

**BIG WALNUT LOCAL SCHOOL DISTRICT**  
**DELAWARE COUNTY**  
**SINGLE AUDIT**  
**JULY 1, 2014 - JUNE 30, 2015**







# Dave Yost • Auditor of State

Board of Education  
Big Walnut Local School District  
105 Baughman Street, Suite A  
Sunbury, Ohio 43074

We have reviewed the *Independent Auditor's Report* of the Big Walnut Local School District, Delaware County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2014 through June 30, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Big Walnut Local School District is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

March 30, 2016

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**BIG WALNUT LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

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**BIG WALNUT LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
National School Breakfast Program	N/A	10.553	\$ 53,975	\$ -	\$ 53,975	\$ -
National School Lunch Program	N/A	10.555	240,312	56,345	240,312	56,345
Total Nutrition Cluster			<u>294,287</u>	<u>56,345</u>	<u>294,287</u>	<u>56,345</u>
Total U.S. Department of Agriculture			<u>294,287</u>	<u>56,345</u>	<u>294,287</u>	<u>56,345</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States	N/A	84.027	483,352	-	550,162	-
Special Education Preschool Grants	N/A	84.173	12,137	-	12,137	-
Total Special Education Cluster			<u>495,489</u>	<u>-</u>	<u>562,299</u>	<u>-</u>
Title I Grants to Local Educational Agencies	N/A	84.010	188,616	-	168,427	-
English Language Acquisition State Grants	N/A	84.365	3,036	-	3,036	-
Improving Teacher Quality State Grants	N/A	84.367	29,479	-	40,241	-
ARRA - State Fiscal Stabilization Fund - Race to the Top, Recovery Act	N/A	84.395	2,769	-	3,406	-
Total U.S. Department of Education			<u>719,389</u>	<u>-</u>	<u>777,409</u>	<u>-</u>
<b>Total Federal Awards Receipts and Expenditures</b>			<u>\$ 1,013,676</u>	<u>\$ 56,345</u>	<u>\$ 1,071,696</u>	<u>\$ 56,345</u>

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

**BIG WALNUT LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying the Schedule of Federal Awards Receipts and Expenditures (the Schedule) is a summary of the activity of the School District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

The School District reports commodities consumed on the Schedule at fair value. The School District allocated donated commodities to the respective program that benefited from use of those donated food commodities. The School District used the services of EPC/MEC to hold, process, and deliver its federal commodities at a nominal rate.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED  
BY GOVERNMENT AUDITING STANDARDS**

Big Walnut Local School District  
Delaware County  
105 Baughman Street, Suite A  
Sunbury, Ohio 43074

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, each major fund, and the aggregate remaining fund information of the Big Walnut Local School District, Delaware County, (the School District) as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated January 19, 2016, wherein we noted the School District adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the School 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 School 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 School 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.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Ten West Locust Street  
Newark, Ohio 43055  
(740) 345-6611  
1-800-523-6611  
FAX (740) 345-5635

***Compliance and Other Matters***

As part of reasonably assuring whether the School 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 School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Newark, Ohio  
January 19, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE AND THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND  
EXPENDITURES REQUIRED BY OMB CIRCULAR A-133**

Big Walnut Local School District  
Delaware County  
105 Baughman Street, Suite A  
Sunbury, Ohio 43074

To the Board of Education:

***Report on Compliance for the Major Federal Program***

We have audited the Big Walnut Local School District's (the School 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 the Big Walnut Local School District's major federal program for the fiscal year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the School District's major federal program.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Ten West Locust Street  
Newark, Ohio 43055  
(740) 345-6611  
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FAX (740) 345-5635

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

In our opinion, the Big Walnut Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2015.

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

The School 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 School 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 School 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 Receipts and Expenditures Required by OMB Circular A-133***

We have also audited the basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Big Walnut Local School District, Delaware County (the School District) as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our unmodified report thereon dated January 19, 2016, wherein we noted the School District adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. We conducted our audit to opine on the School 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.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
January 19, 2016

**BIG WALNUT LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
JUNE 30, 2015**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unmodified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other significant deficiencies reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for each major federal program?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other significant deficiencies in its internal control for each major federal program?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	<b>Special Education Cluster:</b> Special Education Grants to States\CFDA #84.027; Special Education Preschool Grants\CFDA #84.173
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

**BIG WALNUT LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS  
*OMB CIRCULAR A-133 §.505***

**JUNE 30, 2015**

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

**BIG WALNUT LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY, OHIO**

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ended  
June 30, 2015**

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**INTRODUCTORY  
SECTION**

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# **BIG WALNUT LOCAL SCHOOL DISTRICT DELAWARE COUNTY, OHIO**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For The Fiscal Year Ended June 30, 2015

Prepared By:

Treasurer's Office

**Terri Eyerman Day, Treasurer**

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**BIG WALNUT LOCAL SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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# BIG WALNUT

## LOCAL SCHOOL DISTRICT

Treasurer's Office ▪ 105 Baughman St., Suite A ▪ Sunbury, OH 43074 ▪ 740/965-6484

January 19, 2016

To the Citizens and Board of Education of the Big Walnut Local School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Big Walnut Local School District for the fiscal year ended June 30, 2015. This Comprehensive Annual Financial Report contains financial statements, supplemental statements, and statistical information conforming with generally accepted accounting principles as applicable to governmental entities. It provides complete and full disclosure of all material financial aspects of the School District.

This report enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires preparing financial statements in accordance with generally accepted accounting principles and Ohio Revised Code Section 117.38, which requires the School District to file an unaudited annual report with the Auditor of State within 150 days of fiscal year end.

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

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The firm of Wilson, Shannon, & Snow, Inc. has issued an unmodified opinion on Big Walnut Local School District's financial statements for the fiscal year ended June 30, 2015. The Independent Auditor's Report is located at the front of the financial section of this report.

### **Profile of the School District**

Big Walnut Local School District is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state and federal guidelines.

The School District was established in 1951. The School District had an enrollment of 3,273 students for the fiscal year end June 30, 2015 compared to 3,150 students for the fiscal year ended June 30, 2014. These students are housed in four elementary schools (grades pre-k to four), one intermediate school (grades five and six), one middle school (grades seven and eight), and one high school (grades nine through twelve). The age of the buildings varies with the oldest built in 1926 and the latest which opened in the fall of 2011. The School District also operates a transportation building and a maintenance facility. Based on an enrollment study completed in August 2015 by FutureThink, the School District expects enrollment to be at least 3,770, 3,917, 4,134, and 4,372 for the fiscal years ended June 30, 2017, 2018, 2019, and 2020, respectively. These enrollment numbers do not include students living within School District boundaries enrolled in charter schools. For fiscal year 2015, the School District was staffed by one hundred forty-five classified employees, one hundred ninety-seven certified employees and nineteen administrative employees.

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board of Education of the School District for achievement of its goals for students by providing educational direction and supervision to the professional staff and supervision to the classified staff.

The Treasurer is the chief financial officer of the School District and is directly responsible to the Board of Education of the School District for achievement of its goals by providing leadership and supervision in the program of fiscal management of all district financial activities in addition to serving as the Secretary to the Board of Education.

Annually, the School District approves a temporary budget prior to the start of the fiscal year and a permanent budget before October 1. The annual budget serves as the foundation of the School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

### **Local Economy**

The School District encompasses approximately one hundred square miles in Delaware County, in central Ohio. Delaware County was founded in 1808 and is located approximately twenty miles north of Columbus, the State capital. For nearly a decade, Delaware County has been the fastest growing county in Ohio. This central location and vast acres of undeveloped land uniquely position the School District for future development of housing, business, and industry.

Delaware County is a suburban community in central Ohio with a low unemployment rate. The unemployment rate in Delaware County was just 3.6 percent. The estimated population of Delaware County was 189,113 in 2014.

## Long-Term Financial Planning

The School District has two prevailing objectives for long-term financial management.

First, the School District must carefully monitor the revenue stream provided by real estate taxes, income taxes, and State funding to ensure sufficient revenue to maintain an excellent education system within the next five years. As State funding continues to decline, more responsibility is placed on local residents to support education. The Board of Education was successful in renewing a five-year substitute emergency levy in May 2015 that will generate approximately \$4.9 million the first year. This amount will increase annually due to new construction in the area until its expiration on December 31, 2020. The School District is also benefiting from the opening of three new yards at the American Electric Power substation located within its boundaries. The School District will realize over \$3 million in additional revenue each fiscal year beginning in 2016. This anticipated increase in revenue allowed the School District to continue with the renewal of the levy without asking for any additional millage for operations.

Secondly, the School District must carefully monitor personnel expenditures for salary and benefits. While the School District has direct influence over salary during negotiations, the cost of providing quality health care becomes increasingly challenging. The School District conducted labor negotiations in 2014 and reached agreement for insurance concessions that offset the salary increases through June 2015. Staff members agreed to move from their previous insurance plan with “first dollar coverage” to the agreed upon plan that will place more responsibility for deductibles and coinsurance with the union member while simultaneously reducing the members’ monthly premium payments. These insurance modifications reduce the School District’s share of the insurance premium which enables the School District to use the insurance reduction to fund pay increases. The School District could not have afforded to provide salary increases without this change to the insurance plan.

Further efforts to maintain high quality care at the most cost effective price resulted in the School District’s Insurance Committee evaluating the medical insurance plan performance, reviewing utilization statistics, discussing current market trends and conditions, and conducting requests for proposals for the insurance programs. The meticulous management of insurance costs provides an invaluable boost to long-term financial stability for the School District. The Insurance Committee continually monitors the coverage and cost of the current plan in an effort to avoid the additional charges as a result of the Affordable Care Act. Insurance plan options are being explored by staff from each of the four bargaining units, a member of the Board of Education, and School District administration.

Current negotiated contract terms of the School District’s four bargaining units are outlined below; however, readers may request a copy under the public records act for any negotiated agreement including the salary schedule by contacting the School District Treasurer.

### Big Walnut Education Association (Teachers)

- Effective July 1, 2014 - June 30, 2016
- Base Salary Increase of 1.65 percent for fiscal year 2015 and 1.85 percent for fiscal year 2016

### Big Walnut Professional Support Staff Association (Secretaries and Aides)

- Effective July 1, 2014 - June 30, 2016
- Base Salary Increase of 1.25 percent for fiscal year 2015 and 1.25 percent for fiscal year 2016

### OAPSE.AFSCME Local 4/AFL-CIO and Its Local #524 (Maintenance, Custodial, Bus Drivers, Mechanics, and Mail Carrier)

- Effective July 1, 2015 - June 30, 2017
- Base Salary Increase of 1.85 percent for fiscal year 2016 and 2 percent for fiscal year 2017

OAPSE, AFSCME Local 4/AFL-CIO and Its Local #696  
(Head Cooks and Food Service Workers)

- Effective July 1, 2012 - June 30, 2015
- Base Salary Increase of 1.85 percent for fiscal year 2016 and 2 percent for fiscal year 2017

**Relevant Financial Policies**

The School District has adopted a modified zero-based budgeting process which calls for administrators and principals to evaluate their needs anew each year and to make budget requests by answering the question, “What do I need to achieve desired results?” While School District needs will always exceed available resources, the most critical needs to achieve results are funded. Expenditure levels are monitored on a per pupil basis to achieve equity among buildings.

**Major Initiatives**

The School District continues to achieve academically. On the last available State report card, the School District achieved the following grades, “A” for Achievement, “A” for Graduation Rates, “B” for Performance Index, “A” for Overall District Progress. The report card for the 2014-2015 school year is to be released in early 2016.

Our School District is working toward a “Big Walnut 2020 Vision” which includes using data to ensure that learning is personalized for all students, using technology as a tool, and using data to guide our instruction. Small group instruction and project-based learning are key components in our academic programs.

Additionally, our School District utilizes a Facilities Planning Committee to study current facilities and enrollment projections and to make recommendations on the future facility needs of the School District. The committee is exploring facility options to meet the expected growth in the School District and will make a recommendation to our Board of Education for a future bond issue.

**Awards and Acknowledgements**

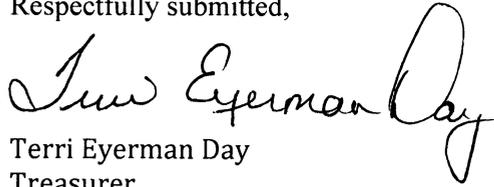
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Big Walnut Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government 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 year only. We believe our current report continues to conform to the Certificate of Achievement requirements and we are submitting it to the GFOA for consideration.

The Big Walnut Local School District also received the *Auditor of State Award with Distinction* for clean and accurate recordkeeping providing excellence in financial reporting for the 2014 Comprehensive Financial Report.

Sincere gratitude goes to the Big Walnut Board of Education members Mindy Meyer, Andy Wecker, Allison Fagan, Brad Schneider, and Nicci Hess for their support in granting funds for this project. Special acknowledgment is extended to the Auditor of State's Local Government Services Section as well as the staff of the Treasurer's Office for their efforts and contributions in the preparation of this Comprehensive Annual Financial Report.

Respectfully submitted,



Terri Eyerman Day  
Treasurer



Angie Pollock  
Superintendent



Government Finance Officers Association

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

Presented to

**Big Walnut Local School District**

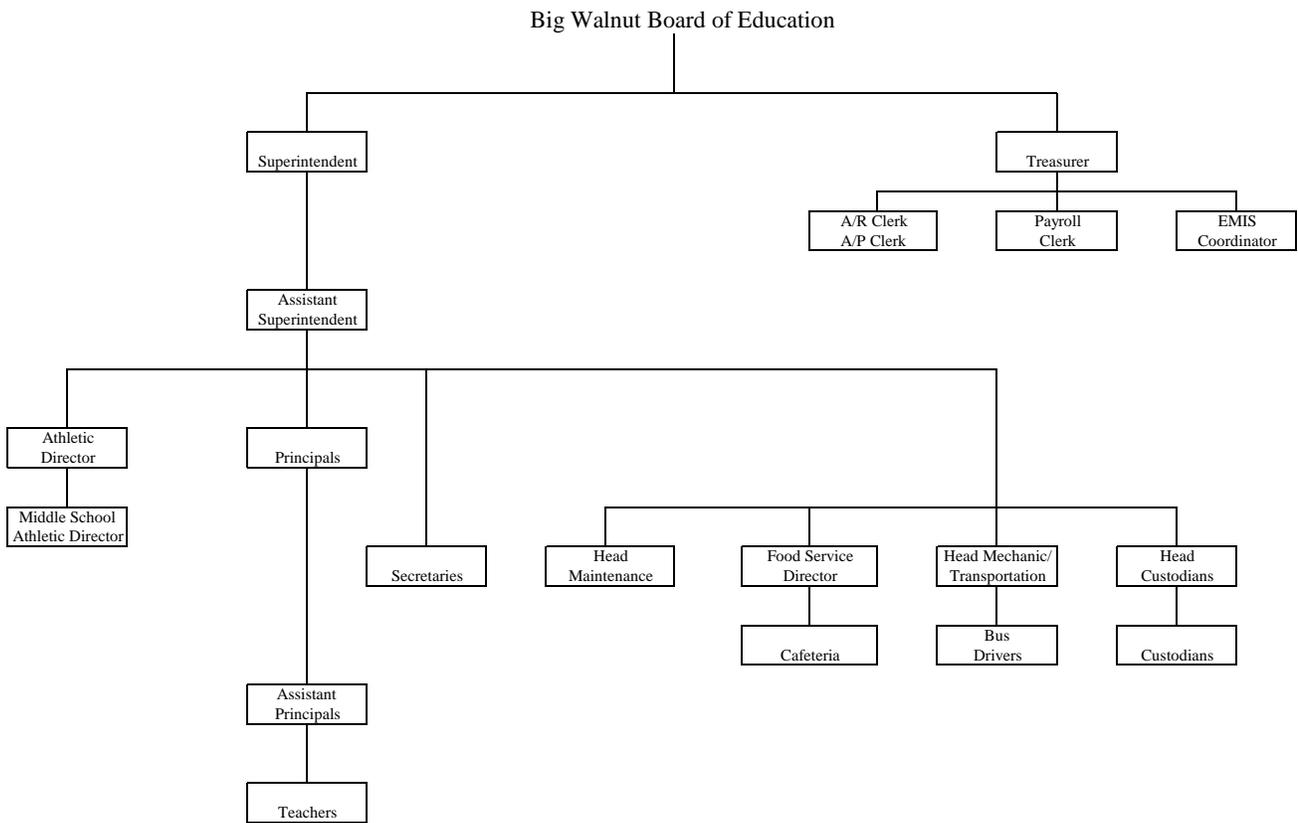
**Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# BIG WALNUT LOCAL SCHOOL DISTRICT ORGANIZATIONAL CHART



BIG WALNUT LOCAL SCHOOL DISTRICT

PRINCIPAL OFFICIALS

JUNE 30, 2015

ELECTED OFFICIALS

President, Board of Education ..... Mindy Meyer  
Vice President, Board of Education..... Andy Wecker  
Board Member ..... Allison Fagan  
Board Member ..... Brad Schneider  
Board Member ..... Nicci Hess

APPOINTED OFFICIALS

Superintendent ..... Angela Pollock  
Treasurer ..... Terri Eyerman Day

ADMINISTRATIVE STAFF

Principal, High School ..... Jeff Jones  
Assistant Principal, High School ..... Bridgette Firstenberger  
Assistant Principal, High School ..... Sarah Wytzka  
Principal, Middle School ..... Penny Sturtevant  
Assistant Principal Middle School..... Josh Frame  
Principal, Big Walnut Intermediate School ..... Ryan McLane  
Principal, Hylan Souders Elementary ..... Megan Rose Forman  
Principal, General Rosecrans Elementary..... Jen Young  
Principal, Big Walnut Elementary ..... Mark Cooper  
Principal, Harrison Street Elementary ..... Kim Castiglione  
Director of Student Services ..... Laura Lawrence  
Athletic Director ..... Brian Shelton  
Director of Technology ..... Wayne Thompson  
Director of Administrative Services ..... Ron McClure

**FINANCIAL  
SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Big Walnut Local School District  
Delaware County  
105 Baughman Street, Suite A  
Sunbury, Ohio 43074

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Big Walnut Local School District, Delaware County, Ohio (the School District), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School 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 School 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 School 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.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Ten West Locust Street  
Newark, Ohio 43055  
(740) 345-6611  
1-800-523-6611  
FAX (740) 345-5635

Big Walnut Local School District  
Delaware County  
Independent Auditor's Report

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Big Walnut Local School District, Delaware County, Ohio, as of June 30, 2015, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2015, the School District adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. We did not modify our opinion regarding these matters.

***Other Matters***

***Required Supplementary Information***

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

***Supplementary and Other Information***

Our audit was conducted to opine on the School 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.

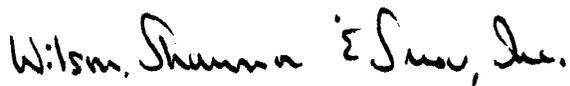
Big Walnut Local School District  
Delaware County  
Independent Auditor's Report

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 January 19, 2016, on our consideration of the School 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 School District's internal control over financial reporting and compliance.



Newark, Ohio  
January 19, 2016

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Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
Unaudited

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The discussion and analysis of Big Walnut Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. 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 basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Highlights**

Highlights for fiscal year 2015 are as follows:

In total, net position increased \$1,538,704, or 7 percent.

General revenues were \$33,520,258, or 89 percent of total revenues, and reflect the School District's substantial dependence on local taxes and State funding.

**Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand Big Walnut Local School District as a financial whole, or as an entire operating entity.

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 a greater 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 most significant funds, with all other nonmajor funds presented in total in a single column. For Big Walnut Local School District, the General Fund and the Bond Retirement debt service fund are the most significant funds.

**Reporting the School District as a Whole**

The statement of net position and the statement of activities reflect how the School District did financially during fiscal year 2015. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
Unaudited

These 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 whether the financial position of the School District as a whole has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Nonfinancial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the statement of net position and the statement of activities, all of the School District activities are reported as governmental activities, including instruction, support services, non-instructional services, and extracurricular activities.

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

Fund financial statements provide detailed information about the School District's major funds. While the School District uses many funds to account for its financial transactions, the fund financial statements focus on the School District's most significant funds. The School District's major funds are the General Fund and the Bond Retirement debt service fund.

Governmental Funds - All of the School District's programs are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using 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 less financial resources that can be spent in the near future to finance educational programs.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

**The School District as a Whole**

Table 1 provides a summary of the School District's net position for fiscal year 2015 and fiscal year 2014:

Table 1  
Net Position

	Governmental Activities		
	2015	2014	Change
<u>Assets</u>			
Current and Other Assets	\$33,984,857	\$34,419,736	(\$434,879)
Capital Assets, Net	46,051,778	46,577,442	(525,664)
Total Assets	80,036,635	80,997,178	(960,543)
			(continued)

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
Unaudited

Table 1  
Net Position  
(continued)

	Governmental Activities		
	2015	2014	Change
<u>Deferred Outflows of Resources</u>			
Pension	\$3,005,934	\$2,188,732	\$817,202
Other Amounts	1,072,685	1,090,273	(17,588)
Total Deferred Outflows of Resources	<u>4,078,619</u>	<u>3,279,005</u>	<u>799,614</u>
<u>Liabilities</u>			
Current and Other Liabilities	3,992,883	3,680,905	(311,978)
Long-Term Liabilities			
Net Pension Liability	36,765,512	43,674,425	6,908,913
Other Amounts	42,068,389	43,559,987	1,491,598
Total Liabilities	<u>82,826,784</u>	<u>90,915,317</u>	<u>8,088,533</u>
<u>Deferred Inflows of Resources</u>			
Pension	6,632,812	0	(6,632,812)
Other Amounts	13,986,869	14,230,781	243,912
Total Deferred Inflows of Resources	<u>20,619,681</u>	<u>14,230,781</u>	<u>(6,388,900)</u>
<u>Net Position</u>			
Net Investment in Capital Assets	7,701,671	6,828,018	873,653
Restricted	1,953,174	2,866,926	(913,752)
Unrestricted (Deficit)	(28,986,056)	(30,564,859)	1,578,803
Total Net Position (Deficit)	<u>(\$19,331,211)</u>	<u>(\$20,869,915)</u>	<u>\$1,538,704</u>

During fiscal year 2015, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions", which significantly revises accounting for pension costs and liabilities. For reasons discussed below, end users of these financial statements will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB Statement No. 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB Statement No. 68, the net pension liability equals the School District's proportionate share of each plan's collective present value of estimated future pension benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
Unaudited

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GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange", that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer as to the employee because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

In accordance with GASB Statement No. 68, the School District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred outflows/inflows.

