



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, 2014**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	3L60	10.555	\$0	\$70,241	\$0	\$70,241
Cash Assistance:						
National School Breakfast Program	3L70	10.553	363,417		363,417	
National School Lunch Program	3L60	10.555	627,304		627,304	
Total Nutrition Cluster			<u>990,721</u>	<u>70,241</u>	<u>990,721</u>	<u>70,241</u>
Total Department of Agriculture			<b>990,721</b>	<b>70,241</b>	<b>990,721</b>	<b>70,241</b>
<b><u>U.S. DEPARTMENT OF DEFENSE (ARMY)</u></b>						
National Guard Civilian Youth Opportunities	N/A	12.404	61,100	0	61,100	0
Total Department of Defense (Army)			<b>61,100</b>	<b>0</b>	<b>61,100</b>	<b>0</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Grants to States - (IDEA Part B)	3M20 - 2013 2014	84.027 84.027	71,568 494,018 <u>565,586</u>	<u>0</u>	68,816 492,705 <u>561,521</u>	<u>0</u>
Title I Grants to Local Educational Agencies	3M00 - 2013	84.010	75,940		77,256	
Title I Grants to Local Educational Agencies	2014	84.010	500,594 <u>576,534</u>	<u>0</u>	495,476 <u>572,732</u>	<u>0</u>
ARRA - Race to the Top	3FD0 - 2013 2014	84.395 84.395	14,192 41,958 <u>56,150</u>	<u>0</u>	4,924 62,282 <u>67,206</u>	<u>0</u>
Title IIA - Improving Teacher Quality	3Y60 - 2014	84.367	88,540	0	87,115	0
Total Department of Education			<b>1,286,810</b>	<b>0</b>	<b>1,288,574</b>	<b>0</b>
			<b><u>\$2,338,631</u></b>	<b><u>\$70,241</u></b>	<b><u>\$2,340,395</u></b>	<b><u>\$70,241</u></b>

*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, 2014**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Receipts and 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 USDA commodity file cost as of a date specified by the distributing agency. 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, (the District) as of and for the year ended June 30, 2014, 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 10, 2014.

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

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

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

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

### ***Compliance and Other Matters***

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

***Purpose of this Report***

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

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

December 10, 2014



# 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 (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 District's major federal programs for the year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

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

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

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

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, the Western Brown Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2014.

***Report on Internal Control Over Compliance***

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

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

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Western Brown Local School District (the District) as of and for the year ended June 30, 2014, 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 10, 2014. We conducted our audit to opine on the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

December 10, 2014

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**WESTERN BROWN LOCAL SCHOOL DISTRICT  
BROWN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2014**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Child Nutrition Cluster CFDA #10.553, 10.555 IDEA B CFDA #84.027
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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WESTERN BROWN LOCAL SCHOOL DISTRICT  
BROWN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2014

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2013-001	Federal Allowability approvals on Race to the Top Grant	Yes	

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# **WESTERN BROWN**

*LOCAL SCHOOL DISTRICT*

MT. ORAB, OHIO

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

*FOR THE FISCAL YEAR  
ENDED JUNE 30, 2014*



*WESTERN BROWN LOCAL SCHOOL DISTRICT*

*MT. ORAB, OHIO*

*COMPREHENSIVE ANNUAL  
FINANCIAL REPORT*

*FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

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, 2014**

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**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2014**

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**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2014**

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# WESTERN BROWN LOCAL SCHOOL DISTRICT

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## BOARD OF EDUCATION

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



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, Assistant Superintendent  
Jennifer Bohrer, Special Education Director  
Stella Schneider, Food Service Director

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December 10, 2014

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, 2014. This Comprehensive Annual Financial Report, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to government entities. The intent of this report is to provide the taxpayers of the Western Brown Local School District with comprehensive financial data in a format that enables them to gain a true understanding of the School District's financial affairs as well as provide management with better financial information for future decision making.

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

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

The Auditor of State of Ohio has issued an unmodified ("clean") opinion on the Western Brown Local School District's financial statements for the fiscal year ended June 30, 2014. 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, 2014, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Richard E. Pride II	Jan. 2012 - Dec. 2015	6 - ½
JoAnn Hilderbrandt	Jan. 2012 - Dec. 2015	10 - ½
Shane Bishop	Jan. 2014 - Dec. 2017	4 - ½
Lynette Garrett	Jan. 2014 - Dec. 2017	4 - ½
Tracy O'Hara	Jan. 2014 - Dec. 2017	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's 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 1, 2018.

The School District served 3,366 students during the 2014 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 296 full-time, part-time and seasonal employees. These employees include certified, non-certified and administrative personnel.

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

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

Both Mt. Orab and Hamersville are rural communities in Southern Ohio. Both communities are farming communities. The economy is looking stronger in the area. Farmers have been spending more money on new equipment and purchasing additional farm land due to having strong crops. People are purchasing more houses in the area due to cheaper cost of living and wanting to be in rural areas. We are seeing more businesses coming to the area and creating jobs for the residents. A two year community college called Southern State Community College has opened a new facility in Mt. Orab. With the college opening, 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 2014, the School District's enrollment increased by 14 students. We believe our enrollment is related to the job market. We feel the job market is getting stronger, people are staying in the School District, more jobs are being created in the area and the cost of living is cheaper.

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 and a change in school funding. The School District is also expecting an increase in enrollment of 12 students for the next fiscal year.

## **FINANCIAL TRENDS**

For fiscal year 2014, we continue to increase in special needs students. The cost to educate these students continues to increase and takes additional funds from the budget. Our bus fleet is getting old. We will start purchasing three buses a year in order to get our fleet up to date. 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 2014, 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 School District's school improvement initiatives. The School District Leadership Team and Building Leadership Teams are very instrumental in guiding professional development, school improvement planning, and monitoring universal assessment results.

The School 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: Specials Education Leadership Team, Ohio Teacher Evaluation Team, SLO Approval Team, Formative Instruction Leaders, Race to the Top Transformation Team, Local Professional Development Committee, and DLTs/ BLTs, and Teacher Data Teams. Overall, the School District focus on building leadership capacity has been very successful with over 67 teachers participating on leadership teams in the School District.

The School District has been implementing the Race to the Top Scope of Work for the last four years and will be ending in the summer of 2015. The Scope of Work for the 5<sup>th</sup> and final year is based around Using Data to Improve Instruction and Supporting Great Teachers and Leaders.

## 1) Using Data to Improve Instruction

Universal assessments were a priority for the School 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 School District explored adding Pro-Core Social Studies and Science for 4 – 8 students and for End of Course exams in High School core classes.

## 2) 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 on the Performance Index, A's in all four Value Added sub-groups: overall, gifted, students with disabilities, and the Lowest 20% in Achievement. Our Graduation (4 years) was a B and 5 year graduation rate was a C. The School District is challenged with meeting the indicators (D) due to an increase to 80% and Closing the Gap for minorities, low economic, and disabilities (F). Western Brown ended up being in the top 50 districts in the State of Ohio in "growing their kids" which means our kids are getting one year's growth if not more.

Western Brown teachers are participating in Assessment Literacy workshops provided by a Specialist from ODE. The importance of creating and administering high quality assessments is front and center to addressing OTES and the Ohio Report Card goals. Western Brown believes that quality assessments not only informs instruction but also prepares students for state and college assessments.

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, 2013. 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, 2013 to the Western Brown Local School District. The award certifies that the CAFR for the fiscal year ended June 30, 2013, 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.

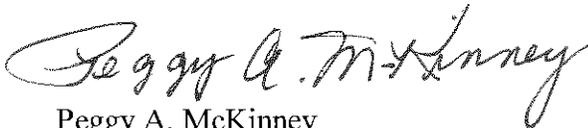
The Western Brown Local School District believes our current report conforms to the ASBO's principles and standards and we are submitting it to ABSO to determine its eligibility for an award.

#### 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, 2014*

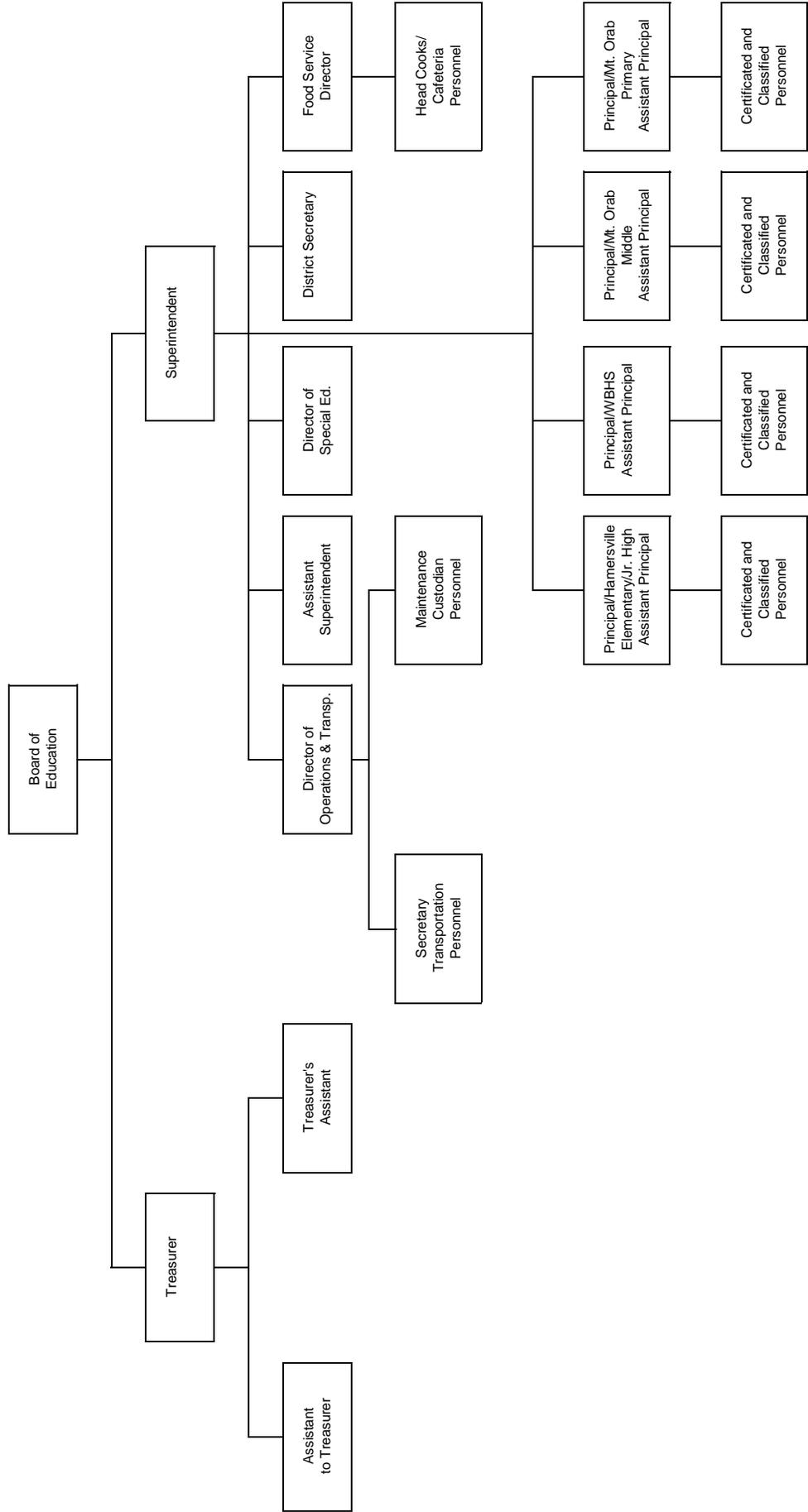
ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

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

**Western Brown Local School District  
Organizational Chart  
June 30, 2014**



***Western Brown Local School District  
Consultants and Advisors  
June 30, 2014***

**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, 2013**

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, 2013*

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



A handwritten signature in black ink, reading 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA  
Executive Director

# *Western Brown Local Schools*

## Strategic Plan

Adopted by the Western Brown Board of Education  
June 30, 2014

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### 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 2015-2016, all students will reach high standards, at a minimum attaining proficiency or better in reading/language arts.
- By 2015-2016, 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 2015-2016, all students will reach high standards, at a minimum attaining proficiency or better in science.
- By 2015-2016, 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, 2014 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, 2014, 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 derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2014, 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 10, 2014

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**Western Brown Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*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, 2014. 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 increased \$703,838. Net position of governmental activities increased \$886,828.
- Grants and Entitlements not Restricted to Specific Programs increased \$1,432,857 due to an increase in State aid.
- 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, 2014 the School District has saved \$649,093.

**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 2014?" 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 similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

**Western Brown Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

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

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

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

#### **Fund Financial Statements**

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

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

**Western Brown Local School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
**Unaudited**

**The School District as a Whole**

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

Table 1 provides a summary of the School District's net position for fiscal years 2014 and 2013:

(Table 1)

**Net Position**

	Governmental Activities		Business-Type Activity		Total	
	2014	2013	2014	2013	2014	2013
<b>Assets</b>						
Current and other Assets	\$13,739,363	\$11,709,731	\$500,025	\$573,127	\$14,239,388	\$12,282,858
Capital Assets, Net	41,917,572	43,591,742	1,008,320	1,126,899	42,925,892	44,718,641
<b>Total Assets</b>	<b>55,656,935</b>	<b>55,301,473</b>	<b>1,508,345</b>	<b>1,700,026</b>	<b>57,165,280</b>	<b>57,001,499</b>
<b>Deferred Outflows of Resources</b>						
Deferred Charge on Refunding	44,492	50,848	0	0	44,492	50,848
<b>Liabilities</b>						
Other Liabilities	2,828,527	2,641,450	137,041	147,908	2,965,568	2,789,358
Long-Term Liabilities	5,548,248	6,213,223	36,393	34,217	5,584,641	6,247,440
<b>Total Liabilities</b>	<b>8,376,775</b>	<b>8,854,673</b>	<b>173,434</b>	<b>182,125</b>	<b>8,550,209</b>	<b>9,036,798</b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	3,476,579	3,518,326	0	0	3,476,579	3,518,326
Revenue in Lieu of Taxes	108,846	126,923	0	0	108,846	126,923
<b>Total Deferred Inflows of Resources</b>	<b>\$3,585,425</b>	<b>\$3,645,249</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,585,425</b>	<b>\$3,645,249</b>

(continued)

**Western Brown Local School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
**Unaudited**

(Table 1)

**Net Position**

Continued

	Governmental Activities		Business-Type Activity		Total	
	2014	2013	2014	2013	2014	2013
<b>Net Position</b>						
Net Investment in						
Capital Assets	\$38,055,996	\$39,181,798	\$1,008,320	\$1,126,899	\$39,064,316	\$40,308,697
Restricted	4,339,995	3,833,523	0	0	4,339,995	3,833,523
Unrestricted (Deficit)	1,343,236	(162,922)	326,591	391,002	1,669,827	228,080
<b>Total Net Position</b>	<b>\$43,739,227</b>	<b>\$42,852,399</b>	<b>\$1,334,911</b>	<b>\$1,517,901</b>	<b>\$45,074,138</b>	<b>\$44,370,300</b>

Net investment in capital assets decreased \$1,244,381 during fiscal year 2014 due to depreciation exceeding additions. Restricted net position increased \$506,472, due to revenue increasing for athletic activities and federal grant funds. Governmental activities unrestricted net position increased \$1,506,158, as a result of increases in cash and cash equivalents from prior year reduction in expenses and increased revenue from State aid.

Table 2 shows the changes in net position for fiscal years 2014 and 2013.

