



Dave Yost • Auditor of State

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

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**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program		10.555	\$0	\$106,753	\$0	\$106,648
Cash Assistance:						
National School Breakfast Program		10.553	364,288		364,288	
National School Lunch Program		10.555	624,843		624,843	
Total Nutrition Cluster			<u>989,131</u>	<u>106,753</u>	<u>989,131</u>	<u>106,648</u>
Total Department of Agriculture			989,131	106,753	989,131	106,648
<u>U.S. DEPARTMENT OF DEFENSE (ARMY)</u>						
National Guard Civilian Youth Opportunities	N/A	12.404	60,835	0	60,835	0
Total Department of Defense (Army)			60,835	0	60,835	0
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Grants to States - (IDEA Part B)						
	2012	84.027	68,993		64,579	
	2013	84.027	534,247		541,055	
			<u>603,240</u>	<u>0</u>	<u>605,634</u>	<u>0</u>
Title I Grants to Local Educational Agencies						
	2012	84.010	87,710		88,581	
	2013	84.010	483,557		481,943	
			<u>571,267</u>	<u>0</u>	<u>570,524</u>	<u>0</u>
ARRA - Race to the Top						
	2012	84.395	19,977		3,061	
	2013	84.395	131,492		134,689	
			<u>151,469</u>	<u>0</u>	<u>137,750</u>	<u>0</u>
Title IIA - Improving Teacher Quality						
	2012	84.367	10,484		10,634	
	2013	84.367	124,094		124,094	
			<u>134,578</u>	<u>0</u>	<u>134,728</u>	<u>0</u>
Total Department of Education			1,460,554	0	1,448,636	0
			<u>\$2,510,520</u>	<u>\$106,753</u>	<u>\$2,498,602</u>	<u>\$106,648</u>

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

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



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 Western Brown Local School District, Brown County, Ohio (the District), as of and for the year ended June 30, 2013, 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 16, 2013.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Dave Yost
Auditor of State

Columbus, Ohio

December 16, 2013



Dave Yost • Auditor of State

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

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Western Brown Local School District's, Brown County, Ohio (the District), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Western Brown Local School District's major federal programs for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Western Brown Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which OMB Circular A-133 requires us to report, described in the accompanying schedule of findings as item 2013-001. This finding did not require us to modify our compliance opinion on each major federal program.

The District's response to our noncompliance finding is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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's compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2013-001 to be a material weakness.

The District's response to our internal control over compliance finding is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

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

Report on Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Western Brown Local School District (the District) as of and for the year ended June 30, 2013, 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 16, 2013. We conducted our audit to opine on the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

Columbus, Ohio

December 16, 2013

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**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	Yes
(d)(1)(vii)	Major Programs (list):	84.395 Race to the Top 10.553,10.555 Child Nutrition Cluster
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. Federal Allowability Approval

Finding Number	2013-001
CFDA Title and Number	ARRA Race to the Top 84.395
Federal Award Number / Year	2013
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Noncompliance and Material Weakness

Per A-102 Common Rule and OMB Circular A-110 (2 CFR part 115), all non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. When designing the public office’s system of internal control over federal expenditures and the specific control activities, management should consider taking steps to ensure the program administrators and personnel who are approving and pre-auditing expenditures are provided with a list of allowable and unallowable expenditures so that they have a sufficient understanding to identify when and where unallowable activities and cost are being charged, and that they are properly documenting their approval and comparison to program budgets of all transactions prior to payment being made. During testing, it was noted that while grant administrator and district personnel had the proper knowledge and listing of allowable and unallowable activities to make the compliance determination, the personnel were not consistently documenting their approval.

Of the six (6) Race-to-the-Top program charges selected for testing, two (2) or 33% did not contain the approving signature or initials of the grant administrator or coordinator on the requisition, purchase order, and/or invoice.

We recommend the officials obtain the grant administrators or designee’s certification (signature) that costs being charged to the federal program were allowable and consistent with the federal program budget prior to payment being issued. This will ensure the charges to the federal program are allowable, and the accuracy of amounts being reported.

Officials’ Response:

As Treasurer, I have spoken to the Federal Coordinator and told her that her signature and date signed must be on an invoice or purchase order for approval of the item purchased from now on. The Federal Coordinator is the only employee involved in the spending of federal funds and budgeting. I have spoken to her that it is important for her to make sure her items purchased are in line with the federal budget she developed and had approved at the State level.

The Treasurer Assistant pays bills for the District. I have spoken to her letting her know that no Federal fund orders are to be paid without signature approval and date from the Federal Coordinator.

I believe these actions will correct the material weakness audit found.

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
JUNE 30, 2013**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2013-001	<p>As Treasurer, I have spoken to the Federal Coordinator and told her that her signature and date signed must be on an invoice or purchase order for approval of the item purchased from now on. The Federal Coordinator is the only employee involved in the spending of federal funds and budgeting. I have spoken to her that it is important for her to make sure her items purchased are in line with the federal budget she developed and had approved at the State level.</p> <p>The Treasurer Assistant pays bills for the District. I have spoken to her letting her know that no Federal fund orders are to be paid without signature approval and date from the Federal Coordinator.</p> <p>I believe these actions will correct the material weakness audit found.</p>	Immediate	Denny Dunlap, Treasurer

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Western Brown Local School District (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy at its meeting on August 13, 2012 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

Columbus, Ohio

December 16, 2013

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WESTERN BROWN

LOCAL SCHOOL DISTRICT

MT. ORAB, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

***FOR THE FISCAL YEAR
ENDED JUNE 30, 2013***

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WESTERN BROWN LOCAL SCHOOL DISTRICT

MT. ORAB, OHIO

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Issued by:
Treasurer's Office

Denny Dunlap, Treasurer

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INTRODUCTORY SECTION

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Western Brown Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013

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Comprehensive Annual Financial Report
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Western Brown Local School District
Comprehensive Annual Financial Report
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WESTERN BROWN LOCAL SCHOOL DISTRICT

BOARD OF EDUCATION

Shane W. Bishop, President
Michael K. Kirk, Vice-President
Lynette K. Garrett
JoAnn C. Hildebrandt
Richard E. Pride II



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

ADMINISTRATION

Peggy A. McKinney, Superintendent
Denny Dunlap, CPA, Treasurer
Eva M. Lanter, Executive Secretary
Jina Bohl, Director of Curriculum and Instruction
Jennifer Bohrer, Special Education Director
Stella Schneider, Food Service Director

December 16, 2013

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, 2013. This Comprehensive Annual Financial Report, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to government entities. The intent of this report is to provide the taxpayers of the Western Brown Local School District with comprehensive financial data in a format that enables them to gain a true understanding of the School District’s financial affairs as well as provide management with better financial information for future decision making.

This report enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the school districts 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, 2013. The Independent Auditor’s Report is located at the front of the Financial Section of this report.

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

STRIVING FOR EXCELLENCE

PROFILE OF THE SCHOOL DISTRICT

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

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

In 1997, the Western Brown Local School District received notice from the Ohio School Facilities Commission that it would be eligible for new school buildings. A study was done and recommended that the Western Brown Local School District build a new 9-12 high school, a new K-8 building in Hamersville, additions and renovations to the old high school to make it a 5-8 middle school for Mt. Orab, and additions and renovations to the Mt. Orab Elementary building to make it a K-4 for Mt. Orab.

The estimated cost for the building project was \$53,467,552. On November 4, 1997, the residents of Western Brown Local School District passed a levy for the School District's share of the project which was \$5,688,997. The remaining balance of \$47,778,555 was paid by the State of Ohio.

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, 2013, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Richard E. Pride II	Jan. 2012 - Dec. 2015	5 - ½
JoAnn Hilderbrandt	Jan. 2012 - Dec. 2015	9 - ½
Shane Bishop	Jan. 2012 - Dec. 2015	3 - ½
Lynette Garrett	Jan. 2010 - Dec. 2013	3 - ½
Mike Kirk	Jan. 2010 - Dec. 2013	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. Mrs. Peggy McKinney was appointed Interim Superintendent on January 25, 2013. Mrs. McKinney was hired on May 20, 2013 as Superintendent. Mrs. McKinney contract expires on July 31, 2015.

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 three year contract expires July 31, 2014.

The School District served 3,352 students during the 2013 fiscal year. School District facilities include one senior high school (9-12), and three buildings that serve K-8; one at Mt. Orab serving grades Pre K-4, one at Mt. Orab serving grades K-8 and one at Hamersville serving grades K-8. The Western Brown High School and Hamersville Middle and Elementary School were constructed in 2002. The Mt. Orab Middle School was constructed in 1957, with additions in 1971, 1984, 1992 and 1998. The Mt. Orab Elementary school was constructed in 1971 with additions in 1988 and 1998.

The School District employs 301 full-time, part-time and seasonal employees. These employees include certified, non-certified and administrative personnel.

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

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

ECONOMIC CONDITION AND OUTLOOK

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

Both Mt. Orab and Hamersville are rural communities in Southern Ohio. Both communities are farming communities. There are signs that the economy is starting to gain strength. The latest property valuations, effective January 1, 2013 did not decrease as expected. This was mainly due to the farm land increasing in value. Realtors are starting to sell more properties in the area. Contractors are building more new homes again. A two year community college called Southern State Community College, broke ground this summer to build a new facility in Mt. Orab. The college is due to open the fall of 2015. With the college coming, local government is expecting more businesses to start up in the area also. These are all positive signs the economy in our area is growing.

During fiscal year 2013, the School District's enrollment decreased by 61 students. We believe the majority of our decrease in enrollment is related to the job market. With no jobs, people are moving out of our District to areas that have more jobs. The decrease in enrollment was from the Mt. Orab area this year.

The economy in Ohio is gaining strength. The School District is expecting to receive an increase in funding from the State due to the growth of the economy.

FINANCIAL TRENDS

Even though our enrollment declined in fiscal year 2013, we continue to increase in special needs students. The cost to educate these students continues to increase and takes additional funds from the budget. . We are continually monitoring our expenditures to keep them in line with our revenues in order to avoid deficit spending.

FINANCIAL PLANNING AND POLICIES

During fiscal year 2013, the School District continued to review all expenditures in order to save money and bring our expenditures in line with revenues.

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

MAJOR INITIATIVES

Western Brown Local School District continues to utilize the Ohio Improvement Process (OIP) to develop and monitor the district's school improvement initiatives. The District Leadership Team and Building Leadership Teams are very instrumental in guiding professional development, school improvement planning, and monitoring universal assessment results.

The District continues to be a team based organization in which teams help in planning, implementing, and monitoring the work and revising plans through research based decision making. Such teams include; Special Education Leadership Team, District Evaluation, Ohio Teacher Evaluation Society (OTES), Formative Instruction Leaders (FIP), Race to the Top Transformation Team, Master Teacher Consortium, Local Professional Development Committee, and DLTs / BLTs. Overall, the district focus on building leadership capacity has been very successful with over 60 teachers participating on leadership teams.

The District has been implementing the Race to the Top Scope of Work (SOW) for the last three years and will be ending in 2014. The SOW addresses three main assurance areas: 1) Transitioning to the Ohio's New Academic Standards and Assessments, 2) Using Data to Improve Instruction, and Developing and 3) Supporting Great Teachers and Leaders.

1) Transitioning to Ohio's New Academic Standards and Assessment

Vertical content teams across the district met during the district's inservice days to develop curriculum maps, clear learning targets, and common formative assessments.

2) Using Data to Improve Instruction

Universal assessments were a priority for the district to ensure that valid and reliable data was available for teachers throughout the year specifically for screening and identifying needs of students. TDTs (Teacher Data Teams) continue to meet daily or multiple times during the week to plan, develop lessons, and analyze data. STAR Reading and Math, and STAR Early Literacy were utilized in K-8 for all students. The district explored adding Pro-Core Social Studies and Science for 4 – 8 students and for End of Course exams in High School core classes.

3) Supporting Great Teachers and Leaders

The School District has dedicated much time and training to the Ohio Teacher Evaluation (OTES) and Ohio Principal Evaluation (OPES). Teachers attended training at the Brown County Educational Service Center on student growth measures and writing student learning objectives (SLOs).

Ohio's new report card indicated that Western Brown Local District earned a B in Achievement, and an A in overall progress of all students, a D in closing the gap between sub-groups, and a C on the graduation rate.

All teachers in the School District were trained on the English Language Arts academic standards to ensure that reading, writing, and speaking is explicitly taught across all content areas. Teachers were asked to integrate appropriate ELA standards into their content areas.

The School District also continues its district wide energy saving initiative with Synergistic, a national organization dedicated to monitoring and decreasing utility expenditures through proactive processes and behavioral programs.

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

AWARDS AND ACKNOWLEDGEMENTS

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the Western Brown Local School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. 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, 2012 to the Western Brown Local School District. The award certifies that the CAFR for the fiscal year ended June 30, 2012, 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.

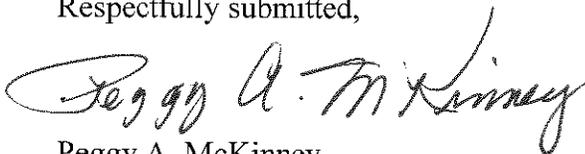
The Western Brown Local School District believes our current report conforms to the ASBO's principles and standards and we are submitting it to ABSO to determine its eligibility for an award.

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,



Peggy A. McKinney
Superintendent



Denny Dunlap, CPA
Treasurer

*Western Brown Local School District
Principal Officials
June 30, 2013*

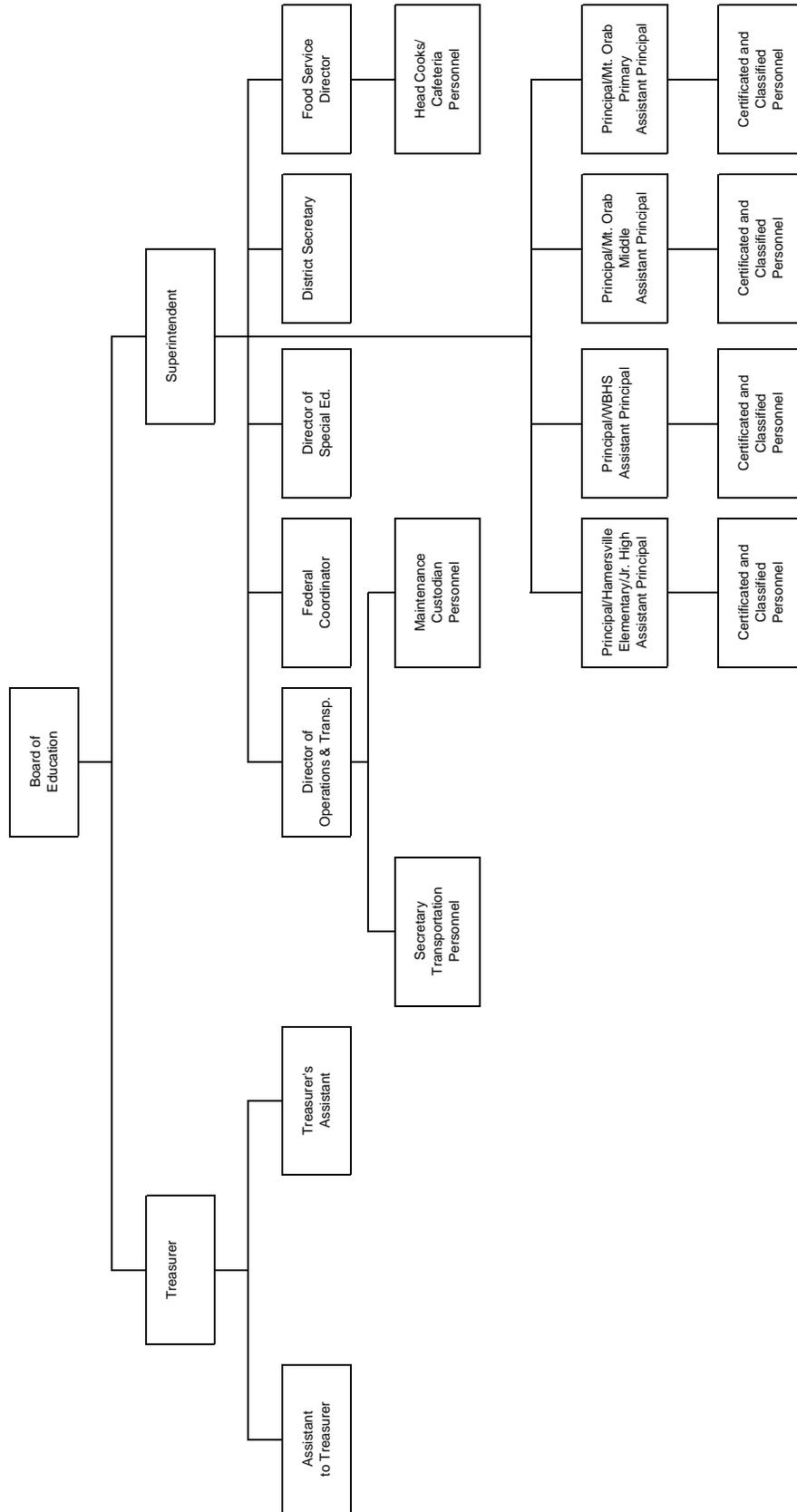
ELECTED OFFICIALS

President, Board of Education.....Shane Bishop
Vice President, Board of Education..... Mike Kirk
Board Member.....JoAnn Hildebrandt
Board Member.....Lynette Garrett
Board Member.....Richard E. Pride II

ADMINISTRATIVE OFFICIALS

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

*Western Brown Local School District
Organizational Chart
June 30, 2013*



Western Brown Local School District
Consultants and Advisors
June 30, 2013

Architects

SHP Leading Design
82 Williams Avenue
Hamilton, OH 45011

Bond Counsel

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

Independent Auditor

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

CAFR Preparation Consultants

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

**Workers' Compensation/
Unemployment**

CompManagement, Inc.
PO Box 884
Dublin, OH 43017

Investment Advisor

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

Legal Counsel

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

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

Official Depositories

National Bank & Trust
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, 2012

Executive Director/CEO

Association of School Business Officials International



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

Western Brown Local School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

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



A handwritten signature in black ink, reading 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

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

John D. Musso, CAE, RSBA
Executive Director

Western Brown Local Schools

Strategic Plan

Adopted by the Western Brown Board of Education
June 30, 2013

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 2013-2014, all students will reach high standards, at a minimum attaining proficiency or better in reading/language arts.
- By 2013-2014, 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 2013-2014, all students will reach high standards, at a minimum attaining proficiency or better in science.
- By 2013-2014, 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.