As a result of implementing GASB Statement No. 68, the School District is reporting a net pension liability and deferred outflows/inflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from \$20,615,778 to (\$20,869,915).

A review of the above table reflects few changes of significance from the prior fiscal year. The increase in current and other liabilities is primarily due to an increase in accrued wages (due to salary increases during fiscal year 2015) and matured compensated absences (those employees who have retired for which severance payments are still owed as of fiscal year end). The decrease in other long-term liabilities generally represents the retirement of principal on debt obligations. This retirement also contributed to the increase in the net investment of capital assets. The decrease in restricted net position is due to resources spent for debt retirement (decrease in the Bond Retirement fund balance) as well as a reduction in resources restricted for building improvements as various improvements were made throughout fiscal year 2015 (decrease in the Building fund balance). A combination of modest changes and the decrease in the net pension liability are reflected in the increase in unrestricted net position.

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
Unaudited

Table 2 reflects the change in net position for fiscal year 2015 and fiscal year 2014.

Table 2  
Change in Net Position

	Governmental Activities		Change
	2015	2014	
<u>Revenues</u>			
Program Revenues			
Charges for Services	\$1,979,239	\$1,276,791	\$702,448
Operating Grants, Contributions, and Interest	2,038,024	2,061,545	(23,521)
Total Program Revenues	4,017,263	3,338,336	678,927
General Revenues			
Property Taxes Levied for General Purposes	16,850,516	17,007,696	(157,180)
Property Taxes Levied for Debt Service Purposes	2,511,378	3,318,770	(807,392)
Income Taxes Levied for General Purposes	5,773,333	5,425,696	347,637
Grants and Entitlements	7,861,995	7,639,186	222,809
Interest	34,516	31,823	2,693
Gifts and Donations	214,468	139,902	74,566
Miscellaneous	274,052	539,466	(265,414)
Total General Revenues	33,520,258	34,102,539	(582,281)
Total Revenues	37,537,521	37,440,875	96,646
<u>Expenses</u>			
Instruction			
Regular	15,684,048	15,044,007	(640,041)
Special	4,334,012	4,638,958	304,946
Vocational	115,738	129,021	13,283
Support Services			
Pupils	1,598,266	1,309,075	(289,191)
Instructional Staff	936,657	526,029	(410,628)
Board of Education	132,995	167,021	34,026
Administration	2,817,247	2,904,350	87,103
Fiscal	1,076,889	1,060,595	(16,294)
Business	14,102	54,210	40,108
Operation and Maintenance of Plant	2,873,373	2,668,032	(205,341)
Pupil Transportation	2,316,202	2,267,030	(49,172)
Central	260,203	295,261	35,058
Non-Instructional Services	1,389,565	1,294,829	(94,736)
Extracurricular Activities	720,093	706,789	(13,304)
Interest and Fiscal Charges	1,729,427	1,761,058	31,631
Total Expenses	35,998,817	34,826,265	(1,172,552)
Increase in Net Position	1,538,704	2,614,610	(1,075,906)
Net Position (Deficit) Beginning of Year	(20,869,915)	n/a	
Net Position End of Year (Deficit)	(\$19,331,211)	(\$20,869,915)	\$1,538,704

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
Unaudited

The information necessary to restate the fiscal year 2014 beginning balance and the fiscal year 2014 pension expense amounts for the effects of the initial implementation of GASB Statement No. 68 is not available. Therefore, fiscal year 2014 functional expenses still include pension expense of \$2,188,732 computed under GASB Statement No. 27. GASB Statement No. 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB Statement No. 68, pension expense represents additional amounts earned adjusted by deferred outflows/inflows. The contractually required contribution is no longer a component of pension expense. Under GASB Statement No. 68, the fiscal year 2015 statements report pension expense of \$1,566,989. Consequently, in order to compare fiscal year 2015 total program expenses to fiscal year 2014, the following adjustments are needed.

Total 2015 Program Expenses under GASB Statement No. 68	\$35,998,817
Pension Expense under GASB Statement No. 68	(1,566,989)
2015 Contractually Required Contribution	2,660,292
Adjusted 2015 Program Expenses	37,092,120
Total 2014 Program Expenses under GASB Statement No. 27	(34,826,265)
Increase in Program Expenses not Related to Pension	\$2,265,855

Although the change in total revenues was less than 1 percent, there were several changes of note. Program revenues, which are primarily represented by tuition and fees, charges for extracurricular activities, food service sales, and restricted intergovernmental revenues represented 11 percent of total revenues for fiscal year 2015 (9 percent in fiscal year 2014). The increase in charges for services revenues was largely due to an increase in open enrollment students.

The primary sources of general revenues are property taxes, income taxes, and unrestricted State resources (generally State Foundation monies). There was a 2 percent decrease in general revenues with the largest change the decrease in property taxes levied for debt services purposes. These taxes are fixed sum taxes adjusted to generate the amount needed to pay debt service on the applicable debt. This decrease was partially offset by an increase in income taxes and unrestricted grants and entitlements (State Foundation monies).

Overall expenses changed over 6 percent from the prior fiscal year. This increase is primarily related to compensation increases.

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
Unaudited

Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted state entitlements.

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
Instruction				
Regular	\$15,684,048	\$15,044,007	\$14,723,990	\$14,625,128
Special	4,334,012	4,638,958	2,914,865	3,230,241
Vocational	115,738	129,021	108,461	128,215
Support Services				
Pupils	1,598,266	1,309,075	1,598,266	1,309,075
Instructional Staff	936,657	526,029	936,657	526,029
Board of Education	132,995	167,021	132,995	167,021
Administration	2,817,247	2,904,350	2,817,247	2,899,455
Fiscal	1,076,889	1,060,595	1,076,889	1,060,595
Business	14,102	54,210	14,102	54,210
Operation and Maintenance of Plant	2,873,373	2,668,032	2,873,373	2,668,032
Pupil Transportation	2,316,202	2,267,030	2,255,588	2,214,565
Central	260,203	295,261	260,203	295,261
Non-Instructional Services	1,389,565	1,294,829	67,067	79,848
Extracurricular Activities	720,093	706,789	472,424	469,196
Interest and Fiscal Charges	1,729,427	1,761,058	1,729,427	1,761,058
Total Expenses	<u>\$35,998,817</u>	<u>\$34,826,265</u>	<u>\$31,981,554</u>	<u>\$31,487,929</u>

As demonstrated again in the above table, general revenues are relied upon to bear the burden of the costs of programs provided by the School District. In fiscal year 2015, general revenues provided for 89 percent of the costs of programs provided. Only a very few of the School District's programs receive a significant amount of program revenues to offset their costs. One of these programs is special instruction which provided for 33 percent of program costs through program revenues, much of this in the form of operating grants restricted for special instruction purposes. Over 95 percent of the non-instructional services program was provided for through program revenues. This is primarily due to cafeteria sales, and state and federal subsidies and donated commodities for food service. In addition, this program includes resources received and spent on behalf of the parochial school located within the School District. Approximately 34 percent of extracurricular activities expenses are covered by program revenues. This is the result of music and athletic fees, ticket sales, and gate receipts.

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
Unaudited

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**The School District's Funds**

The School District's governmental funds are accounted for using the modified accrual basis of accounting. For the General Fund, fund balance increased \$260,114 (2 percent); not a significant change. Revenues increased 2.5 percent and expenditures increased over 9 percent and largely related to compensation increases as mentioned previously.

Fund balance decreased 19 percent in the Bond Retirement debt service fund due debt retirement.

**General Fund Budgeting Highlights**

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

During fiscal year 2015, the School District amended its General Fund budget as needed. For revenues, the final budget increased approximately 5 percent from the original budget primarily due to additional State funding expectations and open enrollment (tuition and fees). Changes from the final budget to actual expenditures were not significant; however, actual State funding was closer to the original budget amount and this decrease was offset by additional tax revenue. For expenditures, changes from the original budget to the final budget as well as from the final budget to actual expenditures were not significant.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2015, the School District had \$46,051,778 invested in capital assets (net of accumulated depreciation). The most significant additions for fiscal year 2015 were the purchase of three new buses and security upgrades. There were no disposals for fiscal year 2015. For further information regarding the School District's capital assets, refer to Note 10 to the basic financial statements.

**Debt**

The School District's outstanding debt at June 30, 2015, consisted of general obligation bonds and capital leases, in the amount of \$40,296,791 and \$166,471, respectively. During fiscal year 2015, the School District currently refunded \$10,000,000 in general obligation bonds. The School District's long-term obligations also include the net pension liability and compensated absences. For further information regarding the School District's long-term obligations, refer to Note 17 and 18 to the basic financial statements.

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
Unaudited

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**Current Issues**

At the end of fiscal year 2015, the School District's General Fund had a cash balance of approximately \$9 million. The positive cash balance is the result of passing the \$4.9 million emergency levy in 2010 and the renewal of the substitute levy. These levies will assist with School District growth and financial well-being. American Electric Power's Vassell Substation has increased the School District's property valuation significantly. The additional public utility personal property tax from this project allowed the School District to ask voters for a renewal levy in May 2015 rather than asking for additional funding. Careful planning and foresight once enrollment study results are completed will be necessary.

Harrison Street Elementary School opened as planned in the fall of the 2014/2015 school year. The School District has experienced a steady increase in enrollment as development in the surrounding communities has increased. This growth prompted the School District to enter into a contract with FutureThink for an enrollment study to estimate enrollment growth through 2020. This foresight will allow the School District to meet projected enrollment trends for the next ten-year period through careful planning and budgeting.

The School District has completed a facility assessment to identify the repair or replacement needs of buildings, furnishings, and equipment. This type of assessment is essential to identify the resources necessary to maintain infrastructure and instructional service levels long-term. The growth in the School District has resulted in the need for a Facility Committee and an Economic Development Committee to evaluate School District growth and assist the Board of Education with plans for the future. The facility assessment will be considered along with these plans to accommodate growth.

The negotiated agreement with the BWEA bargaining unit rolled over in 2014 for two additional years to expire June 30, 2016, with salary increases 1.65 percent in fiscal year 2015 and 1.85 percent in fiscal year 2016. The negotiated agreement with BWPSSA bargaining unit also rolled over for two additional years to expire June 30, 2016 with salary increases of 1.25 percent in fiscal year 2015 and 1.25 percent in fiscal year 2016. The Ohio Association of Public School Employees' negotiated agreements expired on June 30, 2015. The bargaining unit and School District administration rolled the agreement over with salary increases of 1.85 percent in fiscal year 2016 and 2 percent in fiscal year 2017. Both OAPSE bargaining units had a 2.8 percent increase in fiscal year 2015.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Terri Eyerman Day, Treasurer, Big Walnut Local School District, 105 Baughman Street, Suite A, Sunbury, Ohio 43074.

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Big Walnut Local School District  
Statement of Net Position  
June 30, 2015

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$11,449,197
Accounts Receivable	224,445
Accrued Interest Receivable	9,066
Intergovernmental Receivable	476,046
Income Taxes Receivable	2,557,292
Inventory Held for Resale	14,461
Materials and Supplies Inventory	3,899
Property Taxes Receivable	19,250,451
Nondepreciable Capital Assets	1,782,898
Depreciable Capital Assets, Net	44,268,880
Total Assets	80,036,635
<u>Deferred Outflows of Resources</u>	
Deferred Charge on Refunding	1,072,685
Pension	3,005,934
Total Deferred Outflows of Resources	4,078,619
<u>Liabilities</u>	
Accounts Payable	232,665
Accrued Wages and Benefits Payable	2,747,796
Matured Compensated Absences Payable	212,518
Intergovernmental Payable	696,924
Accrued Interest Payable	102,980
Long-Term Liabilities	
Due Within One Year	1,617,518
Due in More Than One Year	
Net Pension Liability	36,765,512
Other Amounts Due in More Than One Year	40,450,871
Total Liabilities	82,826,784
<u>Deferred Inflows of Resources</u>	
Property Taxes	13,986,869
Pension	6,632,812
Total Deferred Inflows of Resources	20,619,681
<u>Net Position</u>	
Net Investment in Capital Assets	7,701,671
Restricted For	
Debt Service	1,498,459
Capital Projects	69,978
Athletics and Music	57,290
Food Service	151,964
Other Purposes	175,483
Unrestricted (Deficit)	(28,986,056)
Total Net Position (Deficit)	(\$19,331,211)

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2015

	Program Revenues		
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest
<u>Governmental Activities</u>			
Instruction			
Regular	\$15,684,048	\$880,806	\$79,252
Special	4,334,012	57,123	1,362,024
Vocational	115,738	0	7,277
Support Services			
Pupils	1,598,266	0	0
Instructional Staff	936,657	0	0
Board of Education	132,995	0	0
Administration	2,817,247	0	0
Fiscal	1,076,889	0	0
Business	14,102	0	0
Operation and Maintenance of Plant	2,873,373	0	0
Pupil Transportation	2,316,202	4,262	56,352
Central	260,203	0	0
Non-Instructional Services	1,389,565	794,779	527,719
Extracurricular Activities	720,093	242,269	5,400
Interest and Fiscal Charges	1,729,427	0	0
 Total Governmental Activities	 \$35,998,817	 \$1,979,239	 \$2,038,024

General Revenues

Property Taxes Levied for General Purposes  
Property Taxes Levied for Debt Service Purposes  
Income Taxes Levied for General Purposes  
Grants and Entitlements not Restricted to Specific Programs  
Interest  
Gifts and Donations  
Miscellaneous

Total General Revenues

Change in Net Position

Net Position (Deficit) Beginning of Year (Restated - Note 3)

Net Position (Deficit) End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue  
and Change in Net Position

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Governmental  
Activities

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(\$14,723,990)  
(2,914,865)  
(108,461)

(1,598,266)  
(936,657)  
(132,995)  
(2,817,247)  
(1,076,889)  
(14,102)  
(2,873,373)  
(2,255,588)  
(260,203)  
(67,067)  
(472,424)  
(1,729,427)

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(31,981,554)

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16,850,516  
2,511,378  
5,773,333  
7,861,995  
34,516  
214,468  
274,052

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33,520,258

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1,538,704

(20,869,915)

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(\$19,331,211)

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Big Walnut Local School District  
Balance Sheet  
Governmental Funds  
June 30, 2015

	General	Bond Retirement	Other Governmental	Total
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$9,014,532	\$1,347,247	\$1,031,576	\$11,393,355
Accounts Receivable	212,950	0	11,495	224,445
Accrued Interest Receivable	9,066	0	0	9,066
Interfund Receivable	76,210	0	0	76,210
Intergovernmental Receivable	116,158	0	359,888	476,046
Income Taxes Receivable	2,557,292	0	0	2,557,292
Inventory Held for Resale	0	0	14,461	14,461
Materials and Supplies Inventory	0	0	3,899	3,899
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	55,842	0	0	55,842
Property Taxes Receivable	17,189,400	2,061,051	0	19,250,451
<b>Total Assets</b>	<b>\$29,231,450</b>	<b>\$3,408,298</b>	<b>\$1,421,319</b>	<b>\$34,061,067</b>
<u>Liabilities</u>				
Accounts Payable	\$148,360	\$0	\$84,305	\$232,665
Accrued Wages and Benefits Payable	2,592,742	0	155,054	2,747,796
Matured Compensated Absences Payable	212,518	0	0	212,518
Interfund Payable	0	0	76,210	76,210
Intergovernmental Payable	665,820	0	31,104	696,924
<b>Total Liabilities</b>	<b>3,619,440</b>	<b>0</b>	<b>346,673</b>	<b>3,966,113</b>
<u>Deferred Inflows of Resources</u>				
Property Taxes	12,570,254	1,416,615	0	13,986,869
Unavailable Revenue	855,801	40,082	163,023	1,058,906
<b>Total Deferred Inflows of Resources</b>	<b>13,426,055</b>	<b>1,456,697</b>	<b>163,023</b>	<b>15,045,775</b>
<u>Fund Balances</u>				
Nonspendable	55,842	0	3,899	59,741
Restricted	4,257	1,951,601	334,943	2,290,801
Committed	0	0	242,909	242,909
Assigned	1,357,116	0	340,672	1,697,788
Unassigned (Deficit)	10,768,740	0	(10,800)	10,757,940
<b>Total Fund Balances</b>	<b>12,185,955</b>	<b>1,951,601</b>	<b>911,623</b>	<b>15,049,179</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$29,231,450</b>	<b>\$3,408,298</b>	<b>\$1,421,319</b>	<b>\$34,061,067</b>

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District  
Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
June 30, 2015

Total Governmental Fund Balances \$15,049,179

Amounts reported for governmental activities on the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 46,051,778

Deferred outflows of resources consists of deferred charges on refundings which do not provide current financial resources and, therefore, are not reported in the funds. 1,072,685

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

Accounts Receivable	237,063	
Accrued Interest Receivable	6,159	
Intergovernmental Receivable	156,390	
Income Taxes Receivable	332,900	
Delinquent Property Taxes Receivable	326,394	
		1,058,906

Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds; it is reported when due. (102,980)

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

General Obligation Bonds Payable	(40,296,791)	
Compensated Absences Payable	(1,605,127)	
Capital Leases Payable	(166,471)	
		(42,068,389)

The net pension liability is not due and payable in the current period, therefore, the liability and related deferred outflows/inflows are not reported in the governmental funds.

Deferred Outflows - Pension	3,005,934	
Deferred Inflows - Pension	(6,632,812)	
Net Pension Liability	(36,765,512)	
		(40,392,390)

Net Position (Deficit) of Governmental Activities (\$19,331,211)

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2015

	General	Bond Retirement	Other Governmental	Total
<u>Revenues</u>				
Property Taxes	\$16,803,881	\$2,518,616	\$0	\$19,322,497
Income Taxes	5,693,134	0	0	5,693,134
Intergovernmental	8,116,012	393,199	1,357,736	9,866,947
Interest	32,562	0	985	33,547
Tuition and Fees	903,346	0	0	903,346
Extracurricular Activities	707	0	235,560	236,267
Charges for Services	6,260	0	794,639	800,899
Gifts and Donations	164,423	0	50,427	214,850
Miscellaneous	263,094	0	13,848	276,942
<b>Total Revenues</b>	<b>31,983,419</b>	<b>2,911,815</b>	<b>2,453,195</b>	<b>37,348,429</b>
<u>Expenditures</u>				
Current:				
Instruction				
Regular	15,468,083	0	0	15,468,083
Special	3,714,218	0	724,329	4,438,547
Vocational	105,627	0	0	105,627
Support Services				
Pupils	1,602,922	0	185	1,603,107
Instructional Staff	849,246	0	83,917	933,163
Board of Education	132,995	0	0	132,995
Administration	2,972,172	0	0	2,972,172
Fiscal	1,053,870	39,073	0	1,092,943
Business	12,486	0	0	12,486
Operation and Maintenance of Plant	2,817,163	0	0	2,817,163
Pupil Transportation	2,457,964	0	0	2,457,964
Central	250,041	0	16,200	266,241
Non-Instructional Services	2,068	0	1,298,048	1,300,116
Extracurricular Activities	445,373	0	247,270	692,643
Capital Outlay	0	0	611,057	611,057
Debt Service:				
Principal Retirement	22,774	1,702,779	0	1,725,553
Interest and Fiscal Charges	5,548	1,534,348	0	1,539,896
Interest on Capital Appreciation Bonds	0	242,221	0	242,221
<b>Total Expenditures</b>	<b>31,912,550</b>	<b>3,518,421</b>	<b>2,981,006</b>	<b>38,411,977</b>
Excess of Revenues Over (Under) Expenditures	70,869	(606,606)	(527,811)	(1,063,548)
<u>Other Financing Sources (Uses)</u>				
Current Refunding	0	(10,000,000)	0	(10,000,000)
General Obligation Bonds Issued	0	9,965,000	0	9,965,000
Premium on Bonds Issued	0	191,563	0	191,563
Inception of Capital Lease	189,245	0	0	189,245
<b>Total Other Financing Sources (Uses)</b>	<b>189,245</b>	<b>156,563</b>	<b>0</b>	<b>345,808</b>
Changes in Fund Balances	260,114	(450,043)	(527,811)	(717,740)
Fund Balances Beginning of Year	11,925,841	2,401,644	1,439,434	15,766,919
Fund Balances End of Year	<u>\$12,185,955</u>	<u>\$1,951,601</u>	<u>\$911,623</u>	<u>\$15,049,179</u>

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District  
 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to Statement of Activities  
 For the Fiscal Year Ended June 30, 2015

Changes in Fund Balances - Total Governmental Funds (\$717,740)

Amounts reported for governmental activities on the statement of activities are different because of the following:

Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current fiscal year.

Nondepreciable Capital Assets	20,000	
Depreciable Capital Assets	655,885	
Depreciation	<u>(1,201,549)</u>	(525,664)

Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Delinquent Property Taxes	39,397	
Income Taxes	80,199	
Intergovernmental	26,095	
Interest	1,576	
Tuition and Fees	32,585	
Extracurricular Activities	3,053	
Charges for Services	140	
Gifts and Donations	5,988	
Miscellaneous	<u>59</u>	189,092

Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net position.

General Obligation Bonds	11,702,779	
Capital Leases	<u>22,774</u>	11,725,553

The inception of a capital lease is reported as an other financing source in the governmental funds but increases long-term liabilities on the statement of net position. (189,245)

Bond proceeds are other financing sources in the governmental funds but the issuance increase long-term liabilities on the statement of net position. (9,965,000)

(continued)

Big Walnut Local School District  
 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to Statement of Activities  
 For the Fiscal Year Ended June 30, 2015  
 (continued)

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position.

Premiums and discounts are reported as revenues and expenditures when the debt is first issued; however, these amounts are deferred and amortized on the statement of activities. Accounting losses are amortized over the life of the debt on the statement of activities.