(Table 2)

**Changes in Net Position**

	Governmental Activities		Business-Type Activity		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales	\$2,129,069	\$1,993,614	\$460,518	\$545,730	\$2,589,587	\$2,539,344
Operating Grants and Contributions	3,740,821	3,051,153	1,077,477	1,122,380	4,818,298	4,173,533
Capital Grants and Contributions	56,579	61,181	0	0	56,579	61,181
<b>Total Program Revenues</b>	<b>5,926,469</b>	<b>5,105,948</b>	<b>1,537,995</b>	<b>1,668,110</b>	<b>7,464,464</b>	<b>6,774,058</b>
General Revenues:						
Property Taxes	5,548,775	4,927,866	0	0	5,548,775	4,927,866
Grants and Entitlements not						
Restricted to Specific Programs	19,724,363	18,291,506	0	0	19,724,363	18,291,506
Interest	10,157	12,024	100	522	10,257	12,546
Revenue in Lieu of Taxes	98,405	102,547	0	0	98,405	101,547
Miscellaneous	87,047	112,064	32,951	22,977	119,998	135,041
<b>Total General Revenues</b>	<b>25,468,747</b>	<b>23,446,007</b>	<b>33,051</b>	<b>23,499</b>	<b>25,501,798</b>	<b>23,469,506</b>
<b>Total Revenues</b>	<b>31,395,216</b>	<b>28,551,955</b>	<b>1,571,046</b>	<b>1,691,609</b>	<b>32,966,262</b>	<b>30,243,564</b>

**Western Brown Local School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
**Unaudited**

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

	Governmental Activities		Business-Type Activity		Total	
	2014	2013	2014	2013	2014	2013
<b>Program Expenses</b>						
Instruction:						
Regular	15,914,440	15,183,324	0	0	15,914,440	15,183,324
Special	3,368,468	3,168,562	0	0	3,368,468	3,168,562
Vocational	238,825	236,356	0	0	238,825	236,356
Student Intervention Services	2,687	0	0	0	2,687	0
Support Services:						
Pupils	1,298,697	1,281,375	0	0	1,298,697	1,281,375
Instructional Staff	339,109	733,687	0	0	339,109	733,687
Board of Education	20,759	20,703	0	0	20,759	20,703
Administration	2,245,388	2,085,421	0	0	2,245,388	2,085,421
Fiscal	455,280	541,757	0	0	455,280	541,757
Operation and Maintenance of Plant	2,628,338	2,656,532	0	0	2,628,338	2,656,532
Pupil Transportation	2,171,951	2,115,404	0	0	2,171,951	2,115,404
Central	776,721	453,459	0	0	776,721	453,459
Operation of Non-Instructional Services	12,975	17,161	0	0	12,975	17,161
Extracurricular Activities	891,066	844,706	0	0	891,066	844,706
Interest and Fiscal Charges	143,684	230,059	0	0	143,684	230,059
Food Service	0	0	1,754,036	1,826,662	1,754,036	1,826,662
<b>Total Expenses</b>	<b>30,508,388</b>	<b>29,568,506</b>	<b>1,754,036</b>	<b>1,826,662</b>	<b>32,262,424</b>	<b>31,395,168</b>
Change in Net Position	886,828	(1,016,551)	(182,990)	(135,053)	703,838	(1,151,604)
Net Position at Beginning of Year	42,852,399	43,868,950	1,517,901	1,652,954	44,370,300	45,521,904
<b>Net Position at End of Year</b>	<b>\$43,739,227</b>	<b>\$42,852,399</b>	<b>\$1,334,911</b>	<b>\$1,517,901</b>	<b>\$45,074,138</b>	<b>\$44,370,300</b>

**Governmental Activities**

Program revenues for governmental activities decreased \$820,521, while general revenues increased \$2,022,740.

Operating grants and contributions increased \$689,668 due to additional federal grant funds and athletic grants received during 2014. Capital grants and contributions decreased \$4,602 due to fewer donations received for the maintenance of turf at the School District's stadium. Grants and Entitlements not Restricted to a Specific Program increased \$1,432,857 due to an increase in State funding.

Regular instruction increased \$731,116 due to reclassifying aides from instructional staff to regular instruction for 2014.

Special instruction increased \$199,906 due to reclassifying aides from instructional staff to special instruction for 2014.

**Western Brown Local School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
**Unaudited**

The School District remains heavily reliant on State funding. Grants and Entitlements not restricted to specific programs made up 63 percent of revenues for governmental activities of the Western Brown Local School District for fiscal year 2014.

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

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

(Table 3)  
**Governmental Activities**

	Total Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2014	Net Cost of Services 2013
Instruction	\$19,524,420	\$18,588,242	\$14,509,898	\$14,356,842
Support Services	9,936,243	9,888,338	9,497,763	9,473,774
Operation of Non-Instructional Services	12,975	17,161	4,297	(19,976)
Extracurricular Activities	891,066	844,706	426,277	421,859
Interest and Fiscal Charges	143,684	230,059	143,684	230,059
<b>Total Expenses</b>	<b>\$30,508,388</b>	<b>\$29,568,506</b>	<b>\$24,581,919</b>	<b>\$24,462,558</b>

**Business-Type Activity**

The School District's only business-type activity is the food service operation. This program had revenues of \$1,537,995 and expenses of \$1,754,036 for fiscal year 2014. Of the revenues, \$460,518 was charges for services and sales and \$1,077,477 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 \$30,544,499 and expenditures of \$29,494,542.

***Western Brown Local School District***  
***Management's Discussion and Analysis***  
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***Unaudited***

The General Fund saw an increase in fund balance of \$893,277. This was mainly due to the increase in State aid.

The Debt Service Fund saw an increase in fund balance of \$63,423. This increase is due to property tax collections exceeding the amount needed to pay annual debt payments.

The Classroom Facility Maintenance fund experienced an increase of \$40,538 due to property tax collection exceeding the expenses for the year and a half-mill equalization payment.

**General Fund - Budget Highlights**

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

During the course of fiscal year 2014, 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 \$27,213,708 with a final budget estimate of \$27,186,340. The difference of \$27,368 was due to a decrease in Coca-Cola commission revenue that was expected. The School District's actual revenues were \$27,829,661 at fiscal year-end, which represented a 2.3 percent increase over final budgeted revenues.

Original budget basis appropriations were \$26,063,074 with final budgeted expenditures of \$28,613,074, resulting in an increase of \$2,550,000. The School District's actual expenditures and encumbrances were \$27,474,627 at fiscal year-end, which represented a 3.9 percent decrease under final budgeted appropriations.

The School District's ending unobligated cash balance was \$1,592,459 above the final budgeted amount.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2014, the School District had \$42,925,892 invested in land, buildings and improvements, furniture and equipment, and vehicles.

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Table 4 shows fiscal year 2014 balances compared to fiscal year 2013:

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

	Governmental Activities		Business-Type Activity		Total	
	2014	2013	2014	2013	2014	2013
Land	\$2,524,314	\$2,524,314	\$0	\$0	\$2,524,314	\$2,524,314
Buildings and Improvements	37,843,743	39,327,059	857,395	893,818	38,701,138	40,220,877
Furniture and Equipment	1,160,060	1,374,647	150,925	233,081	1,310,985	1,607,728
Vehicles	389,455	365,722	0	0	389,455	365,722
Totals	<u>\$41,917,572</u>	<u>\$43,591,742</u>	<u>\$1,008,320</u>	<u>\$1,126,899</u>	<u>\$42,925,892</u>	<u>\$44,718,641</u>

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 8 to the basic financial statements.

**Debt**

At June 30, 2014, the School District had \$3,418,211 in bonds outstanding, \$465,000 of which is due within one year. Table 5 summarizes bonds outstanding at fiscal year-end 2014 and 2013:

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

	2014	2013
1998 School Improvement Bonds	\$395,000	\$770,000
2011 School Improvement Refunding Bonds	2,860,000	2,925,000
Premium on Debt Issue	89,068	101,792
Accretion on Capital Appreciation Bonds	74,143	48,311
Total	<u>\$3,418,211</u>	<u>\$3,845,103</u>

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.

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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, 2014 the School District's overall legal debt margin was \$20,406,635 with an unvoted debt margin of \$240,006. 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 14 to the basic financial statements

### **School District Challenges for the Future**

Even though we believe 2014 was a good year for the School District financially and educationally, we have many challenges for the future.

With the reductions in personnel and other expenses we made in prior years and the increase in State aid, the School District's finances are looking much better. Our challenge financially for the future is to make sure we have a plan so we spend our funds wisely and continue to be conservative.

Due to increased cost in the past we have not replaced our buses as we should have. Now we are faced with older and higher mileage buses which require more maintenance. It is our goal to start replacing these buses in the future so our bus fleet will be newer and require less maintenance.

During the last two years, the School District has been updating all computers in the classrooms. Now that we have replaced them, we are finding out, technology is not being utilized to its fullest extent in the classroom to increase student achievement. Our goal is to come up with a plan where we utilize our technology to help students achieve to their fullest.

In the past, the School District provided intervention services for at risk students. With our financial crisis in 2012 we had to cut these services. It is our goal to bring back these intervention services so at risk students can get more assistance in their education.

Effective July 1, 2013, the School District implemented the Ohio Teacher Evaluation System. This is the new evaluation system for teachers. The implementation of the system went very smoothly. What we will need to come up with in the future for this system is to create and implement the side of OTEs for improving teachers who are not performing. If they do not reach their level of evaluation then we will need to release them from their duties also. We find this very difficult to let someone go where we have invested time and money in them.

*Western Brown Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2014  
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](mailto:Denny.Dunlap@wb.k12.oh.us).

**Western Brown Local School District**  
*Statement of Net Position*  
*June 30, 2014*

	Governmental Activities	Business-Type Activity	Total
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$7,312,815	\$484,353	\$7,797,168
Accrued Interest Receivable	606	0	606
Prepaid Items	13,613	0	13,613
Inventory Held for Resale	0	9,892	9,892
Materials and Supplies Inventory	0	2,146	2,146
Intergovernmental Receivable	562,339	0	562,339
Taxes Receivable	5,722,117	0	5,722,117
Revenue in Lieu of Taxes Receivable	108,846	0	108,846
Accounts Receivable	14,027	3,634	17,661
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	39,393,258	1,008,320	40,401,578
<i>Total Assets</i>	<u>55,656,935</u>	<u>1,508,345</u>	<u>57,165,280</u>
<b><u>Deferred Outflows of Resources:</u></b>			
Deferred Charge on Refunding	44,492	0	44,492
<b><u>Liabilities:</u></b>			
Accounts Payable	226,866	0	226,866
Accrued Wages and Benefits Payable	2,152,318	99,795	2,252,113
Intergovernmental Payable	436,550	37,246	473,796
Matured Bonds Payable	5,000	0	5,000
Accrued Interest Payable	7,793	0	7,793
Long-Term Liabilities:			
Due Within One Year	776,065	0	776,065
Due in More Than One Year	4,772,183	36,393	4,808,576
<i>Total Liabilities</i>	<u>8,376,775</u>	<u>173,434</u>	<u>8,550,209</u>
<b><u>Deferred Inflows of Resources:</u></b>			
Property Taxes	3,476,579	0	3,476,579
Revenue in Lieu of Taxes	108,846	0	108,846
<i>Total Deferred Inflows of Resources</i>	<u>3,585,425</u>	<u>0</u>	<u>3,585,425</u>
<b><u>Net Position:</u></b>			
Net Investment in Capital Assets	38,055,996	1,008,320	39,064,316
Restricted for:			
Debt Service	2,144,362	0	2,144,362
Classroom Facilities	1,649,620	0	1,649,620
District Managed Activities	212,947	0	212,947
Miscellaneous Grants	333,066	0	333,066
Unrestricted	1,343,236	326,591	1,669,827
<i>Total Net Position</i>	<u>\$43,739,227</u>	<u>\$1,334,911</u>	<u>\$45,074,138</u>

See accompanying notes to the basic financial statements

**Western Brown Local School District**  
**Statement of Activities**  
For the Fiscal Year Ended June 30, 2014

	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
<b><u>Governmental Activities:</u></b>							
Instruction:							
Regular	\$15,914,440	\$1,345,989	\$447,968	\$0	(\$14,120,483)	\$0	(\$14,120,483)
Special	3,368,468	221,692	2,898,179	0	(248,597)	0	(248,597)
Vocational	238,825	15,836	80,786	0	(142,203)	0	(142,203)
Student Intervention Services	2,687	0	4,072	0	1,385	0	1,385
Support Services:							
Pupils	1,298,697	0	9,973	0	(1,288,724)	0	(1,288,724)
Instructional Staff	339,109	0	69,188	0	(269,921)	0	(269,921)
Board of Education	20,759	0	0	0	(20,759)	0	(20,759)
Administration	2,245,388	0	109,777	0	(2,135,611)	0	(2,135,611)
Fiscal	455,280	20,955	0	0	(434,325)	0	(434,325)
Operation and Maintenance of Plant	2,628,338	135,075	0	0	(2,493,263)	0	(2,493,263)
Pupil Transportation	2,171,951	0	86,312	0	(2,085,639)	0	(2,085,639)
Central	776,721	0	7,200	0	(769,521)	0	(769,521)
Operation of Non-Instructional Services	12,975	85	8,593	0	(4,297)	0	(4,297)
Extracurricular Activities	891,066	389,437	18,773	56,579	(426,277)	0	(426,277)
Interest and Fiscal Charges	143,684	0	0	0	(143,684)	0	(143,684)
<b>Total Governmental Activities</b>	<b>30,508,388</b>	<b>2,129,069</b>	<b>3,740,821</b>	<b>56,579</b>	<b>(24,581,919)</b>	<b>0</b>	<b>(24,581,919)</b>
<b><u>Business-Type Activity:</u></b>							
Food Service	1,754,036	460,518	1,077,477	0	0	(216,041)	(216,041)
<b>Totals</b>	<b>\$32,262,424</b>	<b>\$2,589,587</b>	<b>\$4,818,298</b>	<b>\$56,579</b>	<b>(24,581,919)</b>	<b>(216,041)</b>	<b>(24,797,960)</b>
<b><u>General Revenues:</u></b>							
Property Taxes Levied for:							
General Purposes				4,846,070	0		4,846,070
Debt Service				604,018	0		604,018
Classroom Facility Maintenance				98,687	0		98,687
Grants and Entitlements							
not Restricted to Specific Programs				19,724,363	0		19,724,363
Interest				10,157	100		10,257
Revenue in Lieu of Taxes				98,405	0		98,405
Miscellaneous				87,047	32,951		119,998
<b>Total General Revenues</b>				<b>25,468,747</b>	<b>33,051</b>		<b>25,501,798</b>
Change in Net Position				886,828	(182,990)		703,838
<b>Net Position at Beginning of Year</b>				<b>42,852,399</b>	<b>1,517,901</b>		<b>44,370,300</b>
<b>Net Position at End of Year</b>				<b>\$43,739,227</b>	<b>\$1,334,911</b>		<b>\$45,074,138</b>

See accompanying notes to the basic financial statements

**Western Brown Local School District**  
*Balance Sheet*  
**Governmental Funds**  
*June 30, 2014*

	General Fund	Debt Service Fund	Classroom Facility Maintenance Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>					
Equity in Pooled Cash and Cash Equivalents	\$3,529,051	\$1,907,018	\$1,610,206	\$266,540	\$7,312,815
Cash and Cash Equivalents with Fiscal Agents	0	5,000	0	0	5,000
Receivables:					
Taxes	5,030,441	588,862	102,814	0	5,722,117
Revenue in Lieu of Taxes	108,846	0	0	0	108,846
Accounts	10,897	0	0	3,130	14,027
Intergovernmental	7,031	0	0	555,308	562,339
Interfund	20,525	0	0	0	20,525
Accrued Interest	606	0	0	0	606
Prepaid Items	13,613	0	0	0	13,613
<b>Total Assets</b>	<b>\$8,721,010</b>	<b>\$2,500,880</b>	<b>\$1,713,020</b>	<b>\$824,978</b>	<b>\$13,759,888</b>
<b><u>Liabilities:</u></b>					
Accounts Payable	\$224,083	\$0	\$0	\$2,783	\$226,866
Accrued Wages and Benefits Payable	1,988,100	0	0	164,218	2,152,318
Interfund Payable	0	0	0	20,525	20,525
Intergovernmental Payable	408,472	0	0	28,078	436,550
Matured Bonds Payable	0	5,000	0	0	5,000
<b>Total Liabilities</b>	<b>2,620,655</b>	<b>5,000</b>	<b>0</b>	<b>215,604</b>	<b>2,841,259</b>
<b><u>Deferred Inflows of Resources:</u></b>					
Property Taxes	3,069,454	343,725	63,400	0	3,476,579
Revenue in Lieu of Taxes	108,846	0	0	0	108,846
Unavailable Revenue	728,007	91,015	14,650	354,681	1,188,353
<b>Total Deferred Inflows of Resources</b>	<b>3,906,307</b>	<b>434,740</b>	<b>78,050</b>	<b>354,681</b>	<b>4,773,778</b>
<b><u>Fund Balances:</u></b>					
Nonspendable	13,613	0	0	0	13,613
Restricted	0	2,061,140	1,634,970	257,707	3,953,817
Assigned	624,315	0	0	0	624,315
Unassigned (Deficit)	1,556,120	0	0	(3,014)	1,553,106
<b>Total Fund Balances</b>	<b>2,194,048</b>	<b>2,061,140</b>	<b>1,634,970</b>	<b>254,693</b>	<b>6,144,851</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$8,721,010</b>	<b>\$2,500,880</b>	<b>\$1,713,020</b>	<b>\$824,978</b>	<b>\$13,759,888</b>