FINANCIAL SECTION

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Western Brown Local School District, Brown County, Ohio (the District), as of and for the year ended June 30, 2013, 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Classroom Facilities Maintenance 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* 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 derives 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 16, 2013, 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 16, 2013

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Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
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, 2013. 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

- In total, net position decreased \$1,151,604. Net position of governmental activities decreased \$1,016,551.
- The School District reduced governmental expenses by \$1,811,419. This was done due to a reduction in force and controlling non-personnel expenses.
- The School District entered into an agreement with Energy Education, Inc. to assist in reducing energy costs through a change of employee practices. From September 2011 through June 30, 2013 the School District saved \$390,189.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2013?" 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* and *liabilities* using the *accrual basis of accounting*, which is

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School District's goal is to provide services to our students, not to generate profits as 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 ten. 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.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

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

The School District as a Whole

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

Table 1 provides a summary of the School District's net position for fiscal years 2013 and 2012:

(Table 1)

Net Position

	Governmental Activities		Business-Type Activity		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other Assets	\$11,709,731	\$11,549,825	\$573,127	\$618,708	\$12,282,858	\$12,168,533
Capital Assets, Net	43,591,742	45,208,622	1,126,899	1,245,925	44,718,641	46,454,547
Total Assets	55,301,473	56,758,447	1,700,026	1,864,633	57,001,499	58,623,080
Deferred Outflows of Resources						
Deferred Gain on Refunding	50,848	57,204	0	0	50,848	57,204
Liabilities						
Other Liabilities	2,641,450	3,110,706	147,908	174,019	2,789,358	3,284,725
Long-Term Liabilities	6,213,223	6,666,126	34,217	37,660	6,247,440	6,703,786
Total Liabilities	8,854,673	9,776,832	182,125	211,679	9,036,798	9,988,511
Deferred Inflows of Resources						
Property Taxes	3,518,326	3,047,992	0	0	3,518,326	3,047,992
Revenue in Lieu of Taxes	126,923	121,877	0	0	126,923	121,877
Total Deferred Inflows of Resources	\$3,645,249	\$3,169,869	\$0	\$0	\$3,645,249	\$3,169,869

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

(Table 1)

Net Position

Continued

	Governmental Activities		Business-Type Activity		Total	
	2013	2012	2013	2012	2013	2012
Net Position						
Net Investment in						
Capital Assets	\$39,181,798	\$40,359,279	\$1,126,899	\$1,245,925	\$40,308,697	\$41,605,204
Restricted	3,833,523	4,102,547	0	0	3,833,523	4,102,547
Unrestricted (Deficit)	(162,922)	(592,876)	391,002	407,029	228,080	(185,847)
Total Net Position	\$42,852,399	\$43,868,950	\$1,517,901	\$1,652,954	\$44,370,300	\$45,521,904

Net investment in capital assets decreased \$1,296,507 during fiscal year 2013 due to depreciation exceeding additions. Restricted net position decreased \$269,024, due to the one time stimulus grant funds being completely spent in fiscal year 2013. Governmental activities unrestricted net position increased \$429,954, as a result of increases in cash and cash equivalents from reduction of expenditures due to the reduction in force and controlling non-personnel expenses.

Table 2 shows the changes in net position for fiscal years 2013 and 2012.

(Table 2)

Changes in Net Position

	Governmental Activities		Business-Type Activity		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,993,614	\$1,931,548	\$545,730	\$620,025	\$2,539,344	\$2,551,573
Operating Grants and Contributions	3,051,153	4,785,087	1,122,380	1,189,043	4,173,533	5,974,130
Capital Grants and Contributions	61,181	0	0	0	61,181	0
Total Program Revenues	5,105,948	6,716,635	1,668,110	1,809,068	6,774,058	8,525,703
General Revenues:						
Property Taxes	4,927,866	5,028,197	0	0	4,927,866	5,028,197
Grants and Entitlements not						
Restricted to Specific Programs	18,291,506	18,627,278	0	0	18,291,506	18,627,278
Interest	12,024	10,197	522	0	12,546	10,197
Revenue in Lieu of Taxes	102,547	104,257	0	0	102,547	104,257
Miscellaneous	112,064	76,508	22,977	29,004	135,041	105,512
Total General Revenues	23,446,007	23,846,437	23,499	29,004	23,469,506	23,875,441
Total Revenues	28,551,955	30,563,072	1,691,609	1,838,072	30,243,564	32,401,144

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

(Table 2)
Changes in Net Position
Continued

	Governmental Activities		Business-Type Activity		Total	
	2013	2012	2013	2012	2013	2012
Program Expenses						
Instruction:						
Regular	15,183,324	16,329,045	0	0	15,183,324	16,329,045
Special	3,168,562	4,004,178	0	0	3,168,562	4,004,178
Vocational	236,356	239,806	0	0	236,356	239,806
Support Services:						
Pupils	1,281,375	693,481	0	0	1,281,375	693,481
Instructional Staff	733,687	861,619	0	0	733,687	861,619
Board of Education	20,703	24,927	0	0	20,703	24,927
Administration	2,085,421	2,142,559	0	0	2,085,421	2,142,559
Fiscal	541,757	614,206	0	0	541,757	614,206
Operation and Maintenance of Plant	2,656,532	2,904,360	0	0	2,656,532	2,904,360
Pupil Transportation	2,115,404	2,176,110	0	0	2,115,404	2,176,110
Central	453,459	348,599	0	0	453,459	348,599
Operation of Non-Instructional Services	17,161	13,539	0	0	17,161	13,539
Extracurricular Activities	844,706	835,287	0	0	844,706	835,287
Interest and Fiscal Charges	230,059	192,209	0	0	230,059	192,209
Food Service	0	0	1,826,662	1,866,996	1,826,662	1,866,996
Total Expenses	29,568,506	31,379,925	1,826,662	1,866,996	31,395,168	33,246,921
Decrease in Net Position	(1,016,551)	(816,853)	(135,053)	(28,924)	(1,151,604)	(845,777)
Net Position at Beginning of Year - Restated	43,868,950	44,685,803	1,652,954	1,681,878	45,521,904	46,367,681
Net Position at End of Year	\$42,852,399	\$43,868,950	\$1,517,901	\$1,652,954	\$44,370,300	\$45,521,904

Governmental Activities

Program revenues for governmental activities decreased \$1,610,687, while general revenues decreased \$400,430.

Operating grants and contributions decreased \$1,733,934 primarily due to a one-time stimulus grant called the Education Jobs Grant received in fiscal year 2012. Capital Grants and Contributions increased \$61,181 due to donations received for the maintenance of turf at the School District's stadium. Grants and Entitlements not Restricted to a Specific Program decreased \$335,772 due to a decrease in State funding.

Regular instruction decreased \$1,145,721 due to reducing employees in this area.

Special instruction decreased \$835,616 due to the School District changing the posting of the educational service center fees from special instruction to support service instructional staff.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

The School District remains heavily reliant on State funding. Grants and Entitlements made up 64 percent of revenues for governmental activities of the Western Brown Local School District for fiscal year 2013.

Instruction comprises 63 percent of governmental activities program expenses. Support services expenses make up 33 percent of governmental activities expenses.

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

(Table 3)

Governmental Activities

	Total Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2013	Net Cost of Services 2012
Instruction	\$18,588,242	\$20,573,029	\$14,356,842	\$14,888,176
Support Services	9,888,338	9,765,861	9,473,774	9,226,216
Operation of Non-Instructional Services	17,161	13,539	(19,976)	(1,835)
Extracurricular Activities	844,706	835,287	421,859	358,524
Interest and Fiscal Charges	230,059	192,209	230,059	192,209
Total Expenses	<u>\$29,568,506</u>	<u>\$31,379,925</u>	<u>\$24,462,558</u>	<u>\$24,663,290</u>

Business-Type Activity

The School District's only business-type activity is the food service operation. This program had revenues of \$1,668,110 and expenses of \$1,826,662 for fiscal year 2013. Of the revenues, \$545,730 was charges for services and sales and \$1,122,380 was from State and Federal grants. Business activities receive no support from tax revenues. The School District will continue to monitor the charges and costs of this activity. If it becomes necessary, the School District will increase the charges for this activity.

The School District's Funds

Information about the School District's major funds starts on page 17. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$28,752,391 and expenditures of \$28,334,740.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

The General Fund saw an increase in fund balance of \$449,716. This was mainly due to a reduction in force and the School District closely monitoring expenditures.

The Debt Service Fund saw an increase in fund balance of \$38,024. This increase is due to property tax collections exceeding the amount needed to pay annual debt payments.

The Classroom Facility Maintenance fund experienced an immaterial decrease of \$85,076 due to the updating of the buildings HVAC controls.

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 2013, 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 21, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

For the General Fund, the original budget basis revenue was \$25,995,222 with a final budget estimate of \$25,934,322. The difference of \$60,900 was primarily due to a decrease in extracurricular activities revenue due to estimated calculations. The School District's actual revenues were \$26,125,835 at fiscal year-end, which represented a less than one percent increase over final budgeted revenues.

Original budget basis appropriations were \$26,893,051 with final budgeted expenditures of \$26,859,451, resulting in an immaterial decrease of \$33,600. The School District's actual expenditures and encumbrances were \$26,575,566 at fiscal year-end, which represented a one percent decrease under final budgeted appropriations.

The School District's ending unobligated cash balance was \$496,800 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2013, the School District had \$44,718,641 invested in land, buildings and improvements, furniture and equipment, and vehicles.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Table 4 shows fiscal year 2013 balances compared to fiscal year 2012:

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

	Governmental Activities		Business-Type Activity		Total	
	2013	2012	2013	2012	2013	2012
Land	\$2,524,314	\$2,524,314	\$0	\$0	\$2,524,314	\$2,524,314
Buildings and Improvements	39,327,059	40,724,723	893,818	930,240	40,220,877	41,654,963
Furniture and Equipment	1,374,647	1,668,773	233,081	315,685	1,607,728	1,984,458
Vehicles	365,722	290,812	0	0	365,722	290,812
Totals	\$43,591,742	\$45,208,622	\$1,126,899	\$1,245,925	\$44,718,641	\$46,454,547

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

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

Debt

At June 30, 2013, the School District had \$3,845,103 in bonds outstanding, \$440,000 of which is due within one year. Table 5 summarizes bonds outstanding at fiscal year-end 2013 and 2012:

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

	2013	2012
1998 School Improvement Bonds	\$770,000	\$1,105,000
2011 School Improvement Refunding Bonds	2,925,000	2,990,000
Premium on Debt Issue	101,792	114,516
Accretion on Capital Appreciation Bonds	48,311	24,391
Total	\$3,845,103	\$4,233,907

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

***Western Brown Local School District
Management's Discussion and Analysis
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In February 2011, the School District issued \$3,075,000 in school improvement bonds for the purpose of refunding a portion of the 1998 School Improvement Bonds. The final payment is due in fiscal year 2021.

At June 30, 2013 the School District's overall legal debt margin was \$19,898,314 with an unvoted debt margin of \$239,951. The School District had a AA- bond rating by Standard and Poor's Rating Service on the 1998 School Improvement Bonds and the 2011 School Improvement Refunding Bonds.

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

District Challenges for the Future

We believe the District will see better days in the future due to the reduction in personnel and other expenses. These reductions will help us control our expenses in the future. Our valuations on properties did not decrease as we expected. We believe property values will rise in the future since we didn't see the decrease as we expected.

The District expects to receive additional state funding in the future. This is due to a new funding formula called the School Finance Payment Report. This new formula will start October 1, 2013. This new formula is providing the School District much needed additional revenue to operate the School District in the future.

The next two years we expect a large number of teachers to retire. This is due to the changes in the retirement systems. These changes will take affect August 1, 2015. Any teacher eligible to retire will most likely do so. If they are eligible to retire before that time and do not retire, they will have to work longer in order to retire and have a reduced retirement pay.

While financially, these retirements will be good for the School District, we will have to replace these experienced teachers with new inexperienced teachers. Our administrators will be providing more time with the new staff in mentoring and providing leadership to help them develop into professional teachers.

House Bill 1 in 2009 directed the Educator Standards Board to recommend a model evaluation system for teachers to the State Board of Education for their review and adoption. The Ohio Teacher Evaluation System was created in response to this mandate. This new system starts July 1, 2013. This new system will evaluate every teacher in the system from now on. The system bases the teacher's evaluation on two parts. The first part is the Teacher performance rating and the second is the Student academic growth rating. This new system will provide valuable information to the teachers to allow them to better help students learn. This new system will also require more time from our administrators to make sure we follow the new system correctly.

*Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited*

Contacting the School District's Financial Management

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

Western Brown Local School District
Statement of Net Position
June 30, 2013

	Governmental Activities	Business-Type Activity	Total
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$6,160,005	\$559,503	\$6,719,508
Accrued Interest Receivable	584	0	584
Prepaid Items	11,812	0	11,812
Inventory Held for Resale	0	10,874	10,874
Materials and Supplies Inventory	0	2,750	2,750
Intergovernmental Receivable	193,995	0	193,995
Taxes Receivable	5,189,189	0	5,189,189
Revenue in Lieu of Taxes Receivable	126,923	0	126,923
Accounts Receivable	22,223	0	22,223
Cash and Cash Equivalents with Fiscal Agents	5,000	0	5,000
Capital Assets:			
Land	2,524,314	0	2,524,314
Depreciable Capital Assets, Net	41,067,428	1,126,899	42,194,327
<i>Total Assets</i>	<u>55,301,473</u>	<u>1,700,026</u>	<u>57,001,499</u>
<u>Deferred Outflows of Resources:</u>			
Deferred Charge on Refunding	50,848	0	50,848
<u>Liabilities:</u>			
Accounts Payable	93,685	0	93,685
Accrued Wages and Benefits Payable	2,089,567	104,796	2,194,363
Intergovernmental Payable	443,700	43,112	486,812
Matured Bonds Payable	5,000	0	5,000
Accrued Interest Payable	9,498	0	9,498
Long-Term Liabilities:			
Due Within One Year	737,570	0	737,570
Due in More Than One Year	5,475,653	34,217	5,509,870
<i>Total Liabilities</i>	<u>8,854,673</u>	<u>182,125</u>	<u>9,036,798</u>
<u>Deferred Inflows of Resources:</u>			
Property Taxes	3,518,326	0	3,518,326
Revenue in Lieu of Taxes	126,923	0	126,923
<i>Total Deferred Inflows of Resources</i>	<u>3,645,249</u>	<u>0</u>	<u>3,645,249</u>
<u>Net Position:</u>			
Net Investment in Capital Assets	39,181,798	1,126,899	40,308,697
Restricted for:			
Debt Service	2,023,139	0	2,023,139
Classroom Facilities	1,600,304	0	1,600,304
District Managed Activities	179,227	0	179,227
Miscellaneous Grants	30,853	0	30,853
Unrestricted (Deficit)	(162,922)	391,002	228,080
<i>Total Net Position</i>	<u>\$42,852,399</u>	<u>\$1,517,901</u>	<u>\$44,370,300</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2013

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activity	Total
<u>Governmental Activities:</u>							
Instruction:							
Regular	\$15,183,324	\$1,370,366	\$174,171	\$0	(\$13,638,787)	\$0	(\$13,638,787)
Special	3,168,562	205,826	2,325,644	0	(637,092)	0	(637,092)
Vocational	236,356	20,599	134,794	0	(80,963)	0	(80,963)
Support Services:							
Pupils	1,281,375	0	4,040	0	(1,277,335)	0	(1,277,335)
Instructional Staff	733,687	0	40,114	0	(693,573)	0	(693,573)
Board of Education	20,703	0	0	0	(20,703)	0	(20,703)
Administration	2,085,421	0	123,677	0	(1,961,744)	0	(1,961,744)
Fiscal	541,757	0	13,916	0	(527,841)	0	(527,841)
Operation and							
Maintenance of Plant	2,656,532	19,780	125,666	0	(2,511,086)	0	(2,511,086)
Pupil Transportation	2,115,404	0	80,171	0	(2,035,233)	0	(2,035,233)
Central	453,459	0	7,200	0	(446,259)	0	(446,259)
Operation of Non-Instructional							
Services	17,161	22,293	14,844	0	19,976	0	19,976
Extracurricular Activities	844,706	354,750	6,916	61,181	(421,859)	0	(421,859)
Interest and Fiscal Charges	230,059	0	0	0	(230,059)	0	(230,059)
Total Governmental Activities	29,568,506	1,993,614	3,051,153	61,181	(24,462,558)	0	(24,462,558)
<u>Business-Type Activity:</u>							
Food Service	1,826,662	545,730	1,122,380	0	0	(158,552)	(158,552)
Totals	\$31,395,168	\$2,539,344	\$4,173,533	\$61,181	(24,462,558)	(158,552)	(24,621,110)
<u>General Revenues:</u>							
Property Taxes Levied for:							
General Purposes					4,324,242	0	4,324,242
Debt Service					515,886	0	515,886
Classroom Facilities Maintenance					87,738	0	87,738
Grants and Entitlements							
not Restricted to Specific Programs					18,291,506	0	18,291,506
Interest					12,024	522	12,546
Revenue in Lieu of Taxes					102,547	0	102,547
Miscellaneous					112,064	22,977	135,041
Total General Revenues					23,446,007	23,499	23,469,506
Change in Net Position					(1,016,551)	(135,053)	(1,151,604)
<i>Net Position at Beginning of Year - Restated (See Note 22)</i>					43,868,950	1,652,954	45,521,904
<i>Net Position at End of Year</i>					\$42,852,399	\$1,517,901	\$44,370,300