Accrued Interest Payable	\$25,703	
Annual Accretion on Capital Appreciation Bonds	(241,375)	
Payment of Accretion on Capital Appreciation Bonds	242,221	
Unamortized Premium	(191,563)	
Amortization of Premium	44,017	
Amortization of Discount	(288)	
Amortization of Deferred Charge on Refunding	<u>(17,588)</u>	(138,873)

Compensated absences reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

67,278

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

(1,566,989)

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

2,660,292

Change in Net Position of Governmental Activities

\$1,538,704

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$16,052,609	\$16,137,953	\$16,779,901	\$641,948
Income Taxes	5,347,035	5,597,672	5,597,672	0
Intergovernmental	8,087,759	8,860,560	8,116,012	(744,548)
Interest	15,265	31,566	31,566	0
Tuition and Fees	602,944	978,244	903,302	(74,942)
Extracurricular Activities	1,200	707	707	0
Charges for Services	6,593	6,593	6,260	(333)
Gifts and Donations	155,627	154,501	140,435	(14,066)
Miscellaneous	218,089	126,706	125,800	(906)
<b>Total Revenues</b>	<b>30,487,121</b>	<b>31,894,502</b>	<b>31,701,655</b>	<b>(192,847)</b>
<u>Expenditures</u>				
Current				
Instruction				
Regular	16,560,015	15,285,169	15,264,751	20,418
Special	3,780,349	3,575,344	3,567,781	7,563
Vocational	110,856	106,056	105,442	614
Support Services				
Pupils	1,427,060	1,631,285	1,625,419	5,866
Instructional Staff	615,274	804,924	802,528	2,396
Board of Education	150,553	182,245	178,019	4,226
Administration	2,371,680	2,937,265	2,927,737	9,528
Fiscal	989,060	1,070,276	1,052,645	17,631
Business	56,009	12,726	12,737	(11)
Operation and Maintenance of Plant	2,640,781	2,900,637	2,893,722	6,915
Pupil Transportation	2,271,566	2,476,088	2,471,816	4,272
Central	369,245	264,015	262,819	1,196
Non-Instructional Services	2,350	2,074	2,074	0
Extracurricular Activities	437,096	445,461	444,577	884
<b>Total Expenditures</b>	<b>31,781,894</b>	<b>31,693,565</b>	<b>31,612,067</b>	<b>81,498</b>
Excess of Revenues Over (Under) Expenditures	(1,294,773)	200,937	89,588	(111,349)
<u>Other Financing Sources (Uses)</u>				
Refund of Prior Year Expenditures	0	113,711	113,711	0
Advances In	0	41,285	41,285	0
Transfers In	13,000	0	0	0
Transfers Out	0	(168,343)	0	168,343
<b>Total Other Financing Sources (Uses)</b>	<b>13,000</b>	<b>(13,347)</b>	<b>154,996</b>	<b>168,343</b>
Changes in Fund Balance	(1,281,773)	187,590	244,584	56,994
Fund Balance Beginning of Year	8,546,554	8,546,554	8,546,554	0
Prior Year Encumbrances Appropriated	132,660	132,660	132,660	0
<b>Fund Balance End of Year</b>	<b>\$7,397,441</b>	<b>\$8,866,804</b>	<b>\$8,923,798</b>	<b>\$56,994</b>

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2015

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$113,326</u></u>
 <u>Liabilities</u>	
Undistributed Assets	\$15,897
Due to Students	<u>97,429</u>
 Total Liabilities	 <u><u>\$113,326</u></u>

See Accompanying Notes to the Basic Financial Statements

**Note 1 - Description of the School District and Reporting Entity**

Big Walnut Local School District is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state and federal guidelines.

The School District was established in 1951. The School District serves an area of approximately one hundred ten square miles and is located in Delaware County. It is staffed by one hundred forty-five classified employees, one hundred ninety-seven certified employees (one hundred eighty-six teachers and eleven others), and nineteen administrative employees who provide services to 3,273 students and other community members. The School District currently operates four elementary schools, an intermediate school, a middle school, and a high school.

**Reporting Entity**

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure 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 Big Walnut Local 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 School District. There are no component units of the Big Walnut Local School District.

The following activity is included within the School District's reporting entity:

Within the School District boundaries, Genoa Christian Academy is operated as a private school. Current state legislation provides funding to this parochial school. The monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. This activity is reflected in a special revenue fund for financial reporting purposes by the School District.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

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**Note 1 - Description of the School District and Reporting Entity** (continued)

The School District participates in four jointly governed organizations and two insurance pools, and is associated with a related organization. These organizations are the Metropolitan Educational Technology Association, Delaware Area Career Center, Village of Sunbury Community Park Joint Recreation Board, Metropolitan Educational Council, Ohio School Plan, Ohio Association of School Business Officials Workers' Compensation Group Rating Plan, and the Sunbury Community Library. These organizations are presented in Notes 21, 22, and 23 to the basic financial statements.

**Note 2 - Summary of Significant Accounting Policies**

The basic financial statements of Big Walnut Local 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. Following are the more significant of the School District's accounting policies.

**A. Basis of Presentation**

The School District's basic financial statements consist of government-wide financial 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. These statements usually distinguish between those activities of the School District that are governmental activities (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). However, the School District has no business-type activities.

The statement of net position presents the financial condition of the governmental 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. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants, contributions, and interest that are restricted to meeting the operational or capital requirements of 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 governmental function is self-financing or draws from the general revenues of the School District.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

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**Note 2 - Summary of Significant Accounting Policies** (continued)

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 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.

**B. 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 two categories, governmental 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 liabilities and deferred inflows of resources is reported as fund balance. The School District's two major funds are the General Fund and the Bond Retirement debt service fund.

General Fund - The General Fund 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.

Bond Retirement Fund - The Bond Retirement Fund is used to account for and report property taxes and related revenues restricted for the payment of principal and interest on general obligation bonds.

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

**Note 2 - Summary of Significant Accounting Policies** (continued)

**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. The School District did not have any trust funds in fiscal year 2015. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds account for various staff-related and student-managed activities, payroll withholdings and deductions, and the Sunbury Meadows Community Development Authority.

**C. Measurement Focus**

**Government-Wide Financial Statements**

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position. The statement of activities presents 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 current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects 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 fund financial statements for governmental funds.

**D. 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 are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and deferred inflows of resources, and in the presentation of expenses versus expenditures.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

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**Note 2 - Summary of Significant Accounting Policies** (continued)

Revenues - Exchange and Nonexchange 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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected 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 sixty days of fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the fiscal year in which the income is earned. 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 the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, income taxes, grants, interest, tuition, student fees, and charges for services.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for a deferred charge on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized over the life of the old debt or the life of the new debt, whichever is shorter. Pension is explained in Note 14 to the basic financial statements.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

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**Note 2 - Summary of Significant Accounting Policies** (continued)

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources includes property taxes, unavailable revenue, and pension. Property taxes represent amounts for which there was an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 operations. This amount has been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes accrued interest, intergovernmental revenue including grants, income taxes, delinquent property taxes, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. Deferred inflows or resources related to pension are reported on the government-wide statement of net position and explained in Note 14 to the basic financial statements.

**Expenses/Expenditures**

On the accrual basis, 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 governmental funds.

**E. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, 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 amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of budgetary control is at the fund level for all funds. Budgetary allocations at the function and object level within all funds are made by the School District Treasurer.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources requested by the School District prior to fiscal year end.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

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**Note 2 - Summary of Significant Accounting Policies** (continued)

The appropriations resolution is subject to amendment throughout the fiscal year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

**F. Cash and Investments**

To improve cash management, cash received by the School District is pooled. Monies for all funds 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".

During fiscal year 2015, the School District invested in negotiable certificates of deposit, mutual funds, and STAR Ohio. Investments are reported at fair value. Fair value is based on quoted market price or current share price. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share, which is the price the investment could be sold for on June 30, 2015.

The Board of Education has allocated interest earnings according to State statutes. Interest revenue credited to the General Fund during fiscal year 2015 was \$32,562, which includes \$5,900 assigned from other School District funds.

Investments of the School District's 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. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

**G. Inventory**

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of administrative supplies and donated and purchased food.

**H. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Unclaimed monies that have a legal restriction on their use are reported as restricted.

**Note 2 - Summary of Significant Accounting Policies** (continued)

**I. Capital Assets**

All of the School District's capital assets are general capital assets generally resulting from expenditures in governmental funds. These assets are reported in the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements.

All capital assets are capitalized at cost and updated for additions and reductions during the fiscal year. Donated capital assets are recorded at their fair market value on the date donated. The School District maintains a capitalization threshold of ten thousand dollars. 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 capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Useful Lives</u>
Land Improvements	10 - 40 years
Buildings and Building Improvements	10 - 100 years
Furniture, Fixtures, and Equipment	5 - 40 years
Vehicles	10 - 12 years

**J. Deferred Charge on Refunding**

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price 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, and is presented as deferred outflows of resources on the statement of net position.

**K. Interfund Assets/Liabilities**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables/Payables". Interfund balances within governmental activities are eliminated on the statement of net position.

**L. 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 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.

**Note 2 - Summary of Significant Accounting Policies** (continued)

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees after ten years of service.

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

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid.

**M. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements.

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

**N. Unamortized Premiums and Discounts**

On government-wide financial statements, premiums and discounts are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of bonds payable. Bond discounts are presented as a reduction of the face amount of bonds payable.

On the governmental fund financial statements, bond premiums and discounts are recognized in the period when the debt is issued.

**O. Net Position**

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing 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 federal and state grants.

**Note 2 - Summary of Significant Accounting Policies** (continued)

The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**P. 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 governmental funds. The classifications are as follows:

Nonspendable - The nonspendable classification 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" 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 are imposed by law through constitutional provisions.

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. The committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. 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 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. Assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by the Board of Education. Fund balance policy of the Board of Education has authorized the Treasurer to assign fund balance for purchases on order provided those amounts have been lawfully appropriated. The Board of Education has also assigned fund balance to cover a gap between estimated resources and appropriations in the fiscal year 2016 budget and for future capital improvements.

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 balance.

The School District first applies restricted resources when an expenditure is 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 can be used.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**Q. Pension**

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

**R. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 3 - Change in Accounting Principle and Restatement of Net Position**

For fiscal year 2015, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". GASB Statement No. 68 established standards for measuring and recognizing pension liabilities, deferred outflows and deferred inflows of resources, and pension expenses/expenditures. The implementation of this statement had the following effect on net position as previously reported on June 30, 2014.

Net Position June 30, 2014	\$20,615,778
Net Pension Liability	(43,674,425)
Deferred Outflows - Payments Subsequent to Measurement Date	2,188,732
Restated Net Position (Deficit) June 30, 2014	<u>(\$20,869,915)</u>

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

**Note 4 - Accountability**

At June 30, 2015, the Title II-A special revenue fund had a deficit fund balance, in the amount of \$10,800, resulting from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

**Note 5 - Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

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).

The adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund are as follows:

Changes in Fund Balance	
GAAP Basis	\$260,114
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 2014, Received in Cash FY 2015	6,491,019
Accrued FY 2015, Not Yet Received in Cash	(6,658,811)
Expenditure Accruals:	
Accrued FY 2014, Paid in Cash FY 2015	(3,288,714)
Accrued FY 2015, Not Yet Paid in Cash	3,619,440
Cash Adjustments:	
Unrecorded Cash Activity FY 2014	3,037
Unrecorded Cash Activity FY 2015	(3,298)
Advances In	41,285
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(219,488)
Budget Basis	\$244,584

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

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**Note 6 - Deposits and Investments**

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

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

Inactive deposits are public deposits 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 may 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 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);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Bankers' acceptances and commercial paper if training requirements have been met.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

**Note 6 - Deposits and Investments** (continued)

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$1,878,629 of the School District's bank balance of \$9,886,930 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments

As of June 30, 2015, the School District had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>
Negotiable Certificates of Deposit	\$500,483	9/14/15
Negotiable Certificates of Deposit	250,112	3/21/16
Negotiable Certificates of Deposit	250,105	3/24/16
Negotiable Certificates of Deposit	500,785	9/12/16
Negotiable Certificates of Deposit	250,148	3/19/18
Negotiable Certificates of Deposit	250,122	3/18/19
Negotiable Certificates of Deposit	248,263	3/13/20
Mutual Funds	21,396	36 Days
STAR Ohio	243	53.4 Days
	<u>\$2,271,657</u>	

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

**Note 6 - Deposits and Investments** (continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the School District. The School District's policy indicates that it will attempt to minimize the effect of market value fluctuations by (1) maintaining adequate liquidity so that current obligations can be met without a sale of securities; (2) diversification of maturities; and (3) diversification of assets.

The negotiable certificates of deposit are covered by FDIC and/or SIPC insurance. The mutual funds carry a rating of AAA by Moody's. STAR Ohio carries a rating of AAA by Standard and Poor's. The School District has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that mutual funds must be rated, at the time of purchase, in the highest category by at least one nationally recognized standard rating service. STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service.

The School District places no limit on the amount of its interim monies it may invest in a particular security. At June 30, 2015, the negotiable certificates of deposit accounted for 99.05 percent of the School District's investment portfolio.

**Note 7 - Receivables**

Receivables at June 30, 2015, consisted of accounts (student fees and billings for user charged services), accrued interest, interfund, intergovernmental, income taxes, and property taxes. 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 year guarantee of federal funds. All receivables, except income taxes and property taxes, are expected to be collected within one year. Income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Fund	
General Fund	
State Teachers Retirement System	\$7,068
Tuition	109,090
Total General Fund	116,158
Other Governmental Funds	
Title VI-B	218,994
Title I	60,051
Title II-A	80,843
Total Other Governmental Funds	359,888
Total Intergovernmental Receivables	\$476,046

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

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**Note 8 - Income Taxes**

The School District levies a voted tax of .75 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 2000, for a five-year period. In May 2006, voters approved the tax as a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

**Note 9 - 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 distributions are received by the School District in the second half of the fiscal year. Second-half tax distributions are received 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 revenues received in calendar year 2015 represent the collection of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed values as of January 1, 2014, 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 semiannually. If paid annually, payment is due December 31; if paid semiannually, 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 revenues received in calendar year 2015 represent the collection of calendar year 2014 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien on December 31, 2013, were levied after April 1, 2014, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The School District receives property taxes from Delaware 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, 2015, are available to finance fiscal year 2015 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of June 30, 2015, and for which there was an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources - property taxes.

The amount available as an advance at June 30, 2015, was \$4,332,834 in the General Fund and \$604,354 in the Bond Retirement debt service fund. The amount available as an advance at June 30, 2014, was \$4,308,854 in the General Fund and \$848,061 in the Bond Retirement debt service fund.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

**Note 9 - Property Taxes** (continued)

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

The assessed values upon which fiscal year 2015 taxes were collected are:

	2014 Second- Half Collections		2015 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$630,544,610	97.12%	\$679,649,790	95.96%
Public Utility Personal	18,701,670	2.88	28,604,860	4.04
<b>Total Assessed Value</b>	<b>\$649,246,280</b>	<b>100.00%</b>	<b>\$708,254,650</b>	<b>100.00%</b>
Tax rate per \$1,000 of assessed valuation	\$41.65		\$39.20	

**Note 10 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Balance at 6/30/14	Additions	Reductions	Balance at 6/30/15
<b>Governmental Activities</b>				
<b>Nondepreciable Capital Assets</b>				
Land	\$1,762,898	\$0	\$0	\$1,762,898
Construction in Progress	0	20,000	0	20,000
<b>Total Nondepreciable Capital Assets</b>	<b>1,762,898</b>	<b>20,000</b>	<b>0</b>	<b>1,782,898</b>
<b>Depreciable Capital Assets</b>				
Land Improvements	749,922	0	0	749,922
Buildings and Building Improvements	51,513,550	155,811	0	51,669,361
Furniture, Fixtures, and Equipment	489,608	229,070	0	718,678
Vehicles	2,521,082	271,004	0	2,792,086
<b>Total Depreciable Capital Assets</b>	<b>55,274,162</b>	<b>655,885</b>	<b>0</b>	<b>55,930,047</b>
<b>Less Accumulated Depreciation</b>				
Land Improvements	(231,829)	(27,658)	0	(259,487)
Buildings and Building Improvements	(8,148,022)	(956,489)	0	(9,104,511)
Furniture, Fixtures, and Equipment	(291,781)	(67,498)	0	(359,279)
Vehicles	(1,787,986)	(149,904)	0	(1,937,890)
<b>Total Accumulated Depreciation</b>	<b>(10,459,618)</b>	<b>(1,201,549)</b>	<b>0</b>	<b>(11,661,167)</b>
<b>Depreciable Capital Assets, Net</b>	<b>44,814,544</b>	<b>(545,664)</b>	<b>0</b>	<b>44,268,880</b>
<b>Governmental Activities, Capital Assets, Net</b>	<b>\$46,577,442</b>	<b>(\$525,664)</b>	<b>\$0</b>	<b>\$46,051,778</b>

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

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**Note 10 - Capital Assets** (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$612,662
Special	65,517
Vocational	9,543
Support Services:	
Pupils	11,077
Instructional Staff	32,799
Administration	49,084
Operation and Maintenance of Plant	96,933
Pupil Transportation	162,795
Non-Instructional Services	102,756
Extracurricular Activities	58,383
Total Depreciation Expense	<u>\$1,201,549</u>

**Note 11 - Interfund**

At June 30, 2015, the General Fund had an interfund receivable, in the amount of \$76,210, from other governmental funds for short-term loans made to those funds. All amounts are expected to be repaid within one year.

**Note 12 - Risk Management**

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 2015, the School District contracted for the following insurance coverage.

Coverage provided by the Ohio School Plan:	
Buildings and Contents	\$95,547,619
Auto Liability	5,000,000
General Liability	
Each Occurrence	5,000,000
Aggregate	7,000,000

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

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

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**Note 12 - Risk Management** (continued)

For the fiscal year 2015, the School District participated in the Ohio School Plan (Plan), an insurance purchasing pool. Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant.

The School District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The intent of the Plan is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the Plan. The third party administrator, Sheakley Uniservice, Inc., reviews each participants' claims experience and determines the rating tier for that participant. A common premium rate is applied to all participants in a given rating tier. Each participant pays its workers' compensation premium to the State based on the rate for their rating tier rather than its individual rate. Sheakley Uniservice, Inc. provides administrative, cost control, and actuarial services to the Plan.

**Note 13 - Contractual Commitments**

At fiscal year end, the amount of significant encumbrances expected to be honored upon performance by the vendor in fiscal year 2016 are as follows:

General Fund	\$219,488
Other Governmental Funds	84,779
Total	<u><u>\$304,267</u></u>

**Note 14 - Defined Benefit Pension Plans**

**Net Pension Liability**

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

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

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

**Note 14 - Defined Benefit Pension Plans** (continued)

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer because (1) they benefit from employee services, and (2) State statute requires all funding to come from the employers. All contributions to date have come solely from the employer (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within thirty years. If the amortization period exceeds thirty years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

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

Plan Description - School District classified employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available stand-alone financial report that includes financial statements, required supplementary information, and detailed information about SERS' fiduciary net position. The report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under employers/audit resources.

Age and service requirements for retirement are as follows.

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service over thirty years. Final average salary is the average of the highest three years of salary.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

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**Note 14 - Defined Benefit Pension Plans** (continued)

One year after an effective benefit date, a benefit recipient is entitled to a 3 percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining .82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was \$644,415 for fiscal year 2015. Of this amount, \$115,248 is reported as an intergovernmental payable.

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

Plan Description - School District licensed teachers and other certified faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a publicly available stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. The report can be obtained by writing to STRS, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit Plan (DBP), a Defined Contribution Plan (DCP), and a Combined Plan (CP). Benefits are established by Ohio Revised Code Chapter 3307. The DBP offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by 2 percent of the original base benefit. For members retiring August 1, 2013, or later, the first 2 percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age sixty with five years of qualifying service credit, at age fifty-five with twenty-five years of service credit, or thirty years of service credit regardless of age. Age and service requirements for retirement increased effective August 1, 2015, and will continue to increase periodically until they reach age sixty with thirty-five years of service or age sixty-five with five years of service on August 1, 2026.

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

Big Walnut Local School District  
Notes to the Basic Financial Statements  
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**Note 14 - Defined Benefit Pension Plans** (continued)

The CP offers features of both the DBP and the DCP. In the CP, member contributions are allocated among investment choices by the member and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DBP. The defined benefit portion of the CP payment is payable to a member on or after age sixty with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty.

New members who choose the DCP or CP will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CP account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased 1 percent on July 1, 2014, and will be increased 1 percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$2,015,877 for fiscal year 2015. Of this amount, \$329,468 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense.

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$7,442,269	\$29,323,243	\$36,765,512
Proportion of the Net Pension Liability	.14705300%	.12055539%	
Pension Expense	\$437,438	\$1,129,551	\$1,566,989

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

**Note 14 - Defined Benefit Pension Plans** (continued)

At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$63,342	\$282,300	\$345,642
School District contributions subsequent to the measurement date	644,415	2,015,877	2,660,292
Total Deferred Outflows of Resources	<u>\$707,757</u>	<u>\$2,298,177</u>	<u>\$3,005,934</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	<u>\$1,207,901</u>	<u>\$5,424,911</u>	<u>\$6,632,812</u>

\$2,660,292 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ended June 30,			
2016	(\$285,980)	(\$1,285,653)	(\$1,571,633)
2017	(285,980)	(1,285,653)	(1,571,633)
2018	(285,980)	(1,285,653)	(1,571,633)
2019	(286,619)	(1,285,652)	(1,572,271)
Total	<u>(\$1,144,559)</u>	<u>(\$5,142,611)</u>	<u>(\$6,287,170)</u>

**Actuarial Assumptions - SERS**

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

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

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

**Note 14 - Defined Benefit Pension Plans** (continued)

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation prepared as of June 30, 2014, are presented below.

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investment expenses, including inflation
Actuarial Cost Method	entry age normal

For postretirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the pension plan investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00%	0.00%
U.S. Stocks	22.50	5.00
Non-U.S. Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	<u>100.00%</u>	

Big Walnut Local School District  
Notes to the Basic Financial Statements  
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**Note 14 - Defined Benefit Pension Plans** (continued)

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

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.75 percent as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent) or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's Proportionate Share of the Net Pension Liability	\$10,617,906	\$7,442,269	\$4,771,283

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

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

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022-Scale AA) for males and females. Males' ages are set back two years through age eighty-nine and no set back for age ninety and above. Females younger than age eighty are set back four years, one year set back from age eighty through eighty-nine, and no set back for age ninety and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study effective July 1, 2012.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
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**Note 14 - Defined Benefit Pension Plans** (continued)

The ten year expected real rate of return on pension plan investments was determined by the STRS investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows.