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, 2014*

<b>Total Governmental Fund Balances</b>		\$6,144,851
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	2,524,314	
Depreciable capital assets	73,223,344	
Accumulated depreciation	<u>(33,830,086)</u>	
Total capital assets		41,917,572
 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	833,672	
Intergovernmental	<u>354,681</u>	
		1,188,353
 In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		(7,793)
 Deferred Outflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.		
		44,492
 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	(3,255,000)	
Premium on debt issue	(89,068)	
Accretion on capital appreciation bonds	(74,143)	
Capital leases payable	(562,000)	
Compensated absences payable	<u>(1,568,037)</u>	
Total liabilities		<u>(5,548,248)</u>
 <b>Net Position of Governmental Activities</b>		 <u><u>\$43,739,227</u></u>

See accompanying notes to the basic financial statements

**Western Brown Local School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
 Governmental Funds  
 For the Fiscal Year Ended June 30, 2014

	General Fund	Debt Service Fund	Classroom Facility Maintenance Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>					
Property Taxes	\$4,409,378	\$547,923	\$89,909	\$0	\$5,047,210
Intergovernmental	21,623,579	81,253	139,697	1,380,969	23,225,498
Interest	10,157	0	0	0	10,157
Tuition and Fees	1,583,517	0	0	23,391	1,606,908
Extracurricular Activities	53,023	0	0	313,023	366,046
Rent	16,333	0	0	0	16,333
Contributions and Donations	56,579	0	0	30,231	86,810
Customer Sales and Services	85	0	0	0	85
Revenue in Lieu of Taxes	98,405	0	0	0	98,405
Miscellaneous	77,047	0	0	10,000	87,047
<i>Total Revenues</i>	<u>27,928,103</u>	<u>629,176</u>	<u>229,606</u>	<u>1,757,614</u>	<u>30,544,499</u>
<b><u>Expenditures:</u></b>					
Current:					
Instruction:					
Regular	14,346,419	0	0	327,726	14,674,145
Special	2,393,814	0	0	894,885	3,288,699
Vocational	207,405	0	0	0	207,405
Student Intervention Services	0	0	0	2,687	2,687
Support Services:					
Pupils	1,231,597	0	0	6,220	1,237,817
Instructional Staff	270,312	0	0	34,448	304,760
Board of Education	20,759	0	0	0	20,759
Administration	1,928,690	0	0	102,220	2,030,910
Fiscal	540,717	18,430	3,065	0	562,212
Operation and Maintenance of Plant	2,587,701	0	17,797	0	2,605,498
Pupil Transportation	2,159,825	0	0	0	2,159,825
Central	764,397	0	0	7,200	771,597
Operation of Non-Instructional Services	4,933	0	0	8,042	12,975
Extracurricular Activities	384,034	0	0	321,467	705,501
Capital Outlay	73,621	0	168,206	0	241,827
Debt Service:					
Principal Retirement	102,000	440,000	0	0	542,000
Interest and Fiscal Charges	18,602	107,323	0	0	125,925
<i>Total Expenditures</i>	<u>27,034,826</u>	<u>565,753</u>	<u>189,068</u>	<u>1,704,895</u>	<u>29,494,542</u>
<i>Net Change in Fund Balances</i>	893,277	63,423	40,538	52,719	1,049,957
<i>Fund Balances at Beginning of Year</i>	1,300,771	1,997,717	1,594,432	201,974	5,094,894
<i>Fund Balances at End of Year</i>	<u>\$2,194,048</u>	<u>\$2,061,140</u>	<u>\$1,634,970</u>	<u>\$254,693</u>	<u>\$6,144,851</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, 2014*

**Net Change in Fund Balances - Total Governmental Funds** \$1,049,957

***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	339,495	
Depreciation expense	<u>(2,013,665)</u>	
Excess of depreciation expense over capital outlay		(1,674,170)

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

Delinquent property taxes	501,565	
Intergovernmental	<u>349,152</u>	
		850,717

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	440,000	
Capital lease payments	<u>102,000</u>	
Total long-term debt repayment		542,000

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

Decrease in accrued interest	1,705	
Amortization of deferred charge on refunding	(6,356)	
Amortization of bond premium	12,724	
Accretion on capital appreciation bonds	<u>(25,832)</u>	
		(17,759)

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

Decrease in compensated absences		<u>136,083</u>
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**Change in Net Position of Governmental Activities** \$886,828

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, 2014**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b><u>Revenues:</u></b>				
Property Taxes	\$4,271,230	\$4,286,434	\$4,350,553	\$64,119
Intergovernmental	21,040,481	21,040,481	21,596,339	555,858
Interest	9,000	9,000	10,113	1,113
Tuition and Fees	1,580,470	1,576,145	1,583,597	7,452
Extracurricular Activities	58,347	48,233	53,153	4,920
Rent	14,000	14,000	21,193	7,193
Contributions and Donations	50,935	53,998	56,579	2,581
Customer Sales and Services	0	0	85	85
Revenue in Lieu of Taxes	98,405	98,405	98,405	0
Miscellaneous	90,840	59,644	59,644	0
<b>Total Revenues</b>	<b>27,213,708</b>	<b>27,186,340</b>	<b>27,829,661</b>	<b>643,321</b>
<b><u>Expenditures:</u></b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	12,983,263	14,437,039	14,152,051	284,988
Special	3,095,324	2,859,923	2,439,954	419,969
Vocational	206,831	208,441	208,441	0
<b>Support Services:</b>				
Pupils	791,012	1,234,238	1,234,238	0
Instructional Staff	286,800	301,359	301,359	0
Board of Education	30,967	30,967	20,699	10,268
Administration	1,916,352	1,916,352	1,911,630	4,722
Fiscal	508,362	539,039	539,039	0
Operation and Maintenance of Plant	3,063,715	2,875,509	2,819,756	55,753
Pupil Transportation	2,172,095	2,529,460	2,471,681	57,779
Central	434,605	796,260	771,498	24,762
Operation of Non-Instructional Services	0	2,583	2,583	0
Extracurricular Activities	424,448	423,865	393,657	30,208
Capital Outlay	25,000	88,345	87,439	906
<b>Debt Service:</b>				
Principal Retirement	102,500	102,000	102,000	0
Interest and Fiscal Charges	21,800	21,800	18,602	3,198
<b>Total Expenditures</b>	<b>26,063,074</b>	<b>28,367,180</b>	<b>27,474,627</b>	<b>892,553</b>
Excess of Revenues Over (Under) Expenditures	1,150,634	(1,180,840)	355,034	1,535,874
<b><u>Other Financing Sources (Uses):</u></b>				
Refund of Prior Year Expenditures	0	0	77,110	77,110
Refund of Prior Year Receipts	0	(245,894)	(245,894)	0
Advances In	7,310	7,310	7,310	0
Advances Out	0	0	(20,525)	(20,525)
<b>Total Other Financing Sources (Uses)</b>	<b>7,310</b>	<b>(238,584)</b>	<b>(181,999)</b>	<b>56,585</b>
Net Change in Fund Balance	1,157,944	(1,419,424)	173,035	1,592,459
Fund Balance at Beginning of Year	1,835,486	1,835,486	1,835,486	0
Prior Year Encumbrances Appropriated	674,851	674,851	674,851	0
<b>Fund Balance at End of Year</b>	<b>\$3,668,281</b>	<b>\$1,090,913</b>	<b>\$2,683,372</b>	<b>\$1,592,459</b>

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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b><u>Revenues:</u></b>				
Property Taxes	\$85,700	\$85,700	\$88,847	\$3,147
Intergovernmental	139,537	139,537	139,697	160
<i>Total Revenues</i>	225,237	225,237	228,544	3,307
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Fiscal	5,500	5,500	3,065	2,435
Capital Outlay	1,084,767	1,084,767	417,778	666,989
<i>Total Expenditures</i>	1,090,267	1,090,267	420,843	669,424
Net Change in Fund Balance	(865,030)	(865,030)	(192,299)	672,731
Fund Balance at Beginning of Year	1,418,963	1,418,963	1,418,963	0
Prior Year Encumbrances Appropriated	154,767	154,767	154,767	0
Fund Balance at End of Year	\$708,700	\$708,700	\$1,381,431	\$672,731

See accompanying notes to the basic financial statements

**Western Brown Local School District**  
*Statement of Fund Net Position*  
*Proprietary Fund*  
*June 30, 2014*

	<u>Food Service Fund</u>
<b><u>Assets:</u></b>	
<b><u>Current Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$484,353
Inventory Held for Resale	9,892
Materials and Supplies Inventory	2,146
Accounts Receivable	<u>3,634</u>
<i>Total Current Assets</i>	500,025
 <b><u>Noncurrent Assets:</u></b>	
Capital Assets, Net	<u>1,008,320</u>
<i>Total Assets</i>	<u>1,508,345</u>
 <b><u>Liabilities:</u></b>	
<b><u>Current Liabilities:</u></b>	
Accrued Wages and Benefits Payable	99,795
Intergovernmental Payable	<u>37,246</u>
<i>Total Current Liabilities</i>	137,041
 <b><u>Long-term Liabilities:</u></b>	
Compensated Absences Payable	<u>36,393</u>
<i>Total Liabilities</i>	<u>173,434</u>
 <b><u>Net Position:</u></b>	
Net Investment in Capital Assets	1,008,320
Unrestricted	<u>326,591</u>
<i>Total Net Position</i>	<u><u>\$1,334,911</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, 2014*

	Food Service Fund
<b><u>Operating Revenues:</u></b>	
Sales	\$460,518
Other	32,951
	493,469
 <b><u>Operating Expenses:</u></b>	
Salaries	470,322
Fringe Benefits	404,145
Purchased Services	10,076
Materials and Supplies	39,953
Cost of Sales	710,961
Depreciation	118,579
	1,754,036
<i>Total Operating Expenses</i>	<i>1,754,036</i>
<i>Operating Loss</i>	<i>(1,260,567)</i>
 <b><u>Non-Operating Revenues:</u></b>	
Donated Commodities	68,064
Operating Grants	1,009,413
Interest	100
	1,077,577
<i>Total Non-Operating Revenues</i>	<i>1,077,577</i>
<i>Change in Net Position</i>	<i>(182,990)</i>
<i>Net Position at Beginning of Year</i>	<i>1,517,901</i>
<i>Net Position at End of Year</i>	<i>\$1,334,911</i>

See accompanying notes to the basic financial statements

**Western Brown Local School District**  
*Statement of Cash Flows*  
*Proprietary Fund*  
For the Fiscal Year Ended June 30, 2014

	Food Service Fund
<b><u>Increase (Decrease) in Cash and Cash Equivalents:</u></b>	
<b><u>Cash Flows from Operating Activities:</u></b>	
Cash Received from Customers	\$460,518
Cash Received from Others	29,317
Cash Payments for Employee Benefits	(470,231)
Cash Payments to Employees for Services	(423,003)
Cash Payments to Suppliers for Goods and Services	(681,264)
<i>Net Cash Used for Operating Activities</i>	(1,084,663)
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>	
Operating Grants Received	1,009,413
<b><u>Cash Flows from Investing Activities:</u></b>	
Interest	100
<i>Net Decrease in Cash and Cash Equivalents</i>	(75,150)
<i>Cash and Cash Equivalents at Beginning of Year</i>	559,503
<i>Cash and Cash Equivalents at End of Year</i>	\$484,353
<b><u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</u></b>	
Operating Loss	(\$1,260,567)
<b><u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u></b>	
Depreciation	118,579
Donated Commodities Received During Fiscal Year	68,064
Decrease (Increase) in Assets:	
Inventory Held for Resale	982
Materials and Supplies Inventory	604
Accounts Receivable	(3,634)
Increase (Decrease) in Liabilities:	
Accrued Wages and Benefits Payable	(5,001)
Compensated Absences Payable	2,176
Intergovernmental Payable	(5,866)
Total Adjustments	175,904
<i>Net Cash Used for Operating Activities</i>	(\$1,084,663)

**Non-Cash Transactions:**

During fiscal year 2014, the Food Service Enterprise Fund received \$68,064 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, 2014**

	Private Purpose Trust Funds	Agency Funds
	Scholarship	
<b><u>Assets:</u></b>		
Equity in Pooled Cash and Cash Equivalents	\$59,934	\$95,440
<b><u>Liabilities:</u></b>		
Undistributed Monies	0	\$95,440
<b><u>Net Position:</u></b>		
Held in Trust for Scholarships	\$59,934	

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, 2014*

	Scholarship Funds
<b><u>Additions:</u></b>	
Contributions and Donations	\$39,368
Interest	58
	39,426
<i>Total Additions</i>	39,426
<b><u>Deductions:</u></b>	
Scholarships Awarded	4,500
	34,926
<i>Change in Net Position</i>	34,926
<i>Net Position at Beginning of Year</i>	25,008
	\$59,934
	\$59,934

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, 2014*

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**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

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

The School District operates under a locally elected Board of Education (five members) and is responsible for the education of the residents of the School District. The Board controls the School District's four instructional support facilities staffed by 98 non-certificated, 174 teaching and 24 administrative employees providing education to 3,366 students.

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

**Reporting Entity**

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

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

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

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

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2014*

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Public Entity Shared Risk Pool:  
Brown County Schools Benefits Consortium

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Basis of Presentation**

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

**Government-wide Financial Statements**

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

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

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Fund Financial Statements**

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

**Fund Accounting**

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

**Governmental Funds**

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

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

**Debt Service Fund** - The Debt Service Fund is used to account for and report the accumulation of property taxes 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, 2014*

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**Proprietary Fund**

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

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

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has three fiduciary funds: a private purpose trust fund used to account for college scholarship programs for students and two agency funds; one is used to account for student managed activity programs and the other is used to account for Ohio High School Athletic Association monies.

**Measurement Focus**

**Government-wide Financial Statements**

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

**Fund Financial Statements**

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

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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

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

**Basis of Accounting**

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

**Revenues - Exchange and Non-exchange Transactions**

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, revenue in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes and revenue in lieu of taxes is recognized in the fiscal year for which the taxes are levied (see Note 6). 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, 2014*

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**Deferred Outflows/Inflows of Resources**

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources 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, 2014, but which were levied to finance fiscal year 2015 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, 2014*

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During fiscal year 2014, 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, 2014.

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 2014 amounted to \$10,157, which includes \$5,650 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, 2014, 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, 2014*

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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.

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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

**Fund Balance**

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

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

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

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

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

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

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2014*

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

**Net Position**

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

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

**Internal Activity**

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

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

**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.

*Western Brown Local School District  
Notes to the Basic Financial Statements  
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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.

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.

*Western Brown Local School District*  
*Notes to the Basic Financial Statements*  
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**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- ACCOUNTABILITY**

At June 30, 2014, the Alternative School, Title VI-B, Title I and Improving Teacher Quality nonmajor special revenue funds had deficit fund balances of \$140, \$91, \$2,651 and \$132, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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

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

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

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*Notes to the Basic Financial Statements*  
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Net Change in Fund Balance		
	General	Classroom Facility Maintenance
GAAP Basis	\$893,277	\$40,538
Adjustments:		
Revenue Accruals	(20,726)	(1,062)
Expenditure Accruals	159,378	(3,000)
Encumbrances	(845,073)	(228,775)
Advances	(13,215)	0
Unrecorded Cash	(606)	0
Budget Basis	\$173,035	(\$192,299)

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
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Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio; or Ohio Local Governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;
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, 2014, the School District had the following investments, which are in an internal investment pool:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>
STAROhio	\$1,991,484	Average 51.4 Days
Goldman Sachs Financial Square Government Mutual Fund	<u>3,673,572</u>	Average 31 Days
Total Investments	<u><u>\$5,665,056</u></u>	

Interest Rate Risk

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

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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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 6 - 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 2014 represents collections of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed value listed as of January 1, 2013, 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 2014 represents collections of calendar year 2013 taxes. Public utility real and tangible personal property taxes received in calendar year 2014 became a lien December 31, 2012, were levied after April 1, 2013, 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, 2014, are available to finance fiscal year 2014 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, 2014 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, 2014*

The amount available as an advance at June 30, 2014, was \$1,411,866 and is recognized as revenue: \$1,232,980 in the General Fund, \$154,122 in the Debt Service Fund and \$24,764 in the Classroom Facility Maintenance Fund. 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 Classroom Facility Maintenance Fund.

