,884,771	10,307,340	12,884,175

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	Estimated Actual Value	Value	Actual Value		
\$2,655,650	\$42,490,400	\$236,168,840	\$698,025,923	33.83%	22.90
551,880	5,518,800	238,028,600	672,156,379	35.41%	22.66
275,940	5,518,800	245,940,190	694,843,400	35.40%	22.64
0	0	245,329,030	687,880,443	35.66%	16.57
0	0	245,873,590	688,654,052	35.70%	19.89
0	0	239,951,080	671,326,405	35.74%	19.79
0	0	240,005,500	670,490,171	35.80%	19.84
0	0	241,049,720	672,496,723	35.84%	19.87
0	0	267,058,570	746,400,345	35.78%	20.11
0	0	269,617,010	753,768,946	35.77%	20.13

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
UNVOTED MILLAGE:				
Operating	\$4.70	\$4.70	\$4.70	\$4.70
VOTED MILLAGE - BY LEVY:				
1976 Current Expense				
Residential/Agricultural Real	15.30	15.30	15.30	15.30
Commercial/Industrial and Public Utility Real	15.30	15.30	15.30	15.30
General Business and Public Utility Personal	15.30	15.30	15.30	15.30
1997 Bond (\$5,659,600)				
Residential/Agricultural Real	2.00	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
TOTAL VOTED MILLAGE BY TYPE OF PROPERTY				
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
TOTAL SCHOOL DISTRICT MILLAGE				
	23.00	22.75	22.75	22.75
WEIGHTED AVERAGE				
	22.90	22.66	22.64	16.57
OVERLAPPING RATES BY TAXING DISTRICT				
TOWNSHIPS:				
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
CORPORATIONS:				
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
SOUTHERN HILLS JOINT VOCATIONAL DISTRICT:				
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
COUNTY AND OTHER UNITS:				
BROWN COUNTY				
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
CLERMONT COUNTY				
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
BROWN COUNTY PUBLIC LIBRARY				
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 improvement levies) are reduced so that the same property does not generate additional revenue. State law prohibits the reduction factors from reducing the effective millage of the sum of the current operating levies plus inside millage used for operating purposes below 20 mills.

2012	2013	2014	2015	2016	2017
\$4.70	\$4.70	\$4.70	\$4.70	\$4.70	\$4.70
15.30	15.30	15.30	15.30	15.30	15.30
15.30	15.30	15.30	15.30	15.30	15.30
15.30	15.30	15.30	15.30	15.30	15.30
1.75	2.00	2.00	2.00	2.00	2.00
1.75	2.00	2.00	2.00	2.00	2.00
1.75	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
0.38	0.38	0.38	0.38	0.38	0.38
0.41	0.41	0.41	0.41	0.41	0.41
0.50	0.50	0.50	0.50	0.50	0.50
17.93	18.18	18.18	18.18	18.18	18.18
17.96	18.21	18.21	18.21	18.21	18.21
18.05	18.30	18.30	18.30	18.30	18.30
22.75	23.00	23.00	23.00	23.00	23.00
19.89	19.79	19.84	19.87	20.11	20.13

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 - 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

0.60 - 2.37	0.60 - 2.37	0.60 - 2.37	0.60 - 2.37	0.60 - 2.37	0.60 - 2.37
0.60 - 2.89	0.60 - 2.89	0.60 - 2.89	0.60 - 2.89	0.60 - 2.89	0.60 - 2.89
0.60 - 3.60	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
3.68	3.68	3.68	3.68	3.68	3.68
6.40	6.40	6.40	6.40	6.40	6.40

7.16	7.16	7.16	7.16	7.16	7.16
7.35	7.35	7.35	7.35	7.35	7.35
7.60	7.60	7.60	7.60	7.60	7.60

8.83	8.83	8.83	8.83	8.83	8.83
9.25	9.25	9.25	9.25	9.25	9.25
9.95	9.95	9.95	9.95	9.95	9.95

0.35	0.35	0.35	0.35	0.35	0.35
0.35	0.35	0.35	0.35	0.35	0.35
0.35	0.35	0.35	0.35	0.35	0.35