See accompanying notes to the basic financial statements

Western Brown Local School District
Balance Sheet
Governmental Funds
June 30, 2013

	General	Debt Service	Classroom Facility Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$2,510,921	\$1,856,818	\$1,573,730	\$218,536	\$6,160,005
Cash and Cash Equivalents with Fiscal Agents	0	5,000	0	0	5,000
Receivables:					
Taxes	4,564,229	531,229	93,731	0	5,189,189
Revenue in Lieu of Taxes	126,923	0	0	0	126,923
Accounts	22,223	0	0	0	22,223
Intergovernmental	33,242	0	0	160,753	193,995
Interfund	7,310	0	0	0	7,310
Accrued Interest	584	0	0	0	584
Prepaid Items	11,812	0	0	0	11,812
Total Assets	\$7,277,244	\$2,393,047	\$1,667,461	\$379,289	\$11,717,041
<u>Liabilities:</u>					
Accounts Payable	\$85,250	\$0	\$3,000	\$5,435	\$93,685
Accrued Wages and Benefits Payable	1,955,354	0	0	134,213	2,089,567
Interfund Payable	0	0	0	7,310	7,310
Intergovernmental Payable	418,872	0	0	24,828	443,700
Matured Bonds Payable	0	5,000	0	0	5,000
Total Liabilities	2,459,476	5,000	3,000	171,786	2,639,262
<u>Deferred Inflows of Resources:</u>					
Property Taxes	3,098,759	355,410	64,157	0	3,518,326
Revenue in Lieu of Taxes	126,923	0	0	0	126,923
Unavailable Revenue	291,315	34,920	5,872	5,529	337,636
Total Deferred Inflows of Resources	3,516,997	390,330	70,029	5,529	3,982,885
<u>Fund Balances:</u>					
Nonspendable	11,812	0	0	0	11,812
Restricted	0	1,997,717	1,594,432	210,367	3,802,516
Assigned	603,017	0	0	0	603,017
Unassigned (Deficit)	685,942	0	0	(8,393)	677,549
Total Fund Balances	1,300,771	1,997,717	1,594,432	201,974	5,094,894
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$7,277,244	\$2,393,047	\$1,667,461	\$379,289	\$11,717,041

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, 2013*

Total Governmental Fund Balances \$5,094,894

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

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

Land	2,524,314	
Depreciable capital assets	73,064,282	
Accumulated depreciation	<u>(31,996,854)</u>	
Total capital assets		43,591,742

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	332,107	
Intergovernmental	<u>5,529</u>	
		337,636

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (9,498)

Deferred Outflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds. 50,848

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	(3,695,000)	
Premium on debt issue	(101,792)	
Accretion on capital appreciation bonds	(48,311)	
Capital leases payable	(664,000)	
Compensated absences payable	<u>(1,704,120)</u>	
Total liabilities		<u>(6,213,223)</u>

Net Position of Governmental Activities \$42,852,399

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, 2013

	General Fund	Debt Service Fund	Classroom Facility Maintenance Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$4,252,233	\$505,638	\$86,132	\$0	\$4,844,003
Intergovernmental	19,914,185	77,826	139,582	1,473,265	21,604,858
Interest	12,024	0	0	0	12,024
Tuition and Fees	1,596,791	0	0	5,836	1,602,627
Extracurricular Activities	56,081	0	0	292,833	348,914
Rent	19,780	0	0	0	19,780
Contributions and Donations	61,181	0	0	22,100	83,281
Customer Sales and Services	22,293	0	0	0	22,293
Revenue in Lieu of Taxes	102,547	0	0	0	102,547
Miscellaneous	112,064	0	0	0	112,064
<i>Total Revenues</i>	<u>26,149,179</u>	<u>583,464</u>	<u>225,714</u>	<u>1,794,034</u>	<u>28,752,391</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	13,705,729	0	0	204,467	13,910,196
Special	2,084,486	0	0	995,578	3,080,064
Vocational	204,325	0	0	0	204,325
Support Services:					
Pupils	1,207,555	0	0	5,993	1,213,548
Instructional Staff	557,824	0	0	120,308	678,132
Board of Education	20,703	0	0	0	20,703
Administration	1,696,892	0	0	138,848	1,835,740
Fiscal	502,505	18,002	4,903	0	525,410
Operation and Maintenance of Plant	2,617,124	0	46,781	0	2,663,905
Pupil Transportation	2,158,512	0	0	0	2,158,512
Central	437,076	0	0	7,200	444,276
Operation of Non-Instructional Services	6,462	0	0	10,699	17,161
Extracurricular Activities	359,826	0	0	295,954	655,780
Capital Outlay	20,808	0	259,106	0	279,914
Debt Service:					
Principal Retirement	98,000	400,000	0	0	498,000
Interest and Fiscal Charges	21,636	127,438	0	0	149,074
<i>Total Expenditures</i>	<u>25,699,463</u>	<u>545,440</u>	<u>310,790</u>	<u>1,779,047</u>	<u>28,334,740</u>
<i>Net Change in Fund Balances</i>	449,716	38,024	(85,076)	14,987	417,651
<i>Fund Balances at Beginning of Year</i>	<u>851,055</u>	<u>1,959,693</u>	<u>1,679,508</u>	<u>186,987</u>	<u>4,677,243</u>
<i>Fund Balances at End of Year</i>	<u>\$1,300,771</u>	<u>\$1,997,717</u>	<u>\$1,594,432</u>	<u>\$201,974</u>	<u>\$5,094,894</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, 2013*

Net Change in Fund Balances - Total Governmental Funds \$417,651

*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	430,690	
Depreciation expense	<u>(2,019,049)</u>	
Excess of depreciation expense over capital outlay		(1,588,359)

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

Loss on disposal of capital assets		(28,521)
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Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Delinquent property taxes	83,863	
Intergovernmental	<u>(284,299)</u>	
		(200,436)

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	400,000	
Capital lease payments	<u>98,000</u>	
Total long-term debt repayment		498,000

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:

Amortization of issuance costs	(64,969)	
Decrease in accrued interest	1,536	
Amortization of gain on refunding	(6,356)	
Amortization of bond premium	12,724	
Accretion on capital appreciation bonds	<u>(23,920)</u>	
		(80,985)

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

Increase in compensated absences		<u>(33,901)</u>
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Change in Net Position of Governmental Activities (\$1,016,551)

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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$4,089,475	\$4,089,475	\$4,283,852	\$194,377
Intergovernmental	20,097,922	20,097,922	19,883,043	(214,879)
Interest	9,600	9,600	11,613	2,013
Tuition and Fees	1,463,000	1,457,300	1,596,711	139,411
Extracurricular Activities	102,025	53,525	58,236	4,711
Rent	18,000	18,000	14,920	(3,080)
Contributions and Donations	55,700	51,100	61,181	10,081
Customer Sales and Services	0	0	22,293	22,293
Revenue in Lieu of Taxes	0	102,547	102,547	0
Miscellaneous	159,500	54,853	91,439	36,586
Total Revenues	25,995,222	25,934,322	26,125,835	191,513
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	11,722,181	11,712,181	11,495,613	216,568
Special	2,091,662	2,091,662	2,124,847	(33,185)
Vocational	211,424	211,424	204,614	6,810
Student Intervention Services				0
Other	2,790,000	2,790,000	2,379,197	410,803
Support Services:				
Pupils	741,713	741,713	1,211,312	(469,599)
Instructional Staff	663,723	640,123	597,271	42,852
Board of Education	31,684	31,684	20,634	11,050
Administration	1,837,711	1,837,711	1,727,425	110,286
Fiscal	377,308	377,308	497,008	(119,700)
Business				0
Operation and Maintenance of Plant	3,009,131	3,009,131	3,035,845	(26,714)
Pupil Transportation	2,252,609	2,252,609	2,317,275	(64,666)
Central	525,380	525,380	448,877	76,503
Operation of Non-Instructional Services:	0	0	6,462	(6,462)
Extracurricular Activities	449,498	449,498	368,742	80,756
Capital Outlay	67,282	67,282	20,808	46,474
Debt Service:				
Principal Retirement	98,000	98,000	98,000	0
Interest and Fiscal Charges	23,745	23,745	21,636	2,109
Total Expenditures	26,893,051	26,859,451	26,575,566	283,885
Excess of Revenues Under Expenditures	(897,829)	(925,129)	(449,731)	475,398
<u>Other Financing Sources (Uses):</u>				
Advances In	16,911	16,911	16,911	0
Advances Out	0	0	(7,310)	(7,310)
Refund of Prior Year Receipts	0	0	28,712	28,712
Total Other Financing Sources (Uses)	16,911	16,911	38,313	21,402
Net Change in Fund Balance	(880,918)	(908,218)	(411,418)	496,800
Fund Balance at Beginning of Year	2,040,521	2,040,521	2,040,521	0
Prior Year Encumbrances Appropriated	206,383	206,383	206,383	0
Fund Balance at End of Year	\$1,365,986	\$1,338,686	\$1,835,486	\$496,800

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facility Maintenance Fund
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$84,400	\$84,400	\$85,783	\$1,383
Intergovernmental	136,297	136,297	139,582	3,285
<i>Total Revenues</i>	220,697	220,697	225,365	4,668
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal	0	0	4,903	(4,903)
Operation and Maintenance of Plant	100,000	100,000	8,056	91,944
Capital Outlay	1,020,484	1,020,484	472,106	548,378
<i>Total Expenditures</i>	1,120,484	1,120,484	485,065	635,419
Net Change in Fund Balance	(899,787)	(899,787)	(259,700)	640,087
Fund Balance at Beginning of Year	1,558,179	1,558,179	1,558,179	0
Prior Year Encumbrances Appropriated	120,484	120,484	120,484	0
Fund Balance at End of Year	\$778,876	\$778,876	\$1,418,963	\$640,087

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Fund Net Position
Proprietary Fund
June 30, 2013

	<u>Food Service</u>
<u>Assets:</u>	
<u>Current Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$559,503
Inventory Held for Resale	10,874
Materials and Supplies Inventory	<u>2,750</u>
<i>Total Current Assets</i>	573,127
<u>Noncurrent Assets:</u>	
Capital Assets, Net	<u>1,126,899</u>
<i>Total Assets</i>	<u>1,700,026</u>
<u>Liabilities:</u>	
<u>Current Liabilities:</u>	
Accrued Wages and Benefits Payable	104,796
Intergovernmental Payable	<u>43,112</u>
<i>Total Current Liabilities</i>	147,908
<u>Long-term Liabilities:</u>	
Compensated Absences Payable	<u>34,217</u>
<i>Total Liabilities</i>	<u>182,125</u>
<u>Net Position:</u>	
Net Investment in Capital Assets	1,126,899
Unrestricted	<u>391,002</u>
<i>Total Net Position</i>	<u><u>\$1,517,901</u></u>

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, 2013*

	Food Service
<u>Operating Revenues:</u>	
Sales	\$545,730
Other	22,977
<i>Total Operating Revenues</i>	568,707
<u>Operating Expenses:</u>	
Salaries	475,155
Fringe Benefits	373,759
Purchased Services	2,213
Materials and Supplies	31,782
Cost of Sales	824,727
Depreciation	119,026
<i>Total Operating Expenses</i>	1,826,662
<i>Operating Loss</i>	(1,257,955)
<u>Non-Operating Revenues:</u>	
Donated Commodities	106,753
Operating Grants	1,015,627
Interest	522
<i>Total Non-Operating Revenues</i>	1,122,902
<i>Change in Net Position</i>	(135,053)
<i>Net Position at Beginning of Year - Restated (See Note 22)</i>	1,652,954
<i>Net Position at End of Year</i>	\$1,517,901

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, 2013

	Food Service
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$545,730
Cash Received from Others	22,977
Cash Payments for Employee Benefits	(476,766)
Cash Payments to Employees for Services	(401,702)
Cash Payments to Suppliers for Goods and Services	(753,593)
	(1,063,354)
<i>Net Cash Used for Operating Activities</i>	(1,063,354)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Operating Grants Received	1,015,627
<u>Cash Flows from Investing Activities:</u>	
Interest	522
	(47,205)
<i>Net Decrease in Cash and Cash Equivalents</i>	(47,205)
<i>Cash and Cash Equivalents at Beginning of Year</i>	606,708
<i>Cash and Cash Equivalents at End of Year</i>	\$559,503
<u>Reconciliation of Operating Loss to Net</u>	
<u>Cash Used for Operating Activities:</u>	
Operating Loss	(\$1,257,955)
<u>Adjustments to Reconcile Operating Loss to</u>	
<u>Net Cash Used for Operating Activities:</u>	
Depreciation	119,026
Donated Commodities Received During Year	106,753
(Increase) Decrease in Assets:	
Inventory Held for Resale	(108)
Materials and Supplies Inventory	(1,516)
Increase (Decrease) in Liabilities:	
Accrued Wages and Benefits Payable	1,764
Compensated Absences Payable	(3,443)
Intergovernmental Payable	(27,875)
	194,601
<i>Total Adjustments</i>	194,601
<i>Net Cash Used for Operating Activities</i>	(\$1,063,354)

Non-Cash Transactions:

During fiscal year 2013, the Food Service Enterprise Fund received \$106,753 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, 2013

	Private Purpose Trust	Agency
	Scholarship	
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$25,008	\$110,403
<u>Liabilities:</u>		
Undistributed Monies	0	\$110,403
<u>Net Position:</u>		
Held in Trust for Scholarships	\$25,008	

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, 2013

	<u>Scholarship</u>
<u>Additions:</u>	
Contributions and Donations	\$3,826
Interest	<u>7</u>
<i>Total Additions</i>	3,833
<u>Deductions:</u>	
Scholarships Awarded	<u>1,400</u>
<i>Change in Net Position</i>	2,433
<i>Net Position at Beginning of Year</i>	<u>22,575</u>
<i>Net Position at End of Year</i>	<u><u>\$25,008</u></u>

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, 2013*

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 111 non-certificated, 165 teaching and 25 administrative employees providing education to 3,352 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
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, 2013

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, 2013

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 reports the accumulation of resources for, and the payment of, general obligation bond principal and interest and certain other long-term obligations when the School District is obligated for the payment.

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

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Proprietary Fund

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

Enterprise Fund - Enterprise funds are used to account for any activity for which a fee is charged to external users for goods or services. The only enterprise fund of the School District accounts for the financial transactions related to food service operations.

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 two fiduciary funds: a private purpose trust fund used to account for college scholarship programs for students and an agency fund used to account for student managed activity programs.

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

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

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means that the amount of the transaction can be determined, and "available" means that the resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

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

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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 include a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 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, charges for service and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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.

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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

During fiscal year 2013, the School District's investments were limited to a money market mutual fund and funds invested in the State Treasury Asset Reserve of Ohio (STAROhio). Investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share which is the price the investment could be sold for on June 30, 2013.

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 2013 amounted to \$12,024, which includes \$7,590 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 on the statement of net position.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

Inventory

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

Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but 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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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

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

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

Compensated Absences

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

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

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

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 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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

current fiscal year. Bonds and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Fund Balance

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

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

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School District Board of Education. State statute authorizes the Treasurer to assign fund balance purchases on order provided such amounts have been lawfully approved.

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, 2013*

Net Position

Net position represents the difference between all other elements in a statement of financial position. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for classroom facilities, district managed activities and miscellaneous grants.

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

Internal Activity

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

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

Budgetary Process

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

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. Before fiscal year-end, the School District requested and received an amended certificate of estimated resources that reflected actual revenue for the fiscal year-end in all funds.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

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

Bond Premiums and Compounded Interest on Capital Appreciation Bonds

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

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

Deferred Charge on Refunding

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

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 is 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 PRINCIPLES, CHANGE IN ACCOUNTING ESTIMATE AND CORRECTION OF AN ERROR

Change in Accounting Principles

For fiscal year 2013, the School District has implemented Governmental Accounting Standard Board (GASB) *Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements," Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements," Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," Statement No. 65, "Items Previously Reported as Assets and Liabilities," and Statement No. 66, "Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62."*

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 62 incorporates into GASB's authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the School District's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the School District's fiscal year 2013 financial statements.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the School District's financial statements.

Change in Accounting Estimate

During fiscal year 2013, the School District changed their threshold for recording capital assets from \$1,000 to \$2,500.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Correction of an Error

There was also a correction of error due to a change in building depreciation allocation.

