



**Auditor of State
Betty Montgomery**

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

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**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$97,953	\$0	\$99,503
National School Lunch Program	LL-P4-03	10.555	83,086		83,086	
	LL-P4-04	10.555	195,468		195,468	
Total U.S. Department of Agriculture - Nutrition Cluster			<u>278,554</u>	<u>97,953</u>	<u>278,554</u>	<u>99,503</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Grants to States (IDEA Part B)	6B-SF-03	84.027			10,377	
	6B-SF-04	84.027	386,253		374,934	
			386,253	0	385,311	0
Title I Grants to Local Educational Agencies	C1-S1-03	84.010			48,015	
	C1-S1-04	84.010	455,694		400,013	
			455,694	0	448,028	0
Safe and Drug-Free Schools and Communities - State Grants	DR-S1-03	84.186			6,496	
	DR-S1-04	84.186	15,293		11,224	
			15,293	0	17,720	0
Safe and Drug-Free Schools and Communities - National Programs	T4-S1-04	84.184	5,867		3,542	
Innovative Educational Program Strategies	C2-S1-03	84.298	4,516		5,016	
	C2-S1-04	84.298	19,278		13,346	
			23,794	0	18,362	0
Improving Teacher Quality	TR-S1-04	84.367	143,825		134,324	
Title VI-R Class Size Reduction	CR-S1-03	84.340			2,437	
Technology Literacy Challenge Grant	TJ-S1-04	84.318	13,362		7,481	
Assistive Technology Infusion	AT-S3-02	84.352			1,282	
	AT-S4-02	84.352	7,376		7,376	
			7,376		8,658	
Total Department of Education			<u>1,051,464</u>	<u>0</u>	<u>1,025,863</u>	<u>0</u>
Totals			<u><u>\$1,330,018</u></u>	<u><u>\$97,953</u></u>	<u><u>\$1,304,417</u></u>	<u><u>\$99,503</u></u>

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

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS
RECEIPTS AND EXPENDITURES
JUNE 30, 2004**

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B— NUTRITION CLUSTER

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received. Cash receipts from the U.S Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Education:

We have audited the basic financial statements of Western Brown Local School District, Brown County, Ohio (the District), as of and for the year ended June 30, 2004, and have issued our report thereon dated December 22, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 22, 2004.

Corporate Centre of Blue Ash / 11117 Kenwood Rd. / Blue Ash, OH 45242
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This report is intended for the information and use of the audit committee, management, the Board of Education, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY
Auditor of State

December 22, 2004



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the Western Brown Local School District, Brown County, Ohio (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2004. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2004.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Federal Awards Receipts and Expenditures

We have audited the basic financial statements of the District as of and for the year ended June 30, 2004, and have issued our report thereon dated December 22, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the audit committee, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



BETTY MONTGOMERY
Auditor of State

December 22, 2004

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2004**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Child Nutrition Cluster, CFDA # 10.550, 10.555
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

WESTERN BROWN
LOCAL SCHOOL DISTRICT
MT. ORAB, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

*FOR THE FISCAL YEAR
ENDED JUNE 30, 2004*

INTRODUCTORY SECTION

WESTERN BROWN LOCAL SCHOOL DISTRICT

MT. ORAB, OHIO

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

Issued by:
Treasurer's Office

Denny Dunlap, Treasurer

Western Brown Local School District
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December 22, 2004

To the Citizens and
Board of Education of the
Western Brown Local School District

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Western Brown Local School District (the "School District") for the fiscal year ended June 30, 2004. This Comprehensive Annual Financial Report contains financial statements, supplemental statements and statistical information, providing complete and full disclosure of all material financial aspects of the School District for the 2004 fiscal year.

The School District is responsible for the accuracy, completeness, and fairness of the data presented. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the School District. We have included all disclosures necessary to enable the reader to gain an understanding of the School District's financial activities. This report is prepared in conformity with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

The Comprehensive Annual Financial Report is divided into three sections:

The **Introductory Section** includes a table of contents, this transmittal letter, a list of principal officials, the School District's organization chart, the School District's consultants and advisors, the GFOA and ASBO certificates the School District received for the June 30, 2003 CAFR, and the School District's strategic plan.

The **Financial Section** includes the independent accountants' report on the financial statements, management's discussion and analysis, basic financial statements, notes to the basic financial statements, and the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.

The **Statistical Section** includes selective financial, economic and demographic information, generally presented on a multi-year basis for comparative purposes.