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

Collection Year	Current Tax Levy	Current Tax Collections (2)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections (3)	Percent of Total Tax Collections to Current Tax Levy (3)
2008	\$5,410,259	\$4,370,292	80.78%	\$343,175	\$4,713,467	87.12%
2009	5,429,057	4,230,507	77.92%	331,925	4,562,432	84.04%
2010	5,554,037	4,421,011	79.60%	384,853	4,805,864	86.53%
2011	5,471,659	4,392,100	80.27%	418,591	4,810,691	87.92%
2012	5,593,624	4,512,376	80.67%	408,894	4,921,270	87.98%
2013	5,497,854	4,420,824	80.41%	460,348	4,881,172	88.78%
2014	5,540,002	4,475,214	80.78%	453,362	4,928,576	88.96%
2015	6,138,862	4,982,910	81.17%	472,391	5,455,301	88.87%
2016	6,200,530	4,894,009	78.93%	468,321	5,362,330	86.48%
2017 (1)	N/A	N/A	N/A	N/A	N/A	N/A

Source: Brown County Auditor

- (1) The 2017 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
2017 and 2008 (1)

Name of Taxpayer	2017	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$1,625,050	0.60%
Milacron LLC	1,458,270	0.54%
Brown County Industrial Park	1,354,323	0.50%
Locust Ridge Land Corp.	782,950	0.29%
Ava Jo Bohl	776,720	0.29%
Scottwood Commons	662,440	0.25%
Alma Monk Trustee	623,720	0.23%
Shriji Krupa	609,490	0.23%
N A L Company	505,103	0.19%
Northpoint Centre	430,801	0.16%
Totals	<u>\$8,828,867</u>	<u>3.28%</u>
Total Assessed Valuation	<u>\$269,617,010</u>	<u>100.00%</u>

Name of Taxpayer	2008	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$5,209,342	2.21%
Cincinnati Milacron	4,805,114	2.03%
Brown County Industrial Park	1,977,914	0.84%
Shriji Krupa LLC	1,741,400	0.74%
Locust Ridge Land Corporation	1,452,171	0.61%
Northpoint Center	1,327,314	0.56%
Alma Monk Trustee	1,319,142	0.56%
Scottwood Commons	1,303,800	0.55%
Appalachian Ohio	1,262,485	0.53%
Daulton Beverly	1,248,942	0.53%
Totals	<u>\$21,647,624</u>	<u>9.16%</u>
Total Assessed Valuation	<u>\$236,168,840</u>	<u>100.00%</u>

(1) The amounts represent the assessed values upon which 2017 and 2008 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
2008	15,717	\$698,025,923	\$5,320,000	0.76%	\$338.49
2009	15,717	672,156,379	5,065,000	0.75%	322.26
2010	15,717	694,843,400	4,795,000	0.69%	305.08
2011	17,494	687,880,443	4,495,000	0.65%	256.95
2012	17,494	688,654,052	4,233,907	0.61%	242.02
2013	17,494	671,326,405	3,845,103	0.57%	219.80
2014	17,494	670,490,171	3,418,211	0.51%	195.39
2015	17,494	672,496,723	2,968,382	0.44%	169.68
2016	17,494	746,400,345	2,525,782	0.34%	144.38
2017	17,494	753,768,946	2,060,589	0.27%	117.79

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
\$5,320,000	\$448,000	\$5,768,000	0.83%	2.15%	\$366.99
5,065,000	415,000	5,480,000	0.82%	2.04%	348.67
4,795,000	947,000	5,742,000	0.83%	2.14%	365.34
4,495,000	856,000	5,351,000	0.78%	1.53%	305.88
4,233,907	762,000	4,995,907	0.73%	1.43%	285.58
3,845,103	664,000	4,509,103	0.67%	1.29%	257.75
3,418,211	562,000	3,980,211	0.59%	1.14%	227.52
2,968,382	457,000	3,425,382	0.51%	0.98%	195.80
2,525,782	348,000	2,873,782	0.39%	0.82%	164.27
2,060,589	235,000	2,295,589	0.30%	0.66%	131.22