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

The assessed values upon which fiscal year 2014 taxes were collected are:

	2013 Second- Half Collections		2014 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$231,085,590	96.31%	\$230,522,940	96.05%
Public Utility Personal	8,865,490	3.69%	9,482,560	3.95%
Total Assessed Value	\$239,951,080	100.00%	\$240,005,500	100.00%
Tax rate per \$1,000 of assessed valuation	\$23.00		\$23.00	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2014, 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
<b><u>Governmental Activities:</u></b>	
Title VI-B - Special Education IDEA Grant	\$118,308
School Improvement	30,689
Title I - Targeted Assistance Grant	311,931
Race to the Top	94,380
Medicaid Reimbursements	7,031
Total Intergovernmental Receivables	\$562,339

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
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**NOTE 8 - CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2014, was as follows:

	Balance 6/30/13	Additions	Deductions	Balance 6/30/14
<b><u>Governmental Activities:</u></b>				
Capital Assets, Not Being Depreciated:				
Land	\$2,524,314	\$0	\$0	\$2,524,314
Capital Assets, Being Depreciated:				
Buildings and Improvements	63,520,543	171,880	0	63,692,423
Furniture and Equipment	6,855,935	69,947	0	6,925,882
Vehicles	2,687,804	97,668	(180,433)	2,605,039
Total Capital Assets, Being Depreciated	73,064,282	339,495	(180,433)	73,223,344
Less Accumulated Depreciation:				
Buildings and Improvements	(24,193,484)	(1,655,196)	0	(25,848,680)
Furniture and Equipment	(5,481,288)	(284,534)	0	(5,765,822)
Vehicles	(2,322,082)	(73,935)	180,433	(2,215,584)
Total Accumulated Depreciation	(31,996,854)	(2,013,665) *	180,433	(33,830,086)
Total Capital Assets, Being Depreciated, Net	41,067,428	(1,674,170)	0	39,393,258
Governmental Activities Capital Assets, Net	\$43,591,742	(\$1,674,170)	\$0	\$41,917,572

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

Instruction:	
Regular	\$1,236,101
Special	86,365
Vocational	30,478
Support Services:	
Pupils	58,445
Instructional Staff	50,054
Administration	226,824
Fiscal	9,753
Operation and Maintenance of Plant	21,229
Pupil Transportation	99,442
Central	9,409
Extracurricular Activities	185,565
Total Depreciation Expense	\$2,013,665

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*Notes to the Basic Financial Statements*  
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	Balance 6/30/13	Additions	Deductions	Balance 6/30/14
<b><u>Business-Type Activity:</u></b>				
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$1,466,883	\$0	\$0	\$1,466,883
Furniture and Equipment	1,255,132	0	0	1,255,132
Total Capital Assets, Being Depreciated	<u>2,722,015</u>	<u>0</u>	<u>0</u>	<u>2,722,015</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(573,065)	(36,423)	0	(609,488)
Furniture and Equipment	<u>(1,022,051)</u>	<u>(82,156)</u>	<u>0</u>	<u>(1,104,207)</u>
Total Accumulated Depreciation	<u>(1,595,116)</u>	<u>(118,579)</u>	<u>0</u>	<u>(1,713,695)</u>
Business-Type Activity				
Capital Assets, Net	<u>\$1,126,899</u>	<u>(\$118,579)</u>	<u>\$0</u>	<u>\$1,008,320</u>

**NOTE 9 - 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 2014, 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 2014, the School District participated in the Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduce premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP. Each year, the School District pays an enrollment fee to the GRP to cover the costs of administering the program.

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2014*

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**Employee Medical**

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

**NOTE 10 - 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](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy – Plan members are required to contribute 10.0 percent of their annual covered salary and the School District is required to contribute 14.0 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 10.0 percent for plan members and 14.0 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, 2014, 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, 2014, 2013, and 2012 were \$429,742, \$387,689, and \$393,677, respectively. For fiscal year 2014, 79.29 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

**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*  
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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](http://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 10.50 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 11.0 percent for members and 14.0 percent for employers. The statutory maximum employee contribution rate was increased one percent July 1, 2013, and will be increased one percent each year until it reaches 14.0 percent on July 1, 2016. For the fiscal year ended June 30, 2014, plan members were required to contribute 11.0 percent of their annual covered salary. The School District was required to contribute 14.0 percent; 13.0 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 \$1,451,439 and \$20,822 for the fiscal year ended June 30, 2014, \$1,453,688 and \$22,098 for the fiscal year ended June 30, 2013, and \$1,541,219 and \$21,787 for the fiscal year ended June 30, 2012. For fiscal year 2014, 83.33 percent has been contributed for the DB plan and 83.33 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 2013 and 2012.

*Western Brown Local School District  
Notes to the Basic Financial Statements  
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Contributions made to STRS Ohio for the DC Plan and for fiscal year 2014 was \$28,686 made by the School District and \$16,360 made by the plan members. In addition, member contributions of \$22,539 were made for fiscal year 2014 for the defined contribution portion of the Combined Plan.

**NOTE 11 - 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 (SERS) 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](http://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 14.0 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 2014, 0.14 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 2014, this amount was \$20,250. During fiscal year 2014, the School District paid \$15,908 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, 2014, 2013, and 2012 were \$45,432, \$64,350, and \$62,834, respectively. For fiscal year 2014, 79.29 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012, were \$24,932, \$21,984, and \$23,341, respectively. For fiscal year 2014, 79.29 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

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**State Teachers Retirement System of Ohio**

Plan Description – The School District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio, which can be obtained by visiting [www.strsoh.org](http://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 2014, 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, 2014, 2013, and 2012 were \$111,649, \$111,822, and \$118,555, respectively. For fiscal year 2014, 83.33 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012. The STRS Board voted to discontinue the current one percent allocation to the health care fund effective July 1, 2014.

**NOTE 12 - EMPLOYEE BENEFITS**

**Compensated Absences**

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

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

**Insurance Benefits**

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

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**NOTE 13 - CAPITALIZED LEASE - LESSEE DISCLOSURE**

In prior fiscal years, the School District entered into a lease-purchase agreement for the construction of a new School District administration building. The School District is leasing the project from Columbus Regional Airport Authority (formerly known as Rickenbacker Port Authority). Columbus Regional Airport Authority will retain title to the project during the lease term. Columbus Regional Airport Authority has assigned PNC Bank as trustee. The School District makes semi-annual lease payments to PNC Bank. Interest rates are based on a calculation of the TBMA Index. The lease is renewable annually and expires in fiscal year 2018. The intention of the School District is to renew the lease annually. In fiscal year 2014, the School District made the ninth scheduled principal payment of \$41,000.

In prior fiscal years, the School District entered into a lease agreement for the installation of football field turf. The School District is leasing the project from Columbus Regional Airport Authority. Columbus Regional Airport Authority will retain title to the project during the lease term. Columbus Regional Airport Authority has assigned U.S. Bank as trustee. U.S. Bank deposited \$610,000 with the School District. Amounts were then paid to contractors by the School District as the work progressed. The School District makes semi-annual lease payments to U.S. Bank. Interest rates are based on a calculation of the SIFMA Index and the School District also pays an additional participant cost component. The lease is renewable annually and expires in fiscal year 2019. The intention of the School District is to renew the lease annually. At fiscal year-end, the project was complete. During the fiscal year, the School District made the fourth scheduled principal payment of \$61,000.

The assets acquired through the capital leases are as follows:

	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Asset:			
Buildings and Improvements	\$991,436	\$436,232	\$555,204
Furniture and Equipment	610,000	274,500	335,500
Total	<u>\$1,601,436</u>	<u>\$710,732</u>	<u>\$890,704</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2014.

<u>Fiscal Year Ending June 30,</u>	<u>Total Payments</u>
2015	\$122,290
2016	122,927
2017	123,441
2018	122,844

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2014

Fiscal Year Ending June 30,	Total Payments
2019	122,149
Total	613,651
Less: Amount Representing Interest	(51,651)
Present Value of Minimum Lease Payments	\$562,000

**NOTE 14 - LONG-TERM LIABILITIES**

The changes in the School District's long-term liabilities during fiscal year 2014 were as follows:

	Amount Outstanding 6/30/13	Additions	Deductions	Amount Outstanding 6/30/14	Amounts Due in One Year
<b><u>Governmental Activities:</u></b>					
School Improvement Bonds					
1998 5.01%	\$770,000	\$0	\$375,000	\$395,000	\$395,000
School Improvement Refunding Bonds 2011:					
Serial Bonds 3.75%	2,650,000	0	65,000	2,585,000	70,000
Capital Appreciation Bonds 6.25%	275,000	0	0	275,000	0
Premium on Debt Issue	101,792	0	12,724	89,068	0
Accretion of Capital					
Appreciation Bonds	48,311	25,832	0	74,143	0
Compensated Absences	1,704,120	624,695	760,778	1,568,037	206,065
Capital Leases	664,000	0	102,000	562,000	105,000
Total Governmental Activities Long-Term Obligations	\$6,213,223	\$650,527	\$1,315,502	\$5,548,248	\$776,065
<b><u>Business-Type Activities:</u></b>					
Compensated Absences	\$34,217	\$2,176	\$0	\$36,393	\$0

**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.

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

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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, 2014, \$2,860,000 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 2014, the capital appreciation bond was accreted \$25,832.

Compensated absences will be paid from the General, Title VI-B, Title I, Improving Teacher Quality and Food Service funds.

The School District's overall legal debt margin was \$20,406,635 with an unvoted debt margin of \$240,006 at June 30, 2014.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2014 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	
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	0	0	515,000	29,925	0	0	544,925
2020-2021	0	0	555,000	11,100	275,000	300,000	1,141,100
Total	<u>\$395,000</u>	<u>\$10,468</u>	<u>\$2,585,000</u>	<u>\$285,826</u>	<u>\$275,000</u>	<u>\$300,000</u>	<u>\$3,851,294</u>

**NOTE 15 - INTERFUND ACTIVITY**

As of June 30, 2014, receivables and payables that resulted from various interfund transactions were as follows:

<b>Payable</b>	<b>Receivable</b>
Nonmajor Governmental Funds	<u>General Fund</u>
	<u>\$20,525</u>

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2014*

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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 16 - JOINTLY GOVERNED ORGANIZATIONS**

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

The School District is a participant in the South Central Ohio Computer Association Regional Council of Governments (SCOCARCoG), which is organized under ORC Code Chapter 167 as a regional council of governments. SCOCARCoG is an association of public school districts within the boundaries of Pickaway, Gallia, Adams, Brown, Highland, Pike, Ross, Scioto, Vinton, Jackson, and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCARCoG consists of two representatives from each county in the SCOCARCoG service region designated by the Ohio Department of Education and two representatives of the school treasurers. The Board exercises total control over the operations of SCOCARCoG including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The School District paid SCOCARCoG \$343,505 for services provided during the fiscal year. Financial information can be obtained from the SCOCA Council of Governments, Sandra Benson, Fiscal Officer, at P.O. Box 596, 175 Beaver Creek Rd., Piketon, Ohio, 45661.

**Unified Purchasing Cooperative of the Ohio River Valley**

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

The Board of Directors is elected from among the active members and consists of one representative each from Brown, Butler, Clermont and Hamilton Counties, as well as one representative from Kentucky, one from Indiana, and one at-large representative from a public school district with an enrollment greater than 5,000 students. In addition, the superintendents of the Hamilton County Educational Service Center and the Clermont County Educational Service Center also serve on the Board of Directors. The Hamilton County Educational Service Center serves as fiscal agent. Sixty days prior notice is necessary for withdrawal from the UPC. The Board exercises total control over the operations of UPC including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board.

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2014*

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

**Southern Hills Joint Vocational School District**

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

**NOTE 17 - PUBLIC ENTITY SHARED RISK**

**Brown County Schools Benefits Consortium**

The Brown County Schools Benefits Consortium, a public entity shared risk and insurance purchasing pool, currently operates to provide medical insurance (insurance purchasing pool) and dental coverage (public entity shared risk pool) to enrolled employees of the consortium members and to eligible dependents of those enrolled employees. Six Brown County school districts (Eastern, Fayetteville–Perry, Georgetown, Ripley Union Lewis Huntington, Southern Hills Joint Vocational, and Western Brown Schools) and two Highland County school districts (Bright Local and Lynchburg–Clay Local School District) along with the Brown County Educational Service Center have entered into an agreement to form the Brown County Schools Benefits Consortium. The Consortium is governed by a nine member board consisting of the superintendents of each participating school district along with the superintendent of the Brown County Educational Service Center. The overall objectives of the consortium are to formulate and administer a program of medical and dental insurance for the benefit of the consortium members' employees and their dependents. The consortium contracts with United Healthcare to provide medical insurance directly to consortium member employees. The Educational Service Center pays premiums to the consortium based on employee membership. For dental coverage the consortium acts as a public entity shared risk pool. Each member district pays dental premiums based on the consortium estimates of future 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, 2014*

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**NOTE 18 - INSURANCE PURCHASING POOL**

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

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

**NOTE 19 - SET-ASIDE CALCULATIONS**

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

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

	Capital Acquisition
Set-aside Balance as of June 30, 2013	\$0
Current Fiscal Year Set-aside Requirement	551,497
Qualifying Disbursements	(551,497)
Set-aside Balance as of June 30, 2014	\$0
Required Set-aside Balances Carried Forward to Fiscal Year 2015	\$0

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

**Note 20 - Significant Commitments**

**Encumbrances**

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

General Fund	\$845,073
Classroom Facility Maintenance Fund	228,775

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2014

Nonmajor Governmental Funds	91,741
Total	\$1,165,589

**NOTE 21 – FUND BALANCES**

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

Fund Balances	General Fund	Debt Service Fund	Classroom Facility Maintenance Fund	Nonmajor Governmental Funds	Total
<i><b>Nonspendable</b></i>					
Prepays	\$13,613	\$0	\$0	\$0	\$13,613
<i><b>Restricted for</b></i>					
Debt Payment	0	2,061,140	0	0	2,061,140
Miscellaneous Grants	0	0	0	44,760	44,760
District Managed Activity	0	0	0	212,947	212,947
Classroom Facilities	0	0	1,634,970	0	1,634,970
<i>Total Restricted</i>	0	2,061,140	1,634,970	257,707	3,953,817
<i><b>Assigned to</b></i>					
Purchases on Order	624,315	0	0	0	624,315
<i>Unassigned (Deficit)</i>	1,556,120	0	0	(3,014)	1,553,106
<i>Total Fund Balances</i>	\$2,194,048	\$2,061,140	\$1,634,970	\$254,693	\$6,144,851

**NOTE 22 – CONTINGENCIES**

**Grants**

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2014, if applicable, cannot be determined at this time.

**Litigation**

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

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

*Western Brown Local School District*

*Nonmajor Fund Descriptions*

*Special Revenue Funds*

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

*Nonmajor Special Revenue Funds*

MEMORIAL FUND - This fund accounts for and reports donations received by the School District restricted for the purchase of new signs and a bench to be placed on the grounds of the new school buildings. This fund had no activity during fiscal year 2014. Therefore, no budgetary statement is presented.

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

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

EDUCATION MANAGEMENT INFORMATION SYSTEMS FUND - This fund accounts for and reports restricted State monies which support the development of hardware and software or other costs associated with the requirements of the management information system. This fund had no activity during fiscal year 2014. Therefore, no budgetary statement is presented.