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>
Net Position June 30, 2012, as Previously Reported	\$44,108,961	\$1,633,046
Restatement of Capital Assets	(240,011)	19,908
Net Position June 30, 2012, as Restated	\$43,868,950	\$1,652,954

NOTE 4- ACCOUNTABILITY

At June 30, 2013, the Alternative School, Title VI-B, Title I and Improving Teacher Quality nonmajor special revenue funds had deficit fund balances of \$145, \$6,295, \$1,568 and \$385, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and actual for the General Fund and Classroom Facilities Maintenance Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to Balance Sheet transactions (GAAP basis).
5. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statement.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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

	Net Change in Fund Balance	
	General	Classroom Facility Maintenance
GAAP Basis	\$449,716	(\$85,076)
Adjustments:		
Revenue Accruals	5,954	(349)
Expenditure Accruals	(201,254)	(19,508)
Encumbrances	(674,849)	(154,767)
Advances	9,601	0
Unrecorded Cash	(586)	0
Budget Basis	(\$411,418)	(\$259,700)

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;

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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

Investments

As of June 30, 2013, the School District had the following investments, which are in an internal investment pool:

Investment Type	Fair Value	Maturity
STAROhio	\$1,991,035	Average 57.5 Days
Goldman Sachs Financial Square Government Mutual Fund	2,613,364	Average 31 Days
Total Investments	\$4,604,399	

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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk

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

NOTE 7 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2013 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of January 1, 2012, 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 2013 represents collections of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien December 31, 2011, were levied after April 1, 2012, 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, 2013, are available to finance fiscal year 2013 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, 2013 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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

The amount available as an advance at June 30, 2013, was \$1,174,155 in the General Fund, \$140,899 in the Debt Service Fund and \$23,702 in the Nonmajor Governmental Funds. The amount available as an advance at June 30, 2012, was \$1,205,774 in the General Fund, \$135,650 in the Debt Service Fund and \$23,353 in the Nonmajor Governmental Funds.

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 2013 taxes were collected are:

	2012 Second- Half Collections		2013 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$237,260,840	96.50%	\$231,085,590	96.31%
Public Utility Personal	8,612,750	3.50%	8,865,490	3.69%
Total Assessed Value	\$245,873,590	100.00%	\$239,951,080	100.00%

Tax rate per \$1,000 of assessed valuation	\$22.75	\$23.00
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NOTE 8 - RECEIVABLES

Receivables at June 30, 2013, consisted of property taxes, revenue in lieu of taxes, accounts, intergovernmental grants, interfund and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except for delinquent property taxes and revenue in lieu of taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

The intergovernmental receivables are as follows:

	Amounts
<u>Governmental Activities:</u>	
Title VI-B - Special Education IDEA Grant	\$75,623
Title I - Targeted Assistance Grant	75,940
Race to the Top	8,121
Alternative Schools	1,069
Medicaid Reimbursements	6,062
E-Rate	27,180
Total Intergovernmental Receivables	\$193,995

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 9 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2013, was as follows:

	Restated Balance 6/30/12	Additions	Deductions	Balance 6/30/13
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$2,524,314	\$0	\$0	\$2,524,314
Capital Assets, Being Depreciated:				
Buildings and Improvements	63,351,237	273,019	(103,713)	63,520,543
Furniture and Equipment	6,849,040	6,895	0	6,855,935
Vehicles	2,631,724	150,776	(94,696)	2,687,804
Total Capital Assets, Being Depreciated	<u>72,832,001</u>	<u>430,690</u>	<u>(198,409)</u>	<u>73,064,282</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(22,626,514)	(1,642,162)	75,192	(24,193,484)
Furniture and Equipment	(5,180,267)	(301,021)	0	(5,481,288)
Vehicles	(2,340,912)	(75,866)	94,696	(2,322,082)
Total Accumulated Depreciation	<u>(30,147,693)</u>	<u>(2,019,049) *</u>	<u>169,888</u>	<u>(31,996,854)</u>
Total Capital Assets, Being Depreciated, Net	<u>42,684,308</u>	<u>(1,588,359)</u>	<u>(28,521)</u>	<u>41,067,428</u>
Governmental Activities Capital Assets, Net	<u>\$45,208,622</u>	<u>(\$1,588,359)</u>	<u>(\$28,521)</u>	<u>\$43,591,742</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,224,782
Special	87,085
Vocational	30,479
Support Services:	
Pupils	58,445
Instructional Staff	52,597
Administration	235,446
Fiscal	9,753
Operation and Maintenance of Plant	22,858
Pupil Transportation	100,932
Central	7,746
Extracurricular Activities	188,926
Total Depreciation Expense	<u>\$2,019,049</u>

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

	Restated Balance 6/30/12	Additions	Deductions	Balance 6/30/13
<u>Business-Type Activity:</u>				
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$1,466,883	\$0	\$0	\$1,466,883
Furniture and Equipment	<u>1,255,132</u>	<u>0</u>	<u>0</u>	<u>1,255,132</u>
Total Capital Assets, Being Depreciated	<u>2,722,015</u>	<u>0</u>	<u>0</u>	<u>2,722,015</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(536,643)	(36,422)	0	(573,065)
Furniture and Equipment	<u>(939,447)</u>	<u>(82,604)</u>	<u>0</u>	<u>(1,022,051)</u>
Total Accumulated Depreciation	<u>(1,476,090)</u>	<u>(119,026)</u>	<u>0</u>	<u>(1,595,116)</u>
Business-Type Activity				
Capital Assets, Net	<u>\$1,245,925</u>	<u>(\$119,026)</u>	<u>\$0</u>	<u>\$1,126,899</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 2013, the School District contracted with Netherlands Insurance Company for general liability insurance and School Board errors and omissions coverage. The School District contracted with Midwestern Indemnity Company for commercial umbrella liability insurance. The School District's vehicles are covered by Netherlands Insurance Company under a business policy. 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 2013, 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 applies to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP. Each year, the School District pays an enrollment fee to the GRP to cover the costs of administering the program.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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

School Employees Retirement System

Plan Description – The School District participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. 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 and required supplementary information. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

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, 2013, the allocation to pension and death benefits was 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2013, 2012, and 2011 were \$387,689, \$393,677, and \$646,035, respectively. For fiscal year 2013, 77.05 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

State Teachers Retirement System of Ohio

Plan Description – The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

beneficiaries. STRS Ohio issues a stand-alone financial report that can be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio 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. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

A DB or Combined Plan member with five or more years of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor 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 - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The statutory maximum employee contribution rate will be increased one percent each year beginning July 1, 2013, until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2013, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions to STRS Ohio for the DB Plan and for the defined benefit portion of the Combined Plan were \$1,453,688 and \$22,098 for the fiscal year ended June 30, 2013, \$1,541,219 and \$21,787 for the fiscal year ended June 30, 2012, and \$1,610,952 and \$19,797 for the fiscal year ended June 30, 2011. For fiscal year 2013, 83.66 percent has been contributed for the DB plan and 83.66 percent has been contributed for the Combined Plan, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Contributions made to STRS Ohio for the DC Plan and for fiscal year 2013 was \$19,994 made by the School District and \$14,281 made by the plan members. In addition, member contributions of \$15,784 were made for fiscal year 2013 for the defined contribution portion of the Combined Plan.

NOTE 12 - POSTEMPLOYMENT BENEFITS

School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2013, 0.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2013, this amount was \$20,525. During fiscal year 2013, the School District paid \$36,019 in surcharge.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$64,350, \$62,834, and \$123,904, respectively. For fiscal year 2013, 77.05 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2013, this actuarially required allocation was 0.74 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011, were \$21,984, \$23,341, and \$41,574, respectively. For fiscal year 2013, 77.05 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

State Teachers Retirement System of Ohio

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2013, STRS Ohio allocated employer contributions equal to one percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$111,822, \$118,555, and \$123,919, respectively. For fiscal year 2013, 83.66 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

NOTE 13 - EMPLOYEE BENEFITS

Compensated Absences

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

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

Insurance Benefits

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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 14 - CAPITALIZED LEASE - LESSEE DISCLOSURE

In fiscal year 2003, 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 2013, the School District made the eighth scheduled principal payment of \$39,000.

The capital lease proceeds reported in the General Fund relate to 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 third scheduled principal payment of \$59,000.

The assets acquired through the capital leases are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Buildings and Improvements	\$991,436	\$396,574	\$594,862
Furniture and Equipment	610,000	213,500	396,500
Total	\$1,601,436	\$610,074	\$991,362

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, 2013.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Fiscal Year Ending June 30,	Total Payments
2014	\$122,543
2015	122,290
2016	122,927
2017	123,441
2018	122,844
2019	122,149
Total	736,194
Less: Amount Representing Interest	(72,194)
Present Value of Minimum Lease Payments	<u>\$664,000</u>

NOTE 15 - LONG-TERM LIABILITIES

The changes in the School District's long-term liabilities during fiscal year 2013 were as follows:

	Amount Outstanding 6/30/12	Additions	Deductions	Amount Outstanding 6/30/13	Amounts Due in One Year
<u>Governmental Activities:</u>					
School Improvement Bonds					
1998 5.01%	\$1,105,000	\$0	\$335,000	\$770,000	\$375,000
School Improvement Refunding					
Bonds 2011:					
Serial Bonds 3.75%	2,715,000	0	65,000	2,650,000	65,000
Capital Appreciation Bonds 6.25%	275,000	0	0	275,000	0
Premium on Debt Issue	114,516	0	12,724	101,792	0
Accretion of Capital					
Appreciation Bonds	24,391	23,920	0	48,311	0
Compensated Absences	1,670,219	261,408	227,507	1,704,120	195,570
Capital Leases	762,000	0	98,000	664,000	102,000
Total Governmental Activities					
Long-Term Obligations	<u>\$6,666,126</u>	<u>\$285,328</u>	<u>\$738,231</u>	<u>\$6,213,223</u>	<u>\$737,570</u>
<u>Business-Type Activities:</u>					
Compensated Absences	<u>\$37,660</u>	<u>\$30,636</u>	<u>\$34,079</u>	<u>\$34,217</u>	<u>\$0</u>

School Improvement Bonds 1998

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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, 2013, \$4,495,000 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 2013, the capital appreciation bond was accreted \$23,920.

Compensated absences will be paid from the General, Race to the Top, Title VI-B, Title I and Food Service funds.

The School District's overall legal debt margin was \$19,898,314 with an unvoted debt margin of \$239,951 at June 30, 2013.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2013 are as follows:

Fiscal Year Ending June 30,	School Improvement Bonds 1998		School Improvement Refunding Bonds 2011				Total
	Principal	Interest	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Principal	Capital Appreciation Interest	
2014	\$375,000	\$30,873	\$65,000	\$76,450	\$0	\$0	\$547,323
2015	395,000	10,468	70,000	75,100	0	0	550,568
2016	0	0	460,000	68,650	0	0	528,650
2017	0	0	485,000	56,838	0	0	541,838
2018	0	0	500,000	44,213	0	0	544,213
2019-2021	0	0	1,070,000	41,025	275,000	300,000	1,686,025
Total	<u>\$770,000</u>	<u>\$41,341</u>	<u>\$2,650,000</u>	<u>\$362,276</u>	<u>\$275,000</u>	<u>\$300,000</u>	<u>\$4,398,617</u>

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 16 - INTERFUND ACTIVITY

As of June 30, 2013, receivables and payables that resulted from various interfund transactions were as follows:

	Payable	Receivable
		<u>General Fund</u>
	Nonmajor Governmental Funds	<u>\$7,310</u>

The amounts due to the General Fund are the result of the School District moving unrestricted balances to support programs and projects accounted for in other funds. The General Fund will be reimbursed when funds become available in the Nonmajor Governmental Funds. All amounts are expected to be repaid in one year.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association

The South Central Ohio Computer Association (SCOCA) is a jointly governed organization among public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross, and Lawrence Counties. The organization was formed with 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 SCOCA consists of two representatives from each of the seven participating counties and one representative from the fiscal agent. The School District paid \$257,843 for services provided during fiscal year 2012. To obtain financial information write to the Pike County Joint Vocational School District, P.O. Box 577, 23365 State Route 124, Piketon, Ohio 45661.

Unified Purchasing Cooperative of the Ohio River Valley

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

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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Board of Directors. The Hamilton County Educational Service Center serves as fiscal agent. Sixty days prior notice is necessary for withdrawal from the UPC.

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. To obtain financial information, write to the Southern Hills Joint Vocational School District, Michael Boyd, who serves as Treasurer, at 9193 Hamer Road, Georgetown, Ohio 45121.

NOTE 18 - PUBLIC ENTITY SHARED RISK

Brown County Schools Benefits Consortium

The Brown County Schools Benefits Consortium, a public entity shared risk and insurance purchasing pool, currently operates to provide medical insurance (insurance purchasing pool) and dental coverage (public entity shared risk pool) to enrolled employees of the consortium members and to eligible dependents of those enrolled employees. Six Brown County school districts (Eastern, Fayetteville–Perry, Georgetown, Ripley Union Lewis Huntington, Southern Hills Joint Vocational, and Western Brown Schools) and two Highland County school districts (Bright Local and Lynchburg–Clay Local School District) along with the Brown County Educational Service Center have entered into an agreement to form the Brown County Schools Benefits Consortium. The Consortium is governed by a nine member board consisting of the superintendents of each participating school district along with the superintendent of the Brown County Educational Service Center. The overall objectives of the consortium are to formulate and administer a program of medical and dental insurance for the benefit of the consortium members' employees and their dependents. The consortium contracts with United Healthcare to provide medical insurance directly to consortium member employees. The Educational Service Center pays premiums to the consortium based on employee membership. For dental coverage the consortium acts as a public entity shared risk pool. Each member district pays dental premiums based on the consortium estimates of future claims. If the member district's dental claims exceed its premiums, there is no individual supplemental assessment; on the other hand, if the member district's claims are low, it will not receive a refund. Dental coverage is administered through a third party administrator, Dental Care Plus. Participating member districts pay an administrative fee to the fiscal agent to cover the costs associated with the administering of the Consortium. To obtain financial information write to the Brown County Educational Service Center at 325 West State St., Georgetown, Ohio 45121.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 19 - INSURANCE PURCHASING POOL

Ohio SchoolComp Workers' Compensation Group Rating Plan

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

NOTE 20 - SET-ASIDE CALCULATIONS

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

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

	<u>Capital Acquisition</u>
Set-aside Balance as of June 30, 2012	\$0
Current Fiscal Year Set-aside Requirement	558,791
Current Fiscal Year Offsets	(69,825)
Qualifying Disbursements	<u>(488,966)</u>
Set-aside Balance as of June 30, 2013	<u>\$0</u>
Required Set-aside Balances Carried Forward to FY 2014	<u><u>\$0</u></u>

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

NOTE 21 – 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, 2013, 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, 2013

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.

NOTE 22 - FUND BALANCES

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

Fund Balances	General	Debt Service	Classroom Facility Maintenance	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>					
Prepays	\$11,812	\$0	\$0	\$0	\$11,812
<i>Restricted for</i>					
Debt Payment	0	1,997,717	0	0	1,997,717
Miscellaneous Grants	0	0	0	31,140	31,140
District Managed Activity	0	0	0	179,227	179,227
Classroom Facilities	0	0	1,594,432	0	1,594,432
<i>Total Restricted</i>	0	1,997,717	1,594,432	210,367	3,802,516
<i>Assigned to</i>					
Unpaid Obligations	603,017	0	0	0	603,017
<i>Unassigned (Deficit)</i>	685,942	0	0	(8,393)	677,549
<i>Total Fund Balances</i>	\$1,300,771	\$1,997,717	\$1,594,432	\$201,974	\$5,094,894

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

Western Brown Local School District

Nonmajor Fund Descriptions

Special Revenue Funds

The Special Revenue Funds are used to account for 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.

OTHER GRANT FUND - This fund accounts for and reports the proceeds of specific revenue sources, except for State and federal grants that are legally restricted to expenditures for specified purposes.

DISTRICT MANAGED ACTIVITY FUND - This fund accounts for and reports those student activity programs which have student participation in the activity but do not have student management of the programs.

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

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

HIGH SCHOOLS THAT WORK FUND - This fund accounts for and reports restricted State monies. This is the first large-scale national effort to engage states, districts and schools in improving student success for the world of work and for further education. High Schools That Work is a framework that provides direction for schools to improve academic and career-technical instruction.

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

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

(continued)

Western Brown Local School District

Nonmajor Fund Descriptions

Nonmajor Special Revenue Funds (Continued)

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 II-D ARRA FUND - This fund accounts for and reports federal funds restricted to create technology-enabled learning environments in which students will meet or exceed the State academic content standards and develop 21st century skills.