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

FORM OF GOVERNMENT AND REPORTING ENTITY

The Board of Education of the Western Brown Board of Education is a five member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the School District's tax dollars, and approves the annual appropriation resolution.

The current Board members, their terms and years on the Board as of June 30, 2004, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Richard Pride II	Jan. 2002 - Dec. 2005	2 - 1/2
Jim Herrmann	Jan. 2004 - Dec. 2007	12 - 1/2
William Neal	Jan. 2004 - Dec. 2007	12 - 1/2
JoAnn Hildebrandt	Jan. 2004 - Dec. 2007	1/2
Bruce Wallace	Jan. 2002 - Dec. 2005	19 - 1/3

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations, except financial operations, of the School District. Michael E. Wells was initially appointed Superintendent on August 1, 1994. His current two year contract expired on July 31, 2004 and Jeff Royalty was appointed as Superintendent.

The Treasurer is the chief financial officer of the School District and is directly responsible to the Board for all financial operations, investments, and the custody of all School District funds and assets. The Treasurer also serves as Secretary to the Board. Denny Dunlap was initially appointed Treasurer on March 12, 1991. His current four year contract will expire in January 2005.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. 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. The School District has no component units.

The School District participates in two jointly governed organizations, one public entity shared risk and insurance purchasing pool and one insurance purchasing pool. These organizations are the South Central Ohio Computer Association (SCOCA), the Hopewell Special Education Regional Resource Center (Hopewell), the Brown County Schools Benefits Consortium, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 16, 17 and 18 to the basic financial statements.

ECONOMIC CONDITION AND OUTLOOK

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

Although expenditures continue to exceed revenues in the General Fund, the Western Brown School District is not experiencing financial difficulties at this time, and the General Fund maintained a positive fund balance at fiscal year-end. The School District's concern for the future includes a great deal of uncertainty in regard to State funding for education. This is particularly true given the current State budget shortfall, as well as projections for the next biennium.

The School District's enrollment is growing but not at rates that were expected. In fact, the School District is beginning to see a positive return on open enrollment students coming into the School District. In years past, this has been negative, with more students going out than coming in. The School District has also learned the critical importance of accurate EMIS reporting in regard to enrollment and will continue vigilance in that area to be certain that every child and their percent of time is counted properly for maximum State funding.

The School District is continuing to monitor and deal with Home Schooling and Community Schools which constitute a significant drain on revenues for the School District, as state funding for students who are home schooled or who attend community schools is diverted to the entities supporting or providing those services. The deployment of the Virtual Learning Academy in conjunction with the Brown County Educational Service Center is an attempt on the School District's part to offer alternatives to the other educational options. Currently, the School District is closely monitoring the Community School Average Daily Membership web site on a weekly basis in order to challenge Community School enrollments that in fact are inaccurately reporting students to whom they do not actually provide services. In regard to home schooling, the School District is seeing a modest decline in parents seeking this option.

It is highly unfortunate that the School District is working during a time of unprecedented accountability for student performance results in education and at the same time are more unsure than ever about the future of the State funding of education. Through careful planning and conservative spending, the School District is doing its best to ensure that it maintains its positive financial outlook.

THE SCHOOL DISTRICT AND ITS FACILITIES

The School District served 3,365 students during the 2004 fiscal year. School District facilities include one senior high school (9-12), and three buildings that serve grades K-8; one at Mt. Orab serving grades Pre K-4, one at Mt. Orab serving grades 5-8 and one at Hamersville serving grades K-8. The Western Brown High School and Hamersville Middle and Elementary Schools were constructed in 2001. The Mt. Orab Middle School was constructed in 1957, with additions in 1971, 1984, 1992 and 2000. Mt. Orab Elementary School was constructed in 1971, with additions in 1988 and 2000.

EMPLOYEE RELATIONS

The School District currently employs 339 full-time and part-time employees.

There are two labor organizations representing School District employees.

The School District teachers, educational specialist, and counselors are represented by the Western Brown Education Association (WBEA). The Board and WBEA have entered into a three year agreement on language and a two year agreement on wages and benefits. The Board and WBEA agreed on a 3.75% base wage increase for the 2003-2004 school year and a 3.50% base wage increase for the 2004-2005 school year. Also, during the 2003-2004 school year, a one time payment was made to employees for health care: single coverage employees received \$300 and family coverage employees received \$500.

Classified employees are represented by the Western Brown School Employees Organization (WBSEO). The Board and WBSEO have entered into a three year agreement on language and a two year agreement on wages and benefits. The Board and WBSEO agreed on a 3.75% base wage increase for the 2003-2004 school year and a 3.50% base wage increase for the 2004-2005 school year. Also, during the 2003-2004 school year, a one time payment was made to employees for health care: single coverage employees received \$300 and family coverage employees received \$500.