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

Discount Rate - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent) or one percentage point higher (8.75 percent) than the current rate.

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
School District's Proportionate Share of the Net Pension Liability	\$41,979,419	\$29,323,243	\$18,620,377

**Note 14 - Defined Benefit Pension Plans** (continued)

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 2015, four of the Board of Education members have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**Note 15 - Postemployment Benefits**

**School Employees Retirement System (SERS)**

Health Care Plan Description - The School District contributes to the SERS Health Care Fund administered by SERS for classified retirees and their beneficiaries. For GASB Statement No. 45 purposes, this plan is considered a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained by visiting the SERS' website at [www.ohsers.org](http://www.ohsers.org) under employers/audit resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, .82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was \$20,450. State statute provides that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS covered payroll for the health care surcharge. For fiscal year 2015, the School District's surcharge obligation was \$69,838.

The School District's contribution for health care for the fiscal years ended June 30, 2015, 2014, and 2013 was \$39,705, \$5,786, and \$5,776, respectively. For fiscal year 2015, 83 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2014 and 2013.

**Note 15 - Postemployment Benefits** (continued)

**State Teachers Retirement System (STRS)**

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the health care plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the health care plan. All benefit recipients for the most recent year pay a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions. For fiscal year 2015, STRS did not allocate any employer contributions to postemployment health care. The School District's contribution for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$125,476, and \$121,236 respectively. The full amount has been contributed for all three fiscal years.

**Note 16 - Other Employee Benefits**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of two hundred forty days for administrators, support staff, and food service employees, and two hundred sixty days for teachers, and maintenance, custodial, and transportation employees. Upon retirement, payment is made for one-fourth of accrued but unused sick leave credit to a maximum of sixty days for administrators, support staff, and food service employees, sixty-five days for teachers, and seventy days for maintenance, custodial, and transportation employees.

**B. Health Care Benefits**

The School District offers employee medical benefits through United Healthcare. Depending upon the plan chosen, the employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract. The School District offers life insurance to all employees through Met Life. Dental insurance is offered to all employees through Delta Dental.

Big Walnut Local School District  
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**Note 17 - Long-Term Obligations**

Changes in the School District's long-term obligations during fiscal year 2015 were as follows:

	Restated Balance at 6/30/14	Additions	Reductions	Balance at 6/30/15	Amounts Due Within One Year
Governmental Activities					
General Long-Term Obligations					
Refunding School Improvement Bonds FY 2004					
Serial Bonds 2-3.7%	\$425,000	\$0	\$425,000	\$0	\$0
Bond Premium	17,659	0	17,659	0	0
School Facilities Construction and Improvement Bonds FY 2005					
Term Bonds 4.5-5%	1,340,000	0	0	1,340,000	0
Serial Bonds 2.5-3.65%	360,000	0	360,000	0	0
Bond Premium	26,593	0	5,632	20,961	0
School Facilities Construction and Improvement Bonds FY 2009					
Term Bonds 4.5-5%	4,960,000	0	0	4,960,000	0
Serial Bonds 2.5-3.65%	4,805,000	0	25,000	4,780,000	320,000
Capital Appreciation Bonds 3.19%	109,926	0	0	109,926	0
Accretion on Capital Appreciation Bonds	239,690	86,129	0	325,819	0
Bond Premium	370,220	0	937	369,283	0
Bond Discount	(113,617)	0	(288)	(113,329)	0
Refunding School Improvement Bonds FY 2010					
Serial Bonds 2-2.5%	125,000	0	125,000	0	0
Capital Appreciation Bonds 25%	140,626	0	107,779	32,847	32,847
Accretion on Capital Appreciation Bonds	273,754	58,119	242,221	89,652	0
School Facilities Construction and Improvement Bonds (Group C) FY 2010					
Term Bonds 6.125-6.375%	10,000,000	0	10,000,000	0	0
School Facilities Construction and Improvement Bonds (Group D) FY 2010					
Term Bonds 1.650%	9,075,000	0	525,000	8,550,000	680,000

(continued)

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

**Note 17 - Long-Term Obligations** (continued)

	Restated Balance at 6/30/14	Additions	Reductions	Balance at 6/30/15	Amounts Due Within One Year
Governmental Activities					
General Long-Term Obligations					
Refunding School Improvement Bonds FY 2012					
Serial Bonds 2-3%	\$8,225,000	\$0	\$135,000	\$8,090,000	\$505,000
Capital Appreciation Bonds 32%	143,405	0	0	143,405	0
Accretion on Capital Appreciation Bonds	137,628	97,127	0	234,755	0
Bond Premium	1,226,698	0	19,789	1,206,909	0
Refunding School Improvement Bonds FY 2015					
Term Bonds 3%	0	400,000	0	400,000	15,000
Serial Bonds 3-3.625%	0	9,565,000	0	9,565,000	0
Bond Premium	0	191,563	0	191,563	0
<b>Total General Long-Term Obligations</b>	<b>41,887,582</b>	<b>10,397,938</b>	<b>11,988,729</b>	<b>40,296,791</b>	<b>1,552,847</b>
Net Pension Liability					
SERS	8,744,770	0	1,302,501	7,442,269	0
STRS	34,929,655	0	5,606,412	29,323,243	0
<b>Total Net Pension Liability</b>	<b>43,674,425</b>	<b>0</b>	<b>6,908,913</b>	<b>36,765,512</b>	<b>0</b>
Compensated Absences	1,672,405	101,757	169,035	1,605,127	29,164
Capital Leases	0	189,245	22,774	166,471	35,507
<b>Total Governmental Activities Long-Term Obligations</b>	<b>\$87,234,412</b>	<b>\$10,688,940</b>	<b>\$19,089,451</b>	<b>\$78,833,901</b>	<b>\$1,617,518</b>

FY 2004 Refunding School Improvement Bonds - On November 12, 2003, the School District issued bonds, in the amount of \$4,404,981, to refund bonds previously issued for improving and constructing school buildings and facilities. The refunding bond issue included serial and capital appreciation bonds, in the original amount of \$3,970,000 and \$434,981, respectively. The bonds were issued for an eleven fiscal year period, with final maturity in fiscal year 2015. During fiscal year 2015, the remaining bonds were fully retired through the Bond Retirement debt service fund.

The capital appreciation bonds matured and were fully retired in fiscal year 2009.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

**Note 17 - Long-Term Obligations** (continued)

FY 2005 School Facilities Construction and Improvement Bonds - On December 29, 2004, the School District issued \$12,999,993 in voted general obligation bonds for constructing a bus maintenance facility, an addition to the high school, and renovating and improving school facilities. The bond issue included serial, term, and capital appreciation bonds, in the original amount of \$3,310,000, \$9,305,000, and \$384,993, respectively. The bonds were issued for a twenty-eight fiscal year period, with final maturity in fiscal year 2033. During fiscal year 2012, a portion of the serial and term bonds were refunded, in the amount of \$755,000 and \$7,965,000, respectively. During fiscal year 2015, the remaining serial bonds were fully retired through the Bond Retirement debt service fund.

The bonds maturing on December 1, 2032, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2031	\$540,000

The remaining principal, in the amount of \$800,000, will be paid at stated maturity on December 1, 2032.

The capital appreciation bonds matured and were fully retired in fiscal year 2010.

FY 2009 School Facilities Construction and Improvement Bonds - On April 1, 2009, the School District issued \$9,999,926 in voted general obligation bonds for constructing, renovating, and improving school facilities, and acquiring land. The bond issue included serial, term, and capital appreciation bonds, in the original amount of \$4,930,000, \$4,960,000, and \$109,926, respectively. The bonds were issued for a twenty-eight fiscal year period, with final maturity in fiscal year 2037. The bonds are being retired through the Bond Retirement debt service fund.

The bonds maturing on December 1, 2033, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2029	\$520,000
2030	545,000
2031	575,000
2032	600,000

The remaining principal, in the amount of \$630,000, will be paid at stated maturity on December 1, 2033.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

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**Note 17 - Long-Term Obligations** (continued)

The bonds maturing on December 1, 2036, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2034	\$665,000
2035	695,000

The remaining principal, in the amount of \$730,000, will be paid at stated maturity on December 1, 2036.

The capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2017 and 2018. The maturity amount of the bonds is \$660,000. For fiscal year 2015, \$86,129 was accreted on the capital appreciation bonds for a total value of \$435,745 at fiscal year end.

FY 2010 Refunding School Improvement Bonds - On December 1, 2009, the School District issued current refunding general obligation bonds, in the amount of \$1,050,626, to refund the remaining balance of the FY 1998 Refunding School Improvement Bonds. The refunding bond issue included serial and capital appreciation bonds, in the original amount of \$910,000 and \$140,626, respectively. The bonds were issued for a six fiscal year period, with final maturity in fiscal year 2016. During fiscal year 2015, the serial bonds were fully retired through the Bond Retirement debt service fund.

The capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds mature in fiscal years 2015 and 2016. The maturity amount of the bonds is \$485,000. For fiscal year 2015, \$58,119 was accreted and \$350,000 was retired on the capital appreciation bonds for a total value of \$122,499 at fiscal year end.

FY 2010 School Facilities Construction and Improvement Bonds (Group C) - On December 1, 2009, the School District issued \$10,000,000 in voted general obligation bonds for constructing, renovating, and improving school facilities, and acquiring land. The bond issue consists of term bonds, in the amount of \$10,000,000. The bonds were issued for a twenty-eight fiscal year period, with final maturity in fiscal year 2038. During fiscal year 2015, all of the term bonds were refunded, in the amount of \$10,000,000.

FY 2010 School Facilities Construction and Improvement Bonds (Group D) - On December 1, 2009, the School District issued \$10,000,000 in voted general obligation bonds for constructing, renovating, and improving school facilities, and acquiring land. The bond issue consists of term bonds, in the original amount of \$10,000,000. The bonds were issued for a fifteen fiscal year period, with final maturity in fiscal year 2025. The bonds are being retired through the Bond Retirement debt service fund.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

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**Note 17 - Long-Term Obligations** (continued)

The bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2010	\$340,000
2011	75,000
2012	85,000
2013	425,000
2014	525,000
2015	680,000
2016	695,000
2017	710,000
2018	720,000
2019	920,000
2020	935,000
2021	945,000
2022	965,000
2023	985,000

The remaining principal, in the amount of \$995,000, will be paid at stated maturity on December 1, 2024.

FY 2012 Refunding School Improvement Bonds - On March 27, 2012, the School District issued bonds, in the amount of \$8,718,405, to partially refund bonds previously issued in fiscal year 2005 for constructing a bus maintenance facility, an addition to the high school, and renovating and improving school facilities. The refunding bond issue included serial and capital appreciation bonds, in the original amount of \$8,575,000 and \$143,405, respectively. The bonds were issued for a twenty fiscal year period, with final maturity in fiscal year 2032. The bonds are being retired through the Bond Retirement debt service fund.

As of June 30, 2015, the refunded bonds were fully retired.

The serial bonds maturing on or after December 1, 2021, are subject to prior redemption on or after June 1, 2021, by and at the sole option of the School District, either in whole or in part and in integral multiples of \$5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

The capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2019 through 2021. The maturity amount of the bonds is \$1,425,000. For fiscal year 2015, \$97,127 was accreted on the capital appreciation bonds for a total value of \$378,160 at fiscal year end.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

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**Note 17 - Long-Term Obligations** (continued)

FY 2015 Refunding School Improvement Bonds - On November 18, 2014, the School District issued current refunding general obligation bonds, in the amount of \$9,965,000, to refund the remaining balance of the FY 2010 School Facilities Construction and Improvement Bonds (Group C). The refunding bond issue includes term and serial bonds, in the amount of \$400,000 and \$9,565,000, respectively. The bonds were issued at a premium of \$191,563. The bonds were issued for a twenty-three fiscal year period, with final maturity in fiscal year 2038. The bonds are being retired through the Bond Retirement debt service fund.

The bonds maturing on December 1, 2025, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2015	\$15,000
2016	5,000
2017	10,000
2018	10,000
2019	10,000
2020	10,000
2021	10,000
2022	10,000
2023	10,000
2024	10,000

The remaining principal, in the amount of \$300,000, will be paid at stated maturity on December 1, 2025.

The serial bonds maturing on or after December 1, 2025, are subject to prior redemption on or after December 1, 2024, by and at the sole option of the School District, either in whole or in part and in integral multiples of \$5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date

The School District pays obligations related to employee compensation from the fund benefitting from their service. For additional information related to the net pension liability, see Note 14 to the basic financial statements.

Compensated absences will be paid from the General Fund and the Food Service special revenue fund.

Capital leases will be paid from the General Fund.

The School District's overall debt margin was \$25,148,904 with an unvoted debt margin of \$679,650 at June 30, 2015.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

**Note 17 - Long-Term Obligations** (continued)

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2015, were as follows:

Fiscal Year Ending June 30,	General Obligation Bonds				
	Serial	Term	Capital Appreciation	Interest	Total
2016	\$825,000	\$695,000	\$32,847	\$1,321,426	\$2,874,273
2017	520,000	700,000	60,990	1,460,788	2,741,778
2018	525,000	720,000	48,936	1,450,576	2,744,512
2019	530,000	730,000	46,150	1,432,414	2,738,564
2020	340,000	930,000	55,792	1,603,542	2,929,334
2021-2025	4,200,000	4,875,000	41,463	5,476,102	14,592,565
2026-2030	6,280,000	820,000	0	3,778,783	10,878,783
2031-2035	4,625,000	4,355,000	0	2,197,510	11,177,510
2036-2038	4,590,000	1,425,000	0	324,304	6,339,304
	<u>\$22,435,000</u>	<u>\$15,250,000</u>	<u>\$286,178</u>	<u>\$19,045,445</u>	<u>\$57,016,623</u>

**Note 18 - Capital Leases - Lessee Disclosure**

The School District has entered into capitalized leases for equipment. New capital leases are reflected in the accounts "Regular Instruction" and "Inception of Capital Lease" in the funds which will be making the lease payments. Capital lease payments are reflected as debt service expenditures on the statement of revenues, expenditures, and changes in fund balances for the governmental funds. Principal payments in fiscal year 2015 were \$22,774.

	Governmental Activities
Equipment	<u>\$189,245</u>
Less Accumulated Depreciation	<u>(25,234)</u>
Carrying Value at June 30, 2015	<u>\$164,011</u>

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

**Note 18 - Capital Leases - Lessee Disclosure** (continued)

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2015.

Year	Governmental Activities	
	Principal	Interest
2016	\$35,507	\$6,974
2017	37,189	5,292
2018	38,952	3,529
2019	40,798	1,683
2020	14,025	136
Total	\$166,471	\$17,614

**Note 19 - Fund Balance**

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 governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balance	General	Bond Retirement	Other Governmental	Total Governmental Funds
Nonspendable for:				
Materials and Supplies				
Inventory	\$0	\$0	\$3,899	\$3,899
Unclaimed Monies	55,842	0	0	55,842
Total Nonspendable	55,842	0	3,899	59,741
Restricted for:				
Athletics and Music	0	0	50,797	50,797
Building Construction	0	0	69,978	69,978
Debt Retirement	0	1,951,601	0	1,951,601
Food Service Operations	0	0	184,275	184,275
Nonpublic Schools	0	0	11,592	11,592
Regular Instruction	4,257	0	9,039	13,296
Special Instruction	0	0	9,262	9,262
Total Restricted	4,257	1,951,601	334,943	2,290,801
Committed for:				
Permanent Improvements	0	0	242,909	242,909

(continued)

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

**Note 19 - Fund Balance** (continued)

Fund Balance	General	Bond Retirement	Other Governmental	Total Governmental Funds
Assigned for:				
Educational Activities	\$32,200	\$0	\$0	\$32,200
Extracurricular Activities	15,949	0	0	15,949
Permanent Improvements	0	0	340,672	340,672
Projected Budget Shortage	1,215,361	0	0	1,215,361
Regular Instruction	448	0	0	448
Unpaid Obligations	93,158	0	0	93,158
Total Assigned	<u>1,357,116</u>	<u>0</u>	<u>340,672</u>	<u>1,697,788</u>
Unassigned (Deficit)	<u>10,768,740</u>	<u>0</u>	<u>(10,800)</u>	<u>10,757,940</u>
Total Fund Balance	<u>\$12,185,955</u>	<u>\$1,951,601</u>	<u>\$911,623</u>	<u>\$15,049,179</u>

**Note 20 - Set Asides**

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. The amount not spent by the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end. This amount must be carried forward and used for the same purpose in future years.

The following cash basis information identifies the change in the fund balance reserve for capital improvements during fiscal year 2015.

	Capital Improvements
Balance June 30, 2014	\$0
Current Year Set Aside Requirement	519,325
Current Year Offsets	<u>(519,325)</u>
Balance June 30, 2015	<u>\$0</u>

**Note 21 - Jointly Governed Organizations**

**A. Metropolitan Educational Technology Association**

The School District is a participant in the Metropolitan Educational Technology Association (META), which is a computer consortium. META is an association of public school districts within the boundaries of Athens, Crawford, Delaware, Erie, Fairfield, Franklin, Jackson, Knox, Licking, Madison, Mahoning, Marion, Morrow, Muskingum, Pickaway, Richland, Trumbull, Union, and Wyandot 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 META consists of the superintendent from eight member districts. During fiscal year 2015, the School District paid \$51,823 to META for various services. Financial information can be obtained from the Metropolitan Educational Technology Association, 100 Executive Drive, Marion, Ohio 43302.

**B. Delaware Area Career Center**

The Delaware Area Career Center is a distinct political subdivision of the State of Ohio which provides vocational education. The Career Center operates under the direction of a Board consisting of one representative from each of the eleven participating school district's Boards of Education. The Board possesses its own budgeting and taxing authority. The degree of control exercised by the School District is limited to its representation on the Board. Financial information can be obtained from the Delaware Area Career Center, 4565 Columbus Pike Road, Delaware, Ohio 43015.

**C. Village of Sunbury Community Park Joint Recreation Board**

The School District and the Village of Sunbury participate in a Joint Recreation Board created under the provisions of Ohio Revised Code Sections 755.12 to 755.18. The Joint Recreation Board consists of one representative from each of the participants and one member at large. The member at large shall be a resident of the Village and the School District and be appointed by both parties. The Village has agreed to commit approximately twenty-one acres of land and the School District has committed \$1.4 million to the development of the park. Financial information can be obtained from the Village of Sunbury, P.O. Box 508, Sunbury, Ohio, 43074.

**D. Metropolitan Educational Council**

The Metropolitan Educational Council (MEC) is a purchasing cooperative made up of school districts, libraries, and related agencies. The purpose of the MEC is to obtain prices for quality merchandise and services commonly used by the participants. The governing board of the MEC consists of one representative from each participant. All participants must pay all fees, charges, or other assessments as established by the MEC. Financial information can be obtained from the Metropolitan Educational Council, 2100 Citygate Drive, Columbus, Ohio 43219.

**Note 22 - Insurance Pools**

**A. Ohio School Plan**

The School District participates in the Ohio School Plan (Plan), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a fifteen member board consisting of superintendents, treasurers, the president of Harcum-Shuett Insurance Agency, Inc., and a member of the Hylant Group, Inc. The Hylant Group, Inc. is the Plan's administrator and is responsible for processing claims. Harcum-Shuett Insurance Agency serves as the sales and marketing representative which establishes agreements between the Plan and its members. Financial information can be obtained from Harcum-Shuett Insurance Agency, 246 East Sycamore Street, Columbus, Ohio 43206.

**B. Ohio Association of School Business Officials Workers' Compensation Group Rating Plan**

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials (OASBO) Workers' Compensation Group Rating Plan (Plan) was established through the Ohio Association of School Business Officials as an insurance purchasing pool. The Plan's business and affairs are conducted by the five member OASBO Board of Directors. Each year, the participants pay an enrollment fee to the Plan to cover the costs of administering the program.

**Note 23 - Related Organization**

The Sunbury Community Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by the Board of Trustees appointed by the Big Walnut Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the School District for operational subsidies. Although the School District serves as the taxing authority, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Sunbury Community Library, 44 Burrer Drive, Sunbury, Ohio 43704.

**Note 24 - Contingencies**

**A. 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, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2015.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

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**Note 24 - Contingencies** (continued)

**B. School Foundation**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015, foundation funding for the School District, therefore, any financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or a liability of the School District.

**C. Litigation**

There are currently no matters in litigation with the School District as defendant.

**Note 25 - Subsequent Event**

On August 27, 2015, the School District issued general obligation bonds, in the amount of \$5,990,000 to currently refund bonds previously issued in fiscal year 2005 for constructing a bus maintenance facility, an addition to the high school, and renovating and improving school facilities and in fiscal year 2009 for constructing, renovating, and improving school facilities, and acquiring land. The bonds have an interest rate of 3 to 5 percent and mature on December 1, 2036.

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

	2014	2013
School District's Proportion of the Net Pension Liability	0.14705300%	0.14705300%
School District's Proportionate Share of the Net Pension Liability	\$7,442,269	\$8,744,770
School District's Covered Employee Payroll	\$4,132,580	\$3,609,832
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	180.09%	242.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.70%	65.52%

(1) Information prior to 2013 is not available.

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

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

	2014	2013
School District's Proportion of the Net Pension Liability	0.12055539%	0.12055539%
School District's Proportionate Share of the Net Pension Liability	\$29,323,243	\$34,929,655
School District's Covered Employee Payroll	\$12,256,554	\$11,818,185
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	239.25%	295.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	69.30%

(1) Information prior to 2013 is not available.