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

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

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

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

*(continued)*

*Western Brown Local School District*

*Nonmajor Fund Descriptions*

*Nonmajor Special Revenue Funds* (continued)

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

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

**Western Brown Local School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2014**

	Memorial Fund	Other Grant Fund	District Managed Activity Fund	Education Management Information Systems Fund	Alternative School Fund
<b><u>Assets:</u></b>					
Equity in Pooled Cash and Cash Equivalents	\$391	\$29,314	\$211,565	\$9,891	\$0
Receivables:					
Accounts	0	0	3,130	0	0
Intergovernmental	0	0	0	0	0
<b>Total Assets</b>	<b>\$391</b>	<b>\$29,314</b>	<b>\$214,695</b>	<b>\$9,891</b>	<b>\$0</b>
<b><u>Liabilities:</u></b>					
Accounts Payable	\$0	\$46	\$1,685	\$0	\$0
Accrued Wages and Benefits Payable	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	63	0	140
<b>Total Liabilities</b>	<b>0</b>	<b>46</b>	<b>1,748</b>	<b>0</b>	<b>140</b>
<b><u>Deferred Inflows of Resources:</u></b>					
Unavailable Revenue	0	0	0	0	0
<b><u>Fund Balances:</u></b>					
Restricted	391	29,268	212,947	9,891	0
Unassigned (Deficit)	0	0	0	0	(140)
<b>Total Fund Balances (Deficit)</b>	<b>391</b>	<b>29,268</b>	<b>212,947</b>	<b>9,891</b>	<b>(140)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$391</b>	<b>\$29,314</b>	<b>\$214,695</b>	<b>\$9,891</b>	<b>\$0</b>

Race to the Top Fund	Title VI-B Fund	Title I Fund	Improving Teacher Quality Fund	Total Nonmajor Special Revenue Funds
\$6,676	\$1,313	\$5,964	\$1,426	\$266,540
0	0	0	0	3,130
94,380	118,308	311,931	30,689	555,308
<u>\$101,056</u>	<u>\$119,621</u>	<u>\$317,895</u>	<u>\$32,115</u>	<u>\$824,978</u>
\$1,052	\$0	\$0	\$0	\$2,783
0	69,447	80,647	14,124	164,218
20,525	0	0	0	20,525
214	12,699	12,864	2,098	28,078
<u>21,791</u>	<u>82,146</u>	<u>93,511</u>	<u>16,222</u>	<u>215,604</u>
<u>74,055</u>	<u>37,566</u>	<u>227,035</u>	<u>16,025</u>	<u>354,681</u>
5,210	0	0	0	257,707
0	(91)	(2,651)	(132)	(3,014)
<u>5,210</u>	<u>(91)</u>	<u>(2,651)</u>	<u>(132)</u>	<u>254,693</u>
<u>\$101,056</u>	<u>\$119,621</u>	<u>\$317,895</u>	<u>\$32,115</u>	<u>\$824,978</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, 2014*

	Memorial Fund	Other Grant Fund	District Managed Activity Fund	Education Management Information Systems Fund	OneNet Fund
<b><u>Revenues:</u></b>					
Intergovernmental	\$0	\$0	\$0	\$0	\$7,200
Tuition and Fees	0	0	23,391	0	0
Extracurricular Activities	0	0	313,023	0	0
Contributions and Donations	0	11,458	18,773	0	0
Miscellaneous	0	10,000	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>21,458</u>	<u>355,187</u>	<u>0</u>	<u>7,200</u>
<b><u>Expenditures:</u></b>					
Current:					
Instruction:					
Regular	0	1,120	0	0	0
Special	0	0	0	0	0
Student Intervention Services	0	0	0	0	0
Support Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	2,675	0	0	0
Administration	0	0	0	0	0
Central	0	0	0	0	7,200
Operation of Non-Instructional Services	0	8,042	0	0	0
Extracurricular Activities	0	0	321,467	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>11,837</u>	<u>321,467</u>	<u>0</u>	<u>7,200</u>
<i>Net Change in Fund Balances</i>	0	9,621	33,720	0	0
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>391</u>	<u>19,647</u>	<u>179,227</u>	<u>9,891</u>	<u>0</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$391</u>	<u>\$29,268</u>	<u>\$212,947</u>	<u>\$9,891</u>	<u>\$0</u>

Alternative School Fund	Race to the Top Fund	Title VI-B Fund	Title I Fund	Improving Teacher Quality Fund	Total Nonmajor Special Revenue Funds
\$37,632	\$68,760	\$576,359	\$587,331	\$103,687	\$1,380,969
0	0	0	0	0	23,391
0	0	0	0	0	313,023
0	0	0	0	0	30,231
0	0	0	0	0	10,000
<u>37,632</u>	<u>68,760</u>	<u>576,359</u>	<u>587,331</u>	<u>103,687</u>	<u>1,757,614</u>
37,627	31,410	0	154,135	103,434	327,726
0	0	467,935	426,950	0	894,885
0	0	0	2,687	0	2,687
0	1,670	0	4,550	0	6,220
0	31,681	0	92	0	34,448
0	0	102,220	0	0	102,220
0	0	0	0	0	7,200
0	0	0	0	0	8,042
0	0	0	0	0	321,467
<u>37,627</u>	<u>64,761</u>	<u>570,155</u>	<u>588,414</u>	<u>103,434</u>	<u>1,704,895</u>
5	3,999	6,204	(1,083)	253	52,719
<u>(145)</u>	<u>1,211</u>	<u>(6,295)</u>	<u>(1,568)</u>	<u>(385)</u>	<u>201,974</u>
<u>(\$140)</u>	<u>\$5,210</u>	<u>(\$91)</u>	<u>(\$2,651)</u>	<u>(\$132)</u>	<u>\$254,693</u>

*Western Brown Local School District*

*Agency Fund Description*

*Agency Funds*

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

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

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

**Western Brown Local School District**  
*Statement of Changes in Fiduciary Assets and Liabilities*  
*Agency Fund*  
*For the Fiscal Year Ended June 30, 2014*

	<u>Balance at</u> <u>6/30/13</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>6/30/14</u>
<b><u>OHSAA District Activity Fund</u></b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$25,254	\$20,087	\$5,167
<b><u>Liabilities:</u></b>				
Undistributed Monies	\$0	\$25,254	\$20,087	\$5,167
 <b><u>Student Managed Activity Fund</u></b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$110,403	\$174,357	\$194,487	\$90,273
<b><u>Liabilities:</u></b>				
Undistributed Monies	\$110,403	\$174,357	\$194,487	\$90,273
 <b><u>Total</u></b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$110,403	\$199,611	\$214,574	\$95,440
<b><u>Liabilities:</u></b>				
Undistributed Monies	\$110,403	\$199,611	\$214,574	\$95,440

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, 2014*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Property Taxes	\$4,286,434	\$4,350,553	\$64,119
Intergovernmental	21,040,481	21,596,339	555,858
Interest	9,000	10,113	1,113
Tuition and Fees	1,576,145	1,583,597	7,452
Extracurricular Activities	48,233	53,153	4,920
Rent	14,000	21,193	7,193
Contributions and Donations	53,998	56,579	2,581
Customer Sales and Services	0	85	85
Revenue in Lieu of Taxes	98,405	98,405	0
Miscellaneous	59,644	59,644	0
<b>Total Revenues</b>	<b>27,186,340</b>	<b>27,829,661</b>	<b>643,321</b>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	7,957,582	7,935,005	22,577
Fringe Benefits	3,206,194	3,153,450	52,744
Purchased Services	2,709,015	2,568,558	140,457
Materials and Supplies	522,083	479,186	42,897
Capital Outlay	40,000	14,072	25,928
Other	2,165	1,780	385
<b>Total Regular</b>	<b>14,437,039</b>	<b>14,152,051</b>	<b>284,988</b>
Special:			
Salaries and Wages	1,050,692	821,430	229,262
Fringe Benefits	440,002	435,835	4,167
Purchased Services	1,363,666	1,177,126	186,540
Materials and Supplies	4,245	4,245	0
Capital Outlay	1,318	1,318	0
<b>Total Special</b>	<b>2,859,923</b>	<b>2,439,954</b>	<b>419,969</b>
Vocational:			
Salaries and Wages	131,713	131,713	0
Fringe Benefits	52,220	52,220	0
Materials and Supplies	23,743	23,743	0
Other	765	765	0
<b>Total Vocational</b>	<b>208,441</b>	<b>208,441</b>	<b>0</b>
<b>Total Instruction</b>	<b>\$17,505,403</b>	<b>\$16,800,446</b>	<b>\$704,957</b>

*(continued)*

**WESTERN BROWN LOCAL SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2014*  
*(continued)*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Support Services:			
Pupils:			
Salaries and Wages	\$439,669	\$439,669	\$0
Fringe Benefits	182,142	182,142	0
Purchased Services	602,590	602,590	0
Materials and Supplies	8,977	8,977	0
Capital Outlay	860	860	0
Total Pupils	<u>1,234,238</u>	<u>1,234,238</u>	<u>0</u>
Instructional Staff:			
Salaries and Wages	135,406	135,406	0
Fringe Benefits	82,231	82,231	0
Purchased Services	58,417	58,417	0
Materials and Supplies	25,305	25,305	0
Total Instructional Staff	<u>301,359</u>	<u>301,359</u>	<u>0</u>
Board of Education:			
Salaries and Wages	16,000	11,125	4,875
Fringe Benefits	1,867	102	1,765
Purchased Services	5,498	2,343	3,155
Materials and Supplies	600	127	473
Other	7,002	7,002	0
Total Board of Education	<u>30,967</u>	<u>20,699</u>	<u>10,268</u>
Administration:			
Salaries and Wages	1,070,720	1,066,785	3,935
Fringe Benefits	574,567	574,567	0
Purchased Services	193,695	193,695	0
Materials and Supplies	6,572	5,785	787
Other	70,798	70,798	0
Total Administration	<u>1,916,352</u>	<u>1,911,630</u>	<u>4,722</u>
Fiscal:			
Salaries and Wages	201,598	201,598	0
Fringe Benefits	116,255	116,255	0
Purchased Services	16,016	16,016	0
Materials and Supplies	4,319	4,319	0
Other	200,851	200,851	0
Total Fiscal	<u>\$539,039</u>	<u>\$539,039</u>	<u>\$0</u>

*(continued)*

**WESTERN BROWN LOCAL SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2014*  
*(continued)*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b>Operation and Maintenance of Plant:</b>			
Salaries and Wages	\$897,107	\$897,107	\$0
Fringe Benefits	457,979	456,693	1,286
Purchased Services	1,300,696	1,250,794	49,902
Materials and Supplies	213,027	213,027	0
Capital Outlay	5,000	2,100	2,900
Other	1,700	35	1,665
<b>Total Operation and Maintenance of Plant</b>	<b>2,875,509</b>	<b>2,819,756</b>	<b>55,753</b>
<b>Pupil Transportation:</b>			
Salaries and Wages	937,636	937,636	0
Fringe Benefits	546,940	495,625	51,315
Purchased Services	55,176	53,492	1,684
Materials and Supplies	611,389	608,109	3,280
Capital Outlay	376,819	376,819	0
Other	1,500	0	1,500
<b>Total Pupil Transportation</b>	<b>2,529,460</b>	<b>2,471,681</b>	<b>57,779</b>
<b>Central:</b>			
Salaries and Wages	42,817	35,473	7,344
Fringe Benefits	19,034	19,034	0
Purchased Services	321,279	321,279	0
Materials and Supplies	77,857	77,857	0
Capital Outlay	143,596	126,178	17,418
Other	191,677	191,677	0
<b>Total Central</b>	<b>796,260</b>	<b>771,498</b>	<b>24,762</b>
<b>Total Support Services</b>	<b>10,223,184</b>	<b>10,069,900</b>	<b>153,284</b>
<b>Operation of Non-Instructional Services:</b>			
<b>Community Services:</b>			
Purchased Services	2,583	2,583	0
<b>Extracurricular Activities:</b>			
<b>Academic and Subject Oriented Activities:</b>			
Salaries and Wages	52,417	42,804	9,613
Fringe Benefits	6,196	2,778	3,418
Purchased Services	3,103	3,103	0
Materials and Supplies	3,000	1,450	1,550
Capital Outlay	101	101	0
Other	2,588	924	1,664
<b>Total Academic and Subject Oriented Activities</b>	<b>\$67,405</b>	<b>\$51,160</b>	<b>\$16,245</b>

*(continued)*

**WESTERN BROWN LOCAL SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2014*  
*(continued)*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b>Sports Oriented Activities:</b>			
Salaries and Wages	\$254,337	\$253,008	\$1,329
Fringe Benefits	42,090	37,698	4,392
Purchased Services	15,250	10,199	5,051
Materials and Supplies	5,325	3,634	1,691
Capital Outlay	37,958	37,958	0
<b>Total Sports Oriented Activities</b>	<b>354,960</b>	<b>342,497</b>	<b>12,463</b>
<b>School and Public Service Co-curricular Activities</b>			
Salaries and Wages	1,500	0	1,500
<b>Total Extracurricular Activities</b>	<b>423,865</b>	<b>393,657</b>	<b>30,208</b>
<b>Capital Outlay:</b>			
<b>Facilities Acquisition and Construction Services:</b>			
<b>Site Acquisition Services:</b>			
Purchased Services	11,330	11,330	0
<b>Site Improvement Services:</b>			
Capital Outlay	13,670	12,764	906
<b>Architecture and Engineering Services:</b>			
<b>Services:</b>			
Purchased Services	20,001	20,001	0
<b>Building Acquisition and Construction Services:</b>			
Capital Outlay	42,000	42,000	0
<b>Building Improvement Services:</b>			
Capital Outlay	1,344	1,344	0
<b>Total Capital Outlay</b>	<b>88,345</b>	<b>87,439</b>	<b>906</b>
<b>Debt Service:</b>			
Principal Retirement	102,000	102,000	0
Interest and Fiscal Charges	21,800	18,602	3,198
<b>Total Debt Service</b>	<b>123,800</b>	<b>120,602</b>	<b>3,198</b>
<b>Total Expenditures</b>	<b>28,367,180</b>	<b>27,474,627</b>	<b>892,553</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,180,840)</b>	<b>355,034</b>	<b>1,535,874</b>

*(continued)*

**WESTERN BROWN LOCAL SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2014*  
*(continued)*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><i>Other Financing Sources (Uses):</i></b>			
Refund of Prior Year Expenditures	0	77,110	77,110
Refund of Prior Year Receipts	(245,894)	(245,894)	0
Advances In	7,310	7,310	0
Advances Out	0	(20,525)	(20,525)
<i>Total Other Financing Sources (Uses)</i>	<u>(238,584)</u>	<u>(181,999)</u>	<u>56,585</u>
Net Change in Fund Balance	(1,419,424)	173,035	1,592,459
Fund Balance at Beginning of Year	1,835,486	1,835,486	0
Prior Year Encumbrances Appropriated	<u>674,851</u>	<u>674,851</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,090,913</u></u>	<u><u>\$2,683,372</u></u>	<u><u>\$1,592,459</u></u>

**WESTERN BROWN LOCAL SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Debt Service Fund*  
*For the Fiscal Year Ended June 30, 2014*

	<u>Budgeted</u> <u>Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Taxes	\$496,000	\$534,700	\$38,700
Intergovernmental	77,500	81,253	3,753
<i>Total Revenues</i>	<u>573,500</u>	<u>615,953</u>	<u>42,453</u>
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Fiscal:			
Other	19,000	18,430	570
Debt Service:			
Principal Retirement	440,000	440,000	0
Interest and Fiscal Charges	107,323	107,323	0
Total Debt Service	<u>547,323</u>	<u>547,323</u>	<u>0</u>
<i>Total Expenditures</i>	<u>566,323</u>	<u>565,753</u>	<u>570</u>
Net Change in Fund Balance	7,177	50,200	43,023
Fund Balance at Beginning of Year	<u>1,856,818</u>	<u>1,856,818</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,863,995</u></u>	<u><u>\$1,907,018</u></u>	<u><u>\$43,023</u></u>