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

	2008	2009 (3)	2010	2011
Assessed Valuation (1)	\$236,168,840	\$238,028,600	\$245,940,190	\$245,329,030
Less:				
General Business Personal Property	(2,655,650)	(551,880)	(275,940)	0
Railroad and Telephone Tangible Property	(1,193,050)	(361,410)	(84,120)	(82,660)
Total Assessed Valuation used to calculate Legal Debt Margin	232,320,140	237,115,310	245,580,130	245,246,370
Debt Limit - 9% of Assessed Value (2)	20,908,813	21,340,378	22,102,212	22,072,173
Amount of Debt Applicable to Debt Limit				
Gross Indebtedness	5,320,000	5,065,000	4,795,000	4,495,000
Less Exempt Debt	0	0	0	0
Less Amount Available in Debt Service	(1,812,098)	(1,850,785)	(1,844,614)	(1,846,627)
Amount of Debt Subject to Limit	3,507,902	3,214,215	2,950,386	2,648,373
Legal Debt Margin	<u>\$17,400,911</u>	<u>\$18,126,163</u>	<u>\$19,151,826</u>	<u>\$19,423,800</u>
Legal Debt Margin as a Percentage of the Debt Limit	83.22%	84.94%	86.65%	88.00%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$232,320	\$237,115	\$245,580	\$245,246
Amount of Debt Subject to Limit	0	0	0	0
Unvoted Legal Debt Margin	<u>\$232,320</u>	<u>\$237,115</u>	<u>\$245,580</u>	<u>\$245,246</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.

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$245,873,590	\$239,951,080	\$240,005,500	\$241,049,720	\$267,058,570	\$269,617,010
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
245,873,590	239,951,080	240,005,500	241,049,720	267,058,570	269,617,010
<u>22,128,623</u>	<u>21,595,597</u>	<u>21,600,495</u>	<u>21,694,475</u>	<u>24,035,271</u>	<u>24,265,531</u>
4,095,000	3,695,000	3,255,000	2,790,000	2,330,000	1,845,000
0	0	0	0	0	0
<u>(1,959,693)</u>	<u>(1,997,717)</u>	<u>(2,061,140)</u>	<u>(2,137,239)</u>	<u>(2,237,759)</u>	<u>(2,393,220)</u>
<u>2,135,307</u>	<u>1,697,283</u>	<u>1,193,860</u>	<u>652,761</u>	<u>92,241</u>	<u>(548,220)</u>
<u>\$19,993,316</u>	<u>\$19,898,314</u>	<u>\$20,406,635</u>	<u>\$21,041,714</u>	<u>\$23,943,030</u>	<u>\$24,813,751</u>
90.35%	92.14%	94.47%	96.99%	99.62%	102.26%
\$245,874	\$239,951	\$240,006	\$241,050	\$267,059	\$269,617
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$245,874</u>	<u>\$239,951</u>	<u>\$240,006</u>	<u>\$241,050</u>	<u>\$267,059</u>	<u>\$269,617</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, 2017

	General Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
General Obligation Bonds	\$2,060,589	100.00%	\$2,060,589
Capital Leases	<u>235,000</u>	100.00%	<u>235,000</u>
Total Direct	<u>2,295,589</u>		<u>2,295,589</u>
Overlapping:			
Brown County General Obligation Bonds	246,597	33.62%	82,906
Southern Hills Joint Vocational School District	3,268,534	29.98%	979,906
Village of Mt. Orab	2,005,000	100.00%	2,005,000
Pike Township	<u>315,000</u>	100.00%	<u>315,000</u>
Total Overlapping	<u>5,835,131</u>		<u>3,382,813</u>
Total	<u><u>\$8,130,720</u></u>		<u><u>\$5,678,402</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)
2008	15,717	\$268,477,794	\$17,082	\$41,045	7.30%
2009	15,717	268,477,794	17,082	41,045	13.70%
2010	15,717	268,477,794	17,082	41,045	11.90%
2011	17,494	349,687,566	19,989	44,796	10.40%
2012	17,494	349,687,566	19,989	44,796	8.30%
2013	17,494	349,687,566	19,989	44,796	7.40%
2014	17,494	349,687,566	19,989	44,796	6.10%
2015	17,494	349,687,566	19,989	44,796	6.10%
2016	17,494	349,687,566	19,989	44,796	5.40%
2017	17,494	349,687,566	19,989	44,796	5.80%