The School District's administrators, supervisors and office personnel are not organized. Administrators typically receive the same benefits extended to WBEA. Supervisors and office personnel typically receive the same benefits extended to WBSEO.

MAJOR INITIATIVES

The School District has successfully completed the construction of a new district administrative office building, new football/track entry/concession/restroom facility at the new high school sports complex, new bleachers for the Mt. Orab Middle School Gymnasium and a new high school softball field. A security camera system was installed at the Western Brown High School. For the upcoming fiscal year, the School District will refurbish the track surface at the Western Brown High School and hopes to complete the construction of new tennis courts as well. In addition, gymnasium dividers will be installed for use by the physical education classes at the Mt. Orab Middle School and a new gymnasium sound system will be installed at the Mt. Orab Elementary School. The School District will also look into the purchase/or construction of a facility to house the maintenance department operations.

In regards to educational programming for the upcoming year, the School District will implement a JROTC program for its high school students, tapping into government funds to assist in the operation of this program. The School District sees this as an opportunity to develop leadership qualities in its students and to provide engagement for many students who may be disenfranchised with school and its programs. Preliminary estimates indicate a strong interest by as many as 15% of the School District's high school students. The School District is also planning on starting an intervention program for high school students with reading difficulties.

Through a strong effort and focus on student achievement and the classroom practices that support improvement in the area, the School District has managed to show increases in the State accountability system in nearly every category. This across the board improvement moved the School District out of Academic Watch and into the Continuous Improvement category and a 10% increase in its Performance Index Score. Major long-term efforts in the area include:

- Day to day test taking strategies, test vocabulary, classroom walkthroughs and alignment of instruction and classroom assessment to State testing;
- Implementation of Continuous Improvement Continuum Self Assessment in the School District and its buildings;
- Development of school portfolios as a means of measuring progress and data analysis;
- Implementation of the Program Evaluation Protocol District Wide;
- Development of a Comprehensive Two-Way Communications Plan for the School District;
- Development of a system of Collaborative Team Planning for ongoing improvement work in the School District and its buildings.

FINANCIAL INFORMATION

The School District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

Internal Controls

The management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely derived from its implementation, and (2) the valuation of cost and benefits requires estimates and judgments by management.

The School District uses a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

Federal and State Assistance

As a recipient of Federal and State assistance, the School District is responsible for insuring that an adequate internal control structure is in place to insure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the School District.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The School District maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

Financial Condition

This is the fourth year the School District has prepared financial statements following GASB Statement 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the School District's financial activities as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is located in the financial section of this report following the audit opinion, and provides an assessment of the School District finances for 2004 and a discussion of current issues that affect the outlook for the future.

Cash Management

The School District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in the Ohio State Treasurer's Investment Pool (Star Ohio), certificates of deposit and money market mutual funds. The amount of interest income earned in fiscal year 2004 by the governmental and proprietary funds was \$66,652. A more detailed description of the School District's investment functions are described in Note 6 to the financial statements.

Risk Management

The School District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss and boiler and machinery coverage are purchased from insurance companies licensed to do business in the State of Ohio. The maximum deductible amount is \$1,000 per loss.

The School District participates in the Brown County Schools Benefits Consortium (the Consortium), a public entity shared risk and insurance purchasing pool (Note 17) consisting of six school districts. The School District is responsible for providing a current listing of enrolled employees and for providing timely pro-rata payments of premiums to the Consortium for employee health coverage and benefits. The Consortium is responsible for the management and operations of the program. Upon termination from the Consortium, for any reason, the terminated member assumes and is responsible for the payment of any delinquent contributions.

For fiscal year 2004, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP 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 GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

OTHER INFORMATION

INDEPENDENT AUDIT

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. The Auditor of State's Audit Division conducted the School District's audit for fiscal year 2004. The Auditor's report on the School District's basic financial statements, combining statements and individual fund schedules is included in the financial section of this comprehensive annual financial report.

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the Western Brown Local School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2003. 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 for Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Western Brown Local School District believes our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ASBO CERTIFICATE

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2003 to the Western Brown Local School District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after extensive review of the report by an expert panel of certified public accountants and practicing school business officials.

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

ACKNOWLEDGMENTS

A note of sincere appreciation is extended to the many conscientious people who have contributed their time and effort to the preparation of this report. A special thank you is also extended to the Auditor of State's Local Government Services Section for all their efforts and contributions in the preparation of this Comprehensive Annual Financial Report.