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, 2013

	Memorial	Other Grant	District Managed Activity	Education Management Information Systems
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$391	\$19,647	\$184,696	\$9,891
Receivables:				
Intergovernmental	0	0	0	0
Total Assets	\$391	\$19,647	\$184,696	\$9,891
<u>Liabilities:</u>				
Accounts Payable	\$0	\$0	\$5,435	\$0
Accrued Wages and Benefits Payable	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	34	0
Total Liabilities	0	0	5,469	0
<u>Deferred Inflows of Resources:</u>				
Unavailable Revenue	0	0	0	0
<u>Fund Balances:</u>				
Restricted	391	19,647	179,227	9,891
Unassigned (Deficit)	0	0	0	0
Total Fund Balances (Deficit)	391	19,647	179,227	9,891
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$391	\$19,647	\$184,696	\$9,891

Alternative School	Race to the Top	Title VI-B	Title I	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$0	\$1,518	\$239	\$2,154	\$0	\$218,536
1,069	8,121	75,623	75,940	0	160,753
<u>\$1,069</u>	<u>\$9,639</u>	<u>\$75,862</u>	<u>\$78,094</u>	<u>\$0</u>	<u>\$379,289</u>
\$0	\$0	\$0	\$0	\$0	\$5,435
0	3,255	62,762	68,196	0	134,213
0	4,310	3,000	0	0	7,310
145	458	12,340	11,466	385	24,828
145	8,023	78,102	79,662	385	171,786
1,069	405	4,055	0	0	5,529
0	1,211	0	0	0	210,367
(145)	0	(6,295)	(1,568)	(385)	(8,393)
(145)	1,211	(6,295)	(1,568)	(385)	201,974
<u>\$1,069</u>	<u>\$9,639</u>	<u>\$75,862</u>	<u>\$78,094</u>	<u>\$0</u>	<u>\$379,289</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, 2013

	Memorial	Other Grant	District Managed Activity	Education Management Information Systems
<u>Revenues:</u>				
Intergovernmental	\$0	\$0	\$0	\$0
Tuition and Fees	0	0	5,836	0
Extracurricular Activities	0	0	292,833	0
Contributions and Donations	0	15,184	6,916	0
<i>Total Revenues</i>	<u>0</u>	<u>15,184</u>	<u>305,585</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	245	0	0
Special	0	0	0	0
Support Services:				
Pupils	125	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	133
Central	0	0	0	0
Operation of Non-Instructional Services	0	10,699	0	0
Extracurricular Activities	0	0	295,954	0
<i>Total Expenditures</i>	<u>125</u>	<u>10,944</u>	<u>295,954</u>	<u>133</u>
<i>Net Change in Fund Balances</i>	(125)	4,240	9,631	(133)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>516</u>	<u>15,407</u>	<u>169,596</u>	<u>10,024</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$391</u>	<u>\$19,647</u>	<u>\$179,227</u>	<u>\$9,891</u>

OneNet	High Schools That Work	Alternative School	Race to the Top	Title VI-B	Title II-D ARRA
\$7,200	\$0	\$37,288	\$139,208	\$605,815	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
7,200	0	37,288	139,208	605,815	0
0	575	38,130	47,584	0	0
0	0	0	0	508,960	0
0	0	0	0	0	0
0	0	0	86,027	0	292
0	0	0	4,368	101,416	0
7,200	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
7,200	575	38,130	137,979	610,376	292
0	(575)	(842)	1,229	(4,561)	(292)
0	575	697	(18)	(1,734)	292
\$0	\$0	(\$145)	\$1,211	(\$6,295)	\$0

(continued)

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, 2013
(continued)

	Title I	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
<u>Revenues:</u>			
Intergovernmental	\$559,660	\$124,094	\$1,473,265
Tuition and Fees	0	0	5,836
Extracurricular Activities	0	0	292,833
Contributions and Donations	0	0	22,100
<i>Total Revenues</i>	<u>559,660</u>	<u>124,094</u>	<u>1,794,034</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	3,057	114,876	204,467
Special	486,618	0	995,578
Support Services:			
Pupils	5,868	0	5,993
Instructional Staff	33,989	0	120,308
Administration	32,931	0	138,848
Central	0	0	7,200
Operation of Non-Instructional Services	0	0	10,699
Extracurricular Activities	0	0	295,954
<i>Total Expenditures</i>	<u>562,463</u>	<u>114,876</u>	<u>1,779,047</u>
<i>Net Change in Fund Balances</i>	(2,803)	9,218	14,987
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>1,235</u>	<u>(9,603)</u>	<u>186,987</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>(\$1,568)</u>	<u>(\$385)</u>	<u>\$201,974</u>

Western Brown Local School District

Agency Fund Description

Agency Fund

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 Fund:

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
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2013

	<u>Balance at</u> <u>6/30/12</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>6/30/13</u>
<u>STUDENT MANAGED ACTIVITY</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	<u>\$98,639</u>	<u>\$196,299</u>	<u>\$184,535</u>	<u>\$110,403</u>
<u>Liabilities:</u>				
Undistributed Monies	<u>\$98,639</u>	<u>\$196,299</u>	<u>\$184,535</u>	<u>\$110,403</u>

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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property Taxes	\$4,089,475	\$4,089,475	\$4,283,852	\$194,377
Intergovernmental	20,097,922	20,097,922	19,883,043	(214,879)
Interest	9,600	9,600	11,613	2,013
Tuition and Fees	1,463,000	1,457,300	1,596,711	139,411
Extracurricular Activities	102,025	53,525	58,236	4,711
Rent	18,000	18,000	14,920	(3,080)
Contributions and Donations	55,700	51,100	61,181	10,081
Customer Sales and Services	0	0	22,293	22,293
Revenue in Lieu of Taxes	0	102,547	102,547	0
Miscellaneous	159,500	54,853	91,439	36,586
Total Revenues	25,995,222	25,934,322	26,125,835	191,513
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	8,048,185	8,048,185	7,925,368	122,817
Fringe Benefits	3,211,648	3,211,648	3,087,018	124,630
Purchased Services	154,028	154,028	166,524	(12,496)
Materials and Supplies	287,857	277,857	311,794	(33,937)
Capital Outlay	20,000	20,000	2,903	17,097
Other	463	463	2,006	(1,543)
Total Regular	11,722,181	11,712,181	11,495,613	216,568
Special:				
Salaries and Wages	817,246	817,246	855,447	(38,201)
Fringe Benefits	460,080	460,080	403,517	56,563
Purchased Services	801,338	801,338	843,951	(42,613)
Materials and Supplies	12,998	12,998	17,612	(4,614)
Capital Outlay	0	0	4,320	(4,320)
Total Special	2,091,662	2,091,662	2,124,847	(33,185)
Vocational:				
Salaries and Wages	130,855	130,855	131,679	(824)
Fringe Benefits	56,001	56,001	53,100	2,901
Purchased Services	5,360	5,360	0	5,360
Materials and Supplies	13,208	13,208	19,790	(6,582)
Other	6,000	6,000	45	5,955
Total Vocational	211,424	211,424	204,614	6,810
Other:				
Purchased Services	2,790,000	2,790,000	2,379,197	410,803
Total Instruction	\$16,815,267	\$16,805,267	\$16,204,271	\$600,996

(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, 2013
(continued)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Support Services:				
Pupils:				
Salaries and Wages	\$430,678	\$430,678	\$436,171	(\$5,493)
Fringe Benefits	176,635	176,635	180,137	(3,502)
Purchased Services	127,000	127,000	585,596	(458,596)
Materials and Supplies	7,400	7,400	9,408	(2,008)
Total Pupils	741,713	741,713	1,211,312	(469,599)
Instructional Staff:				
Salaries and Wages	377,905	377,905	299,185	78,720
Fringe Benefits	223,875	223,875	182,887	40,988
Purchased Services	0	0	45,690	(45,690)
Materials and Supplies	61,943	38,343	69,509	(31,166)
Total Instructional Staff	663,723	640,123	597,271	42,852
Board of Education:				
Salaries and Wages	16,000	16,000	13,500	2,500
Fringe Benefits	1,984	1,984	85	1,899
Purchased Services	7,250	7,250	1,075	6,175
Materials and Supplies	200	200	490	(290)
Other	6,250	6,250	5,484	766
Total Board of Education	31,684	31,684	20,634	11,050
Administration:				
Salaries and Wages	1,083,770	1,083,770	973,265	110,505
Fringe Benefits	494,802	494,802	439,748	55,054
Purchased Services	178,775	178,775	162,143	16,632
Materials and Supplies	15,414	15,414	7,865	7,549
Other	64,950	64,950	144,404	(79,454)
Total Administration	1,837,711	1,837,711	1,727,425	110,286
Fiscal:				
Salaries and Wages	207,378	207,378	207,576	(198)
Fringe Benefits	68,077	68,077	74,002	(5,925)
Purchased Services	17,750	17,750	9,323	8,427
Materials and Supplies	12,668	12,668	4,567	8,101
Other	71,435	71,435	201,540	(130,105)
Total Fiscal	\$377,308	\$377,308	\$497,008	(\$119,700)

(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, 2013
(continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Operation and Maintenance of Plant:				
Salaries and Wages	\$1,072,424	\$1,072,424	\$999,404	\$73,020
Fringe Benefits	639,943	639,943	495,094	144,849
Purchased Services	1,070,162	1,070,162	1,327,114	(256,952)
Materials and Supplies	208,102	208,102	211,603	(3,501)
Capital Outlay	17,000	17,000	2,500	14,500
Other	1,500	1,500	130	1,370
Total Operation and Maintenance of Plant	3,009,131	3,009,131	3,035,845	(26,714)
Pupil Transportation:				
Salaries and Wages	849,159	849,159	868,312	(19,153)
Fringe Benefits	634,727	634,727	518,192	116,535
Purchased Services	129,850	129,850	60,809	69,041
Materials and Supplies	455,873	455,873	705,910	(250,037)
Capital Outlay	181,200	181,200	164,017	17,183
Other	1,800	1,800	35	1,765
Total Pupil Transportation	2,252,609	2,252,609	2,317,275	(64,666)
Central:				
Salaries and Wages	44,139	44,139	39,246	4,893
Fringe Benefits	4,655	4,655	7,764	(3,109)
Purchased Services	93,500	93,500	155,164	(61,664)
Materials and Supplies	33,086	33,086	21,818	11,268
Capital Outlay	100,000	100,000	104,236	(4,236)
Other	250,000	250,000	120,649	129,351
Total Central	525,380	525,380	448,877	76,503
Total Support Services	9,439,259	9,415,659	9,855,647	(439,988)
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	0	6,462	(6,462)
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	60,375	60,375	35,046	25,329
Fringe Benefits	6,400	6,400	6,342	58
Purchased Services	6,088	6,088	1,738	4,350
Materials and Supplies	4,216	4,216	0	4,216
Other	23,369	23,369	2,915	20,454
Total Academic and Subject Oriented Activities	\$100,448	\$100,448	\$46,041	\$54,407

(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, 2013
(continued)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Sports Oriented Activities:				
Salaries and Wages	\$280,000	\$280,000	\$255,026	\$24,974
Fringe Benefits	31,250	31,250	40,431	(9,181)
Purchased Services	16,000	16,000	14,689	1,311
Materials and Supplies	6,800	6,800	1,241	5,559
Capital Outlay	15,000	15,000	9,814	5,186
Total Sports Oriented Activities	349,050	349,050	321,201	27,849
School and Public Service Co-curricular Activities				
Salaries and Wages	0	0	1,500	(1,500)
Total Extracurricular Activities	449,498	449,498	368,742	80,756
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Improvement Services:				
Capital Outlay	25,000	25,000	0	25,000
Building Improvement Services:				
Capital Outlay	42,282	42,282	20,808	21,474
Total Capital Outlay	67,282	67,282	20,808	46,474
Debt Service:				
Principal Retirement	98,000	98,000	98,000	0
Interest and Fiscal Charges	23,745	23,745	21,636	2,109
Total Debt Service	121,745	121,745	119,636	2,109
Total Expenditures	26,893,051	26,859,451	26,575,566	283,885
Excess of Revenues Under Expenditures	(897,829)	(925,129)	(449,731)	475,398
<u>Other Financing Sources (Uses):</u>				
Advances In	16,911	16,911	16,911	0
Advances Out	0	0	(7,310)	(7,310)
Refund of Prior Year Expenditures	0	0	28,712	28,712
Total Other Financing Sources (Uses)	16,911	16,911	38,313	21,402
Net Change in Fund Balance	(880,918)	(908,218)	(411,418)	496,800
Fund Balance at Beginning of Year	2,040,521	2,040,521	2,040,521	0
Prior Year Encumbrances Appropriated	206,383	206,383	206,383	0
Fund Balance at End of Year	\$1,365,986	\$1,338,686	\$1,835,486	\$496,800

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$485,500	\$485,500	\$500,389	\$14,889
Intergovernmental	74,000	74,000	77,826	3,826
<i>Total Revenues</i>	559,500	559,500	578,215	18,715
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	19,300	19,300	18,002	1,298
Debt Service:				
Principal Retirement	400,000	400,000	400,000	0
Interest and Fiscal Charges	127,438	127,438	127,438	0
<i>Total Debt Service</i>	527,438	527,438	527,438	0
<i>Total Expenditures</i>	546,738	546,738	545,440	1,298
Net Change in Fund Balance	12,762	12,762	32,775	20,013
Fund Balance at Beginning of Year	1,824,043	1,824,043	1,824,043	0
Fund Balance at End of Year	\$1,836,805	\$1,836,805	\$1,856,818	\$20,013

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$84,400	\$84,400	\$85,783	\$1,383
Intergovernmental	136,297	136,297	139,582	3,285
<i>Total Revenues</i>	<u>220,697</u>	<u>220,697</u>	<u>225,365</u>	<u>4,668</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	0	0	4,903	(4,903)
Operation and Maintenance of Plant:				
Purchased Services	0	0	8,056	(8,056)
Materials and Supplies	100,000	100,000	0	100,000
Total Operation and Maintenance of Plant	<u>100,000</u>	<u>100,000</u>	<u>8,056</u>	<u>91,944</u>
Total Support Services	<u>100,000</u>	<u>100,000</u>	<u>12,959</u>	<u>87,041</u>
Building Acquisition and Construction Services:				
Purchased Services	307,311	307,311	7,089	300,222
Capital Outlay	713,173	713,173	465,017	248,156
Total Building Acquisition and Construction Services:	<u>1,020,484</u>	<u>1,020,484</u>	<u>472,106</u>	<u>548,378</u>
Total Capital Outlay	<u>1,020,484</u>	<u>1,020,484</u>	<u>472,106</u>	<u>548,378</u>
<i>Total Expenditures</i>	<u>1,120,484</u>	<u>1,120,484</u>	<u>485,065</u>	<u>635,419</u>
Net Change in Fund Balance	(899,787)	(899,787)	(259,700)	640,087
Fund Balance at Beginning of Year	1,558,179	1,558,179	1,558,179	0
Prior Year Encumbrances Appropriated	120,484	120,484	120,484	0
Fund Balance at End of Year	<u>\$778,876</u>	<u>\$778,876</u>	<u>\$1,418,963</u>	<u>\$640,087</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Memorial Fund
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Other	516	516	125	391
Net Change in Fund Balance	(516)	(516)	(125)	391
Fund Balance at Beginning of Year	516	516	516	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$391</u>	<u>\$391</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, 2013

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Contributions and Donations	\$14,500	\$14,500	\$15,184	\$684
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	1,925	1,925	0	1,925
Materials and Supplies	1,868	1,868	245	1,623
Total Instruction	3,793	3,793	245	3,548
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	0	0	2,225	(2,225)
Fringe Benefits	0	0	15	(15)
Purchased Services	13,050	13,050	0	13,050
Materials and Supplies	4,725	4,725	8,857	(4,132)
Total Operation of Non-Instructional Services	17,775	17,775	11,097	6,678
<i>Total Expenditures</i>	21,568	21,568	11,342	10,226
Net Change in Fund Balance	(7,068)	(7,068)	3,842	10,910
Fund Balance at Beginning of Year	15,132	15,132	15,132	0
Prior Year Encumbrances Appropriated	275	275	275	0
Fund Balance at End of Year	\$8,339	\$8,339	\$19,249	\$10,910

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
<u>Revenues:</u>				
Tuition and Fees	\$4,157	\$4,157	\$5,836	\$1,679
Extracurricular Activities	289,118	279,918	292,833	12,915
Contributions and Donations	8,510	4,510	6,916	2,406
<i>Total Revenues</i>	<u>301,785</u>	<u>288,585</u>	<u>305,585</u>	<u>17,000</u>
<u>Expenditures:</u>				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	6,789	9,789	9,510	279
Purchased Services	106,110	119,110	116,321	2,789
Materials and Supplies	166,742	179,121	170,963	8,158
Other	4,246	4,246	3,586	660
<i>Total Expenditures</i>	<u>283,887</u>	<u>312,266</u>	<u>300,380</u>	<u>11,886</u>
Net Change in Fund Balance	17,898	(23,681)	5,205	28,886
Fund Balance at Beginning of Year	140,147	140,147	140,147	0
Prior Year Encumbrances Appropriated	32,047	32,047	32,047	0
Fund Balance at End of Year	<u>\$190,092</u>	<u>\$148,513</u>	<u>\$177,399</u>	<u>\$28,886</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Education Management Information Systems Fund
For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
<u>Revenues:</u>				
Intergovernmental	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Administration:				
Salaries and Wages	10,024	10,024	0	10,024
Fringe Benefits	0	0	133	(133)
<i>Total Expenditures</i>	<u>10,024</u>	<u>10,024</u>	<u>133</u>	<u>9,891</u>
Net Change in Fund Balance	(10,024)	(10,024)	(133)	(9,891)
Fund Balance at Beginning of Year	<u>10,024</u>	<u>10,024</u>	<u>10,024</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$9,891</u></u>	<u><u>\$9,891</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, 2013