**WESTERN BROWN LOCAL SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Classroom Facility Maintenance Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Property Taxes	\$85,700	\$88,847	\$3,147
Intergovernmental	139,537	139,697	160
<i>Total Revenues</i>	<u>225,237</u>	<u>228,544</u>	<u>3,307</u>
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Fiscal:			
Other	5,500	3,065	2,435
Capital Outlay:			
Site Improvement Services:			
Capital Outlay	14,635	14,635	0
Architecture and Engineering Services:			
Purchased Services	18,772	0	18,772
Building Acquisition and Construction Services			
Purchased Services	300,000	217,140	82,860
Capital Outlay	751,360	186,003	565,357
Total Building Acquisition and Construction Services	<u>1,051,360</u>	<u>403,143</u>	<u>648,217</u>
Total Capital Outlay	<u>1,084,767</u>	<u>417,778</u>	<u>666,989</u>
<i>Total Expenditures</i>	<u>1,090,267</u>	<u>420,843</u>	<u>669,424</u>
Net Change in Fund Balance	(865,030)	(192,299)	672,731
Fund Balance at Beginning of Year	1,418,963	1,418,963	0
Prior Year Encumbrances Appropriated	154,767	154,767	0
Fund Balance at End of Year	<u>\$708,700</u>	<u>\$1,381,431</u>	<u>\$672,731</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, 2014*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Contributions and Donations	\$11,010	\$11,458	\$448
Miscellaneous	10,000	10,000	0
<i>Total Revenues</i>	<u>21,010</u>	<u>21,458</u>	<u>448</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	<u>10,257</u>	<u>1,120</u>	<u>9,137</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	<u>2,675</u>	<u>2,675</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services:			
Fringe Benefits	21	21	0
Materials and Supplies	<u>8,922</u>	<u>7,975</u>	<u>947</u>
Total Operation of Non-Instructional Services	<u>8,943</u>	<u>7,996</u>	<u>947</u>
<i>Total Expenditures</i>	<u>21,875</u>	<u>11,791</u>	<u>10,084</u>
Net Change in Fund Balance	(865)	9,667	10,532
Fund Balance at Beginning of Year	19,249	19,249	0
Prior Year Encumbrances Appropriated	<u>398</u>	<u>398</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$18,782</u></u>	<u><u>\$29,314</u></u>	<u><u>\$10,532</u></u>

**WESTERN BROWN LOCAL SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*District Managed Activity Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Tuition and Fees	\$5,836	\$23,391	\$17,555
Extracurricular Activities	292,833	309,893	17,060
Contributions and Donations	6,916	18,773	11,857
<i>Total Revenues</i>	<u>305,585</u>	<u>352,057</u>	<u>46,472</u>
<b><u>Expenditures:</u></b>			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	14,825	14,825	0
Purchased Services	121,272	115,015	6,257
Materials and Supplies	210,349	210,349	0
Other	4,124	3,179	945
<i>Total Expenditures</i>	<u>350,570</u>	<u>343,368</u>	<u>7,202</u>
Net Change in Fund Balance	(44,985)	8,689	53,674
Fund Balance at Beginning of Year	177,399	177,399	0
Prior Year Encumbrances Appropriated	<u>7,297</u>	<u>7,297</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$139,711</u></u>	<u><u>\$193,385</u></u>	<u><u>\$53,674</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, 2014*

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

**WESTERN BROWN LOCAL SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Alternative School Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$37,632	\$37,632	\$0
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	37,632	37,632	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

**WESTERN BROWN LOCAL SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Race to the Top Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$76,675	\$56,151	(\$20,524)
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Purchased Services	18,435	18,435	0
Materials and Supplies	11,923	11,923	0
Total Regular Instruction	30,358	30,358	0
Support Services:			
Pupils:			
Purchased Services	1,670	1,670	0
Instructional Staff:			
Salaries and Wages	35,042	34,842	200
Purchased Services	6,475	0	6,475
Total Instructional Staff	41,517	34,842	6,675
Administration:			
Salaries and Wages	338	338	0
Total Support Services	43,525	36,850	6,675
<i>Total Expenditures</i>	73,883	67,208	6,675
Excess of Revenues Over (Under) Expenditures	2,792	(11,057)	(13,849)
<b><u>Other Financing Sources (Uses):</u></b>			
Advances In	0	20,525	20,525
Advances Out	(4,310)	(4,310)	0
<i>Total Other Financing Sources(Uses)</i>	(4,310)	16,215	20,525
Net Change in Fund Balance	(1,518)	5,158	6,676
Fund Balance at Beginning of Year	1,518	1,518	0
Fund Balance at End of Year	\$0	\$6,676	\$6,676

**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, 2014*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$565,586	\$565,594	\$8
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	331,611	331,355	256
Fringe Benefits	127,577	126,528	1,049
Purchased Services	2,993	2,993	0
Total Instruction	462,181	460,876	1,305
Administration:			
Salaries and Wages	78,268	78,268	0
Fringe Benefits	23,967	23,967	0
Total Support Services	102,235	102,235	0
<i>Total Expenditures</i>	564,416	563,111	1,305
Excess of Revenues Over Expenditures	1,170	2,483	1,313
<b><u>Other Financing Sources (Uses):</u></b>			
Refund of Prior Year Expenditures	1,591	1,591	0
Advances Out	(3,000)	(3,000)	0
<i>Total Other Financing Sources (Uses)</i>	(1,409)	(1,409)	0
Net Change in Fund Balance	(239)	1,074	1,313
Fund Balance at Beginning of Year	239	239	0
Fund Balance at End of Year	\$0	\$1,313	\$1,313

**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, 2014*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$576,534	\$576,542	\$8
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	129,913	129,913	0
Fringe Benefits	24	24	0
Total Regular	129,937	129,937	0
Special:			
Salaries and Wages	267,974	267,195	779
Fringe Benefits	173,271	168,094	5,177
Total Special	441,245	435,289	5,956
Student Intervention Services:			
Purchased Services	2,687	2,687	0
Total Instruction	573,869	567,913	5,956
Support Services:			
Pupils:			
Purchased Services	4,550	4,550	0
Instructional Staff:			
Fringe Benefits	85	85	0
Administration:			
Salaries and Wages	2,017	2,017	0
Total Support Services	6,652	6,652	0
<i>Total Expenditures</i>	580,521	574,565	5,956
Excess of Revenues Over (Under) Expenditures	(3,987)	1,977	5,964
<b><u>Other Financing Uses:</u></b>			
Refund of Prior Year Expenditures	1,833	1,833	0
Net Change in Fund Balance	(2,154)	3,810	5,964
Fund Balance at Beginning of Year	2,154	2,154	0
Fund Balance at End of Year	\$0	\$5,964	\$5,964

**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, 2014*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$88,541	\$88,541	\$0
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	58,518	58,518	0
Fringe Benefits	30,505	29,079	1,426
<i>Total Expenditures</i>	89,023	87,597	1,426
Excess of Revenues Over (Under) Expenditures	(482)	944	1,426
<b><u>Other Financing Uses:</u></b>			
Refund of Prior Year Expenditures	482	482	0
Net Change in Fund Balance	0	1,426	1,426
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$1,426	\$1,426

**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, 2014*

	<u>Budgeted Amount</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Sales	\$553,231	\$460,518	(\$92,713)
Interest	522	100	(422)
Federal and State Subsidies	1,008,128	1,009,413	1,285
Other Revenues	22,978	29,317	6,339
<i>Total Revenues</i>	<u>1,584,859</u>	<u>1,499,348</u>	<u>(85,511)</u>
<b><u>Expenses:</u></b>			
Salaries	528,295	470,231	58,064
Fringe Benefits	448,000	412,927	35,073
Purchased Services	12,100	11,276	824
Materials and Supplies	842,400	748,338	94,062
Capital Outlay	10,000	0	10,000
<i>Total Expenses</i>	<u>1,840,795</u>	<u>1,642,772</u>	<u>198,023</u>
<i>Net Change in Fund Equity</i>	(255,936)	(143,424)	112,512
Fund Equity at Beginning of Year	556,603	556,603	0
Prior Year Encumbrances Appropriated	<u>2,900</u>	<u>2,900</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$303,567</u></u>	<u><u>\$416,079</u></u>	<u><u>\$112,512</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.

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

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

**Western Brown Local School District**

*Net Position by Component*

*Last Ten Fiscal Years*

*(accrual basis of accounting)*

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b><u>Governmental Activities:</u></b>				
Net Investment in Capital Assets	\$51,070,621	\$48,946,361	\$47,291,229	\$45,577,012
Restricted for:				
Debt Service	1,589,643	1,679,299	1,787,001	1,813,830
Capital Projects	1,137,508	733,409	719,152	1,242,909
Classroom Facilities	0	0	736,086	839,232
Other Purposes (1)	898,263	838,607	325,876	243,919
Set-Asides	327,633	82,367	319,466	658,004
Unrestricted (Deficit)	<u>(292,727)</u>	<u>(476,305)</u>	<u>(757,121)</u>	<u>430,367</u>
Total Governmental Activities Net Position	<u>\$54,730,941</u>	<u>\$51,803,738</u>	<u>\$50,421,689</u>	<u>\$50,805,273</u>
<b><u>Business-Type Activity:</u></b>				
Net Investment in Capital Assets	\$2,033,945	\$1,905,617	\$1,793,601	\$1,674,004
Unrestricted	<u>73,733</u>	<u>87,315</u>	<u>123,828</u>	<u>131,134</u>
Total Business-Type Activity Net Position	<u>\$2,107,678</u>	<u>\$1,992,932</u>	<u>\$1,917,429</u>	<u>\$1,805,138</u>
<b><u>Primary Government:</u></b>				
Net Investment in Capital Assets	\$53,104,566	\$50,851,978	\$49,084,830	\$47,251,016
Restricted	3,953,047	3,333,682	3,803,169	4,797,894
Unrestricted (Deficit)	<u>(218,994)</u>	<u>(388,990)</u>	<u>(591,087)</u>	<u>561,501</u>
Total Primary Government Net Position	<u>\$56,838,619</u>	<u>\$53,796,670</u>	<u>\$52,296,912</u>	<u>\$52,610,411</u>

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$44,066,679	\$42,686,618	\$41,732,010	\$40,359,279	\$39,181,798	\$38,055,996
1,853,926	1,848,836	1,858,861	1,973,331	2,023,139	2,144,362
1,241,278	1,123,922	0	0	0	0
902,512	862,681	1,739,648	1,681,243	1,600,304	1,649,620
166,439	502,243	236,936	443,354	210,080	546,013
829,827	1,084,762	1,321,337	4,619	0	0
<u>(1,544,952)</u>	<u>(2,279,839)</u>	<u>(1,962,978)</u>	<u>(592,876)</u>	<u>(162,922)</u>	<u>1,343,236</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>	<u>\$43,739,227</u>
\$1,554,351	\$1,444,079	\$1,329,033	\$1,245,925	\$1,126,899	\$1,008,320
144,784	227,013	332,937	407,029	391,002	326,591
<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>	<u>\$1,334,911</u>
\$45,621,030	\$44,130,697	\$43,061,043	\$41,605,204	\$40,308,697	\$39,064,316
4,993,982	5,422,444	5,156,782	4,102,547	3,833,523	4,339,995
<u>(1,400,168)</u>	<u>(2,052,826)</u>	<u>(1,630,041)</u>	<u>(185,847)</u>	<u>228,080</u>	<u>1,669,827</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>	<u>\$45,074,138</u>

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

	2005	2006	2007	2008
<b><u>Expenses:</u></b>				
<b><u>Governmental Activities:</u></b>				
Instruction:				
Regular	\$13,628,477	\$14,703,897	\$14,051,085	\$14,208,369
Special	2,596,384	2,751,167	3,028,459	3,382,298
Vocational	288,623	319,570	254,430	297,494
Student Intervention Services	0	101,933	87,630	203,039
Support Services:				
Pupils	1,095,373	1,083,805	1,042,719	986,900
Instructional Staff	878,219	1,029,535	833,832	998,888
Board of Education	23,317	25,214	17,796	17,970
Administration	2,178,806	2,323,665	2,252,897	2,104,497
Fiscal	534,234	487,405	526,057	584,051
Business	31,641	23,666	168	0
Operation and Maintenance of Plant	2,821,977	2,866,079	2,824,911	2,959,634
Pupil Transportation	1,920,582	2,107,161	2,235,642	2,246,022
Central	211,797	181,968	225,768	274,331
Operation of Non-Instructional Services	46,862	3,578	2,865	3,565
Extracurricular Activities	640,459	692,746	648,268	714,507
Interest and Fiscal Charges	321,848	317,740	309,796	294,509
<i>Total Governmental Activities Expenses</i>	<u>27,218,599</u>	<u>29,019,129</u>	<u>28,342,323</u>	<u>29,276,074</u>
 <b><u>Business-Type Activity:</u></b>				
Food Service	<u>1,266,525</u>	<u>1,383,302</u>	<u>1,485,512</u>	<u>1,566,497</u>
<i>Total Expenses</i>	<u>28,485,124</u>	<u>30,402,431</u>	<u>29,827,835</u>	<u>30,842,571</u>
 <b><u>Program Revenues:</u></b>				
<b><u>Governmental Activities:</u></b>				
Charges for Services and Sales:				
Instruction:				
Regular	503,348	567,375	1,016,663	1,062,083
Special	75,845	79,065	161,032	189,825
Vocational	8,427	11,349	16,658	21,463
Student Intervention Services	0	0	3,332	0
Support Services:				
Pupils	25,281	29,129	0	0
Instructional Staff	33,709	32,912	0	0
Board of Education	0	1,050	0	0
Administration	67,417	71,026	0	0
Fiscal	16,854	18,253	0	0
Operation and Maintenance of Plant	109,553	115,193	11,230	14,444
Pupil Transportation	67,417	83,321	0	0
Central	0	6,896	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	104,415	110,867	105,919	147,101
Operating Grants and Contributions	2,484,693	2,573,020	2,745,174	3,228,610
Capital Grants and Contributions	0	71,992	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>\$3,496,959</u>	<u>\$3,771,448</u>	<u>\$4,060,008</u>	<u>\$4,663,526</u>

2009	2010	2011	2012	2013	2014
\$15,372,518	\$15,767,971	\$15,933,550	\$16,329,045	\$15,183,324	\$15,914,440
3,698,014	3,946,902	4,139,227	4,004,178	3,168,562	3,368,468
328,952	417,110	293,826	239,806	236,356	238,825
146,996	3,274	930	0	0	2,687
928,674	746,707	678,606	693,481	1,281,375	1,298,697
1,076,896	1,432,569	1,324,285	861,619	733,687	339,109
20,524	19,962	25,568	24,927	20,703	20,759
2,254,135	2,268,018	2,135,651	2,142,559	2,085,421	2,245,388
585,596	556,440	575,912	614,206	541,757	455,280
0	0	0	0	0	0
3,158,807	3,083,917	3,066,553	2,904,360	2,656,532	2,628,338
2,188,838	2,160,710	2,184,223	2,176,110	2,115,404	2,171,951
266,667	325,781	329,013	348,599	453,459	776,721
16,395	16,760	11,155	13,539	17,161	12,975
737,047	877,682	933,119	835,287	844,706	891,066
275,376	276,176	194,224	192,209	230,059	143,684
31,055,435	31,899,979	31,825,842	31,379,925	29,568,506	30,508,388
1,642,631	1,689,343	1,747,805	1,866,996	1,826,662	1,754,036
32,698,066	33,589,322	33,573,647	33,246,921	31,395,168	32,262,424
1,069,057	1,190,898	1,101,017	1,223,260	1,370,366	1,345,989
192,087	201,941	178,086	272,525	205,826	221,692
21,464	26,925	20,798	19,087	20,599	15,836
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	20,955
12,995	15,568	16,168	17,946	19,780	135,075
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	22,293	85
141,313	335,596	401,741	398,730	354,750	389,437
3,056,239	4,155,561	4,278,859	4,785,087	3,051,153	3,740,821
0	79,000	0	0	61,181	56,579
\$4,498,460	\$6,005,489	\$5,996,669	\$6,716,635	\$5,105,948	\$5,926,469

(continued)