The support and commitment to excellence by the Western Brown Board of Education was vital to the successful preparation and issuance of this report.

Respectfully submitted,

Jeff Royalty
Superintendent

Denny Dunlap, CPA
Treasurer

*Western Brown Local School District
Principal Officials
As Of June 30, 2004*

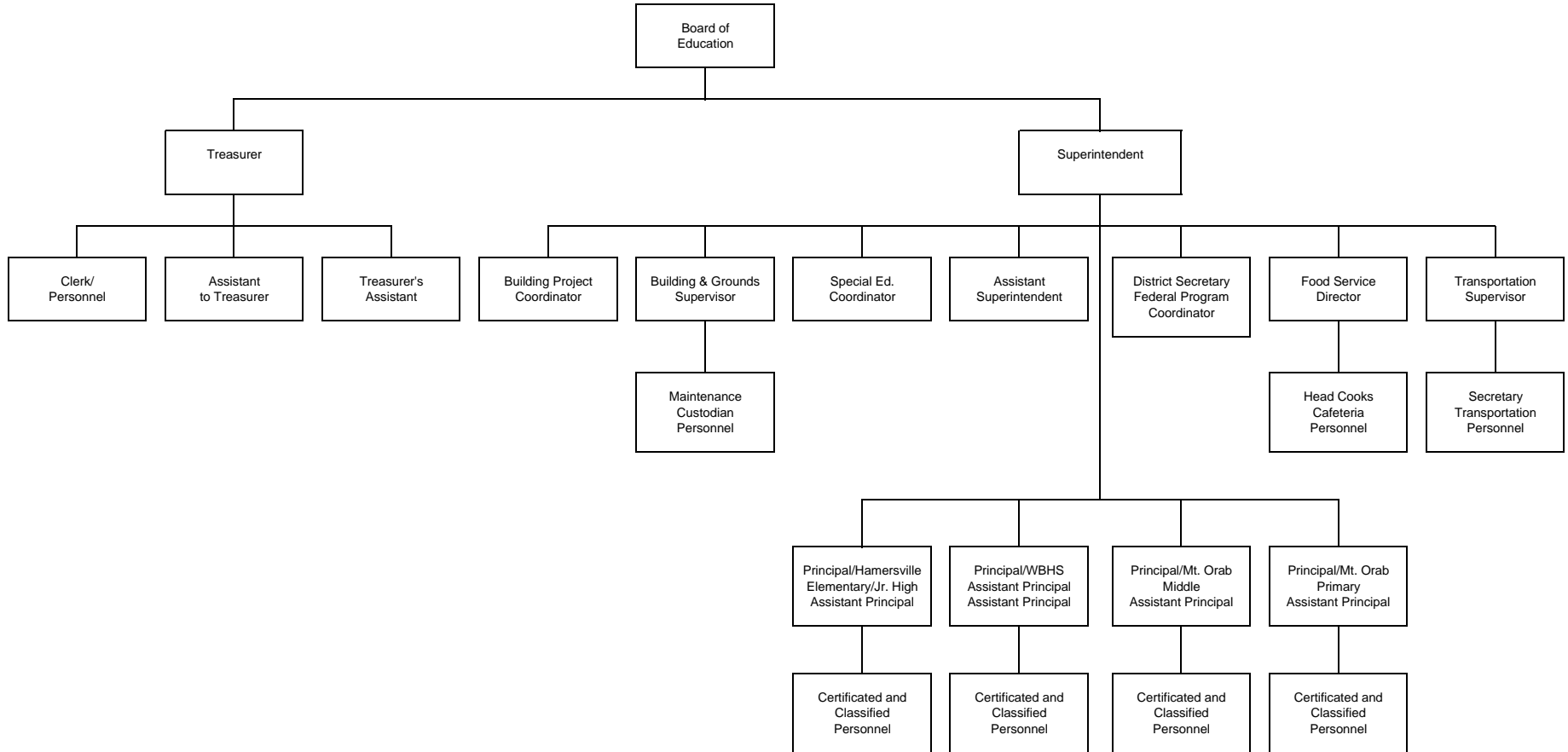
ELECTED OFFICIALS

President, Board of Education Bruce Wallace
Vice President, Board of Education..... Jim Hermann
Board Member JoAnn Hildebrandt
Board Member William Neal
Board Member Richard Pride II