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

Big Walnut Local School District  
 Required Supplementary Information  
 Schedule of the School District's Contributions  
 School Employees Retirement System of Ohio  
 Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$644,415	\$572,776	\$499,601	\$499,057
Contributions in Relation to the Contractually Required Contribution	<u>(644,415)</u>	<u>(572,776)</u>	<u>(499,601)</u>	<u>(499,057)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
School District Covered Employee Payroll	\$4,889,343	\$4,132,580	\$3,609,832	\$3,710,465
Contributions as a Percentage of Covered Employee Payroll	13.18%	13.86%	13.84%	13.45%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$407,482	\$487,333	\$386,759	\$344,102	\$315,120	\$264,502
<u>(407,482)</u>	<u>(487,333)</u>	<u>(386,759)</u>	<u>(344,102)</u>	<u>(315,120)</u>	<u>(264,502)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,241,702	\$3,599,210	\$3,930,473	\$3,504,094	\$2,950,562	\$2,500,019
12.57%	13.54%	9.84%	9.82%	10.68%	10.58%

Big Walnut Local School District  
Required Supplementary Information  
Schedule of the School District's Contributions  
State Teachers Retirement System of Ohio  
Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$2,015,877	\$1,593,352	\$1,536,364	\$1,519,970
Contributions in Relation to the Contractually Required Contribution	<u>(2,015,877)</u>	<u>(1,593,352)</u>	<u>(1,536,364)</u>	<u>(1,519,970)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Employee Payroll	\$14,399,121	\$12,256,554	\$11,818,185	\$11,692,077
Contributions as a Percentage of Covered Employee Payroll	14.00%	13.00%	13.00%	13.00%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$1,470,562	\$1,557,554	\$1,557,762	\$1,451,066	\$1,361,708	\$1,295,158
<u>(1,470,562)</u>	<u>(1,557,554)</u>	<u>(1,557,762)</u>	<u>(1,451,066)</u>	<u>(1,361,708)</u>	<u>(1,295,158)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$11,312,015	\$11,981,185	\$11,982,785	\$11,162,046	\$10,474,677	\$9,962,754
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

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### **Nonmajor Special Revenue Funds**

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 for debt service or capital projects. Following is a description of the School District's nonmajor special revenue funds:

#### Food Service

To account for grants and charges for services restricted for the School District's food service operations.

#### Other Local Grants

To account for local grants restricted for purposes outlined by the grant.

#### High School Multi-Handicapped

To account for donations restricted for a multi-handicapped unit room.

#### Athletic and Music

To account for gate receipts and other revenues from athletic events restricted to expenditure for the School District's athletic and music programs (except for supplemental coaching contracts).

#### Auxiliary Services

To account for State resources restricted to providing services and materials to students attending non-public schools within the School District.

#### Entry Year

To account for State resources restricted for stipends paid to established teachers to mentor first year teachers.

#### Network Connectivity

To account for grants restricted for the installation and ongoing support of data communication links connecting public school buildings to the statewide network and to the internet.

#### Miscellaneous State Grants

To account for State grants restricted for purposes outlined by the grant.

#### Race to the Top

To account for Federal grants restricted to help reduce achievement gaps, increase high school graduation rates, and increase college enrollment.

#### Title VI-B

To account for Federal grants restricted to assisting the School District in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

(continued)

**Nonmajor Special Revenue Funds  
(continued)**

Title I

To account for Federal grants restricted to assisting the School District in meeting the special needs of educationally deprived children.

Early Childhood Special Education

To account for Federal grants restricted to supporting the improvement and expansion of services for handicapped children ages three to five.

Title II-A

To account for Federal grants restricted to hiring additional classroom teachers in grades 1 through 3 so that the number of students per teacher will be reduced.

**Nonmajor Capital Projects Funds**

Capital projects funds are used to account for resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets.

Permanent Improvement

To account for transfers from the General Fund assigned for the acquisition, construction, or improvement of capital facilities.

Building

To account for debt proceeds and other resources restricted for improvements to the three elementary schools, the middle school, and a portion of the high school addition. In addition, construction of a new elementary and middle school.

Capital Projects

To account for transfers and other resources from the General Fund committed by the Board of Education for the acquisition, construction, or improvement of capital facilities.

Big Walnut Local School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$362,978	\$668,598	\$1,031,576
Accounts Receivable	6,943	4,552	11,495
Intergovernmental Receivable	359,888	0	359,888
Inventory Held for Resale	14,461	0	14,461
Materials and Supplies Inventory	3,899	0	3,899
<b>Total Assets</b>	<b>\$748,169</b>	<b>\$673,150</b>	<b>\$1,421,319</b>
<u>Liabilities</u>			
Accounts Payable	\$64,714	\$19,591	\$84,305
Accrued Wages and Benefits Payable	155,054	0	155,054
Interfund Payable	76,210	0	76,210
Intergovernmental Payable	31,104	0	31,104
<b>Total Liabilities</b>	<b>327,082</b>	<b>19,591</b>	<b>346,673</b>
<u>Deferred Inflows of Resources</u>			
Unavailable Revenue	163,023	0	163,023
<u>Fund Balances</u>			
Nonspendable	3,899	0	3,899
Restricted	264,965	69,978	334,943
Committed	0	242,909	242,909
Assigned	0	340,672	340,672
Unassigned (Deficit)	(10,800)	0	(10,800)
<b>Total Fund Balances</b>	<b>258,064</b>	<b>653,559</b>	<b>911,623</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$748,169</b>	<b>\$673,150</b>	<b>\$1,421,319</b>

Big Walnut Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2015

	Food Service	Other Local Grants	High School Multi- Handicapped	Athletic and Music
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$266,241	\$5,667	\$893	\$54,472
Accounts Receivable	195	0	0	6,748
Intergovernmental Receivable	0	0	0	0
Inventory Held for Resale	14,461	0	0	0
Materials and Supplies Inventory	3,899	0	0	0
Total Assets	<u>\$284,796</u>	<u>\$5,667</u>	<u>\$893</u>	<u>\$61,220</u>
<u>Liabilities</u>				
Accounts Payable	\$6,184	\$0	\$0	\$3,906
Accrued Wages and Benefits Payable	72,142	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	18,156	0	0	24
Total Liabilities	<u>96,482</u>	<u>0</u>	<u>0</u>	<u>3,930</u>
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue	140	0	0	6,493
<u>Fund Balances</u>				
Nonspendable	3,899	0	0	0
Restricted	184,275	5,667	893	50,797
Unassigned (Deficit)	0	0	0	0
Total Fund Balances (Deficit)	<u>188,174</u>	<u>5,667</u>	<u>893</u>	<u>50,797</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$284,796</u>	<u>\$5,667</u>	<u>\$893</u>	<u>\$61,220</u>

Auxiliary Services	Miscellaneous State Grants	Title VI-B	Title I	Title II-A	Total
\$32,333	\$3,372	\$0	\$0	\$0	\$362,978
0	0	0	0	0	6,943
0	0	218,994	60,051	80,843	359,888
0	0	0	0	0	14,461
0	0	0	0	0	3,899
<u>\$32,333</u>	<u>\$3,372</u>	<u>\$218,994</u>	<u>\$60,051</u>	<u>\$80,843</u>	<u>\$748,169</u>
\$11,965	\$0	\$0	\$42,659	\$0	\$64,714
7,127	0	75,785	0	0	155,054
0	0	65,448	0	10,762	76,210
1,649	0	11,237	0	38	31,104
<u>20,741</u>	<u>0</u>	<u>152,470</u>	<u>42,659</u>	<u>10,800</u>	<u>327,082</u>
<u>0</u>	<u>0</u>	<u>58,155</u>	<u>17,392</u>	<u>80,843</u>	<u>163,023</u>
0	0	0	0	0	3,899
11,592	3,372	8,369	0	0	264,965
0	0	0	0	(10,800)	(10,800)
<u>11,592</u>	<u>3,372</u>	<u>8,369</u>	<u>0</u>	<u>(10,800)</u>	<u>258,064</u>
<u>\$32,333</u>	<u>\$3,372</u>	<u>\$218,994</u>	<u>\$60,051</u>	<u>\$80,843</u>	<u>\$748,169</u>

Big Walnut Local School District  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2015

	Permanent Improvement	Building	Capital Projects	Total
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$360,263	\$69,978	\$238,357	\$668,598
Accounts Receivable	0	0	4,552	4,552
Total Assets	<u>\$360,263</u>	<u>\$69,978</u>	<u>\$242,909</u>	<u>\$673,150</u>
<u>Liabilities</u>				
Accounts Payable	\$19,591	\$0	\$0	\$19,591
<u>Fund Balances</u>				
Restricted	0	69,978	0	69,978
Committed	0	0	242,909	242,909
Assigned	340,672	0	0	340,672
Total Fund Balances	<u>340,672</u>	<u>69,978</u>	<u>242,909</u>	<u>653,559</u>
Total Liabilities and Fund Balances	<u>\$360,263</u>	<u>\$69,978</u>	<u>\$242,909</u>	<u>\$673,150</u>

Big Walnut Local School District  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Fiscal Ended June 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Intergovernmental	\$1,357,736	\$0	\$1,357,736
Interest	607	378	985
Extracurricular Activities	235,560	0	235,560
Charges for Services	794,639	0	794,639
Gifts and Donations	6,370	44,057	50,427
Miscellaneous	8,367	5,481	13,848
Total Revenues	<u>2,403,279</u>	<u>49,916</u>	<u>2,453,195</u>
<u>Expenditures</u>			
Current:			
Instruction			
Special	724,329	0	724,329
Support Services			
Pupils	185	0	185
Instructional Staff	83,917	0	83,917
Central	16,200	0	16,200
Non-Instructional Services	1,298,048	0	1,298,048
Extracurricular Activities	247,270	0	247,270
Capital Outlay	0	611,057	611,057
Total Expenditures	<u>2,369,949</u>	<u>611,057</u>	<u>2,981,006</u>
Changes in Fund Balances	33,330	(561,141)	(527,811)
Fund Balances Beginning of Year	<u>224,734</u>	<u>1,214,700</u>	<u>1,439,434</u>
Fund Balances End of Year	<u><u>\$258,064</u></u>	<u><u>\$653,559</u></u>	<u><u>\$911,623</u></u>

Big Walnut Local School District  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2015

	Food Service	Other Local Grants	High School Multi- Handicapped	Athletic and Music
<u>Revenues</u>				
Intergovernmental	\$356,266	\$0	\$0	\$0
Interest	542	0	0	0
Extracurricular Activities	0	0	0	235,560
Charges for Services	794,639	0	0	0
Gifts and Donations	0	970	0	5,400
Miscellaneous	4,338	0	0	2,949
Total Revenues	<u>1,155,785</u>	<u>970</u>	<u>0</u>	<u>243,909</u>
<u>Expenditures</u>				
Current:				
Instruction				
Special	0	0	0	0
Support Services				
Pupils	0	185	0	0
Instructional Staff	0	0	0	0
Central	0	0	0	0
Non-Instructional Services	1,112,795	0	0	0
Extracurricular Activities	0	0	0	247,270
Total Expenditures	<u>1,112,795</u>	<u>185</u>	<u>0</u>	<u>247,270</u>
Changes in Fund Balances	42,990	785	0	(3,361)
Fund Balances (Deficit) Beginning of Year	<u>145,184</u>	<u>4,882</u>	<u>893</u>	<u>54,158</u>
Fund Balances (Deficit) End of Year	<u><u>\$188,174</u></u>	<u><u>\$5,667</u></u>	<u><u>\$893</u></u>	<u><u>\$50,797</u></u>

Auxiliary Services	Entry Year	Network Connectivity	Miscellaneous State Grants	Race to the Top	Title VI-B
\$170,846	\$3,500	\$10,800	\$0	\$2,769	\$570,448
65	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
177	0	0	0	903	0
<u>171,088</u>	<u>3,500</u>	<u>10,800</u>	<u>0</u>	<u>3,672</u>	<u>570,448</u>
0	0	0	0	0	564,365
0	0	0	0	0	0
0	3,500	0	0	3,500	0
0	0	16,200	0	0	0
185,253	0	0	0	0	0
0	0	0	0	0	0
<u>185,253</u>	<u>3,500</u>	<u>16,200</u>	<u>0</u>	<u>3,500</u>	<u>564,365</u>
(14,165)	0	(5,400)	0	172	6,083
<u>25,757</u>	<u>0</u>	<u>5,400</u>	<u>3,372</u>	<u>(172)</u>	<u>2,286</u>
<u>\$11,592</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,372</u>	<u>\$0</u>	<u>\$8,369</u>

(continued)

Big Walnut Local School District  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2015  
(continued)

	Title I	Early Childhood Special Education	Title II-A	Total
<u>Revenues</u>				
Intergovernmental	\$201,491	\$12,137	\$29,479	\$1,357,736
Interest	0	0	0	607
Extracurricular Activities	0	0	0	235,560
Charges for Services	0	0	0	794,639
Gifts and Donations	0	0	0	6,370
Miscellaneous	0	0	0	8,367
			0	
Total Revenues	201,491	12,137	29,479	2,403,279
<u>Expenditures</u>				
Current:				
Instruction				
Special	147,827	12,137	0	724,329
Support Services				
Pupils	0	0	0	185
Instructional Staff	39,650	0	37,267	83,917
Fiscal	0	0	0	16,200
Non-Instructional Services	0	0	0	1,298,048
Extracurricular Activities	0	0	0	247,270
Total Expenditures	187,477	12,137	37,267	2,369,949
Changes in Fund Balances	14,014	0	(7,788)	33,330
Fund Balances (Deficit) Beginning of Year	(14,014)	0	(3,012)	224,734
Fund Balances (Deficit) End of Year	\$0	\$0	(\$10,800)	\$258,064

Big Walnut Local School District  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2015

	Permanent Improvement	Building	Capital Projects	Total
<u>Revenues</u>				
Interest	\$0	\$378	\$0	\$378
Gifts and Donations	44,057	0	0	44,057
Miscellaneous	0	100	5,381	5,481
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	44,057	478	5,381	49,916
<u>Expenditures</u>				
Capital Outlay	19,591	534,574	56,892	611,057
	<hr/>	<hr/>	<hr/>	<hr/>
Changes in Fund Balances	24,466	(534,096)	(51,511)	(561,141)
Fund Balances Beginning of Year	316,206	604,074	294,420	1,214,700
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances End of Year	<u>\$340,672</u>	<u>\$69,978</u>	<u>\$242,909</u>	<u>\$653,559</u>

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Big Walnut Local School District  
Combining Statements - Agency Funds

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Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

**Agency Funds**

Sunbury Meadows Community Development Authority

To account for the funds of the Sunbury Meadows Community Development Authority for which the Treasurer serves as ex-officio fiscal agent.

High School Advanced Placement

To account for student fees to take an advanced placement test.

Teachers

To account for resources collected from vending machines for teachers to purchase flowers, balloons, etc. for various personal events.

Athletic Tournaments

To account for resources collected from sports tournaments that are submitted to OSHAA.

Student Activities

To account for student activity programs which have student participation in the activity and student involvement in the management of the program.

Local Professional Development Committee (LPDC)

To account for resources collected from teachers to pay for license renewals.

Payroll

To account for the School District's payroll and withholdings.

Big Walnut Local School District  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2015

	Balance at 6/30/14	Additions	Reductions	Balance at 6/30/15
<u>Sunbury Meadows Community Development Authority</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$44,057	\$44,057	\$0
<u>Liabilities</u>				
Undistributed Assets	\$0	\$44,057	\$44,057	\$0
<u>High School Advanced Placement</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,413	\$2,137	\$0	\$3,550
<u>Liabilities</u>				
Undistributed Assets	\$1,413	\$2,137	\$0	\$3,550
<u>Teachers</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$6,627	\$759	\$0	\$7,386
<u>Liabilities</u>				
Undistributed Assets	\$6,627	\$759	\$0	\$7,386
<u>Athletic Tournaments</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$709	\$1,322	\$0	\$2,031
<u>Liabilities</u>				
Undistributed Assets	\$709	\$1,322	\$0	\$2,031
<u>Student Activities</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$84,631	\$12,798	\$0	\$97,429
<u>Liabilities</u>				
Due to Students	\$84,631	\$12,798	\$0	\$97,429
<u>LPDC</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$2,615	\$315	\$0	\$2,930
<u>Liabilities</u>				
Undistributed Assets	\$2,615	\$315	\$0	\$2,930
<u>Payroll</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$985	\$0	\$985	\$0
<u>Liabilities</u>				
Undistributed Assets	\$985	\$0	\$985	\$0
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$96,980	\$61,388	\$45,042	\$113,326
<u>Liabilities</u>				
Undistributed Assets	\$12,349	\$48,590	\$45,042	\$15,897
Due to Students	84,631	12,798	0	97,429
Total Liabilities	\$96,980	\$61,388	\$45,042	\$113,326

**INDIVIDUAL FUND SCHEDULES  
OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

Big Walnut Local School District  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$16,052,609	\$16,137,953	\$16,779,901	\$641,948
Income Taxes	5,347,035	5,597,672	5,597,672	0
Intergovernmental	8,087,759	8,860,560	8,116,012	(744,548)
Interest	15,265	31,566	31,566	0
Tuition and Fees	602,944	978,244	903,302	(74,942)
Extracurricular Activities	1,200	707	707	0
Charges for Services	6,593	6,593	6,260	(333)
Gifts and Donations	155,627	154,501	140,435	(14,066)
Miscellaneous	218,089	126,706	125,800	(906)
<b>Total Revenues</b>	<b>30,487,121</b>	<b>31,894,502</b>	<b>31,701,655</b>	<b>(192,847)</b>
<u>Expenditures</u>				
Current:				
Instruction				
Regular				
Salaries	10,516,684	9,137,894	9,136,929	965
Fringe Benefits	3,687,252	3,513,175	3,509,203	3,972
Purchased Services	1,636,834	1,928,846	1,913,533	15,313
Materials and Supplies	511,724	503,558	503,390	168
Capital Outlay	207,521	201,696	201,696	0
<b>Total Regular</b>	<b>16,560,015</b>	<b>15,285,169</b>	<b>15,264,751</b>	<b>20,418</b>
Special				
Salaries	2,178,853	2,257,693	2,256,692	1,001
Fringe Benefits	980,834	1,088,398	1,083,009	5,389
Purchased Services	582,130	197,080	196,095	985
Materials and Supplies	25,532	23,342	23,154	188
Capital Outlay	13,000	8,831	8,831	0
<b>Total Special</b>	<b>3,780,349</b>	<b>3,575,344</b>	<b>3,567,781</b>	<b>7,563</b>
Vocational				
Salaries	71,187	70,571	70,501	70
Fringe Benefits	30,169	30,585	30,340	245
Purchased Services	9,500	4,900	4,601	299
<b>Total Vocational</b>	<b>110,856</b>	<b>106,056</b>	<b>105,442</b>	<b>614</b>
<b>Total Instruction</b>	<b>20,451,220</b>	<b>18,966,569</b>	<b>18,937,974</b>	<b>28,595</b>

(continued)

Big Walnut Local School District  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015  
(continued)

	Original Budget	Budget	Actual	Variance Over (Under)
Support Services				
Pupils				
Salaries	\$497,294	\$546,381	\$546,201	\$180
Fringe Benefits	149,413	183,172	181,976	1,196
Purchased Services	761,923	888,073	883,683	4,390
Materials and Supplies	17,830	13,659	13,559	100
Capital Outlay	600	0	0	0
Total Pupils	1,427,060	1,631,285	1,625,419	5,866
Instructional Staff				
Salaries	420,648	512,584	512,335	249
Fringe Benefits	175,676	260,260	258,712	1,548
Purchased Services	750	550	0	550
Materials and Supplies	18,200	11,730	11,730	0
Other	0	19,800	19,751	49
Total Instructional Staff	615,274	804,924	802,528	2,396
Board of Education				
Salaries	0	9,400	9,345	55
Fringe Benefits	0	16,100	15,539	561
Purchased Services	135,353	127,083	126,604	479
Other	15,200	29,662	26,531	3,131
Total Board of Education	150,553	182,245	178,019	4,226
Administration				
Salaries	1,645,484	1,798,134	1,797,231	903
Fringe Benefits	357,582	825,560	824,690	870
Purchased Services	330,794	286,875	282,826	4,049
Materials and Supplies	21,770	11,973	11,476	497
Other	10,850	11,025	7,961	3,064
Capital Outlay	5,200	3,698	3,553	145
Total Administration	2,371,680	2,937,265	2,927,737	9,528
Fiscal				
Salaries	437,622	474,613	474,534	79
Fringe Benefits	114,228	181,773	181,612	161
Purchased Services	17,955	6,555	5,671	884
Materials and Supplies	3,700	7,826	7,826	0
Other	414,355	397,931	381,424	16,507
Capital Outlay	1,200	1,578	1,578	0
Total Fiscal	989,060	1,070,276	1,052,645	17,631

(continued)

Big Walnut Local School District  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015  
(continued)

	Original Budget	Budget	Actual	Variance Over (Under)
Business				
Salaries	\$8,061	\$7,762	\$8,011	(\$249)
Fringe Benefits	1,312	1,328	1,271	57
Purchased Services	3,636	3,636	3,455	181
Materials and Supplies	43,000	0	0	0
Total Business	56,009	12,726	12,737	(11)
Operation and Maintenance of Plant				
Salaries	784,415	1,009,483	1,008,891	592
Fringe Benefits	437,531	524,776	524,548	228
Purchased Services	1,259,356	1,185,969	1,179,993	5,976
Materials and Supplies	146,470	178,090	177,971	119
Capital Outlay	13,009	2,319	2,319	0
Total Operation and Maintenance of Plant	2,640,781	2,900,637	2,893,722	6,915
Pupil Transportation				
Salaries	1,054,655	1,127,578	1,127,349	229
Fringe Benefits	509,754	681,122	680,553	569
Purchased Services	87,157	92,757	89,683	3,074
Materials and Supplies	430,505	293,389	293,082	307
Capital Outlay	189,495	281,242	281,149	93
Total Pupil Transportation	2,271,566	2,476,088	2,471,816	4,272
Central				
Salaries	157,889	95,269	95,269	0
Fringe Benefits	60,699	43,409	43,321	88
Purchased Services	143,322	116,922	115,814	1,108
Materials and Supplies	7,335	8,415	8,415	0
Total Central	369,245	264,015	262,819	1,196
Total Support Services	10,891,228	12,279,461	12,227,442	52,019
Non-Instructional Services				
Salaries	2,000	1,782	1,782	0
Fringe Benefits	350	292	292	0
Total Non-Instructional Services	2,350	2,074	2,074	0
Extracurricular Activities				
Academic and Subject Oriented Activities				
Salaries	93,500	90,490	90,449	41
Fringe Benefits	13,726	6,889	6,703	186
Purchased Services	1,800	0	0	0
Total Academic and Subject Oriented Activities	109,026	97,379	97,152	227

(continued)

Big Walnut Local School District  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015  
(continued)