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

	2005	2006	2007	2008
<b><u>Business-Type Activity:</u></b>				
Food Service				
Charges for Services and Sales	\$596,124	\$637,513	\$625,630	\$642,333
Operating Grants and Contributions	506,964	613,495	758,600	781,692
<b>Total Business-Type Activity Program Revenues</b>	<b>1,103,088</b>	<b>1,251,008</b>	<b>1,384,230</b>	<b>1,424,025</b>
<b>Total Program Revenues</b>	<b>4,600,047</b>	<b>5,022,456</b>	<b>5,444,238</b>	<b>6,087,551</b>
<b><u>Net (Expense)/Revenue:</u></b>				
Governmental Activities	(23,721,640)	(25,247,681)	(24,282,315)	(24,612,548)
Business-Type Activity	(163,437)	(132,294)	(101,282)	(142,472)
<b>Total Net (Expense)/Revenue</b>	<b>(23,885,077)</b>	<b>(25,379,975)</b>	<b>(24,383,597)</b>	<b>(24,755,020)</b>
<b><u>General Revenues and Other Changes in Net Position:</u></b>				
<b><u>Governmental Activities:</u></b>				
Property Taxes Levied for:				
General Purposes	3,954,688	4,050,425	4,251,580	4,132,956
Debt Service	623,941	535,614	533,573	514,460
Classroom Facility Maintenance	89,958	93,574	88,306	83,722
Grants and Entitlements not				
Restricted to Specific Programs	17,078,312	17,302,267	17,584,596	18,173,233
Contributions and Donations	5,841	18,265	9,672	10,198
Interest	103,622	182,083	261,884	234,172
Gain on Sale of Capital Assets	0	0	0	0
Revenue in Lieu of Taxes	0	0	0	0
Miscellaneous	142,060	138,250	128,449	162,666
Transfers	(43,615)	0	0	0
<b>Total Governmental Activities</b>	<b>21,954,807</b>	<b>22,320,478</b>	<b>22,858,060</b>	<b>23,311,407</b>
<b>Extraordinary Item - Insurance Settlement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500,000</b>
<b><u>Business-Type Activity:</u></b>				
Interest	0	0	0	8,116
Miscellaneous	18,778	17,548	25,779	22,065
Transfers	43,615	0	0	0
<b>Total Business-Type Activity</b>	<b>62,393</b>	<b>17,548</b>	<b>25,779</b>	<b>30,181</b>
<b>Total Primary Government</b>	<b>22,017,200</b>	<b>22,338,026</b>	<b>22,883,839</b>	<b>23,841,588</b>
<b><u>Change in Net Position:</u></b>				
Governmental Activities	(1,766,833)	(2,927,203)	(1,424,255)	(801,141)
Business-Type Activity	(101,044)	(114,746)	(75,503)	(112,291)
<b>Total Change in Net Position</b>	<b>(\$1,867,877)</b>	<b>(\$3,041,949)</b>	<b>(\$1,499,758)</b>	<b>(\$913,432)</b>

2009	2010	2011	2012	2013	2014
\$635,435	\$603,869	\$571,093	\$620,025	\$545,730	\$460,518
868,996	1,023,119	1,133,010	1,189,043	1,122,380	1,077,477
<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>	<u>1,537,995</u>
6,002,891	7,632,477	7,700,772	8,525,703	6,774,058	7,464,464
(26,556,975)	(25,894,490)	(25,829,173)	(24,663,290)	(24,462,558)	(24,581,919)
(138,200)	(62,355)	(43,702)	(57,928)	(158,552)	(216,041)
<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>	<u>(24,797,960)</u>
4,328,426	4,082,309	4,676,874	4,342,422	4,324,242	4,846,070
496,617	459,556	413,833	600,867	515,886	604,018
88,056	79,882	91,402	84,908	87,738	98,687
19,244,661	19,187,402	19,513,313	18,627,278	18,291,506	19,724,363
0	2,366	7,773	0	0	0
142,432	19,643	19,362	10,197	12,024	10,157
0	35,360	0	0	0	0
0	88,076	97,575	104,257	102,547	98,405
212,655	253,410	105,632	76,508	112,064	87,047
0	0	0	0	0	0
<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>	<u>25,468,747</u>
0	0	0	0	0	0
2,737	368	275	0	522	100
29,460	33,944	34,305	29,004	22,977	32,951
0	0	0	0	0	0
<u>32,197</u>	<u>34,312</u>	<u>34,580</u>	<u>29,004</u>	<u>23,499</u>	<u>33,051</u>
24,545,044	24,242,316	24,960,344	23,875,441	23,469,506	25,501,798
(2,044,128)	(1,686,486)	(903,409)	(816,853)	(1,016,551)	886,828
(106,003)	(28,043)	(9,122)	(28,924)	(135,053)	(182,990)
<u>(\$2,150,131)</u>	<u>(\$1,714,529)</u>	<u>(\$912,531)</u>	<u>(\$845,777)</u>	<u>(\$1,151,604)</u>	<u>\$703,838</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b><u>Governmental Activities:</u></b>				
Function:				
Instruction:				
Regular	\$846,693	\$906,390	\$1,277,396	\$1,345,399
Special	1,425,496	1,623,649	1,902,715	2,291,226
Vocational	80,040	88,986	95,796	140,838
Student Intervention Services	0	0	3,332	8,233
Support Services:				
Pupils	410,951	249,948	335,209	259,923
Instructional Staff	71,814	179,508	38,578	148,568
Board of Education	0	1,050	0	0
Administration	248,155	240,241	145,956	175,565
Fiscal	16,854	18,253	0	0
Business	25,750	18,046	66	0
Operation and Maintenance of Plant	109,553	115,193	11,230	14,444
Pupil Transportation	142,194	161,575	86,255	115,813
Central	12,000	18,896	54,205	12,000
Operation of Non-Instructional Services	3,044	3,846	3,191	4,416
Extracurricular Activities	104,415	145,867	106,079	147,101
Total Program Revenues	<u>\$3,496,959</u>	<u>\$3,771,448</u>	<u>\$4,060,008</u>	<u>\$4,663,526</u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$1,322,534	\$1,514,112	\$1,364,499	\$2,629,195	\$1,544,537	\$1,793,957
2,274,353	3,084,477	3,286,052	2,901,777	2,531,470	3,119,871
154,259	160,716	155,592	153,881	155,393	96,622
5,305	0	0	0	0	4,072
157,957	39,704	2,910	16,002	4,040	9,973
135,256	463,710	511,392	185,739	40,114	69,188
0	0	0	0	0	0
184,420	193,649	156,807	103,025	123,677	109,777
0	0	0	3,834	13,916	20,955
0	0	0	0	0	0
23,647	15,568	16,168	151,037	145,446	135,075
80,917	75,040	76,737	72,574	80,171	86,312
12,000	9,145	9,100	7,434	7,200	7,200
1,129	14,392	14,771	15,374	37,137	8,678
146,683	434,976	402,641	476,763	422,847	464,789
<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>	<u>\$5,926,469</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Fund</b>				
Reserved	\$1,664,886	\$1,238,665	\$1,642,030	\$1,820,710
Unreserved (Deficit)	(417,369)	(470,171)	(856,912)	(853,070)
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	0
<b>Total General Fund</b>	<u>1,247,517</u>	<u>768,494</u>	<u>785,118</u>	<u>967,640</u>
<b>All Other Governmental Funds</b>				
Reserved	659,603	169,829	234,802	214,861
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	876,730	856,516	928,812	1,006,332
Debt Service Fund	1,470,683	1,565,053	1,648,831	1,702,309
Capital Projects Funds	619,028	702,802	719,152	1,242,909
Restricted	0	0	0	0
Unassigned (Deficit)	0	0	0	0
<b>Total All Other Governmental Funds</b>	<u>3,626,044</u>	<u>3,294,200</u>	<u>3,531,597</u>	<u>4,166,411</u>
<b>Total Governmental Funds</b>	<u><u>\$4,873,561</u></u>	<u><u>\$4,062,694</u></u>	<u><u>\$4,316,715</u></u>	<u><u>\$5,134,051</u></u>

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

<u>2009</u>	<u>2010 (1)</u>	<u>2011 (1)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$2,163,347	\$0	\$0	\$0	\$0	\$0
(1,566,273)	0	0	0	0	0
0	10,026	10,911	11,471	11,812	13,613
0	1,084,762	1,321,337	4,619	0	0
0	220,708	131,813	176,733	603,017	624,315
0	(1,060,775)	(653,767)	658,232	685,942	1,556,120
<u>597,074</u>	<u>254,721</u>	<u>810,294</u>	<u>851,055</u>	<u>1,300,771</u>	<u>2,194,048</u>
211,842	0	0	0	0	0
973,306	0	0	0	0	0
1,736,031	0	0	0	0	0
1,239,028	0	0	0	0	0
0	4,110,152	3,751,681	3,837,543	3,802,516	3,953,817
0	(34,253)	(125,035)	(11,355)	(8,393)	(3,014)
<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>3,950,803</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>	<u>\$6,144,851</u>

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

	2005	2006	2007	2008
<b><u>Revenues:</u></b>				
Property Taxes	\$4,661,605	\$4,680,792	\$4,875,707	\$4,661,669
Intergovernmental	19,407,256	20,044,154	20,306,460	21,335,869
Interest	103,622	182,083	261,884	234,172
Tuition and Fees	907,851	1,015,569	1,197,685	1,273,371
Extracurricular Activities	104,415	110,867	105,919	147,101
Rent	0	0	11,230	14,444
Contributions and Donations	8,885	57,111	14,223	14,614
Customer Sales and Services	0	0	0	0
Revenue in Lieu of Taxes	0	0	0	0
Miscellaneous	142,060	140,250	128,449	162,666
<b>Total Revenues</b>	<b>25,335,694</b>	<b>26,230,826</b>	<b>26,901,557</b>	<b>27,843,906</b>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	11,918,062	12,710,950	12,668,464	12,915,717
Special	2,426,572	2,673,191	2,925,480	3,286,834
Vocational	251,460	293,065	220,087	268,917
Student Intervention Services	0	101,933	87,630	203,039
Support Services:				
Pupils	1,025,420	995,537	973,060	919,811
Instructional Staff	858,842	1,063,031	823,038	1,004,078
Board of Education	23,317	25,214	17,796	17,970
Administration	1,861,765	1,922,762	1,980,783	1,833,720
Fiscal	510,261	457,776	502,126	574,482
Business	31,641	23,666	168	0
Operation and Maintenance of Plant	2,754,605	2,822,968	2,800,624	2,957,372
Pupil Transportation	1,797,817	2,033,526	2,251,693	2,097,419
Central	212,270	192,540	236,577	280,721
Operation of Non-Instructional Services	46,862	3,578	2,865	3,565
Extracurricular Activities	533,401	577,560	522,518	592,662
Capital Outlay	1,004,905	599,884	61,688	3,975
Debt Service:				
Principal Retirement	241,000	230,000	273,000	272,000
Interest and Fiscal Charges	321,790	317,619	309,737	294,288
Issuance Costs	0	0	0	0
<b>Total Expenditures</b>	<b>25,819,990</b>	<b>27,044,800</b>	<b>26,657,334</b>	<b>27,526,570</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(484,296)</b>	<b>(813,974)</b>	<b>244,223</b>	<b>317,336</b>
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds from Sale of Capital Assets	0	3,107	9,798	0
Inception of Capital Lease	0	0	0	0
Refunding Bonds Issued	0	0	0	0
Premium on Refunding Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	0	41	0	78
Transfers Out	0	(41)	0	(78)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>3,107</b>	<b>9,798</b>	<b>0</b>
<b>Extraordinary Item - Insurance Settlement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500,000</b>
<b>Net Change in Fund Balances</b>	<b>(\$484,296)</b>	<b>(\$810,867)</b>	<b>\$254,021</b>	<b>\$817,336</b>
Debt Service as a Percentage of Noncapital Expenditures	2.3%	2.1%	2.2%	2.1%

2009	2010	2011	2012	2013	2014
\$4,883,793	\$4,624,437	\$5,182,202	\$5,028,289	\$4,844,003	\$5,047,210
22,288,451	23,274,692	23,815,510	23,124,431	21,604,858	23,225,498
142,432	19,643	19,362	10,197	12,024	10,157
1,287,913	1,419,764	1,300,819	1,519,029	1,602,627	1,606,908
141,313	335,596	400,823	394,573	348,914	366,046
12,995	15,568	16,168	17,946	19,780	16,333
6,499	116,138	23,444	93,847	83,281	86,810
0	0	0	0	22,293	85
0	88,076	97,575	104,257	102,547	98,405
212,655	253,410	105,632	76,508	112,064	87,047
<u>28,976,051</u>	<u>30,147,324</u>	<u>30,961,535</u>	<u>30,369,077</u>	<u>28,752,391</u>	<u>30,544,499</u>
14,026,999	14,581,326	14,639,886	15,082,311	13,910,196	14,674,145
3,615,310	3,852,285	4,044,393	3,923,800	3,080,064	3,288,699
292,940	384,613	273,355	208,088	204,325	207,405
146,996	3,274	930	0	0	2,687
888,765	685,038	612,813	657,316	1,213,548	1,237,817
1,059,607	1,420,869	1,477,877	809,625	678,132	304,760
20,524	19,962	25,568	24,927	20,703	20,759
1,956,104	2,041,708	1,955,852	1,910,985	1,835,740	2,030,910
542,751	560,881	564,727	574,518	525,410	562,212
0	0	0	0	0	0
3,069,098	3,115,637	3,042,340	2,824,492	2,663,905	2,605,498
2,055,205	2,087,277	2,127,937	2,216,069	2,158,512	2,159,825
273,575	329,933	317,809	336,920	444,276	771,597
16,395	16,760	11,155	13,539	17,161	12,975
611,076	773,966	763,964	643,355	655,780	705,501
195,584	722,701	406,140	238,724	279,914	241,827
288,000	348,000	391,000	494,000	498,000	542,000
275,387	276,255	199,469	170,105	149,074	125,925
0	0	65,745	0	0	0
<u>29,334,316</u>	<u>31,220,485</u>	<u>30,920,960</u>	<u>30,128,774</u>	<u>28,334,740</u>	<u>29,494,542</u>
<u>(358,265)</u>	<u>(1,073,161)</u>	<u>40,575</u>	<u>240,303</u>	<u>417,651</u>	<u>1,049,957</u>
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	0
0	0	740,853	0	0	0
0	0	(740,853)	0	0	0
<u>0</u>	<u>646,500</u>	<u>65,745</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
<u>(\$358,265)</u>	<u>(\$426,661)</u>	<u>\$106,320</u>	<u>\$240,303</u>	<u>\$417,651</u>	<u>\$1,049,957</u>
1.9%	2.0%	1.9%	2.2%	2.3%	2.3%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
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
2014	207,052,320	23,470,620	658,636,971	9,482,560	11,853,200

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

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

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

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

Tangible Personal Property		Total			Weighted Average Tax Rate
General Business		Assessed	Estimated	Ratio	
Assessed Value	Actual Value	Value	Actual Value		
\$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
0	0	240,005,500	670,490,171	35.80%	19.84

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

	2005	2006	2007	2008
<b>UNVOTED MILLAGE:</b>				
Operating	\$4.70	\$4.70	\$4.70	\$4.70
<b>VOTED MILLAGE - BY LEVY:</b>				
1976 Current Expense				
Residential/Agricultural Real	15.30	15.30	15.30	15.30
Commercial/Industrial and Public Utility Real	15.30	15.30	15.30	15.30
General Business and Public Utility Personal	15.30	15.30	15.30	15.30
1997 Bond (\$5,659,600)				
Residential/Agricultural Real	2.70	2.00	2.00	2.00
Commercial/Industrial and Public Utility Real	2.70	2.00	2.00	2.00
General Business and Public Utility Personal	2.70	2.00	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	0.40	0.40
Commercial/Industrial and Public Utility Real	0.50	0.50	0.40	0.40
General Business and Public Utility Personal	0.50	0.50	0.50	0.50
<b>TOTAL VOTED MILLAGE BY TYPE OF PROPERTY</b>				
Residential/Agricultural Real	18.95	18.25	18.20	18.20
Commercial/Industrial and Public Utility Real	19.00	18.30	18.20	18.20
General Business and Public Utility Personal	19.00	18.30	18.30	18.30
<b>TOTAL SCHOOL DISTRICT MILLAGE</b>				
	<b>23.70</b>	<b>23.00</b>	<b>23.00</b>	<b>23.00</b>
<b>WEIGHTED AVERAGE</b>				
	<b>23.66</b>	<b>22.96</b>	<b>22.91</b>	<b>22.90</b>
<b>OVERLAPPING RATES BY TAXING DISTRICT</b>				
<b>TOWNSHIPS:</b>				
Residential/Agricultural Real	0.10 - 4.10	0.10 - 4.10	0.10 - 3.67	0.10 - 3.69
Commercial/Industrial and Public Utility Real	0.10 - 4.10	0.10 - 4.10	0.10 - 3.74	0.10 - 3.77
General Business and Public Utility Personal	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10
<b>CORPORATIONS:</b>				
Residential/Agricultural Real	0.60 - 2.97	0.60 - 2.97	0.60 - 2.61	0.60 - 4.51
Commercial/Industrial and Public Utility Real	0.60 - 3.58	0.60 - 3.58	0.60 - 2.91	0.60 - 4.66
General Business and Public Utility Personal	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00	0.60 - 5.00
<b>SOUTHERN HILLS JOINT VOCATIONAL DISTRICT:</b>				
Residential/Agricultural Real	2.43	3.43	3.06	3.06
Commercial/Industrial and Public Utility Real	3.16	4.16	3.59	3.61
General Business and Public Utility Personal	5.40	6.40	6.40	6.40
<b>COUNTY AND OTHER UNITS:</b>				
<b>BROWN COUNTY</b>				
Residential/Agricultural Real	4.77	4.78	4.67	4.67
Commercial/Industrial and Public Utility Real	4.90	4.90	4.75	4.75
General Business and Public Utility Personal	5.80	5.80	5.80	5.80
<b>CLERMONT COUNTY</b>				
Residential/Agricultural Real	7.16	6.79	7.42	7.41
Commercial/Industrial and Public Utility Real	7.63	7.37	7.90	7.90
General Business and Public Utility Personal	9.35	9.35	9.55	9.55
<b>BROWN COUNTY PUBLIC LIBRARY</b>				
Residential/Agricultural Real	0.75	0.75	0.50	0.35
Commercial/Industrial and Public Utility Real	0.75	0.75	0.50	0.35
General Business and Public Utility Personal	0.75	0.75	0.50	0.35