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

2017 and 2008

		2017		
Employer	Nature of Business	Number of Employees	Percent	Rank
Kroger	Retail Grocer	389	19.44%	1
Western Brown Local School District	Education	304	15.19%	2
Milacron LLC	Plastic Injection	262	13.09%	3
Mercy Mt. Orab	Medical	182	9.10%	4
Butterbee's Restaurant	Food Service	123	6.15%	5
ATW Ohio , LLC	Farm Implement	101	5.05%	6
Village of Mt. Orab	Local government	100	5.00%	7
McDonalds Restaurant	Food Service	99	4.95%	8
Mt. Orab Investments	Rental Properties	93	4.65%	9
Country Inn Restaurant	Food Service	65	3.25%	10
Total Employees		1,718	85.87%	
All Other Employers		283	14.13%	
Total Employment within the City		2,001	100.00%	

		2008		
Employer	Nature of Business	Number of Employees	Percent	Rank
Western Brown Local School District	Education	335	22.41%	1
Kroger	Retail Grocer	289	19.33%	2
Cincinnati Milacron	Plastic Injection	255	17.06%	3
McDonald's	Food Service	129	8.63%	4
N A L Company	Paper Products	47	3.14%	5
Kibler Lumber	Retail Lumber	45	3.01%	6
Liberty Sheet Metal	Manufacturing	44	2.94%	7
Cincinnati Wood & Dowel	Wood Products	41	2.74%	8
Stevens Plumbing and Mechanical	Commercial Plumbing & Fabrication	40	2.68%	9
Hawkline Nevada	Farm Implements	36	2.41%	10
Total Employees		1,261	84.35%	
All Other Employers		234	15.65%	
Total Employment within the City		1,495	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
2008	3,356	\$26,960,282	\$8,033	\$28,981,565	\$8,636
2009	3,422	28,770,929	8,408	30,780,059	8,995
2010	3,466	30,596,230	8,828	31,623,803	9,124
2011	3,481	30,264,746	8,694	31,631,618	9,087
2012	3,413	29,464,669	8,633	31,187,716	9,138
2013	3,352	27,687,666	8,260	29,338,447	8,753
2014	3,366	28,826,617	8,564	30,364,704	9,021
2015	3,359	29,107,387	8,665	30,047,814	8,945
2016	3,346	30,122,961	9,003	30,637,481	9,156
2017	3,312	31,774,112	9,594	34,582,812	10,442

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	2008	2009	2010	2011
Regular Instruction				
Elementary Classroom Teachers	125	122	122	122
High School Classroom Teachers	36	36	36	36
Special Instruction				
Elementary Classroom Teachers	14	14	16	16
High School Classroom Teachers	6	6	6	6
Vocational Instruction				
High School Classroom Teachers	3	3	4	4
Pupil Support Services				
Guidance Counselors	5	5	5	5
Librarians	3	3	3	3
Psychologists	1	1	1	1
Nurses	1	1	1	1
Aides	13	13	13	13
Administrators				
Elementary	6	6	6	6
High School	3	3	3	3
District	13	9	9	9
Secretaries	4	4	4	4
Secretaries' Assistants	4	4	4	4
Fiscal Services	4	4	4	4
Data Management	0	0	0	0
Operation and Maintenance of Plant				
Custodians	26	25	25	25
Maintenance	3	3	3	3
Pupil Transportation				
Bus Drivers	38	34	34	34
Bus Aides	3	3	3	3
Bus Mechanics	0	0	0	0
Food Service Program				
Elementary Cooks	18	18	20	20
High School Cooks	6	6	6	6
Totals:	<u>335</u>	<u>323</u>	<u>328</u>	<u>328</u>

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

Source: Western Brown Local School District records.