	Original Budget	Budget	Actual	Variance Over (Under)
Sport Oriented Activities				
Salaries	\$324,000	\$343,736	\$343,629	\$107
Fringe Benefits	3,270	3,404	3,354	50
Purchased Services	0	500	0	500
	<u>327,270</u>	<u>347,640</u>	<u>346,983</u>	<u>657</u>
School and Public Service Co-Curricular Activities				
Purchased Services	600	0	0	0
Materials and Supplies	200	0	0	0
Other	0	442	442	0
	<u>800</u>	<u>442</u>	<u>442</u>	<u>0</u>
Total Extracurricular Activities	<u>437,096</u>	<u>445,461</u>	<u>444,577</u>	<u>884</u>
Total Expenditures	<u>31,781,894</u>	<u>31,693,565</u>	<u>31,612,067</u>	<u>81,498</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,294,773)</u>	<u>200,937</u>	<u>89,588</u>	<u>(111,349)</u>
<u>Other Financing Sources (Uses)</u>				
Refund of Prior Year Expenditures	0	113,711	113,711	0
Advances In	0	41,285	41,285	0
Transfers In	13,000	0	0	0
Transfers Out	0	(168,343)	0	168,343
	<u>13,000</u>	<u>(13,347)</u>	<u>154,996</u>	<u>168,343</u>
Total Other Financing Sources (Uses)	<u>13,000</u>	<u>(13,347)</u>	<u>154,996</u>	<u>168,343</u>
Changes in Fund Balance	(1,281,773)	187,590	244,584	56,994
Fund Balance Beginning of Year	8,546,554	8,546,554	8,546,554	0
Prior Year Encumbrances Appropriated	132,660	132,660	132,660	0
Fund Balance End of Year	<u><u>\$7,397,441</u></u>	<u><u>\$8,866,804</u></u>	<u><u>\$8,923,798</u></u>	<u><u>\$56,994</u></u>

Big Walnut Local School District  
Bond Retirement Debt Service Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$3,166,775	\$2,762,323	(\$404,452)
Intergovernmental	469,199	393,199	(76,000)
Total Revenues	<u>3,635,974</u>	<u>3,155,522</u>	<u>(480,452)</u>
<u>Expenditures</u>			
Current:			
Support Services			
Fiscal			
Other	52,000	39,073	12,927
Debt Service:			
Principal Retirement	1,702,881	1,702,779	102
Interest and Fiscal Charges	1,854,016	1,534,348	319,668
Interest on Capital Appreciation Bonds	242,221	242,221	0
Total Debt Service	<u>3,799,118</u>	<u>3,479,348</u>	<u>319,770</u>
Total Expenditures	<u>3,851,118</u>	<u>3,518,421</u>	<u>332,697</u>
Excess of Revenues Under Expenditures	<u>(215,144)</u>	<u>(362,899)</u>	<u>147,755</u>
<u>Other Financing Sources (Uses)</u>			
Current Refunding	(10,000,000)	(10,000,000)	0
General Obligation Bonds Issued	9,965,000	9,965,000	0
Premium on Bonds Issued	191,563	191,563	0
Total Other Financing Sources (Uses)	<u>156,563</u>	<u>156,563</u>	<u>0</u>
Changes in Fund Balance	(58,581)	(206,336)	(147,755)
Fund Balance Beginning of Year	<u>1,553,583</u>	<u>1,553,583</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,495,002</u>	<u>\$1,347,247</u>	<u>(\$147,755)</u>

Big Walnut Local School District  
Food Service Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$300,000	\$299,921	(\$79)
Interest	490	490	0
Charges for Services	795,760	794,584	(1,176)
Miscellaneous	485	290	(195)
<b>Total Revenues</b>	<b>1,096,735</b>	<b>1,095,285</b>	<b>(1,450)</b>
<u>Expenditures</u>			
Current:			
Non-Instructional Services			
Salaries	404,105	400,722	3,383
Fringe Benefits	218,968	217,894	1,074
Purchased Services	27,148	20,487	6,661
Materials and Supplies	415,130	397,032	18,098
Other	5,400	2,630	2,770
Capital Outlay	10,016	7,546	2,470
<b>Total Expenditures</b>	<b>1,080,767</b>	<b>1,046,311</b>	<b>34,456</b>
Excess of Revenues Over Expenditures	15,968	48,974	33,006
<u>Other Financing Sources</u>			
Refund of Prior Year Expenditures	4,191	4,191	0
Changes in Fund Balance	20,159	53,165	33,006
Fund Balance Beginning of Year	211,421	211,421	0
Prior Year Encumbrances Appropriated	1,574	1,574	0
<b>Fund Balance End of Year</b>	<b>\$233,154</b>	<b>\$266,160</b>	<b>\$33,006</b>

Big Walnut Local School District  
Other Local Grants Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Gifts and Donations	\$970	\$970	\$0
<u>Expenditures</u>			
Current:			
Support Services			
Pupils			
Materials and Supplies	185	185	0
Instructional Staff			
Materials and Supplies	250	250	0
Total Expenditures	435	435	0
Changes in Fund Balance	535	535	0
Fund Balance Beginning of Year	4,882	4,882	0
Prior Year Encumbrances Appropriated	250	250	0
Fund Balance End of Year	\$5,667	\$5,667	\$0

Big Walnut Local School District  
High School Multi-Handicapped Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	893	893	0
Fund Balance End of Year	\$893	\$893	\$0

Big Walnut Local School District  
Athletic and Music Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Extracurricular Activities	\$232,254	\$233,828	\$1,574
Gifts and Donations	5,400	5,400	0
Miscellaneous	2,949	2,949	0
<b>Total Revenues</b>	<b>240,603</b>	<b>242,177</b>	<b>1,574</b>
<u>Expenditures</u>			
Current:			
Extracurricular Activities			
Academic and Subject Oriented Activities			
Purchased Services	6,634	6,634	0
Materials and Supplies	844	844	0
<b>Total Academic and Subject Oriented Activities</b>	<b>7,478</b>	<b>7,478</b>	<b>0</b>
Sport Oriented Activities			
Salaries	5,722	5,722	0
Fringe Benefits	1,755	1,655	100
Purchased Services	145,848	145,656	192
Materials and Supplies	34,743	34,368	375
Capital Outlay	68,556	68,556	0
<b>Total Sport Oriented Activities</b>	<b>256,624</b>	<b>255,957</b>	<b>667</b>
<b>Total Expenditures</b>	<b>264,102</b>	<b>263,435</b>	<b>667</b>
Changes in Fund Balance	(23,499)	(21,258)	2,241
Fund Balance Beginning of Year	42,874	42,874	0
Prior Year Encumbrances Appropriated	11,119	11,119	0
<b>Fund Balance End of Year</b>	<b>\$30,494</b>	<b>\$32,735</b>	<b>\$2,241</b>

Big Walnut Local School District  
Auxiliary Services Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$170,846	\$170,846	\$0
Interest	53	53	0
<b>Total Revenues</b>	<b>170,899</b>	<b>170,899</b>	<b>0</b>
<u>Expenditures</u>			
Current:			
Support Services			
Non-Instructional Services			
Salaries	74,296	67,177	7,119
Fringe Benefits	11,372	10,262	1,110
Purchased Services	42,583	38,331	4,252
Materials and Supplies	55,591	55,591	0
Capital Outlay	44,589	44,589	0
<b>Total Expenditures</b>	<b>228,431</b>	<b>215,950</b>	<b>12,481</b>
Excess of Revenues Under Expenditures	(57,532)	(45,051)	12,481
<u>Other Financing Sources</u>			
Refund of Prior Year Expenditures	177	177	0
Changes in Fund Balance	(57,355)	(44,874)	12,481
Fund Balance Beginning of Year	38,154	38,154	0
Prior Year Encumbrances Appropriated	19,201	19,201	0
<b>Fund Balance End of Year</b>	<b>\$0</b>	<b>\$12,481</b>	<b>\$12,481</b>

Big Walnut Local School District  
Entry Year Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$3,500	\$3,500	\$0
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Salaries	<u>3,500</u>	<u>3,500</u>	<u>0</u>
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Big Walnut Local School District  
Network Connectivity Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$10,800	\$10,800	\$0
<u>Expenditures</u>			
Current:			
Support Services			
Central			
Purchased Services	16,200	16,200	0
Changes in Fund Balance	(5,400)	(5,400)	0
Fund Balance Beginning of Year	5,400	5,400	0
Fund Balance End of Year	\$0	\$0	\$0

Big Walnut Local School District  
Miscellaneous State Grants Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	3,372	3,372	0
Fund Balance End of Year	<u>\$3,372</u>	<u>\$3,372</u>	<u>\$0</u>

Big Walnut Local School District  
Race to the Top Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$2,769	\$2,769	\$0
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Salaries	701	701	0
Fringe Benefits	108	108	0
Total Expenditures	809	809	0
Excess of Revenues Over Expenditures	1,960	1,960	0
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Expenditures	903	903	0
Refund of Prior Year Receipts	(3,500)	(3,500)	0
Total Other Financing Sources (Uses)	(2,597)	(2,597)	0
Changes in Fund Balance	(637)	(637)	0
Fund Balance Beginning of Year	637	637	0
Fund Balance End of Year	\$0	\$0	\$0

Big Walnut Local School District  
 Title VI-B Special Revenue Fund

Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	<u>\$548,800</u>	<u>\$483,352</u>	<u>(\$65,448)</u>
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Salaries	396,139	396,139	0
Fringe Benefits	<u>154,023</u>	<u>154,023</u>	<u>0</u>
Total Expenditures	<u>550,162</u>	<u>550,162</u>	<u>0</u>
Changes in Fund Balance	(1,362)	(66,810)	(65,448)
Fund Balance Beginning of Year	<u>1,362</u>	<u>1,362</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u><u>\$0</u></u>	<u><u>(\$65,448)</u></u>	<u><u>(\$65,448)</u></u>

Big Walnut Local School District  
Title I Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$231,274	\$188,615	(\$42,659)
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Salaries	19,139	19,139	0
Fringe Benefits	5,968	5,968	0
Purchased Services	103,669	103,669	0
Materials and Supplies	42,659	42,659	0
Total Instruction	171,435	171,435	0
Support Services			
Instructional Staff			
Purchased Services	39,650	39,650	0
Total Expenditures	211,085	211,085	0
Excess of Revenues Over (Under) Expenditures	20,189	(22,470)	(42,659)
<u>Other Financing Uses</u>			
Advances Out	(29,785)	(29,785)	0
Changes in Fund Balance	(9,596)	(52,255)	(42,659)
Fund Balance Beginning of Year	9,576	9,576	0
Prior Year Encumbrances Appropriated	20	20	0
Fund Balance (Deficit) End of Year	\$0	(\$42,659)	(\$42,659)

Big Walnut Local School District  
Early Childhood Special Education Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$12,137	\$12,137	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Salaries	12,137	12,137	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Big Walnut Local School District  
Title II-A Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$48,789	\$29,479	(\$19,310)
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Salaries	11,220	11,220	0
Fringe Benefits	1,700	1,700	0
Purchased Services	33,990	33,990	0
Materials and Supplies	1,090	1,090	0
Capital Outlay	789	789	0
Total Expenditures	<u>48,789</u>	<u>48,789</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	0	(19,310)	(19,310)
<u>Other Financing Uses</u>			
Advances Out	<u>(11,500)</u>	<u>(11,500)</u>	<u>0</u>
Changes in Fund Balance	(11,500)	(30,810)	(19,310)
Fund Balance Beginning of Year	7,139	7,139	0
Prior Year Encumbrances Appropriated	<u>4,361</u>	<u>4,361</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u><u>\$0</u></u>	<u><u>(\$19,310)</u></u>	<u><u>(\$19,310)</u></u>

Big Walnut Local School District  
 Permanent Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Gifts and Donations	\$0	\$29,270	\$29,270
<u>Expenditures</u>			
Capital Outlay			
Building Improvement Services			
Capital Outlay	42,120	42,120	0
Changes in Fund Balance	(42,120)	(12,850)	29,270
Fund Balance Beginning of Year	286,936	286,936	0
Fund Balance End of Year	\$244,816	\$274,086	\$29,270

Big Walnut Local School District  
Building Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$487	\$471	(\$16)
<u>Expenditures</u>			
Capital Outlay			
Site Improvement Services			
Capital Outlay	103,500	102,976	524
Building Improvement Services			
Salaries	4,681	4,681	0
Fringe Benefits	723	723	0
Capital Outlay	478,566	475,654	2,912
Total Building Improvement Services	483,970	481,058	2,912
Total Expenditures	587,470	584,034	3,436
Excess of Revenues Under Expenditures	(586,983)	(583,563)	3,420
<u>Other Financing Sources</u>			
Refund of Prior Year Expenditures	100	100	0
Changes in Fund Balance	(586,883)	(583,463)	3,420
Fund Balance Beginning of Year	422,837	422,837	0
Prior Year Encumbrances Appropriated	223,634	223,634	0
Fund Balance End of Year	\$59,588	\$63,008	\$3,420

Big Walnut Local School District  
 Capital Projects Capital Projects Fund

Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Miscellaneous	\$829	\$829	\$0
<u>Expenditures</u>			
Capital Outlay			
Building Improvement Services			
Capital Outlay	<u>58,717</u>	<u>58,629</u>	<u>88</u>
Changes in Fund Balance	(57,888)	(57,800)	88
Fund Balance Beginning of Year	292,440	292,440	0
Prior Year Encumbrances Appropriated	<u>3,717</u>	<u>3,717</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$238,269</u></u>	<u><u>\$238,357</u></u>	<u><u>\$88</u></u>

**STATISTICAL  
SECTION**

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**Big Walnut Local School District  
Statistical Section**

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This part of the 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 Districts’s overall financial health.

**Contents** **Page**

Financial Trends..... S-2

These schedules contain trend information to help the reader understand how the School District’s financial performance and well-being have changed over time.

Revenue Capacity ..... S-10

These schedules contain information to help the reader assess the School District’s most significant local revenue sources.

Debt Capacity..... S-20

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.

Demographic and Economic Information..... S-26

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District’s financial activities take place.

Operating Information ..... S-28

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.

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

Big Walnut Local School District  
 Net Position  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Investment in Capital Assets	\$7,701,671	\$6,828,018	\$5,671,864	\$5,398,816
Restricted for				
Debt Service	1,498,459	1,923,468	1,675,753	1,341,840
Capital Projects	69,978	604,074	1,352,915	2,346,226
Set Asides	0	0	0	0
Other Purposes	384,737	339,384	277,043	245,132
Unrestricted (Deficit)	<u>(28,986,056)</u>	<u>(30,564,859)</u>	<u>9,023,593</u>	<u>6,588,222</u>
Total Net Position (Deficit)	<u>(\$19,331,211)</u>	<u>(\$20,869,915)</u>	<u>\$18,001,168</u>	<u>\$15,920,236</u>

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$8,765,794	\$9,138,600	\$8,781,299	\$7,054,170	\$7,865,501	\$7,377,670
1,023,224	1,669,886	1,358,370	1,245,230	698,462	919,694
554,136	267,664	607,425	1,870,203	445,216	0
343,611	112,378	0	0	128,199	69,164
567,033	516,377	180,248	129,858	147,562	233,850
<u>3,370,385</u>	<u>(2,854,998)</u>	<u>(2,939,538)</u>	<u>(938,272)</u>	<u>(102,051)</u>	<u>(97,820)</u>
<u>\$14,624,183</u>	<u>\$8,849,907</u>	<u>\$7,987,804</u>	<u>\$9,361,189</u>	<u>\$9,182,889</u>	<u>\$8,502,558</u>

Big Walnut Local School District  
Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	2015	2014	2013	2012
<u>Expenses</u>				
Instruction				
Regular	\$15,684,048	\$15,044,007	\$16,474,503	\$16,655,553
Special	4,334,012	4,638,958	1,373,592	1,511,753
Vocational	115,738	129,021	186,527	195,500
Support Services				
Pupils	1,598,266	1,309,075	1,542,159	1,661,006
Instructional Staff	936,657	526,029	1,907,895	1,847,638
Board of Education	132,995	167,021	192,064	159,274
Administration	2,817,247	2,904,350	2,685,636	2,408,311
Fiscal	1,076,889	1,060,595	997,821	951,114
Business	14,102	54,210	56,094	44,283
Operation and Maintenance of Plant	2,873,373	2,668,032	2,684,285	2,626,656
Pupil Transportation	2,316,202	2,267,030	2,148,901	2,049,700
Central	260,203	295,261	6,243	10,382
Non-Instructional Services	1,389,565	1,294,829	1,321,953	1,319,034
Extracurricular Activities	720,093	706,789	710,685	709,182
Interest and Fiscal Charges	1,729,427	1,761,058	1,963,511	1,909,853
Total Expenses	<u>35,998,817</u>	<u>34,826,265</u>	<u>34,251,869</u>	<u>34,059,239</u>
<u>Program Revenues</u>				
Charges for Services				
Regular	880,806	301,407	266,928	253,230
Special	57,123	73,293	119,627	205,576
Administration	0	4,895	5,799	4,649
Pupil Transportation	4,262	0	0	0
Non-Instructional Services	794,779	679,703	698,588	730,968
Extracurricular Activities	242,269	217,493	220,711	217,323
Total Charges for Services	<u>1,979,239</u>	<u>1,276,791</u>	<u>1,311,653</u>	<u>1,411,746</u>
Operating Grants, Contributions, and Interest	2,038,024	2,061,545	1,619,516	1,634,702
Capital Grants and Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Program Revenues	<u>4,017,263</u>	<u>3,338,336</u>	<u>2,931,169</u>	<u>3,046,448</u>
Net Expense	<u>(31,981,554)</u>	<u>(31,487,929)</u>	<u>(31,320,700)</u>	<u>(31,012,791)</u>
<u>General Revenues and Other Changes in Net Position</u>				
Property Taxes Levied for General Purposes	16,850,516	17,007,696	17,147,308	16,571,288
Property Taxes Levied for Debt Service Purposes	2,511,378	3,318,770	3,248,085	2,844,723
Income Taxes Levied for General Purposes	5,773,333	5,425,696	5,070,968	4,803,177
Grants and Entitlements not				
Restricted to Specific Programs	7,861,995	7,639,186	7,298,985	7,523,619
Interest	34,516	31,823	20,785	41,568
Gifts and Donations	214,468	139,902	151,797	145,522
Miscellaneous	274,052	539,466	463,704	378,947
Total General Revenues	<u>33,520,258</u>	<u>34,102,539</u>	<u>33,401,632</u>	<u>32,308,844</u>
Changes in Net Position	<u>\$1,538,704</u>	<u>\$2,614,610</u>	<u>\$2,080,932</u>	<u>\$1,296,053</u>

2011	2010	2009	2008	2007	2006
\$13,570,840	\$13,227,046	\$12,618,709	\$12,151,170	\$10,766,134	\$10,640,482
2,357,267	2,410,093	3,749,804	3,293,665	2,952,259	2,310,234
103,403	308,959	368,712	402,201	380,318	361,900
1,180,712	1,428,226	1,236,627	1,330,211	1,240,150	1,217,465
1,540,737	1,830,485	1,215,386	1,075,658	886,296	1,112,190
122,235	132,398	236,519	203,318	184,257	159,106
2,471,483	2,624,405	2,560,097	2,390,141	1,943,266	1,644,074
974,751	829,078	895,813	884,013	748,515	708,063
61,444	257,499	281,761	221,413	251,600	229,590
2,348,454	2,181,680	2,197,437	2,193,705	1,891,168	1,859,258
1,850,810	2,035,825	1,925,545	1,944,429	1,763,719	1,809,895
672	13,076	29,416	7,283	57,179	41,406
1,222,178	1,202,563	1,161,952	990,184	958,656	810,128
637,595	715,823	776,510	711,089	631,834	658,180
1,934,381	1,933,711	1,117,813	850,009	853,300	1,005,545
<u>30,376,962</u>	<u>31,130,867</u>	<u>30,372,101</u>	<u>28,648,489</u>	<u>25,508,651</u>	<u>24,567,516</u>
400,689	106,812	294,260	211,854	188,569	245,254
71,424	77,742	87,902	51,117	53,857	0
5,548	4,624	5,805	3,420	0	0
0	0	0	0	0	0
756,372	782,811	793,208	718,600	656,422	617,845
336,497	211,463	205,867	220,158	201,425	220,414
<u>1,570,530</u>	<u>1,183,452</u>	<u>1,387,042</u>	<u>1,205,149</u>	<u>1,100,273</u>	<u>1,083,513</u>
2,129,873	2,222,925	1,338,135	1,279,558	1,300,892	1,373,899
19,005	0	19,360	44,731	22,841	21,659
<u>3,719,408</u>	<u>3,406,377</u>	<u>2,744,537</u>	<u>2,529,438</u>	<u>2,424,006</u>	<u>2,479,071</u>
<u>(26,657,554)</u>	<u>(27,724,490)</u>	<u>(27,627,564)</u>	<u>(26,119,051)</u>	<u>(23,084,645)</u>	<u>(22,088,445)</u>
15,073,552	12,632,397	11,433,389	12,336,291	10,140,434	11,310,488
2,690,225	3,017,525	2,649,715	2,018,917	1,889,652	2,258,006
6,202,194	4,418,135	4,346,558	4,430,022	4,358,466	4,545,105
8,051,168	7,851,550	7,350,791	6,968,875	6,548,534	6,191,456
85,705	102,607	286,958	347,757	535,992	664,609
175,496	150,323	28,643	5,553	195,436	26,653
153,490	414,056	158,125	189,936	96,462	105,791
<u>32,431,830</u>	<u>28,586,593</u>	<u>26,254,179</u>	<u>26,297,351</u>	<u>23,764,976</u>	<u>25,102,108</u>
<u>\$5,774,276</u>	<u>\$862,103</u>	<u>(\$1,373,385)</u>	<u>\$178,300</u>	<u>\$680,331</u>	<u>\$3,013,663</u>

Big Walnut Local School District  
Fund Balances  
Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	2015	2014	2013	2012
General Fund				
Reserved	\$0	\$0	\$0	\$0
Unreserved (Deficit)	0	0	0	0
Nonspendable	55,842	52,705	51,002	49,462
Restricted	4,257	3,088	29	29
Assigned	1,357,116	148,508	60,222	97,243
Unassigned (Deficit)	<u>10,768,740</u>	<u>11,721,540</u>	<u>9,797,096</u>	<u>7,752,878</u>
Total General Fund (Deficit)	<u>12,185,955</u>	<u>11,925,841</u>	<u>9,908,349</u>	<u>7,899,612</u>
All Other Governmental Funds				
Reserved	0	0	0	0
Unreserved, Reported in				
Special Revenue Funds (Deficit)	0	0	0	0
Debt Service Fund	0	0	0	0
Capital Projects Fund	0	0	0	0
Nonspendable	3,899	2,868	3,172	3,253
Restricted	2,286,544	3,244,782	3,692,507	4,428,945
Committed	242,909	294,420	240,426	174,968
Assigned	340,672	316,206	286,936	161,609
Unassigned (Deficit)	<u>(10,800)</u>	<u>(17,198)</u>	<u>(97,710)</u>	<u>(226,818)</u>
Total All Other Governmental Funds	<u>2,863,224</u>	<u>3,841,078</u>	<u>4,125,331</u>	<u>4,541,957</u>
Total Governmental Funds	<u>\$15,049,179</u>	<u>\$15,766,919</u>	<u>\$14,033,680</u>	<u>\$12,441,569</u>

Note: The School District implemented GASB Statement No. 54 in fiscal year 2011.