Source: Ohio Department of Taxation

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

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

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

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

2009	2010	2011	2012	2013	2014
\$4.70	\$4.70	\$4.70	\$4.70	\$4.70	\$4.70
15.30	15.30	15.30	15.30	15.30	15.30
15.30	15.30	15.30	15.30	15.30	15.30
15.30	15.30	15.30	15.30	15.30	15.30
1.75	1.75	1.75	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	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	0.38	0.38	0.38	0.38	0.38
0.40	0.40	0.41	0.41	0.41	0.41
0.50	0.50	0.50	0.50	0.50	0.50
17.95	17.93	17.93	17.93	18.18	18.18
17.95	17.95	17.96	17.96	18.21	18.21
18.05	18.05	18.05	18.05	18.30	18.30
<b>22.75</b>	<b>22.75</b>	<b>22.75</b>	<b>22.75</b>	<b>23.00</b>	<b>23.00</b>
<b>22.66</b>	<b>22.64</b>	<b>16.57</b>	<b>19.89</b>	<b>19.79</b>	<b>19.84</b>
0.10 - 3.46	0.10 - 3.46	0.10 - 3.47	0.90 - 3.85	0.90 - 3.85	0.90 - 3.85
0.10 - 3.60	0.10 - 3.59	0.10 - 3.64	0.90 - 4.00	0.90 - 4.00	0.90 - 4.00
0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.09 - 4.00	0.09 - 4.00	0.09 - 4.00
0.60 - 2.61	0.60 - 5.00	0.60 - 5.00	0.60 - 2.37	0.60 - 2.37	0.60 - 2.37
0.60 - 2.91	0.60 - 5.00	0.60 - 5.00	0.60 - 2.89	0.60 - 2.89	0.60 - 2.89
0.60 - 4.00	0.60 - 5.00	0.60 - 5.00	0.60 - 3.60	0.60 - 3.60	0.60 - 3.60
3.06	2.92	2.92	2.92	2.92	2.92
3.62	3.63	3.65	3.68	3.68	3.68
6.40	6.40	6.40	6.40	6.40	6.40
5.47	7.15	7.15	7.16	7.16	7.16
5.55	7.34	7.34	7.35	7.35	7.35
6.60	7.60	7.60	7.60	7.60	7.60
7.80	7.82	8.55	8.83	8.83	8.83
8.49	8.52	9.12	9.25	9.25	9.25
9.95	9.95	9.95	9.95	9.95	9.95
0.35	0.35	0.35	0.35	0.35	0.35
0.35	0.35	0.35	0.35	0.35	0.35
0.35	0.35	0.35	0.35	0.35	0.35

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

Collection Year	Current Tax Levy	Current Tax Collections (2)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections (3)	Percent of Total Tax Collections to Current Tax Levy (3)
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	5,497,854	4,420,824	80.41%	460,348	4,881,172	88.78%
2014 (1)	N/A	N/A	N/A	N/A	N/A	N/A

**Source:** Brown County Auditor

(1) The 2014 collections cannot be presented because all collections have not been made by June 30, 2014.

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

(3) The County's current system does not track delinquent tax collections by tax year in total. This presentation will be updated as new information becomes available.

**Western Brown Local School District**  
*Principal Tax Payers*  
*Real Property*  
*2014 and 2005 (1)*

Name of Taxpayer	2014	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$5,203,320	2.26%
Cincinnati Milacron	4,166,486	1.81%
Brown County Industrial Park	3,869,495	1.68%
Ava Jo Bohl	2,559,770	1.11%
Locust Ridge Land Corp	2,155,067	0.93%
Alma Monk Trustee	2,065,190	0.90%
Scottwood Commons	1,892,690	0.82%
Shriji Krupa	1,683,780	0.73%
N A L Company	1,472,493	0.64%
Northpoint Centre	1,230,860	0.53%
Totals	<u>\$26,299,151</u>	<u>11.41%</u>
Total Assessed Valuation	<u>\$230,522,940</u>	<u>100.00%</u>

Name of Taxpayer	2005	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$1,797,950	0.89%
Cincinnati Milacron	1,573,410	0.78%
Timothy Hale	737,300	0.37%
Scottwood Commons	660,370	0.33%
Locust Ridge Land Corp.	519,820	0.26%
Alma Monk	427,220	0.21%
NAL Company	394,030	0.20%
HPWFP Limited Partnership	391,240	0.19%
Lake Grant Ltd.	378,900	0.19%
Shihasi Mt. Orab LLC	357,050	0.18%
Totals	<u>\$7,237,290</u>	<u>3.60%</u>
Total Assessed Valuation	<u>\$201,453,707</u>	<u>100.00%</u>

(1) The amounts represent the assessed values upon which 2014 and 2005 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
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
2014	17,494	670,490,171	3,418,211	0.51%	195.39

- 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
\$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
3,418,211	562,000	3,980,211	0.59%	1.14%	227.52

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Assessed Valuation (1)	\$201,583,110	\$206,179,908	\$237,988,790	\$236,168,840
Less:				
General Business Personal Property	0	(9,164,247)	(4,198,610)	(2,655,650)
Railroad and Telephone Tangible Property	<u>0</u>	<u>(2,139,510)</u>	<u>(1,792,870)</u>	<u>(1,193,050)</u>
Total Assessed Valuation used to calculate Legal Debt Margin	201,583,110	194,876,151	231,997,310	232,320,140
Debt Limit - 9% of Assessed Value (2)	<u>18,142,480</u>	<u>17,538,854</u>	<u>20,879,758</u>	<u>20,908,813</u>
Amount of Debt Applicable to Debt Limit				
Gross Indebtedness	5,975,000	5,775,000	5,560,000	5,320,000
Less Exempt Debt	0	0	0	0
Less Amount Available in Debt Service	<u>(1,593,513)</u>	<u>(1,684,546)</u>	<u>(1,790,395)</u>	<u>(1,812,098)</u>
Amount of Debt Subject to Limit	<u>4,381,487</u>	<u>4,090,454</u>	<u>3,769,605</u>	<u>3,507,902</u>
Legal Debt Margin	<u>\$13,760,993</u>	<u>\$13,448,400</u>	<u>\$17,110,153</u>	<u>\$17,400,911</u>
Legal Debt Margin as a Percentage of the Debt Limit	75.85%	76.68%	81.95%	83.22%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$201,583	\$194,876	\$231,997	\$232,320
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$201,583</u>	<u>\$194,876</u>	<u>\$231,997</u>	<u>\$232,320</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.

<u>2009 (3)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$238,028,600	\$245,940,190	\$245,329,030	\$245,873,590	\$239,951,080	\$240,005,500
(551,880)	(275,940)	0	0	0	0
<u>(361,410)</u>	<u>(84,120)</u>	<u>(82,660)</u>	<u>0</u>	<u>0</u>	<u>0</u>
237,115,310	245,580,130	245,246,370	245,873,590	239,951,080	240,005,500
<u>21,340,378</u>	<u>22,102,212</u>	<u>22,072,173</u>	<u>22,128,623</u>	<u>21,595,597</u>	<u>21,600,495</u>
5,065,000	4,795,000	4,495,000	4,095,000	3,695,000	3,255,000
0	0	0	0	0	0
<u>(1,850,785)</u>	<u>(1,844,614)</u>	<u>(1,846,627)</u>	<u>(1,959,693)</u>	<u>(1,997,717)</u>	<u>(2,061,140)</u>
<u>3,214,215</u>	<u>2,950,386</u>	<u>2,648,373</u>	<u>2,135,307</u>	<u>1,697,283</u>	<u>1,193,860</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>	<u>\$20,406,635</u>
84.94%	86.65%	88.00%	90.35%	92.14%	94.47%
\$237,115	\$245,580	\$245,246	\$245,874	\$239,951	\$240,006
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$237,115</u>	<u>\$245,580</u>	<u>\$245,246</u>	<u>\$245,874</u>	<u>\$239,951</u>	<u>\$240,006</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, 2014*

	General Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
General Obligation Bonds	\$3,418,211	100.00%	\$3,418,211
Capital Leases	562,000	100.00%	562,000
Total Direct	<u>3,980,211</u>		<u>3,980,211</u>
Overlapping:			
Brown County General Obligation Bonds	1,490,000	33.60%	500,640
Southern Hills Joint Vocational School District	4,865,441	30.23%	1,470,823
Village of Mt. Orab	<u>3,300,000</u>	100.00%	<u>3,300,000</u>
Total Overlapping	<u>9,655,441</u>		<u>5,271,463</u>
Total	<u><u>\$13,635,652</u></u>		<u><u>\$9,251,674</u></u>

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

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

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

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

Year	Population (1)	Personal Income (2) (in millions)	Per Capita Personal Income (1)	Median Household Income (1)	Brown County Unemployment Rate (3)
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%
2014	17,494	349,687,566	19,989	44,796	6.10%

**Sources:** (1) National Center for Education Statistics  
2001-2010 from 2000 U.S. Census Data  
2011-2013 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  
2014 and 2006 (1)

		2014		
Employer	Nature of Business	Number of Employees	Percent	Rank
Kroger	Retail Grocer	318	18.57%	1
Western Brown Local School District	Education	296	17.29%	2
Cincinnati Milacron	Plastic Injection	255	14.89%	3
ATW Ohio, LLC	Farm Implements	226	13.20%	4
Health Source of Ohio	Medical	115	6.72%	5
McDonald's	Food Service	94	5.49%	6
Mt. Orab Investments	Rental Properties	92	5.37%	7
Village of Mt. Orab	Local Government	74	4.32%	8
Country Inn	Food Service	68	3.97%	9
Kibler Lumber	Rental Lumber	41	2.39%	10
Total Employees		1,579	92.21%	
All Other Employers		133	7.79%	
Total Employment within the City		<u>1,712</u>	<u>100.00%</u>	

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

**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
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
2014	3,366	28,862,617	8,575	30,364,704	9,021

**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	2005	2006	2007	2008
Regular Instruction				
Elementary Classroom Teachers	129	129	125	125
High School Classroom Teachers	36	36	36	36
Special Instruction				
Elementary Classroom Teachers	13	14	14	14
High School Classroom Teachers	5	5	6	6
Vocational Instruction				
High School Classroom Teachers	3	3	3	3
Pupil Support Services				
Guidance Counselors	5	5	5	5
Librarians	3	3	3	3
Psychologists	0	1	1	1
Nurses	2	2	1	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	26	26	26	26
Maintenance	3	3	3	3
Pupil Transportation				
Bus Drivers	39	39	38	38
Bus Aides	3	3	3	3
Bus Mechanics	0	0	0	0
Food Service Program				
Elementary Cooks	18	18	18	18
High School Cooks	0	6	6	6
Totals:	<u>332</u>	<u>340</u>	<u>335</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
122	122	122	114	114	114
36	36	36	36	36	36
14	16	16	16	16	16
6	6	6	6	6	6
3	4	4	2	2	2
5	5	5	5	5	5
3	3	3	1	1	1
1	1	1	0	0	0
1	1	1	1	1	1
13	13	13	13	13	15
6	6	6	6	6	6
3	3	3	3	2	3
9	9	9	8	8	8
4	4	4	4	4	4
4	4	4	4	0	0
4	4	4	3	3	3
25	25	25	25	25	19
3	3	3	3	3	3
34	34	34	35	23	23
3	3	3	3	3	3
0	0	0	1	2	2
18	20	20	20	20	20
<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
<u>323</u>	<u>328</u>	<u>328</u>	<u>315</u>	<u>299</u>	<u>296</u>

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

	2005	2006	2007	2008
<b><u>Mt. Orab Elementary/Middle School:</u></b>				
Constructed in 1971				
Additions in 1988 and 1998				
Total Building Square Footage	100,965	100,965	100,965	100,965
Enrollment Grades K-8 1997 - 2001	0	0	0	0
Enrollment Grades K-4 2002 - Present	859	883	851	865
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	44	44	44	44
Regular Instruction Teachers	37	38	38	38
Special Instruction Classrooms	4	4	4	4
Special Instruction Teachers	2	3	3	3
<b><u>Mt. Orab Middle School:</u></b>				
Converted from the old High School				
Constructed in 1957				
Additions in 1971, 1984, 1992 and 1998				
Total Building Square Footage	94,851	94,851	94,851	94,851
Enrollment Grades K-8	769	728	744	743
Student Capacity	1,000	1,000	1,000	1,000
Regular Instruction Classrooms	34	34	34	34
Regular Instruction Teachers	30	32	32	32
Special Instruction Classrooms	7	7	7	7
Special Instruction Teachers	6	6	6	6
<b><u>Hamersville Elementary &amp; Middle School:</u></b>				
Constructed in 2002				
Total Building Square Footage	129,780	129,780	129,780	129,780
Enrollment Grades K-8	768	701	663	676
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	36	36	36	36
Regular Instruction Teachers	32	32	32	32
Special Instruction Classrooms	8	8	8	8
Special Instruction Teachers	5	5	5	4
<b><u>Western Brown High School:</u></b>				
Constructed in 2002				
Total Building Square Footage	189,729	189,729	189,729	187,729
Enrollment Grades 9-12	1,024	1,055	1,056	1,072
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	40	40	40	40
Regular Instruction Teachers	36	36	36	36
Special Instruction Classrooms	5	5	5	5
Special Instruction Teachers	5	5	5	5

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

2009	2010	2011	2012	2013	2014
100,965	100,965	100,965	100,965	100,965	100,965
0	0	0	0	0	0
903	1,017	1,024	973	882	889
1,100	1,100	1,100	1,100	1,100	1,100
44	44	44	44	44	44
47	37	37	37	37	37
4	4	4	4	4	4
3	4	4	4	4	4
94,851	94,851	94,851	94,851	94,851	94,851
760	682	690	682	694	702
1,000	1,000	1,000	1,000	1,000	1,000
34	34	34	34	34	34
35	29	29	29	29	29
7	7	7	7	7	7
5	5	5	6	6	6
129,780	129,780	129,780	129,780	129,780	129,780
668	686	674	662	673	667
1,100	1,100	1,100	1,100	1,100	1,100
36	36	36	36	36	36
40	34	34	32	32	32
8	8	8	8	8	8
4	4	4	6	6	6
187,729	187,729	187,729	187,729	187,729	187,729
1,091	1,081	1,093	1,096	1,103	1,108
1,200	1,200	1,200	1,200	1,200	1,200
40	40	40	40	40	40
36	36	36	36	36	36
5	5	5	5	5	5
6	4	4	6	6	6

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

<u>Year</u>	<u>Average Number of Students per Teacher (1)</u>
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
2014	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*

	<u>Hamersville Elementary</u>	<u>Mt. Orab Elementary</u>	<u>Mt. Orab Middle School</u>	<u>Western Brown High School</u>
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
2014	51.69	57.94	53.26	45.89

**Source:** Ohio Department of Education

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# Dave Yost • Auditor of State

**WESTERN BROWN LOCAL SCHOOL DISTRICT**

**BROWN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 23, 2014**