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
114	114	114	114	116	117
36	36	36	36	37	37
16	16	16	16	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	1	0
13	13	15	15	15	15
6	6	6	6	6	6
3	2	3	3	3	3
8	8	8	8	8	8
4	4	4	4	4	4
4	0	0	0	0	0
3	3	3	3	3	3
0	0	0	1	1	4
25	25	19	19	19	19
3	3	3	3	3	3
35	23	23	23	23	23
3	3	3	3	3	3
1	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>315</u>	<u>299</u>	<u>296</u>	<u>297</u>	<u>301</u>	<u>304</u>

Western Brown Local School District
Building Statistics
Last Ten Fiscal Years

	2008	2009	2010	2011
<u>Mt. Orab Elementary School:</u>				
Constructed in 1971				
Additions in 1988 and 1998				
Total Building Square Footage	100,965	100,965	100,965	100,965
Enrollment Grades K-4	865	903	1,017	1,024
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	44	44	44	44
Regular Instruction Teachers	38	47	37	37
Special Instruction Classrooms	4	4	4	4
Special Instruction Teachers	3	3	4	4
<u>Mt. Orab Middle School:</u>				
Converted from the old High School				
Constructed in 1957				
Additions in 1971, 1984, 1992 and 1998				
Total Building Square Footage	94,851	94,851	94,851	94,851
Enrollment Grades K-8	743	760	682	690
Student Capacity	1,000	1,000	1,000	1,000
Regular Instruction Classrooms	34	34	34	34
Regular Instruction Teachers	32	35	29	29
Special Instruction Classrooms	7	7	7	7
Special Instruction Teachers	6	5	5	5
<u>Hamersville Elementary & Middle School:</u>				
Constructed in 2002				
Total Building Square Footage	129,780	129,780	129,780	129,780
Enrollment Grades K-8	676	668	686	674
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	36	36	36	36
Regular Instruction Teachers	32	40	34	34
Special Instruction Classrooms	8	8	8	8
Special Instruction Teachers	4	4	4	4
<u>Western Brown High School:</u>				
Constructed in 2002				
Total Building Square Footage	187,729	187,729	187,729	187,729
Enrollment Grades 9-12	1,072	1,091	1,081	1,093
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	40	40	40	40
Regular Instruction Teachers	36	36	36	36
Special Instruction Classrooms	5	5	5	5
Special Instruction Teachers	5	6	4	4

Source: Western Brown Local School District records.

2012	2013	2014	2015	2016	2017
100,965	100,965	100,965	100,965	100,965	100,965
973	882	889	892	854	830
1,100	1,100	1,100	1,100	1,100	1,100
44	44	44	44	44	44
37	37	37	37	37	43
4	4	4	4	4	4
4	4	4	4	4	5
94,851	94,851	94,851	94,851	94,851	94,851
682	694	702	700	723	712
1,000	1,000	1,000	1,000	1,000	1,000
34	34	34	34	34	34
29	29	29	29	29	36
7	7	7	7	7	7
6	6	6	6	6	8
129,780	129,780	129,780	129,780	129,780	129,780
662	673	667	653	661	652
1,100	1,100	1,100	1,100	1,100	1,100
36	36	36	36	36	36
32	32	32	32	32	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
1,096	1,103	1,108	1,114	1,108	1,118
1,200	1,200	1,200	1,200	1,200	1,200
40	40	40	40	40	40
36	36	36	36	36	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>
2008	18.2
2009	18.9
2010	18.8
2011	18.9
2012	19.6
2013	19.3
2014	19.3
2015	21.5
2016	18.8
2017	18.5

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

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

	<u>Hamersville Elementary</u>	<u>Mt. Orab Elementary</u>	<u>Mt. Orab Middle School</u>	<u>Western Brown High School</u>
2008	41.23	41.33	38.37	27.09
2009	49.70	46.11	43.50	34.51
2010	55.39	53.79	48.60	42.58
2011	52.62	49.57	51.34	44.63
2012	51.54	52.53	52.96	46.93
2013	51.63	57.54	52.97	46.09
2014	51.69	57.94	53.26	45.89
2015	54.35	57.98	52.48	46.61
2016	47.39	50.61	48.54	49.19
2017	45.36	53.32	47.65	48.86

Source: Ohio Department of Education

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Dave Yost • Auditor of State

WESTERN BROWN LOCAL SCHOOL DISTRICT

BROWN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 9, 2018**