2011	2010	2009	2008	2007	2006
\$0	\$0	\$801,898	\$2,212,745	\$2,446,701	\$3,545,417
0	0	(1,166,807)	(79,139)	818,705	189,573
0	0	n/a	n/a	n/a	n/a
390,689	159,456	n/a	n/a	n/a	n/a
364,639	38,522	n/a	n/a	n/a	n/a
4,673,220	(826,117)	n/a	n/a	n/a	n/a
5,428,548	(628,139)	(364,909)	2,133,606	3,265,406	3,734,990
0	0	2,291,217	392,250	1,031,406	6,145,307
0	0	96,747	64,241	(90,069)	155,890
0	0	1,720,489	1,107,110	553,922	574,050
0	0	8,025,988	1,822,402	1,749,322	2,476,479
12,933	14,199	n/a	n/a	n/a	n/a
6,919,458	20,599,045	n/a	n/a	n/a	n/a
0	0	n/a	n/a	n/a	n/a
0	0	n/a	n/a	n/a	n/a
(13,583)	(64,933)	n/a	n/a	n/a	n/a
6,918,808	20,548,311	12,134,441	3,386,003	3,244,581	9,351,726
\$12,347,356	\$19,920,172	\$11,769,532	\$5,519,609	\$6,509,987	\$13,086,716

Big Walnut Local School District  
Changes in Fund Balances  
Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	2015	2014	2013	2012
<u>Revenues</u>				
Property Taxes	\$19,322,497	\$20,455,515	\$20,433,156	\$19,364,069
Income Taxes	5,693,134	5,411,148	5,082,396	4,797,450
Intergovernmental	9,866,947	9,754,821	8,950,041	9,095,110
Interest	33,547	28,103	20,719	41,887
Tuition and Fees	903,346	367,098	382,112	447,035
Extracurricular Activities	236,267	207,965	216,664	218,586
Charges for Services	800,899	684,433	718,086	738,593
Gifts and Donations	214,850	189,048	164,293	180,478
Miscellaneous	276,942	543,054	385,544	387,038
<b>Total Revenues</b>	<b>37,348,429</b>	<b>37,641,185</b>	<b>36,353,011</b>	<b>35,270,246</b>
<u>Expenditures</u>				
Current:				
Instruction				
Regular	15,468,083	13,833,719	15,099,166	14,481,761
Special	4,438,547	4,588,253	1,344,058	1,443,636
Vocational	105,627	101,571	176,984	185,958
Support Services				
Pupils	1,603,107	1,404,784	1,496,423	1,672,659
Instructional Staff	933,163	520,524	1,864,230	1,801,761
Board of Education	132,995	167,021	192,064	159,274
Administration	2,972,172	2,877,151	2,621,822	2,354,153
Fiscal	1,092,943	1,059,667	995,006	946,287
Business	12,486	53,922	55,845	44,401
Operation and Maintenance of Plant	2,817,163	2,578,783	2,623,215	2,528,691
Pupil Transportation	2,457,964	2,275,629	2,174,356	1,992,844
Central	266,241	270,020	6,243	10,382
Non-Instructional Services	1,300,116	1,192,402	1,269,647	1,222,866
Extracurricular Activities	692,643	647,760	667,589	670,937
Capital Outlay	611,057	799,001	975,680	2,605,952
Debt Service:				
Principal Retirement	1,725,553	1,970,000	1,290,981	954,968
Interest and Fiscal Charges	1,539,896	1,570,239	1,615,426	1,801,292
Interest on Capital Appreciation Bonds	242,221	0	394,019	441,043
Issuance Costs	0	0	0	0
<b>Total Expenditures</b>	<b>38,411,977</b>	<b>35,910,446</b>	<b>34,862,754</b>	<b>35,318,865</b>
Excess of Revenues Over (Under) Expenditures	(1,063,548)	1,730,739	1,490,257	(48,619)
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	2,500	101,854	2,297
Bond Anticipation Notes Issued	0	0	0	0
Current Refunding	(10,000,000)	0	0	0
General Obligation Bonds Issued	9,965,000	0	0	8,718,405
Premium on Bonds Issued	191,563	0	0	1,278,003
Discount on Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	(9,855,873)
Inception of Capital Lease	189,245	0	0	0
Transfers In	0	0	0	321,377
Transfers Out	0	0	0	(321,377)
<b>Total Other Financing Sources (Uses)</b>	<b>345,808</b>	<b>2,500</b>	<b>101,854</b>	<b>142,832</b>
<b>Changes in Fund Balances</b>	<b>(\$717,740)</b>	<b>\$1,733,239</b>	<b>\$1,592,111</b>	<b>\$94,213</b>
Debt Service as a Percentage of Noncapital Expenditures	9.30%	9.94%	9.56%	9.43%

2011	2010	2009	2008	2007	2006
\$17,789,384	\$15,748,370	\$13,975,143	\$14,253,531	\$11,930,590	\$13,704,069
6,176,875	4,378,961	4,367,830	4,454,107	4,327,411	4,351,442
9,858,298	9,748,448	8,715,851	8,278,358	7,851,774	7,559,035
91,090	97,564	287,274	347,757	535,992	664,609
337,203	272,375	327,724	224,087	301,629	179,283
328,952	211,330	206,095	219,930	207,366	221,494
784,361	793,442	799,013	722,020	656,287	616,695
667,163	25,960	46,242	37,851	28,928	29,510
170,791	395,079	158,125	189,936	96,462	105,791
<u>36,204,117</u>	<u>31,671,529</u>	<u>28,883,297</u>	<u>28,727,577</u>	<u>25,936,439</u>	<u>27,431,928</u>
12,340,142	12,611,011	11,949,498	11,269,817	10,518,030	10,192,517
2,315,126	2,432,415	3,684,912	3,273,814	2,924,910	2,337,477
93,861	299,416	359,169	416,015	372,096	380,121
1,163,840	1,408,284	1,222,872	1,324,018	1,234,650	1,236,937
1,538,977	1,818,766	1,207,259	957,272	842,513	862,615
122,235	132,398	236,519	203,318	184,257	159,106
2,439,799	2,564,264	2,485,192	2,446,647	1,912,326	1,733,322
975,508	828,018	906,794	895,653	740,005	703,051
79,686	256,270	290,335	219,046	229,266	236,558
2,344,097	2,148,120	2,154,632	2,151,577	1,856,934	1,846,738
1,818,841	1,945,087	1,779,954	1,970,238	1,791,030	1,862,780
672	13,076	29,416	10,425	204,590	547,164
1,180,883	1,173,563	1,125,544	958,385	948,697	831,495
602,885	681,466	742,534	679,741	601,644	628,096
13,207,951	11,667,097	1,985,236	1,329,008	5,750,571	3,894,119
1,392,616	2,212,892	897,845	1,029,372	995,973	967,234
1,862,610	1,786,579	890,279	712,699	741,649	775,295
457,204	592,793	816,158	0	664,027	692,766
0	0	129,000	0	0	0
<u>43,936,933</u>	<u>44,571,515</u>	<u>32,893,148</u>	<u>29,847,045</u>	<u>32,513,168</u>	<u>29,887,391</u>
<u>(7,732,816)</u>	<u>(12,899,986)</u>	<u>(4,009,851)</u>	<u>(1,119,468)</u>	<u>(6,576,729)</u>	<u>(2,455,463)</u>
160,000	0	0	0	0	0
0	0	10,000,000	0	0	0
0	0	(10,000,000)	0	0	0
0	21,050,626	9,999,926	0	0	0
0	0	374,905	0	0	0
0	0	(115,057)	0	0	0
0	0	0	0	0	0
0	0	0	129,090	0	0
316,447	137,625	163,827	189,961	0	8,790
<u>(316,447)</u>	<u>(137,625)</u>	<u>(163,827)</u>	<u>(189,961)</u>	<u>0</u>	<u>(8,790)</u>
<u>160,000</u>	<u>21,050,626</u>	<u>10,259,774</u>	<u>129,090</u>	<u>0</u>	<u>0</u>
<u>(\$7,572,816)</u>	<u>\$8,150,640</u>	<u>\$6,249,923</u>	<u>(\$990,378)</u>	<u>(\$6,576,729)</u>	<u>(\$2,455,463)</u>
11.72%	13.84%	8.75%	5.98%	9.04%	9.35%

Big Walnut Local School District  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Years

Collection Year	Real Property			Public Utility Personal Property	
	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial Public Utility			
2015	\$635,498,370	\$44,151,420	\$1,941,856,542	\$28,604,860	\$32,505,523
2014	588,229,410	42,315,200	1,801,556,028	18,701,670	21,251,898
2013	580,222,480	45,535,790	1,787,880,771	17,882,510	20,321,034
2012	576,616,820	45,763,450	1,778,229,342	17,962,470	20,411,898
2011	593,432,290	46,273,510	1,827,730,857	17,978,350	20,429,943
2010	589,584,540	48,755,480	1,823,828,628	16,671,790	18,945,216
2009	580,943,790	45,940,700	1,791,098,542	16,386,590	18,621,125
2008	567,913,753	44,036,150	1,748,428,294	15,407,230	17,508,216
2007	548,213,100	41,135,700	1,683,853,714	14,127,090	16,053,511
2006	526,122,170	41,412,640	1,621,528,029	14,765,900	16,779,432

Source: Delaware County Auditor

(1) Since each type of property has its own direct rate, a weighted average of the separate rates is presented. See S-12 for the direct rate by property type.

Note: 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 actual value. Personal property tax was assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of actual 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 of actual value for machinery and equipment and 23 percent for inventory. The general business tangible personal property tax was phased out beginning in 2006. The assessment percentage was 12.5 percent for 2007, 6.25 for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out on the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected from general business taxpayers since 2009 or telephone companies since 2010.

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

Tangible Personal Property		Total		Percentage of Total Assessed Value to Total Estimated Actual Value	Weighted Average Tax Rate (1)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$708,254,650	\$1,974,362,065	35.87%	\$31.16
0	0	649,246,280	1,822,807,926	35.62	34.21
0	0	643,640,780	1,808,201,805	35.60	34.14
0	0	640,342,740	1,798,641,240	35.60	33.63
0	0	657,684,150	1,848,160,800	35.59	33.62
0	0	655,011,810	1,842,773,844	35.54	24.40
0	0	643,271,080	1,809,719,667	35.55	24.16
7,288,281	116,612,496	634,645,414	1,882,549,006	33.71	24.83
14,756,290	118,050,320	618,232,180	1,817,957,545	34.01	25.62
19,711,620	105,128,640	602,012,330	1,743,436,101	34.53	24.38

Big Walnut Local School District  
Property Tax Rates - Direct and All Overlapping Governments  
(Per \$1,000 of Assessed Values)  
Last Ten Years

Collection Year	2015	2014	2013	2012	2011
Big Walnut Local School District					
Voted Millage					
1976 Current Expense					
Effective Millage Rates					
Residential/Agricultural Real	\$8.9600	\$9.3946	\$9.3864	\$9.3709	\$8.9919
Commercial/Industrial/Public Utility Real	10.0300	10.1356	9.3703	9.3779	9.0921
Tangible/Public Utility Personal	13.9000	13.9000	13.9000	13.9000	13.9000
1985 Current Expense					
Effective Millage Rates					
Residential/Agricultural Real	6.4400	6.7587	6.7528	6.7416	6.4690
Commercial/Industrial/Public Utility Real	7.2200	7.2918	6.7412	6.7467	6.5411
Tangible/Public Utility Personal	10.0000	10.0000	10.0000	10.0000	10.0000
1990 Bond \$16,500,000	0.9500	1.5600	1.5600	1.4700	1.6800
1991 Bond/Library \$1,500,000	0.0500	0.2300	0.2100	0.2500	0.1800
2004 Bond \$13,000,000	0.1000	1.1300	1.1300	1.2600	0.9500
2006 Emergency \$750,000	0.0000	0.0000	0.0000	0.0000	1.1500
2008 Bond \$30,000,000	2.6700	2.6700	2.6700	2.0600	1.9000
2010 Emergency \$4,900,000	6.9300	7.5600	7.6200	7.6600	7.4600
Total Voted Millage					
Total Effective Voted Millage by Type of Property					
Residential/Agricultural Real	26.1000	29.3032	29.3292	28.8125	28.7809
Commercial/Industrial/Public Utility Real	27.9500	30.5774	29.3015	28.8246	28.9532
Tangible/Public Utility Personal	34.6000	37.0500	37.0900	36.6000	37.2200
Unvoted Millage					
General	4.6000	4.6000	4.6000	4.6000	4.6000
Total Millage (Total Direct Rate)					
Total Effective Millage by Type of Property					
Residential/Agricultural Real	30.7000	33.9032	33.9292	33.4125	33.3809
Commercial/Industrial/Public Utility Real	32.5500	35.1774	33.9015	33.4246	33.5532
Tangible/Public Utility Personal	39.2000	41.6500	41.6900	41.2000	41.8200
Total Weighted Average Tax Rate	31.1600	34.2100	34.1400	33.6300	33.6200
Delaware County	5.9100	5.9100	5.0500	5.0500	5.0500
Delaware Area Career Center	3.2000	3.2000	3.2000	3.2000	3.2000
Village of Galena	3.7000	3.7000	3.7000	3.7000	3.7000
Village of Sunbury	2.5000	2.5000	2.5000	2.5000	2.5000
Berkshire Township	0.8000	0.8000	0.8000	0.8000	0.8000
Genoa Township	11.7000	11.3000	11.3000	11.3000	11.3000
Harlem Township	10.0000	10.0000	10.0000	10.0000	10.0000
Kingston Township	2.3000	2.3000	2.3000	2.3000	2.3000
Porter Township	2.5000	2.5000	2.5000	2.5000	2.5000

2010	2009	2008	2007	2006
\$8.9727	\$8.9565	\$8.9565	\$8.9565	\$8.9565
8.9565	9.0211	8.9565	8.9565	8.9565
13.9000	13.9000	13.9000	13.9000	13.9000
6.4552	6.4435	6.4435	6.4435	6.4435
6.4435	6.4900	6.4435	6.4435	6.4435
10.0000	10.0000	10.0000	10.0000	10.0000
1.6800	1.5000	1.7800	2.2500	2.5000
0.1800	0.2700	0.2900	0.4900	0.0500
1.1000	1.0000	1.2700	1.2600	1.3400
1.1500	1.1700	1.1900	1.2200	n/a
1.9000	2.9000	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
19.5379	19.3400	19.9300	20.6200	19.2900
19.5100	19.4511	19.9300	20.6200	19.2900
29.9100	30.7400	28.4300	29.1200	27.7900
4.6000	4.6000	4.6000	4.6000	4.6000
24.1379	23.9400	24.5300	25.2200	23.8900
24.1100	24.0511	24.5300	25.2200	23.8900
34.5100	35.3400	33.0300	33.7200	32.3900
24.4000	24.1600	24.8300	25.6200	24.3800
5.0400	4.2500	4.2500	4.2500	4.2700
3.2000	3.2000	3.2000	3.2000	3.2000
3.7000	3.7000	3.7000	3.7000	3.7000
2.5000	2.5000	2.5000	2.5000	2.5000
0.8000	0.8000	0.8000	0.0800	0.0800
9.4000	9.4000	9.4000	9.4000	9.4000
10.0000	10.0000	10.0000	10.0000	7.1200
2.3000	2.3000	2.3000	2.3000	2.3000
2.5000	2.5000	2.5000	2.5000	2.5000

(continued)

Big Walnut Local School District  
Property Tax Rates - Direct and All Overlapping Governments  
(Per \$1,000 of Assessed Values)  
Last Ten Years  
(continued)

Collection Year	2015	2014	2013	2012	2011
Trenton Township	\$2.5000	\$2.5000	\$2.5000	\$2.5000	\$2.5000
Delaware County 911 District	0.4500	0.4500	0.4500	0.4500	0.4500
Delaware County Health Department	0.7000	0.7000	0.7000	0.7000	0.7000
Delaware-Morrow Mental Health District	1.0000	1.0000	1.0000	1.0000	1.0000
Preservation Park District	0.6000	0.6000	0.6000	0.6000	0.6000
BST and G Fire Department	3.0000	3.0000	3.0000	2.0000	2.0000
Kingston-Porter Fire District	7.5000	7.5000	7.5000	7.5000	7.5000
Big Walnut LSD Library District	1.0000	1.0000	1.0000	1.0000	1.0000

Source: Ohio Department of Taxation

Note: 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 billed in that year. The basic property rate can be increased only by a majority vote of the School District's residents.

Overlapping rates are those of local and county governments that apply to property owners within the School District. Property tax rates for all overlapping governments are based upon the original voted levy.

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

2010	2009	2008	2007	2006
\$2.5000	\$2.5000	\$2.5000	\$2.5000	\$2.5000
0.4500	0.4500	0.4500	0.4500	0.3100
0.7000	0.7000	0.7000	0.7000	0.7000
1.0000	1.0000	1.0000	1.0000	1.0000
0.6000	0.6000	0.4000	0.4000	0.4000
2.0000	2.0000	2.0000	2.0000	2.0000
7.6800	7.6700	7.7000	7.7200	7.6900
1.0000	n/a	n/a	n/a	n/a

Big Walnut Local School District  
Real Property Tax Levies and Collections  
Last Ten Years

Collection Year (1)	Current Tax Levy (2)	Current Tax Collections	Percentage of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Total Tax Levy
2014	\$22,275,154	\$21,697,404	97.41%	\$432,772	\$22,130,176	99.35%
2013	22,275,154	21,467,588	96.37	574,833	22,042,421	98.96
2012	21,954,874	20,715,116	94.35	584,421	21,299,537	97.02
2011	22,194,788	21,609,309	97.36	606,923	22,216,232	100.10
2010	17,218,026	16,619,027	96.52	562,563	17,181,590	99.79
2009	17,405,684	16,835,914	96.73	428,385	17,264,299	99.19
2008	15,337,175	14,929,123	97.34	351,766	15,280,889	99.63
2007	15,043,314	14,663,046	97.47	332,649	14,995,695	99.68
2006	14,002,586	13,668,807	97.62	287,046	13,955,853	99.67
2005	12,135,010	11,896,464	98.03	294,735	12,191,199	100.46

Source: Delaware County Auditor

(1) The 2015 information cannot be presented because all collections have not been made by June 30, 2015.

(2) State reimbursement of rollback and homestead exemptions are included.

Note: The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance.

Big Walnut Local School District  
Tangible Personal Property Tax Levies and Collections  
Last Ten Years

Collection Year (1)	Current Tax Levy (2)	Current Tax Collections	Percentage of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Total Tax Levy
2014	\$0	\$0	0.00%	\$0	\$0	0.00%
2013	0	0	0.00	91,340	91,340	0.00
2012	0	0	0.00	0	0	0.00
2011	0	0	0.00	10,264	10,264	0.00
2010	13,749	11,390	82.84	22,309	33,699	245.10
2009	24,415	4,888	20.02	126,902	131,790	539.79
2008	238,618	150,902	63.24	5,426	156,328	65.51
2007	464,702	478,805	103.03	10,241	489,046	105.24
2006	622,489	651,397	104.64	93,921	745,318	119.73
2005	777,583	789,443	101.53	26,686	816,129	104.96

Source: Delaware County Auditor

(1) The 2015 information cannot be presented because all collections have not been made by June 30, 2015.

(2) Collection of tangible personal property tax ended in 2010, except collection of any delinquent taxes. The \$10,000 personal property exemption is included.

Note: The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance.