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

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
High Schools That Work Fund
For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$11,000	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	7,000	0	0	0
Materials and Supplies	4,000	0	0	0
<i>Total Expenditures</i>	<u>11,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	0	0	0	0
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	0	(575)	(575)	0
Net Change in Fund Balance	0	(575)	(575)	0
Fund Balance at Beginning of Year	<u>575</u>	<u>575</u>	<u>575</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$575</u></u>	<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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$45,069	\$43,557	\$43,557	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	45,069	42,800	42,800	0
Excess of Revenues Over Expenditures	0	757	757	0
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	0	(959)	(959)	0
Net Change in Fund Balance	0	(202)	(202)	0
Fund Balance at Beginning of Year	202	202	202	0
Fund Balance at End of Year	<u>\$202</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Race to the Top Fund
For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$351,383	\$151,468	\$151,468	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	55,750	46,659	46,659	0
Materials and Supplies	69,413	925	925	0
Total Regular Instruction	<u>125,163</u>	<u>47,584</u>	<u>47,584</u>	<u>0</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	217,153	74,540	74,861	(321)
Purchased Services	2,000	13,082	11,253	1,829
Materials and Supplies	2,090	0	0	0
Total Instructional Staff	<u>221,243</u>	<u>87,622</u>	<u>86,114</u>	<u>1,508</u>
Administration:				
Salaries and Wages	4,914	4,050	4,051	(1)
Total Support Services	<u>226,157</u>	<u>91,672</u>	<u>90,165</u>	<u>1,507</u>
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	63	0	0	0
<i>Total Expenditures</i>	<u>351,383</u>	<u>139,256</u>	<u>137,749</u>	<u>1,507</u>
Excess of Revenues Over Expenditures	<u>0</u>	<u>12,212</u>	<u>13,719</u>	<u>1,507</u>
<u>Other Financing Sources (Uses):</u>				
Advances In	0	4,310	4,310	0
Advances Out	0	(16,511)	(16,511)	0
<i>Total Other Financing Sources(Uses)</i>	<u>0</u>	<u>(12,201)</u>	<u>(12,201)</u>	<u>0</u>
Net Change in Fund Balance	0	11	1,518	1,507
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$11</u>	<u>\$1,518</u>	<u>\$1,507</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$676,168	\$603,243	\$603,240	(\$3)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	360,783	298,327	317,808	(19,481)
Fringe Benefits	140,044	117,657	93,897	23,760
Purchased Services	59,943	84,329	92,762	(8,433)
Total Instruction	<u>560,770</u>	<u>500,313</u>	<u>504,467</u>	<u>(4,154)</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	3,300	3,300	0	3,300
Fringe Benefits	527	527	0	527
Total Instructional Staff	<u>3,827</u>	<u>3,827</u>	<u>0</u>	<u>3,827</u>
Administration:				
Salaries and Wages	84,301	78,268	78,630	(362)
Fringe Benefits	25,373	23,473	22,542	931
Total Administration	<u>109,674</u>	<u>101,741</u>	<u>101,172</u>	<u>569</u>
Total Support Services	<u>113,501</u>	<u>105,568</u>	<u>101,172</u>	<u>4,396</u>
<i>Total Expenditures</i>	<u>674,271</u>	<u>605,881</u>	<u>605,639</u>	<u>242</u>
Excess of Revenues Over (Under) Expenditures	<u>1,897</u>	<u>(2,638)</u>	<u>(2,399)</u>	<u>239</u>
<u>Other Financing Sources (Uses):</u>				
Advances In	0	3,000	3,000	0
Advances Out	0	(400)	(400)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>2,600</u>	<u>2,600</u>	<u>0</u>
Net Change in Fund Balance	1,897	(38)	201	239
Fund Balance at Beginning of Year	<u>38</u>	<u>38</u>	<u>38</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,935</u>	<u>\$0</u>	<u>\$239</u>	<u>\$239</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II-D ARRA Fund
For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	\$0	(\$292)	(\$292)	\$0
Net Change in Fund Balance	0	(292)	(292)	0
Fund Balance at Beginning of Year	292	292	292	0
Fund Balance at End of Year	<u>\$292</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$817,543	\$571,267	\$571,267	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	0	0	3,038	(3,038)
Special:				
Salaries and Wages	436,946	384,517	352,136	32,381
Fringe Benefits	174,875	146,038	137,140	8,898
Purchased Services	133,198	0	0	0
Total Special	745,019	530,555	489,276	41,279
Student Intervention Services:				
Purchased Services	3,475	0	0	0
Total Instruction	748,494	530,555	492,314	38,241
Support Services:				
Pupils:				
Purchased Services	541	0	5,868	(5,868)
Instructional Staff:				
Salaries and Wages	9,406	6,783	12,383	(5,600)
Fringe Benefits	7,545	3,178	3,220	(42)
Purchased Services	47,069	31,621	26,021	5,600
Total Instructional Staff	64,020	41,582	41,624	(42)
Administration:				
Salaries and Wages	0	0	24,199	(24,199)
Fringe Benefits	0	0	6,520	(6,520)
Total Administration	0	0	30,719	(30,719)
Total Support Services	64,561	41,582	78,211	(36,629)
<i>Total Expenditures</i>	813,055	572,137	570,525	1,612
Net Change in Fund Balance	4,488	(870)	742	1,612
Fund Balance at Beginning of Year	1,412	1,412	1,412	0
Fund Balance at End of Year	\$5,900	\$542	\$2,154	\$1,612

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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$135,125	\$134,578	\$134,578	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	135,235	115,530	115,530	0
Fringe Benefits	39	19,197	19,197	0
<i>Total Expenditures</i>	<u>135,274</u>	<u>134,727</u>	<u>134,727</u>	<u>0</u>
Net Change in Fund Balance	(149)	(149)	(149)	0
Fund Balance at Beginning of Year	<u>149</u>	<u>149</u>	<u>149</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>	<u><u>\$0</u></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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Sales	\$620,900	\$550,900	\$545,730	(\$5,170)
Interest	0	0	522	522
Federal and State Subsidies	1,063,400	995,800	1,015,627	19,827
Other Revenues	30,500	30,500	22,977	(7,523)
<i>Total Revenues</i>	<u>1,714,800</u>	<u>1,577,200</u>	<u>1,584,856</u>	<u>7,656</u>
<u>Expenses:</u>				
Salaries	481,994	481,994	476,766	5,228
Fringe Benefits	386,233	386,233	401,702	(15,469)
Purchased Services	11,202	11,202	2,713	8,489
Materials and Supplies	830,666	830,666	753,780	76,886
Capital Outlay	22,790	22,790	0	22,790
<i>Total Expenses</i>	<u>1,732,885</u>	<u>1,732,885</u>	<u>1,634,961</u>	<u>97,924</u>
<i>Net Change in Fund Equity</i>	(18,085)	(155,685)	(50,105)	105,580
Fund Equity at Beginning of Year	<u>606,708</u>	<u>606,708</u>	<u>606,708</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$588,623</u></u>	<u><u>\$451,023</u></u>	<u><u>\$556,603</u></u>	<u><u>\$105,580</u></u>

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)

	2004	2005	2006	2007
<u>Governmental Activities:</u>				
Net Investment in Capital Assets	\$52,270,245	\$51,070,621	\$48,946,361	\$47,291,229
Restricted for:				
Debt Service	1,404,525	1,589,643	1,679,299	1,787,001
Capital Projects	2,337,331	1,137,508	733,409	719,152
Classroom Facilities	0	0	0	736,086
Other Purposes (1)	1,150,675	898,263	838,607	325,876
Set-Asides	0	327,633	82,367	319,466
Unrestricted (Deficit)	<u>(665,002)</u>	<u>(292,727)</u>	<u>(476,305)</u>	<u>(757,121)</u>
Total Governmental Activities Net Position	<u>\$56,497,774</u>	<u>\$54,730,941</u>	<u>\$51,803,738</u>	<u>\$50,421,689</u>
<u>Business-Type Activity:</u>				
Net Investment in Capital Assets	\$2,111,448	\$2,033,945	\$1,905,617	\$1,793,601
Unrestricted	<u>97,274</u>	<u>73,733</u>	<u>87,315</u>	<u>123,828</u>
Total Business-Type Activity Net Position	<u>\$2,208,722</u>	<u>\$2,107,678</u>	<u>\$1,992,932</u>	<u>\$1,917,429</u>
<u>Primary Government:</u>				
Net Investment in Capital Assets	\$54,381,693	\$53,104,566	\$50,851,978	\$49,084,830
Restricted	4,892,531	3,953,047	3,333,682	3,803,169
Unrestricted (Deficit)	<u>(567,728)</u>	<u>(218,994)</u>	<u>(388,990)</u>	<u>(591,087)</u>
Total Primary Government Net Position	<u>\$58,706,496</u>	<u>\$56,838,619</u>	<u>\$53,796,670</u>	<u>\$52,296,912</u>

(1) 2007 was the first year other purposes was further classified.

2008	2009	2010	2011	2012	2013
\$45,577,012	\$44,066,679	\$42,686,618	\$41,732,010	\$40,359,279	\$39,181,798
1,813,830	1,853,926	1,848,836	1,858,861	1,973,331	2,023,139
1,242,909	1,241,278	1,123,922	0	0	0
839,232	902,512	862,681	1,739,648	1,681,243	1,600,304
243,919	166,439	502,243	236,936	443,354	210,080
658,004	829,827	1,084,762	1,321,337	4,619	0
430,367	(1,544,952)	(2,279,839)	(1,962,978)	(592,876)	(162,922)
<u>\$50,805,273</u>	<u>\$47,515,709</u>	<u>\$45,829,223</u>	<u>\$44,925,814</u>	<u>\$43,868,950</u>	<u>\$42,852,399</u>
\$1,674,004	\$1,554,351	\$1,444,079	\$1,329,033	\$1,245,925	\$1,126,899
131,134	144,784	227,013	332,937	407,029	391,002
<u>\$1,805,138</u>	<u>\$1,699,135</u>	<u>\$1,671,092</u>	<u>\$1,661,970</u>	<u>\$1,652,954</u>	<u>\$1,517,901</u>
\$47,251,016	\$45,621,030	\$44,130,697	\$43,061,043	\$41,605,204	\$40,308,697
4,797,894	4,993,982	5,422,444	5,156,782	4,102,547	3,833,523
561,501	(1,400,168)	(2,052,826)	(1,630,041)	(185,847)	228,080
<u>\$52,610,411</u>	<u>\$49,214,844</u>	<u>\$47,500,315</u>	<u>\$46,587,784</u>	<u>\$45,521,904</u>	<u>\$44,370,300</u>

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

	2004	2005	2006	2007
<u>Expenses:</u>				
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$13,157,172	\$13,628,477	\$14,703,897	\$14,051,085
Special	2,100,815	2,596,384	2,751,167	3,028,459
Vocational	269,774	288,623	319,570	254,430
Student Intervention Services	0	0	101,933	87,630
Support Services:				
Pupils	1,064,124	1,095,373	1,083,805	1,042,719
Instructional Staff	904,816	878,219	1,029,535	833,832
Board of Education	26,087	23,317	25,214	17,796
Administration	2,092,474	2,178,806	2,323,665	2,252,897
Fiscal	625,984	534,234	487,405	526,057
Business	294	31,641	23,666	168
Operation and Maintenance of Plant	3,098,831	2,821,977	2,866,079	2,824,911
Pupil Transportation	1,769,004	1,920,582	2,107,161	2,235,642
Central	179,493	211,797	181,968	225,768
Operation of Non-Instructional Services	1,887	46,862	3,578	2,865
Extracurricular Activities	568,400	640,459	692,746	648,268
Interest and Fiscal Charges	333,859	321,848	317,740	309,796
<i>Total Governmental Activities Expenses</i>	<u>26,193,014</u>	<u>27,218,599</u>	<u>29,019,129</u>	<u>28,342,323</u>
<u>Business-Type Activity:</u>				
Food Service	1,199,293	1,266,525	1,383,302	1,485,512
<i>Total Expenses</i>	<u>27,392,307</u>	<u>28,485,124</u>	<u>30,402,431</u>	<u>29,827,835</u>
<u>Program Revenues:</u>				
<u>Governmental Activities:</u>				
Charges for Services and Sales:				
Instruction:				
Regular	369,450	503,348	567,375	1,016,663
Special	40,150	75,845	79,065	161,032
Vocational	5,736	8,427	11,349	16,658
Student Intervention Services	0	0	0	3,332
Support Services:				
Pupils	23,399	25,281	29,129	0
Instructional Staff	28,267	33,709	32,912	0
Board of Education	0	0	1,050	0
Administration	45,886	67,417	71,026	0
Fiscal	17,207	16,854	18,253	0
Operation and Maintenance of Plant	74,564	109,553	115,193	11,230
Pupil Transportation	45,886	67,417	83,321	0
Central	0	0	6,896	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	197,859	104,415	110,867	105,919
Operating Grants and Contributions	2,253,283	2,484,693	2,573,020	2,745,174
Capital Grants and Contributions	78,650	0	71,992	0
<i>Total Governmental Activities Program Revenues</i>	<u>\$3,180,337</u>	<u>\$3,496,959</u>	<u>\$3,771,448</u>	<u>\$4,060,008</u>

2008	2009	2010	2011	2012	2013
\$14,208,369	\$15,372,518	\$15,767,971	\$15,933,550	\$16,329,045	\$15,183,324
3,382,298	3,698,014	3,946,902	4,139,227	4,004,178	3,168,562
297,494	328,952	417,110	293,826	239,806	236,356
203,039	146,996	3,274	930	0	0
986,900	928,674	746,707	678,606	693,481	1,281,375
998,888	1,076,896	1,432,569	1,324,285	861,619	733,687
17,970	20,524	19,962	25,568	24,927	20,703
2,104,497	2,254,135	2,268,018	2,135,651	2,142,559	2,085,421
584,051	585,596	556,440	575,912	614,206	541,757
0	0	0	0	0	0
2,959,634	3,158,807	3,083,917	3,066,553	2,904,360	2,656,532
2,246,022	2,188,838	2,160,710	2,184,223	2,176,110	2,115,404
274,331	266,667	325,781	329,013	348,599	453,459
3,565	16,395	16,760	11,155	13,539	17,161
714,507	737,047	877,682	933,119	835,287	844,706
294,509	275,376	276,176	194,224	192,209	230,059
29,276,074	31,055,435	31,899,979	31,825,842	31,379,925	29,568,506
1,566,497	1,642,631	1,689,343	1,747,805	1,866,996	1,826,662
30,842,571	32,698,066	33,589,322	33,573,647	33,246,921	31,395,168
1,062,083	1,069,057	1,190,898	1,101,017	1,223,260	1,370,366
189,825	192,087	201,941	178,086	272,525	205,826
21,463	21,464	26,925	20,798	19,087	20,599
0	5,305	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
14,444	12,995	15,568	16,168	17,946	19,780
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	22,293
147,101	141,313	335,596	401,741	398,730	354,750
3,228,610	3,056,239	4,155,561	4,278,859	4,785,087	3,051,153
0	0	79,000	0	0	61,181
\$4,663,526	\$4,498,460	\$6,005,489	\$5,996,669	\$6,716,635	\$5,105,948

(continued)

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

	2004	2005	2006	2007
<u>Business-Type Activity:</u>				
Food Service				
Charges for Services and Sales	\$584,299	\$596,124	\$637,513	\$625,630
Operating Grants and Contributions	400,574	506,964	613,495	758,600
<i>Total Business-Type Activity Program Revenues</i>	<u>984,873</u>	<u>1,103,088</u>	<u>1,251,008</u>	<u>1,384,230</u>
<i>Total Program Revenues</i>	<u>4,165,210</u>	<u>4,600,047</u>	<u>5,022,456</u>	<u>5,444,238</u>
<u>Net (Expense)/Revenue:</u>				
Governmental Activities	(23,012,677)	(23,721,640)	(25,247,681)	(24,282,315)
Business-Type Activity	(214,420)	(163,437)	(132,294)	(101,282)
<i>Total Net (Expense)/Revenue</i>	<u>(23,227,097)</u>	<u>(23,885,077)</u>	<u>(25,379,975)</u>	<u>(24,383,597)</u>
<u>General Revenues and Other Changes in Net Position:</u>				
<u>Governmental Activities:</u>				
Property Taxes Levied for:				
General Purposes	3,396,506	3,954,688	4,050,425	4,251,580
Debt Service	552,220	623,941	535,614	533,573
Classroom Facilities Maintenance	135,571	89,958	93,574	88,306
Grants and Entitlements not Restricted to Specific Programs	16,729,287	17,078,312	17,302,267	17,584,596
Contributions and Donations	0	5,841	18,265	9,672
Interest	65,060	103,622	182,083	261,884
Gain on Sale of Capital Assets	276,088	0	0	0
Revenue in Lieu of Taxes	0	0	0	0
Miscellaneous	54,288	142,060	138,250	128,449
Transfers	0	(43,615)	0	0
<i>Total Governmental Activities</i>	<u>21,209,020</u>	<u>21,954,807</u>	<u>22,320,478</u>	<u>22,858,060</u>
<i>Extraordinary Item - Insurance Settlement</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Business-Type Activity:</u>				
Interest	1,592	0	0	0
Miscellaneous	17,308	18,778	17,548	25,779
Transfers	0	43,615	0	0
<i>Total Business-Type Activity</i>	<u>18,900</u>	<u>62,393</u>	<u>17,548</u>	<u>25,779</u>
<i>Total Primary Government</i>	<u>21,227,920</u>	<u>22,017,200</u>	<u>22,338,026</u>	<u>22,883,839</u>
<u>Change in Net Position:</u>				
Governmental Activities	(1,803,657)	(1,766,833)	(2,927,203)	(1,424,255)
Business-Type Activity	(195,520)	(101,044)	(114,746)	(75,503)
<i>Total Change in Net Position</i>	<u>(\$1,999,177)</u>	<u>(\$1,867,877)</u>	<u>(\$3,041,949)</u>	<u>(\$1,499,758)</u>