Big Walnut Local School District  
Principal Taxpayers - Real Property  
Current Year and Nine Years Ago

Taxpayer	2015	
	Real Property Assessed Valuation	Percentage of Total School District Assessed Valuation (2015 Collection Year)
Northstar, LLC	\$5,147,630	0.76%
Sunbury Mills Development LTD	4,503,920	0.66
Ohashi Technica USA, Inc.	3,128,830	0.46
Homewood Corporation	1,898,180	0.28
Sunbury Realty, LLC	1,761,770	0.26
EPEC, LLC	1,541,910	0.23
Pulte Homes of Ohio, LLC	1,513,550	0.22
Nature's Haven Partners	1,481,870	0.22
Total	20,977,660	3.09
All Other Taxpayers	658,672,130	96.91
Total Assessed Valuation	\$679,649,790	100.00%

Taxpayer	2006	
	Real Property Assessed Valuation	Percentage of Total School District Assessed Valuation (2006 Collection Year)
Sunbury Mills Development LTD	\$4,636,570	0.84%
Northstar, LLC	3,295,930	0.58
New Era Golf, Inc.	3,201,150	0.56
American Showa, Inc.	2,906,300	0.51
Ohashi Technica USA, Inc.	2,178,930	0.38
Trinity Home Builders, LLC	2,118,700	0.37
EPEC, LLC	1,713,400	0.30
Pulte Homes of Ohio, LLC	1,381,870	0.24
Nature's Haven Partners	1,323,110	0.23
Total	22,755,960	4.01
All Other Taxpayers	544,778,850	95.99
Total Assessed Valuation	\$567,534,810	100.00%

Source: Delaware County Auditor

Big Walnut Local School District  
Principal Taxpayers - Public Utility Personal Property  
Current Year and Nine Years Ago

2015		
Taxpayer	Assessed Valuation	Percentage of Total School District Assessed Valuation (2015 Collection Year)
Ohio Power Company	\$12,129,160	42.39%
AEP Ohio Transmission Company, Inc.	9,406,020	32.89
Columbia Gas of Ohio	4,374,080	15.30
Consolidated Electric Cooperative	2,306,170	8.06
Dayton Power and Light Company	126,240	0.44
Total	28,341,670	99.08
All Other Taxpayers	263,190	0.92
Total Assessed Valuation	\$28,604,860	100.00%

2006		
Taxpayer	Total Assessed Valuation	Percentage of Total School District Assessed Valuation (2006 Collection Year)
Columbus Southern Power Company	\$8,340,510	56.47%
United Telephone Company of Ohio	2,358,280	15.97
Consolidated Electric Cooperative	1,436,200	9.73
Columbia Gas of Ohio	971,960	6.58
Ohio Power Company	675,840	4.59
Total	13,782,790	93.34
All Other Taxpayers	983,110	6.66
Total Assessed Valuation	\$14,765,900	100.00%

Source: Delaware County Auditor

Big Walnut Local School District  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Capital Leases	Total Debt	Per Capita (1)	Percentage of Personal Income (1)
2015	\$40,296,791	\$166,471	\$40,463,262	\$2,228	6.69%
2014	41,887,582	0	41,887,582	2,307	6.70
2013	43,679,357	0	43,679,357	2,405	6.61
2012	45,241,169	0	45,241,169	2,491	7.09
2011	45,357,906	30,210	45,388,116	2,499	9.56
2010	47,123,545	55,030	47,178,575	3,190	12.20
2009	28,794,053	80,715	28,874,768	1,952	7.46
2008	20,043,659	104,718	20,148,377	1,362	5.21
2007	20,915,691	0	20,915,691	1,414	5.41
2006	22,412,906	0	22,412,906	1,515	5.79

Source: School District Records

(1) See Schedule on S-26 for population and personal income.

Big Walnut Local School District  
Ratio of General Bonded Debt to Estimated Actual Value  
and Bonded Debt Per Capita  
Last Ten Fiscal Years

Fiscal Year	Population (1)	Estimated Actual Value	General Bonded Debt	General Bonded Debt to Estimated Actual Value	General Bonded Debt Per Capita
2015	18,160	\$1,974,362,065	\$40,296,791	2.04%	\$2,219
2014	18,160	1,822,807,926	41,887,582	2.30	2,307
2013	18,160	1,808,201,805	43,679,357	2.42	2,405
2012	18,160	1,798,641,240	45,241,169	2.45	2,491
2011	18,160	1,848,160,800	45,357,906	2.45	2,498
2010	14,790	1,842,773,844	47,123,545	2.56	3,186
2009	14,790	1,809,719,667	28,794,053	1.59	1,947
2008	14,790	1,882,549,006	20,043,659	1.06	1,355
2007	14,790	1,817,957,545	20,915,691	1.15	1,414
2006	14,790	1,743,436,101	22,412,906	1.29	1,515

Source: School District Records

(1) United States Census Bureau - 2010 U.S. Census Data

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Big Walnut Local School District  
 Computation of Direct and Overlapping Debt  
 June 30, 2015

Political Subdivision	Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Big Walnut Local School District	\$40,463,262	100.00%	\$40,463,262
Delaware County	19,261,100	10.72	2,064,790
Village of Galena	745,300	100.00	745,300
Total Overlapping Debt	20,006,400		2,810,090
Total	\$60,469,662		\$43,273,352

Source: Delaware County Auditor

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the political subdivision. The valuations used were for the 2015 collection year.

Big Walnut Local School District  
 Computation of Legal Debt Margin  
 Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total Assessed Valuation	\$708,254,650	\$649,246,280	\$643,640,780	\$640,342,740
Less:				
Public Utility Tangible Personal Property	(28,604,860)	(18,701,670)	(17,882,510)	(17,962,470)
Tangible Personal Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assessed Valuation used to calculate Legal Debt Margin	679,649,790	630,544,610	625,758,270	622,380,270
Overall Debt Limitation - 9 Percent of Assessed Valuation	<u>61,168,481</u>	<u>56,749,015</u>	<u>56,318,244</u>	<u>56,014,224</u>
Gross Indebtedness	37,971,178	39,708,957	41,678,957	42,969,938
Less Fund Balance in Debt Service Fund	<u>1,951,601</u>	<u>2,401,644</u>	<u>2,143,000</u>	<u>1,817,593</u>
Net Debt Within 9 Percent Limitation	<u>36,019,577</u>	<u>37,307,313</u>	<u>39,535,957</u>	<u>41,152,345</u>
Legal Debt Margin Within 9 Percent Limitation	<u>\$25,148,904</u>	<u>\$19,441,702</u>	<u>\$16,782,287</u>	<u>\$14,861,879</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	41.11%	34.26%	29.80%	26.53%
Unvoted Debt Limitation - .10 Percent of Assessed Valuation	\$679,650	\$630,545	\$625,758	\$622,380
Gross Indebtedness	0	0	0	0
Less Debt Outside Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Debt Within .10 Percent Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin Within .10 Percent Limitation	<u>\$679,650</u>	<u>\$630,545</u>	<u>\$625,758</u>	<u>\$622,380</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: School District Records

Note: Ohio Bond Law sets a limit of 9 percent for overall debt and 1/10 of 1 percent for unvoted debt.

2011	2010	2009	2008	2007	2006
\$657,684,150	\$655,011,810	\$643,271,080	\$634,645,414	\$618,232,180	\$602,012,330
(17,978,350) 0	(16,671,790) 0	(16,386,590) 0	(15,407,230) (7,288,281)	(14,127,090) (14,756,290)	(14,765,900) (19,711,620)
639,705,800	638,340,020	626,884,490	611,949,903	589,348,800	567,534,810
57,573,522	57,450,602	56,419,604	55,075,491	53,041,392	51,078,133
43,900,490	45,268,286	26,404,867	17,278,783	18,283,783	19,279,756
1,665,520	2,293,151	1,889,802	1,430,243	898,975	574,050
42,234,970	42,975,135	24,515,065	15,848,540	17,384,808	18,705,706
<u>\$15,338,552</u>	<u>\$14,475,467</u>	<u>\$31,904,539</u>	<u>\$39,226,951</u>	<u>\$35,656,584</u>	<u>\$32,372,427</u>
26.64%	25.20%	56.55%	71.22%	67.22%	63.38%
\$639,706	\$638,340	\$626,884	\$611,950	\$589,349	\$567,535
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$639,706</u>	<u>\$638,340</u>	<u>\$626,884</u>	<u>\$611,950</u>	<u>\$589,349</u>	<u>\$567,535</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Big Walnut Local School District  
Demographic Statistics  
Last Ten Years

Year	Population (1)	Total Personal Income (2)	Personal Income Per Capita (1)	Delaware County Unemployment Rate (3)
2015	18,160	\$604,419,280	\$33,283	3.60%
2014	18,160	625,375,920	34,437	4.10
2013	18,160	661,024,000	36,400	5.30
2012	18,160	637,706,560	35,116	5.20
2011	18,160	474,956,640	26,154	6.60
2010	14,790	386,817,660	26,154	7.60
2009	14,790	386,817,660	26,154	7.50
2008	14,790	386,817,660	26,154	5.20
2007	14,790	386,817,660	26,154	4.20
2006	14,790	386,817,660	26,154	3.90

Source: (1) United States Census Bureau from 2010 U.S. Census Data

(2) Computation of per capita personal income multiplied by population

(3) Ohio Department of Job and Family Services/Ohio Labor Market

Big Walnut Local School District  
Principal Employers  
Current Year and Nine Years Ago

Employer (1)	2015			2006		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
JP Morgan Chase	10,000	1	10.64%	7,174	1	9.40%
Kroger Company	2,059	2	2.20	1,173	3	1.54
Olentangy Local School District	2,025	3	2.16	1,352	2	1.77
Delaware County	1,178	4	1.26	1,004	4	1.32
Grady Memorial Hospital	1,000	5	1.07	535	8	0.70
Meijer, Inc.	764	6	0.81	900	5	1.18
Delaware City School District	700	7	0.75	526	9	0.69
American Showa, Inc.	600	8	0.64	667	7	0.87
McGraw Hill	600	9	0.64			
Ohio Wesleyan University	569	10	0.61	498	10	0.65
Wal-Mart				755	6	0.99
Total	<u>19,495</u>		<u>20.78%</u>	<u>14,584</u>		<u>19.11%</u>
Total Employment Within Delaware County	<u>93,795</u>			<u>76,300</u>		

Source: Delaware County Office of Economic Development

(1) Specific information for the School District is not available, therefore, the information is for Delaware County.

Big Walnut Local School District  
School District Employees by Program  
Last Ten Fiscal Years

Program	2015	2014	2013	2012	2011
<b>Instruction</b>					
<b>Regular</b>					
Elementary/Intermediate School Classroom Teachers	88.0	78.0	78.0	97.0	86.0
Middle School Classroom Teachers	22.0	23.0	23.0	n/a	n/a
High School Classroom Teachers	41.0	39.0	38.0	42.0	47.0
<b>Special</b>					
Elementary/Intermediate School Classroom Teachers	19.0	17.0	12.0	17.0	16.0
Middle School Classroom Teachers	4.0	5.0	3.0	n/a	n/a
High School Classroom Teachers	9.0	9.0	7.0	12.0	8.0
<b>Vocational</b>					
High School Classroom Teachers	3.0	2.0	2.0	2.0	2.0
<b>Support Services</b>					
<b>Pupils</b>					
Guidance Counselors	5.0	5.0	4.0	4.0	4.0
Librarians	1.0	1.0	1.0	1.0	1.0
Dean of Students	0.0	0.0	0.0	1.0	1.0
Principal Assistants	5.0	0.0	0.0	0.0	0.0
Drug Free	0.0	0.0	0.0	0.0	0.0
Athletic Coordinator	1.0	1.0	1.0	1.0	1.0
Social Workers	1.0	1.0	1.0	1.0	0.0
<b>Instructional Staff</b>					
Technology	1.0	1.0	1.0	1.0	1.0
Teaching Assistants	34.0	26.0	25.0	26.0	23.0
Library Assistants	1.0	1.0	1.0	1.0	0.0
<b>Administration</b>					
Elementary School	5.0	4.0	4.0	3.0	3.0
Middle School	2.0	2.0	2.0	2.0	1.5
High School	3.0	2.0	2.0	2.0	2.5
Administration Office	8.0	7.0	6.0	6.0	6.0
Administrator Assistance	3.0	3.0	3.0	3.0	3.0
Secretaries	17.0	15.0	14.0	12.0	13.0
<b>Fiscal</b>					
Fiscal Office	2.0	2.0	2.0	3.0	3.0
EMIS Coordinator	1.0	1.0	1.0	1.0	1.0
<b>Operation and Maintenance of Plant</b>					
Custodians	20.0	18.0	18.0	15.0	17.0
Maintenance	4.0	3.0	3.0	2.0	2.0
<b>Pupil Transportation</b>					
Bus Drivers	29.0	27.0	23.0	26.0	23.0
Bus Aides	1.0	2.0	1.0	1.0	1.0
Bus Mechanics	2.0	2.0	2.0	2.0	2.0
Secretary	1.0	1.0	1.0	1.0	1.0
<b>Non-Instructional Services</b>					
Elementary School Cooks	17.0	15.0	15.0	12.0	10.0
Middle School Cooks	4.0	5.0	5.0	5.0	6.0
High School Cooks	7.0	7.0	7.0	7.0	6.0

Source: School District Records

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee.

n/a - not available

2010	2009	2008	2007	2006
98.0	102.0	94.0	84.0	88.0
n/a	n/a	n/a	n/a	n/a
45.0	50.0	40.0	41.0	41.0
22.0	27.0	28.0	25.0	23.0
n/a	n/a	n/a	n/a	n/a
9.0	9.0	8.0	7.0	8.0
5.0	6.0	6.0	6.0	6.0
6.0	8.0	8.0	6.0	6.0
1.0	1.0	1.0	1.0	1.0
1.0	1.0	2.0	1.0	1.0
0.0	0.0	0.0	0.0	0.0
0.0	2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0
1.0	1.0	2.0	1.0	1.0
1.0	1.0	0.0	0.0	0.0
23.0	26.0	23.0	21.0	9.0
4.0	5.0	5.0	5.0	4.0
3.0	3.0	3.0	3.0	3.0
2.0	2.0	2.0	2.0	2.0
3.0	3.0	2.0	2.0	2.0
8.0	8.0	6.0	6.0	4.0
3.0	3.0	4.0	3.0	3.0
14.0	13.0	13.0	13.0	13.0
3.0	3.0	3.0	2.0	1.5
1.0	1.0	1.0	1.0	1.0
15.0	17.0	16.0	16.0	13.0
2.0	2.0	2.0	2.0	2.0
28.0	30.0	30.0	31.0	30.0
2.0	2.0	1.0	0.0	0.0
2.0	2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0
10.0	10.0	10.0	9.0	8.0
6.0	6.0	6.0	6.0	6.0
8.0	8.0	8.0	8.0	5.0

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Big Walnut Local School District  
 Per Pupil Cost  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Teaching Staff	Pupil/ Teacher Ratio
2015	\$35,998,817	3,273	\$10,999	186	17.60
2014	34,826,265	3,150	11,056	173	18.21
2013	34,251,869	3,078	11,128	163	18.88
2012	34,059,239	3,063	11,120	170	18.02
2011	30,376,962	2,994	10,146	159	18.83
2010	31,130,867	2,979	10,450	179	16.64
2009	30,372,101	2,879	10,550	194	14.84
2008	28,648,489	2,739	10,459	176	15.56
2007	25,508,651	2,779	9,179	163	17.05
2006	24,567,516	2,732	8,993	166	16.46

Source: School District Records

Big Walnut Local School District  
School Building Statistics  
Last Ten Fiscal Years

	2015	2014	2013	2012	2011
<b>Big Walnut Elementary</b>					
Total Square Footage	36,700	36,700	36,700	36,700	36,700
Enrollment	320	456	468	546	497
Student Capacity	575	575	575	575	575
Regular Instruction Classrooms	18	23	23	25	19
Regular Instruction Teachers	18	23	23	25	19
Special Instruction Classrooms	2	3	2	2	3
Special Instruction Teachers	2	3	2	2	3
<b>Harrison Street Elementary</b>					
Total Square Footage	36,200	36,200	36,200	36,200	36,200
Enrollment	247	0	0	0	0
Student Capacity	475	475	475	475	475
Regular Instruction Classrooms	13	0	0	0	0
Regular Instruction Teachers	13	0	0	0	0
Special Instruction Classrooms	3	0	0	0	0
Special Instruction Teachers	3	0	0	0	0
<b>Hylen Souders Elementary</b>					
Total Square Footage	42,493	42,493	42,493	42,493	42,493
Enrollment	290	279	265	321	356
Student Capacity	725	725	725	725	725
Regular Instruction Classrooms	17	14	15	19	18
Regular Instruction Teachers	17	14	15	19	18
Special Instruction Classrooms	4	3	2	2	2
Special Instruction Teachers	4	3	2	2	2
<b>General Rosecrans Elementary</b>					
Total Square Footage	59,620	59,620	59,620	59,620	59,620
Enrollment	420	506	488	556	540
Student Capacity	500	500	500	500	500
Regular Instruction Classrooms	18	23	24	23	20
Regular Instruction Teachers	18	23	24	23	20
Special Instruction Classrooms	5	6	4	6	4
Special Instruction Teachers	5	6	4	6	4
<b>Big Walnut Intermediate School</b>					
Total Square Footage	69,680	69,680	69,680	69,680	69,680
Enrollment	527	501	450	685	656
Student Capacity	660	660	660	660	660
Regular Instruction Classrooms	22	18	16	30	29
Regular Instruction Teachers	22	18	16	30	29
Special Instruction Classrooms	5	5	4	7	3
Special Instruction Teachers	5	5	4	7	7
<b>Big Walnut Middle School</b>					
Total Square Footage	110,000	110,000	110,000	n/a	n/a
Enrollment	487	458	484	n/a	n/a
Student Capacity	650	650	650	n/a	n/a
Regular Instruction Classrooms	22	23	23	n/a	n/a
Regular Instruction Teachers	22	23	23	n/a	n/a
Special Instruction Classrooms	4	5	3	n/a	n/a
Special Instruction Teachers	4	5	3	n/a	n/a
<b>Big Walnut High School</b>					
Total Square Footage	180,000	180,000	180,000	180,000	180,000
Enrollment	982	950	923	955	945
Student Capacity	1,100	1,100	1,100	1,100	1,100
Regular/Vocational Instruction Classrooms	44	41	40	44	47
Regular/Vocational Instruction Teachers	44	41	40	44	49
Special Instruction Classrooms	9	9	7	12	8
Special Instruction Teachers	9	9	7	12	8

Source: School District Records

n/a - not applicable

2010	2009	2008	2007	2006
36,700	36,700	36,700	36,700	36,700
563	538	442	476	460
575	575	575	575	575
21	27	20	20	20
26	27	25	20	21
4	5	5	9	9
4	5	5	5	5
36,200	36,200	36,200	36,200	36,200
335	327	307	318	280
475	475	475	475	475
18	19	16	16	16
18	19	16	13	15
3	6	3	3	3
4	6	6	7	4
42,493	42,493	42,493	42,493	42,493
457	420	420	424	425
725	725	725	725	725
23	22	20	20	20
23	22	20	18	20
4	8	7	7	7
7	8	7	5	6
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
69,680	69,680	69,680	69,680	69,680
660	648	670	652	637
660	660	660	660	660
29	29	29	29	29
31	34	33	33	32
3	3	3	3	3
7	8	10	8	8
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
180,000	180,000	180,000	148,000	148,000
964	946	900	909	930
1,100	1,100	1,100	875	875
45	46	46	38	38
50	56	46	47	47
8	8	8	5	5
9	9	8	7	8

Big Walnut Local School District  
 Full-Time Equivalent Teachers by Education  
 Last Ten Fiscal Years

<u>Degree</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Bachelor's Degree	21	15	20	19	16
Bachelor + 15	20	22	20	25	23
Bachelor + 30	26	20	17	17	19
Master's Degree	58	59	57	56	53
Master's + 15	34	33	30	31	30
Master's + 30	<u>27</u>	<u>24</u>	<u>19</u>	<u>22</u>	<u>18</u>
Total	<u><u>186</u></u>	<u><u>173</u></u>	<u><u>163</u></u>	<u><u>170</u></u>	<u><u>159</u></u>

Source: School District Records

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
19	33	28	19	22
27	24	25	31	33
24	31	25	28	27
62	61	56	46	47
30	31	27	22	20
<u>17</u>	<u>14</u>	<u>15</u>	<u>17</u>	<u>17</u>
<u>179</u>	<u>194</u>	<u>176</u>	<u>163</u>	<u>166</u>

Big Walnut Local School District  
Teacher's Salaries  
Last Ten Fiscal Years

Fiscal Year	Minimum Salary (1)	Maximum Salary (2)	Average Salary Comparable Disticts (3)	Statewide Average Salary (3)
2015	\$35,643	\$84,117	n/a	n/a
2014	35,064	82,750	n/a	55,916
2013	34,546	81,527	58,215	57,966
2012	34,035	80,323	58,322	56,307
2011	34,035	80,323	58,867	56,715
2010	34,035	80,323	57,190	55,958
2009	32,082	75,714	56,749	54,565
2008	31,072	73,330	52,167	53,410
2007	30,314	70,177	50,985	50,772
2006	29,647	67,299	49,801	49,438

Source: School District Records

- (1) Starting teacher with no experience.
- (2) Teacher with Master's Degree and more than 30 years of experience.
- (3) Provided by the Ohio Department of Education.

Note: n/a - not available

Big Walnut Local School District  
 Enrollment Statistics  
 Last Ten Fiscal Years

Fiscal Year	Elementary/ Intermediate Schools	Middle School	High School	Total
2015	1,804	487	982	3,273
2014	1,742	458	950	3,150
2013	1,671	484	923	3,078
2012	2,108	n/a	955	3,063
2011	2,049	n/a	945	2,994
2010	2,015	n/a	964	2,979
2009	1,933	n/a	946	2,879
2008	1,839	n/a	900	2,739
2007	1,870	n/a	909	2,779
2006	1,802	n/a	930	2,732

Source: School District Records

n/a - not applicable

Big Walnut Local School District  
 Percentage of Students Who Receive Free and Reduced Lunches  
 Last Ten Fiscal Years

District Buildings	2015	2014	2013	2012	2011
Big Walnut Elementary	17.00%	25.40%	27.90%	25.67%	17.49%
Harrison Street Elementary	26.00	n/a	n/a	n/a	n/a
Hulen Souders Elementary	24.20	28.20	32.70	30.94	16.24
General Rosecrans Elementary	16.50	14.40	18.90	18.21	15.05
Big Walnut Intermediate School	17.60	15.40	20.80	20.44	25.82
Big Walnut Middle School	16.50	19.30	22.40	n/a	n/a
Big Walnut High School	15.70	16.20	19.80	17.46	25.40

Source: School District Records

n/a - not applicable

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
14.00%	19.00%	15.00%	13.00%	16.00%
36.00	20.00	16.00	16.00	18.00
21.00	26.00	14.00	24.00	31.00
n/a	n/a	n/a	n/a	n/a
12.00	19.00	18.00	18.00	17.00
n/a	n/a	n/a	n/a	n/a
17.00	17.00	14.00	11.00	10.00

Big Walnut Local School District  
 Attendance and Graduation Rates  
 Last Ten Fiscal Years

Fiscal Year	Attendance Rate	State Average	Graduation Rate	State Average
2015	n/a	n/a	97.30%	n/a
2014	94.90	94.30	n/a	n/a
2013	94.90	94.20	94.10	82.20
2012	95.40	94.50	96.30	81.30
2011	94.70	94.50	92.90	79.70
2010	94.90	94.30	96.00	78.00
2009	95.40	94.30	96.20	84.60
2008	95.40	94.20	95.10	86.90
2007	95.50	94.10	95.10	86.10
2006	95.50	94.10	98.00	86.10

Source: Ohio Department of Education, Local Report Cards

n/a - not available



# Dave Yost • Auditor of State

**BIG WALNUT LOCAL SCHOOL DISTRICT**

**DELAWARE 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  
APRIL 12, 2016**