2008	2009	2010	2011	2012	2013
\$642,333	\$635,435	\$603,869	\$571,093	\$620,025	\$545,730
781,692	868,996	1,023,119	1,133,010	1,189,043	1,122,380
<u>1,424,025</u>	<u>1,504,431</u>	<u>1,626,988</u>	<u>1,704,103</u>	<u>1,809,068</u>	<u>1,668,110</u>
6,087,551	6,002,891	7,632,477	7,700,772	8,525,703	6,774,058
(24,612,548)	(26,556,975)	(25,894,490)	(25,829,173)	(24,663,290)	(24,462,558)
(142,472)	(138,200)	(62,355)	(43,702)	(57,928)	(158,552)
<u>(24,755,020)</u>	<u>(26,695,175)</u>	<u>(25,956,845)</u>	<u>(25,872,875)</u>	<u>(24,721,218)</u>	<u>(24,621,110)</u>
4,132,956	4,328,426	4,082,309	4,676,874	4,342,422	4,324,242
514,460	496,617	459,556	413,833	600,867	515,886
83,722	88,056	79,882	91,402	84,908	87,738
18,173,233	19,244,661	19,187,402	19,513,313	18,627,278	18,291,506
10,198	0	2,366	7,773	0	0
234,172	142,432	19,643	19,362	10,197	12,024
0	0	35,360	0	0	0
0	0	88,076	97,575	104,257	102,547
162,666	212,655	253,410	105,632	76,508	112,064
0	0	0	0	0	0
<u>23,311,407</u>	<u>24,512,847</u>	<u>24,208,004</u>	<u>24,925,764</u>	<u>23,846,437</u>	<u>23,446,007</u>
500,000	0	0	0	0	0
8,116	2,737	368	275	0	522
22,065	29,460	33,944	34,305	29,004	22,977
0	0	0	0	0	0
<u>30,181</u>	<u>32,197</u>	<u>34,312</u>	<u>34,580</u>	<u>29,004</u>	<u>23,499</u>
23,841,588	24,545,044	24,242,316	24,960,344	23,875,441	23,469,506
(801,141)	(2,044,128)	(1,686,486)	(903,409)	(816,853)	(1,016,551)
(112,291)	(106,003)	(28,043)	(9,122)	(28,924)	(135,053)
<u>(\$913,432)</u>	<u>(\$2,150,131)</u>	<u>(\$1,714,529)</u>	<u>(\$912,531)</u>	<u>(\$845,777)</u>	<u>(\$1,151,604)</u>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Governmental Activities:</u>				
Function:				
Instruction:				
Regular	\$795,667	\$846,693	\$906,390	\$1,277,396
Special	1,330,330	1,425,496	1,623,649	1,902,715
Vocational	74,870	80,040	88,986	95,796
Student Intervention Services	0	0	0	3,332
Support Services:				
Pupils	382,288	410,951	249,948	335,209
Instructional Staff	55,221	71,814	179,508	38,578
Board of Education	0	0	1,050	0
Administration	203,220	248,155	240,241	145,956
Fiscal	19,224	16,854	18,253	0
Business	0	25,750	18,046	66
Operation and Maintenance of Plant	74,564	109,553	115,193	11,230
Pupil Transportation	45,886	142,194	161,575	86,255
Central	0	12,000	18,896	54,205
Operation of Non-Instructional Services	1,208	3,044	3,846	3,191
Extracurricular Activities	197,859	104,415	145,867	106,079
Total Program Revenues	<u>\$3,180,337</u>	<u>\$3,496,959</u>	<u>\$3,771,448</u>	<u>\$4,060,008</u>

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$1,345,399	\$1,322,534	\$1,514,112	\$1,364,499	\$2,629,195	\$1,544,537
2,291,226	2,274,353	3,084,477	3,286,052	2,901,777	2,531,470
140,838	154,259	160,716	155,592	153,881	155,393
8,233	5,305	0	0	0	0
259,923	157,957	39,704	2,910	16,002	4,040
148,568	135,256	463,710	511,392	185,739	40,114
0	0	0	0	0	0
175,565	184,420	193,649	156,807	103,025	123,677
0	0	0	0	3,834	13,916
0	0	0	0	0	0
14,444	23,647	15,568	16,168	151,037	145,446
115,813	80,917	75,040	76,737	72,574	80,171
12,000	12,000	9,145	9,100	7,434	7,200
4,416	1,129	14,392	14,771	15,374	37,137
<u>147,101</u>	<u>146,683</u>	<u>434,976</u>	<u>402,641</u>	<u>476,763</u>	<u>422,847</u>
<u>\$4,663,526</u>	<u>\$4,498,460</u>	<u>\$6,005,489</u>	<u>\$5,996,669</u>	<u>\$6,716,635</u>	<u>\$5,105,948</u>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund				
Reserved	\$1,207,910	\$1,664,886	\$1,238,665	\$1,642,030
Unreserved (Deficit)	280,613	(417,369)	(470,171)	(856,912)
Restatements				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Total General Fund	<u>1,488,523</u>	<u>1,247,517</u>	<u>768,494</u>	<u>785,118</u>
All Other Governmental Funds				
Reserved	136,694	659,603	169,829	234,802
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	798,834	876,730	856,516	928,812
Debt Service Fund	1,325,663	1,470,683	1,565,053	1,648,831
Capital Projects Funds	1,608,143	619,028	702,802	719,152
Restatements				
Restricted	0	0	0	0
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<u>3,869,334</u>	<u>3,626,044</u>	<u>3,294,200</u>	<u>3,531,597</u>
Total Governmental Funds	<u><u>\$5,357,857</u></u>	<u><u>\$4,873,561</u></u>	<u><u>\$4,062,694</u></u>	<u><u>\$4,316,715</u></u>

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

<u>2008</u>	<u>2009</u>	<u>2010 (1)</u>	<u>2011 (1)</u>	<u>2012</u>	<u>2013</u>
\$1,820,710	\$2,163,347	\$0	\$0	\$0	\$0
(853,070)	(1,566,273)	0	0	0	0
0	0	10,026	10,911	11,471	11,812
0	0	1,084,762	1,321,337	4,619	0
0	0	220,708	131,813	176,733	603,017
0	0	(1,060,775)	(653,767)	658,232	685,942
<u>967,640</u>	<u>597,074</u>	<u>254,721</u>	<u>810,294</u>	<u>851,055</u>	<u>1,300,771</u>
214,861	211,842	0	0	0	0
1,006,332	973,306	0	0	0	0
1,702,309	1,736,031	0	0	0	0
1,242,909	1,239,028	0	0	0	0
0	0	4,110,152	3,751,681	3,837,543	3,802,516
<u>0</u>	<u>0</u>	<u>(34,253)</u>	<u>(125,035)</u>	<u>(11,355)</u>	<u>(8,393)</u>
<u>4,166,411</u>	<u>4,160,207</u>	<u>4,075,899</u>	<u>3,626,646</u>	<u>3,826,188</u>	<u>3,794,123</u>
<u>\$5,134,051</u>	<u>\$4,757,281</u>	<u>\$4,330,620</u>	<u>\$4,436,940</u>	<u>\$4,677,243</u>	<u>\$5,094,894</u>

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

	2004	2005	2006	2007
<u>Revenues:</u>				
Taxes	\$4,248,472	\$4,661,605	\$4,680,792	\$4,875,707
Intergovernmental	19,058,488	19,407,256	20,044,154	20,306,460
Interest	65,060	103,622	182,083	261,884
Tuition and Fees	635,271	907,851	1,015,569	1,197,685
Extracurricular Activities	197,859	104,415	110,867	105,919
Rent	0	0	0	11,230
Contributions and Donations	10,102	8,885	57,111	14,223
Customer Sales and Services	0	0	0	0
Revenue in Lieu of Taxes	0	0	0	0
Miscellaneous	69,562	142,060	140,250	128,449
Total Revenues	24,284,814	25,335,694	26,230,826	26,901,557
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	11,599,196	11,918,062	12,710,950	12,668,464
Special	2,023,942	2,426,572	2,673,191	2,925,480
Vocational	233,561	251,460	293,065	220,087
Other	0	0	0	0
Student Intervention Services	0	0	101,933	87,630
Support Services:				
Pupils	995,329	1,025,420	995,537	973,060
Instructional Staff	882,559	858,842	1,063,031	823,038
Board of Education	26,104	23,317	25,214	17,796
Administration	1,845,501	1,861,765	1,922,762	1,980,783
Fiscal	603,353	510,261	457,776	502,126
Business	294	31,641	23,666	168
Operation and Maintenance of Plant	2,844,385	2,754,605	2,822,968	2,800,624
Pupil Transportation	1,666,455	1,797,817	2,033,526	2,251,693
Central	181,903	212,270	192,540	236,577
Operation of Non-Instructional Services	1,700	46,862	3,578	2,865
Extracurricular Activities	487,731	533,401	577,560	522,518
Capital Outlay	1,323,343	1,004,905	599,884	61,688
Debt Service:				
Principal Retirement	605,000	241,000	230,000	273,000
Interest and Fiscal Charges	333,681	321,790	317,619	309,737
Issuance Costs	0	0	0	0
Total Expenditures	25,654,037	25,819,990	27,044,800	26,657,334
Excess of Revenues Over (Under) Expenditures	(1,369,223)	(484,296)	(813,974)	244,223
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	402,214	0	3,107	9,798
Inception of Capital Lease	0	0	0	0
Refunding Bonds Issued	0	0	0	0
Premium on Refunding Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	0	0	41	0
Transfers Out	0	0	(41)	0
Total Other Financing Sources (Uses)	402,214	0	3,107	9,798
Extraordinary Item - Insurance Settlement	0	0	0	0
Net Change in Fund Balances	(\$967,009)	(\$484,296)	(\$810,867)	\$254,021
Debt Service as a Percentage of Noncapital Expenditures	3.9%	2.3%	2.1%	2.2%

2008	2009	2010	2011	2012	2013
\$4,661,669	\$4,883,793	\$4,624,437	\$5,182,202	\$5,028,289	\$4,844,003
21,335,869	22,288,451	23,274,692	23,815,510	23,124,431	21,604,858
234,172	142,432	19,643	19,362	10,197	12,024
1,273,371	1,287,913	1,419,764	1,300,819	1,519,029	1,602,627
147,101	141,313	335,596	400,823	394,573	348,914
14,444	12,995	15,568	16,168	17,946	19,780
14,614	6,499	116,138	23,444	93,847	83,281
0	0	0	0	0	22,293
0	0	88,076	97,575	104,257	102,547
162,666	212,655	253,410	105,632	76,508	112,064
27,843,906	28,976,051	30,147,324	30,961,535	30,369,077	28,752,391
12,915,717	14,026,999	14,581,326	14,639,886	15,082,311	13,910,196
3,286,834	3,615,310	3,852,285	4,044,393	3,923,800	3,080,064
268,917	292,940	384,613	273,355	208,088	204,325
0	0	0	0	0	0
203,039	146,996	3,274	930	0	0
919,811	888,765	685,038	612,813	657,316	1,213,548
1,004,078	1,059,607	1,420,869	1,477,877	809,625	678,132
17,970	20,524	19,962	25,568	24,927	20,703
1,833,720	1,956,104	2,041,708	1,955,852	1,910,985	1,835,740
574,482	542,751	560,881	564,727	574,518	525,410
0	0	0	0	0	0
2,957,372	3,069,098	3,115,637	3,042,340	2,824,492	2,663,905
2,097,419	2,055,205	2,087,277	2,127,937	2,216,069	2,158,512
280,721	273,575	329,933	317,809	336,920	444,276
3,565	16,395	16,760	11,155	13,539	17,161
592,662	611,076	773,966	763,964	643,355	655,780
3,975	195,584	722,701	406,140	238,724	279,914
272,000	288,000	348,000	391,000	494,000	498,000
294,288	275,387	276,255	199,469	170,105	149,074
0	0	0	65,745	0	0
27,526,570	29,334,316	31,220,485	30,920,960	30,128,774	28,334,740
317,336	(358,265)	(1,073,161)	40,575	240,303	417,651
0	0	36,500	0	0	0
0	0	610,000	0	0	0
0	0	0	3,075,000	0	0
0	0	0	131,355	0	0
0	0	0	(3,140,610)	0	0
78	0	0	740,853	0	0
(78)	0	0	(740,853)	0	0
0	0	646,500	65,745	0	0
500,000	0	0	0	0	0
\$817,336	(\$358,265)	(\$426,661)	\$106,320	\$240,303	\$417,651
2.1%	1.9%	2.0%	1.9%	2.2%	2.3%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2004	\$160,347,390	\$17,789,940	\$508,963,800	\$8,247,680	\$10,309,600
2005	167,878,040	16,149,780	525,793,771	8,307,630	10,384,538
2006	173,569,980	17,580,970	546,145,571	8,383,120	10,478,900
2007	202,644,720	22,892,470	644,391,971	8,252,990	10,316,238
2008	204,389,990	21,877,410	646,478,286	7,245,790	9,057,238
2009	207,785,260	22,307,340	657,407,429	7,384,120	9,230,150
2010	214,707,910	23,132,980	679,545,400	7,823,360	9,779,200
2011	214,997,650	22,205,380	677,722,943	8,126,000	10,157,500
2012	214,964,430	22,296,410	677,888,114	8,612,750	10,765,938
2013	206,498,460	24,587,130	660,244,543	8,865,490	11,081,863

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and 23 percent for inventories. General business tangible personal property tax other than telephone property tax was phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Telephone property tax was phased out beginning in 2006. The listing percentage is 25 percent for 2006, 20 percent for 2007, 15 percent for 2008, 10 percent for 2009, 5 percent for 2010 and zero for 2011.

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

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

Tangible Personal Property		Total			Weighted Average Tax Rate
General Business		Assessed	Estimated	Ratio	
Assessed Value	Estimated Actual Value	Value	Actual Value		
\$9,837,558	\$39,350,232	\$196,222,568	\$558,623,632	35.13%	23.66
9,247,660	36,990,640	201,583,110	573,168,949	35.17%	23.66
6,645,838	35,444,469	206,179,908	592,068,941	34.82%	22.96
4,198,610	33,588,880	237,988,790	688,297,089	34.58%	22.91
2,655,650	42,490,400	236,168,840	698,025,923	33.83%	22.90
551,880	5,518,800	238,028,600	672,156,379	35.41%	22.66
275,940	5,518,800	245,940,190	694,843,400	35.40%	22.64
0	0	245,329,030	687,880,443	35.66%	16.57
0	0	245,873,590	688,654,052	35.70%	19.89
0	0	239,951,080	671,326,405	35.74%	19.79

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

	2004	2005	2006	2007
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	2.70	2.70	2.00	2.00
Commercial/Industrial and Public Utility Real	2.70	2.70	2.00	2.00
General Business and Public Utility Personal	2.70	2.70	2.00	2.00
1997 Bond (\$1,505,000)				
Residential/Agricultural Real	0.50	0.50	0.50	0.50
Commercial/Industrial and Public Utility Real	0.50	0.50	0.50	0.50
General Business and Public Utility Personal	0.50	0.50	0.50	0.50
2001 Capital Improvement				
Residential/Agricultural Real	0.45	0.45	0.45	0.40
Commercial/Industrial and Public Utility Real	0.47	0.50	0.50	0.40
General Business and Public Utility Personal	0.50	0.50	0.50	0.50
TOTAL VOTED MILLAGE BY TYPE OF PROPERTY				
Residential/Agricultural Real	18.95	18.95	18.25	18.20
Commercial/Industrial and Public Utility Real	18.97	19.00	18.30	18.20
General Business and Public Utility Personal	19.00	19.00	18.30	18.30
TOTAL SCHOOL DISTRICT MILLAGE				
	23.70	23.70	23.00	23.00
WEIGHTED AVERAGE				
	23.66	23.66	22.96	22.91
OVERLAPPING RATES BY TAXING DISTRICT				
TOWNSHIPS:				
Residential/Agricultural Real	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 3.67
Commercial/Industrial and Public Utility Real	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 3.74
General Business and Public Utility Personal	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10
CORPORATIONS:				
Residential/Agricultural Real	0.60 - 2.97	0.60 - 2.97	0.60 - 2.97	0.60 - 2.61
Commercial/Industrial and Public Utility Real	0.60 - 3.32	0.60 - 3.58	0.60 - 3.58	0.60 - 2.91
General Business and Public Utility Personal	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00
SOUTHERN HILLS JOINT VOCATIONAL DISTRICT:				
Residential/Agricultural Real	2.64	2.43	3.43	3.06
Commercial/Industrial and Public Utility Real	3.41	3.16	4.16	3.59
General Business and Public Utility Personal	5.80	5.40	6.40	6.40
COUNTY AND OTHER UNITS:				
BROWN COUNTY				
Residential/Agricultural Real	4.77	4.77	4.78	4.67
Commercial/Industrial and Public Utility Real	4.88	4.90	4.90	4.75
General Business and Public Utility Personal	5.80	5.80	5.80	5.80
CLERMONT COUNTY				
Residential/Agricultural Real	7.16	7.16	6.79	7.42
Commercial/Industrial and Public Utility Real	7.63	7.63	7.37	7.90
General Business and Public Utility Personal	9.35	9.35	9.35	9.55
BROWN COUNTY PUBLIC LIBRARY				
Residential/Agricultural Real	0.75	0.75	0.75	0.50
Commercial/Industrial and Public Utility Real	0.75	0.75	0.75	0.50
General Business and Public Utility Personal	0.75	0.75	0.75	0.50
BETHEL-TATE JOINT AMBULANCE DISTRICT				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00

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.

2008	2009	2010	2011	2012	2013
\$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
2.00	1.75	1.75	1.75	1.75	2.00
2.00	1.75	1.75	1.75	1.75	2.00
2.00	1.75	1.75	1.75	1.75	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
0.40	0.40	0.38	0.38	0.38	0.38
0.40	0.40	0.40	0.41	0.41	0.41
0.50	0.50	0.50	0.50	0.50	0.50
18.20	17.95	17.93	17.93	17.93	18.18
18.20	17.95	17.95	17.96	17.96	18.21
18.30	18.05	18.05	18.05	18.05	18.30
23.00	22.75	22.75	22.75	22.75	23.00
22.90	22.66	22.64	16.57	19.89	19.79
0.10 - 3.69	0.10 - 3.46	0.10 - 3.46	0.10 - 3.47	0.90 - 3.85	0.90 - 3.85
0.10 - 3.77	0.10 - 3.60	0.10 - 3.59	0.10 - 3.64	0.90 - 4.00	0.90 - 4.00
0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.09 - 4.00	0.09 - 4.00
0.60 - 4.51	0.60 - 2.61	0.60 - 5.00	0.60 - 5.00	0.60 - 2.37	0.60 - 2.37
0.60 - 4.66	0.60 - 2.91	0.60 - 5.00	0.60 - 5.00	0.60 - 2.89	0.60 - 2.89
0.60 - 5.00	0.60 - 4.00	0.60 - 5.00	0.60 - 5.00	0.60 - 3.60	0.60 - 3.60
3.06	3.06	2.92	2.92	2.92	2.92
3.61	3.62	3.63	3.65	3.68	3.68
6.40	6.40	6.40	6.40	6.40	6.40
4.67	5.47	7.15	7.15	7.16	7.16
4.75	5.55	7.34	7.34	7.35	7.35
5.80	6.60	7.60	7.60	7.60	7.60
7.41	7.80	7.82	8.55	8.83	8.83
7.90	8.49	8.52	9.12	9.25	9.25
9.55	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
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00

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)
2004	\$4,213,785	\$3,600,460	85.44%	\$322,475	\$3,922,935	93.10%
2005	4,043,336	3,770,901	93.26%	307,254	4,078,155	100.86%
2006	5,216,214	3,849,893	73.81%	145,651	3,995,544	76.60%
2007	5,261,215	4,481,289	85.18%	331,531	4,812,820	91.48%
2008	5,410,259	4,370,292	80.78%	343,175	4,713,467	87.12%
2009	5,429,057	4,230,507	77.92%	331,925	4,562,432	84.04%
2010	5,554,037	4,421,011	79.60%	384,853	4,805,865	86.53%
2011	5,471,659	4,392,100	80.27%	418,591	4,810,691	87.92%
2012	5,593,624	4,512,376	80.67%	408,894	4,921,270	87.98%
2013 (1)	N/A	N/A	N/A	N/A	N/A	N/A

Source: Brown County Auditor

(1) The 2013 collections cannot be presented because all collections have not been made by June 30, 2013.

(2) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.

(3) The County does not identify delinquent tax collections by tax year, therefore, in years when delinquent collections include amounts from previous tax years, the total tax collections exceed the current tax levy.

Western Brown Local School District
Principal Tax Payers
Real Property
2013 and 2004 (1)

Name of Taxpayer	2013	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$5,203,320	2.17%
Cincinnati Milacron	4,721,622	1.97%
Brown County Industrial Park	3,869,495	1.61%
Ava Jo Bohl	2,559,770	1.07%
Scottwood Commons	1,983,620	0.83%
Locust Ridge Land Corp	2,155,067	0.90%
Alma Monk Trustee	2,065,190	0.86%
Shriji Krupa	1,683,780	0.70%
N A L Company	1,472,493	0.61%
Northpoint Centre	1,230,860	0.51%
Totals	<u>\$26,945,217</u>	<u>11.23%</u>
Total Assessed Valuation	<u>\$239,951,080</u>	<u>100.00%</u>

Name of Taxpayer	2004	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$4,892,400	2.49%
Cincinnati Milacron	4,047,600	2.06%
Trinity Industries	1,888,870	0.96%
Ava Jo Bohl	1,537,857	0.78%
BHM Enterprises	1,423,342	0.73%
Howard Meeker L & F	1,254,742	0.64%
Countrytyme Lebanon	1,208,600	0.62%
Scottwood Commons	1,143,800	0.58%
Lake Grant Ltd.	1,092,142	0.56%
NAL Company	1,072,171	0.55%
Totals	<u>\$19,561,524</u>	<u>10.98%</u>
Total Assessed Valuation	<u>\$196,222,568</u>	<u>100.00%</u>

(1) The amounts represent the assessed values upon which 2013 and 2004 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
2004	15,717	\$558,623,632	\$6,165,000	1.10%	\$392.25
2005	15,717	573,168,949	5,975,000	1.04%	380.16
2006	15,717	592,068,941	5,775,000	0.98%	367.44
2007	15,717	688,297,089	5,560,000	0.81%	353.76
2008	15,717	698,025,923	5,320,000	0.76%	338.49
2009	15,717	672,156,379	5,065,000	0.75%	322.26
2010	15,717	694,843,400	4,795,000	0.69%	305.08
2011	17,494	687,880,443	4,495,000	0.65%	256.95
2012	17,494	688,654,052	4,233,907	0.61%	242.02
2013	17,494	671,326,405	3,845,103	0.57%	219.80

Sources: (1) National Center for Education Statistics
 2001-2010 from 2000 U.S. Census Data
 2011 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 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 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
\$6,165,000	\$597,000	\$6,762,000	1.21%	2.52%	\$430.23
5,975,000	568,000	6,543,000	1.14%	2.44%	416.30
5,775,000	538,000	6,313,000	1.07%	2.35%	401.67
5,560,000	480,000	6,040,000	0.88%	2.25%	384.30
5,320,000	448,000	5,768,000	0.83%	2.15%	366.99
5,065,000	415,000	5,480,000	0.82%	2.04%	348.67
4,795,000	947,000	5,742,000	0.83%	2.14%	365.34
4,495,000	856,000	5,351,000	0.78%	1.53%	305.88
4,233,907	762,000	4,995,907	0.73%	1.43%	285.58
3,845,103	664,000	4,509,103	0.67%	1.29%	257.75

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

	2004	2005	2006	2007
Assessed Valuation (1)	\$196,222,568	\$201,583,110	\$206,179,908	\$237,988,790
Less:				
General Business Personal Property	0	0	(9,164,247)	(4,198,610)
Railroad and Telephone Tangible Property	0	0	(2,139,510)	(1,792,870)
Total Assessed Valuation used to calculate Legal Debt Margin	196,222,568	201,583,110	194,876,151	231,997,310
Debt Limit - 9% of Assessed Value (2)	17,660,031	18,142,480	17,538,854	20,879,758
Amount of Debt Applicable to Debt Limit				
Gross Indebtedness	6,187,000	5,975,000	5,775,000	5,560,000
Less Exempt Debt	(22,000)	0	0	0
Less Amount Available in Debt Service	(1,410,236)	(1,593,513)	(1,684,546)	(1,790,395)
Amount of Debt Subject to Limit	4,754,764	4,381,487	4,090,454	3,769,605
Legal Debt Margin	<u>\$12,905,267</u>	<u>\$13,760,993</u>	<u>\$13,448,400</u>	<u>\$17,110,153</u>
Legal Debt Margin as a Percentage of the Debt Limit	73.08%	75.85%	76.68%	81.95%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$196,223	\$201,583	\$194,876	\$231,997
Amount of Debt Subject to Limit	0	0	0	0
Unvoted Legal Debt Margin	<u>\$196,223</u>	<u>\$201,583</u>	<u>\$194,876</u>	<u>\$231,997</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Ohio Department of Taxation and School District Financial records

(1) For fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

(2) Ohio Bond Law sets a limit of 9 percent for overall debt and 1/10 of 1 percent for unvoted debt.

(3) Beginning in 2009, telephone tangible property is included as part of general business personal property.

2008	2009 (3)	2010	2011	2012	2013
\$236,168,840	\$238,028,600	\$245,940,190	\$245,329,030	\$245,873,590	\$239,951,080
(2,655,650)	(551,880)	(275,940)	0	0	0
(1,193,050)	(361,410)	(84,120)	(82,660)	0	0
232,320,140	237,115,310	245,580,130	245,246,370	245,873,590	239,951,080
20,908,813	21,340,378	22,102,212	22,072,173	22,128,623	21,595,597
5,320,000	5,065,000	4,795,000	4,495,000	4,095,000	3,695,000
0	0	0	0	0	0
(1,812,098)	(1,850,785)	(1,844,614)	(1,846,627)	(1,959,693)	(1,997,717)
3,507,902	3,214,215	2,950,386	2,648,373	2,135,307	1,697,283
<u>\$17,400,911</u>	<u>\$18,126,163</u>	<u>\$19,151,826</u>	<u>\$19,423,800</u>	<u>\$19,993,316</u>	<u>\$19,898,314</u>
83.22%	84.94%	86.65%	88.00%	90.35%	92.14%
\$232,320	\$237,115	\$245,580	\$245,246	\$245,874	\$239,951
0	0	0	0	0	0
<u>\$232,320</u>	<u>\$237,115</u>	<u>\$245,580</u>	<u>\$245,246</u>	<u>\$245,874</u>	<u>\$239,951</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, 2013

	<u>General Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct:			
General Obligation Bonds	\$3,845,103	100.00%	\$3,845,103
Capital Leases	<u>664,000</u>	100.00%	<u>664,000</u>
Total Direct	<u>4,509,103</u>		<u>4,509,103</u>
Overlapping:			
Brown County General Obligation Bonds	2,637,976	33.60%	886,360
Southern Hills Joint Vocational School District	3,027,288	30.23%	915,149
Village of Mt. Orab	<u>1,700,000</u>	100.00%	<u>1,700,000</u>
Total Overlapping	<u>7,365,264</u>		<u>3,501,509</u>
Total	<u><u>\$11,874,367</u></u>		<u><u>\$8,010,612</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 thousands)	Per Capita Personal Income (1)	Median Household Income (1)	Brown County Unemployment Rate (3)
2004	15,717	\$268,477,794	\$17,082	\$41,045	6.20%
2005	15,717	268,477,794	17,082	41,045	6.50%
2006	15,717	268,477,794	17,082	41,045	6.20%
2007	15,717	268,477,794	17,082	41,045	6.60%
2008	15,717	268,477,794	17,082	41,045	7.30%
2009	15,717	268,477,794	17,082	41,045	13.70%
2010	15,717	268,477,794	17,082	41,045	11.90%
2011	17,494	349,687,566	19,989	44,796	10.40%
2012	17,494	349,687,566	19,989	44,796	8.30%
2013	17,494	349,687,566	19,989	44,796	7.40%

Sources: (1) National Center for Education Statistics
2001-2010 from 2000 U.S. Census Data
2011-2013 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
2013 and 2006 (1)

		2013	
Employer	Nature of Business	Number of Employees	Rank
Western Brown Local School District	Education	298	1
Kroger	Retail Grocer	294	2
Cincinnati Milacron	Plastic Injection	247	3
ATW Ohio, LLC	Farm Implements	218	4
Health Source of Ohio	Medical	107	5
Mt. Orab Investments	Rental Properties	92	6
McDonald's	Food Service	89	7
Village of Mt. Orab	Local Government	74	8
Country Inn	Food Service	66	9
Kibler Lumber	Rental Lumber	41	10
Total		1,526	

		2006	
Employer	Nature of Business	Number of Employees	Rank
Western Brown Local School District	Education	340	1
Kroger	Retail Grocer	287	2
Cincinnati Milacron	Plastic Injection	263	3
McDonald's	Food Service	127	4
N A L Company	Paper Products	50	6
Kibler Lumber	Retail Lumber	45	7
Liberty Sheet Metal	Manufacturing	40	8
Cincinnati Wood & Dowel	Wood Products	40	9
Hawline Nevada	Farm Implements	40	5
Stevens Plumbing & Mechanical	Commercial Plumbing & Fabrication	37	10
Village of Mt. Orab	Government	32	11
Mt. Orab Ford	Auto Sales	30	12
Total		1,331	

Source: Brown County Department of Economic Development

(1) Historical data prior to 2006 and information on total employment within the School District is not available.

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
2004	3,365	\$24,562,128	\$7,299	\$25,859,155	\$7,685
2005	3,383	25,257,200	7,466	26,896,751	7,951
2006	3,367	26,501,894	7,871	28,706,102	8,526
2007	3,314	26,074,597	7,868	28,032,527	8,459
2008	3,356	26,960,282	8,033	28,981,565	8,636
2009	3,422	28,770,929	8,408	30,780,059	8,995
2010	3,466	30,596,230	8,828	31,623,803	9,124
2011	3,481	30,264,746	8,694	31,631,618	9,087
2012	3,413	29,464,669	8,633	31,187,716	9,138
2013	3,352	27,687,666	8,260	29,338,447	8,753

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	2004	2005	2006	2007
Regular Instruction				
Elementary Classroom Teachers	130	129	129	125
High School Classroom Teachers	35	36	36	36
Special Instruction				
Elementary Classroom Teachers	11	13	14	14
High School Classroom Teachers	4	5	5	6
Vocational Instruction				
High School Classroom Teachers	3	3	3	3
Pupil Support Services				
Guidance Counselors	5	5	5	5
Librarians	3	3	3	3
Psychologists	0	0	1	1
Nurses	2	2	2	1
Aides	13	13	13	13
Administrators				
Elementary	6	6	6	6
High School	3	3	3	3
District	13	13	13	13
Secretaries	4	4	4	4
Secretaries' Assistants	4	4	4	4
Fiscal Services	4	4	4	4
Operation and Maintenance of Plant				
Custodians	27	26	26	26
Maintenance	2	3	3	3
Pupil Transportation				
Bus Drivers	39	39	39	38
Bus Aides	3	3	3	3
Food Service Program				
Elementary Cooks	18	18	18	18
High School Cooks	6	0	6	6
Totals:	<u>335</u>	<u>332</u>	<u>340</u>	<u>335</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
125	122	122	122	114	114
36	36	36	36	36	36
14	14	16	16	16	16
6	6	6	6	6	6
3	3	4	4	2	2
5	5	5	5	5	5
3	3	3	3	1	1
1	1	1	1	0	0
1	1	1	1	1	1
13	13	13	13	13	13
6	6	6	6	6	6
3	3	3	3	3	2
13	9	9	9	12	12
4	4	4	4	4	4
4	4	4	4	4	0
4	4	4	4	3	3
26	25	25	25	25	25
3	3	3	3	3	3
38	34	34	34	35	23
3	3	3	3	3	3
18	18	20	20	20	20
<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
<u>335</u>	<u>323</u>	<u>328</u>	<u>328</u>	<u>318</u>	<u>301</u>

Western Brown Local School District

Building Statistics

Last Ten Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Mt. Orab Elementary/Middle School:</u>				
Constructed in 1971				
Additions in 1988 and 1998				
Total Building Square Footage	100,965	100,965	100,965	100,965
Enrollment Grades K-8 1997 - 2001	0	0	0	0
Enrollment Grades K-4 2002 - Present	871	859	883	851
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	44	44	44	44
Regular Instruction Teachers	37	37	38	38
Special Instruction Classrooms	4	4	4	4
Special Instruction Teachers	2	2	3	3
<u>Mt. Orab Middle School:</u>				
Converted from the old High School				
Constructed in 1957				
Additions in 1971, 1984, 1992 and 1998				
Total Building Square Footage	94,851	94,851	94,851	94,851
Enrollment Grades K-8	755	769	728	744
Student Capacity	1,000	1,000	1,000	1,000
Regular Instruction Classrooms	34	34	34	34
Regular Instruction Teachers	29	30	32	32
Special Instruction Classrooms	7	7	7	7
Special Instruction Teachers	5	6	6	6
<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	783	768	701	663
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	36	36	36	36
Regular Instruction Teachers	34	32	32	32
Special Instruction Classrooms	8	8	8	8
Special Instruction Teachers	4	5	5	5
<u>Western Brown High School:</u>				
Constructed in 2002				
Total Building Square Footage	189,729	189,729	189,729	189,729
Enrollment Grades 9-12	956	1,024	1,055	1,056
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	40	40	40	40
Regular Instruction Teachers	35	36	36	36
Special Instruction Classrooms	5	5	5	5
Special Instruction Teachers	4	5	5	5

Source: Western Brown Local School District records.

2008	2009	2010	2011	2012	2013
100,965	100,965	100,965	100,965	100,965	100,965
0	0	0	0	0	0
865	903	1,017	1,024	973	882
1,100	1,100	1,100	1,100	1,100	1,100
44	44	44	44	44	44
38	47	37	37	37	37
4	4	4	4	4	4
3	3	4	4	4	4
94,851	94,851	94,851	94,851	94,851	94,851
743	760	682	690	682	694
1,000	1,000	1,000	1,000	1,000	1,000
34	34	34	34	34	34
32	35	29	29	29	29
7	7	7	7	7	7
6	5	5	5	6	6
129,780	129,780	129,780	129,780	129,780	129,780
676	668	686	674	662	673
1,100	1,100	1,100	1,100	1,100	1,100
36	36	36	36	36	36
32	40	34	34	32	32
8	8	8	8	8	8
4	4	4	4	6	6
187,729	187,729	187,729	187,729	187,729	187,729
1,072	1,091	1,081	1,093	1,096	1,103
1,200	1,200	1,200	1,200	1,200	1,200
40	40	40	40	40	40
36	36	36	36	36	36
5	5	5	5	5	5
5	6	4	4	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>
2004	18.4
2005	18.2
2006	18.0
2007	18.0
2008	18.2
2009	18.9
2010	18.8
2011	18.9
2012	19.6
2013	19.3

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

	Hamersville Elementary	Mt. Orab Elementary	Mt. Orab Middle School	Western Brown High School
2004	34.56%	32.26%	35.99%	15.17%
2005	37.60	38.94	37.23	18.17
2006	42.02	37.66	36.91	24.45
2007	39.23	40.31	37.94	27.73
2008	41.23	41.33	38.37	27.09
2009	49.70	46.11	43.50	34.51
2010	55.39	53.79	48.60	42.58
2011	52.62	49.57	51.34	44.63
2012	51.54	52.53	52.96	46.93
2013	51.63	57.54	52.97	46.09

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 7, 2014**