ADMINISTRATIVE OFFICIALS

Superintendent Jeff Royalty
Treasurer Denny Dunlap
Assistant Superintendent Bill Garrett
Special Education Coordinator Kendra Byrd
Building Project Coordinator..... Bill Brandenburg
Buildings and Grounds Supervisor Dan Colonel
Transportation Supervisor..... Joe Howser

**Western Brown Local School District
Organizational Chart
June 30, 2004**



Western Brown Local School District
Consultants and Advisors
June 30, 2004

Architects

Steed Hammond Paul
82 Williams Avenue
Hamilton, OH 45011

Bond Counsel

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

Independent Auditor

Betty Montgomery, Auditor of State
Audit Division
88 East Broad Street
Columbus, OH 45215

CAFR Preparation Consultants

Betty Montgomery, Auditor of State
Local Government Services Section
88 East Broad Street
Columbus, OH 45215

**Worker Compensation/
Unemployment**

Gates McDonald Health Plus
P.O. Box 182720
Columbus, OH 43218

Investment Advisor

Seasongood & Mayer
300 Mercantile Library Bldg.
414 Walnut Street
Cincinnati, OH 45202-3910

Legal Counsel

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

Whalen & Compton
565 Wolfledges Parkway
P.O. Box 2020
Akron, OH 44309-2020

Official Depositories

National Bank & Trust
452 West Main Street
Mt. Orab, OH 45154

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

Provident Bank
One East Fourth Street
Cincinnati, OH 45202

Western Brown Local Schools

Strategic Plan

Adopted by the Western Brown Board of Education
June 30th, 2004

Beliefs

- Every person has worth and value.
- Education is a shared responsibility of faculty, staff, community, administration, students and family.
- A safe, trusting, creative and disciplined environment is vital for teaching and learning.
- A strong democracy depends on well educated citizens.
- Learning is a life long process.

Mission Statement

In partnership with family and community, the Western Brown Local School District will graduate outstanding citizens capable of confidently adapting and competing in the ever-changing global society, by guaranteeing that a quality staff delivers a rigorous and relevant education in a safe, creative, and disciplined atmosphere.

Strategic Parameters

1. We will always make decisions that are in the best interests of our students.
2. Site-based decisions will always be consistent with the strategic plan.
3. Priority will always be given to the K-12 instructional program as defined by approved course of study.
4. No new program will be accepted unless:
 - it is consistent with the strategic plan;
 - benefits clearly exceed costs; and
 - provisions are made for staff development and program evaluation.

No program or service will be retained unless benefits justify costs and it contributes to the mission.

5. We will not condone any behavior which diminishes the dignity or self worth of any student, staff or community member.

Goals

- All students will graduate from high school.
- By 2013-2014, all students will reach high standards, at a minimum attaining proficiency or better in reading/language arts.
- By 2013-2014, all students will reach high standards, at a minimum attaining proficiency or better in mathematics.
- By 2005-2006, all students will be taught by 'high qualified' teachers.
- Students with disabilities will have IEP goals and measures aligned with the academic content standards.
- All students will be educated in learning environments that are safe, drug free, and conducive in learning.
- By 2013-2014, all students will reach high standards, at a minimum attaining proficiency or better in science.

- By 2013-2014, all students will reach high standards, at a minimum attaining proficiency or better in citizenship.
- The Western Brown Local School District will provide meaningful opportunities for family and community involvement in the educational process.

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FINANCIAL SECTION



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Western Brown Local School District, Brown County, Ohio (the "District"), as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Western Brown Local School District, Brown County, Ohio, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2004, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical table to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY
Auditor of State

December 22, 2004

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

The discussion and analysis of Western Brown Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2004. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34 Basic Financial Statements and Management's Discussion and Analysis for State and Local Government issued June 1999.

Financial Highlights

- In total, net assets decreased \$1,999,177. Net assets of governmental activities decreased \$1,803,657 and net assets of business-type activity decreased by \$195,520. Governmental expenses increased by \$955,648, due to increases in operation and maintenance of plant and pupil transportation expenses, while governmental revenues increased by \$1,659,401. In addition, capital assets of governmental activities decreased by \$1,455,453 and long-term liabilities of governmental activities decreased by \$644,979.
- General revenues accounted for \$21,209,020 revenue or 87 percent of all total revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,180,337 or 13 percent of total revenues of \$24,389,357.
- Total assets of governmental activities decreased by \$1,746,342, due mainly to a \$2,483,438, increase in capital assets offset by a \$2,596,548 increase in accumulated depreciation.
- The School District had \$26,193,014 in expenses related to governmental activities; only \$3,180,337 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$21,209,020 were used to provide for these programs along with unrestricted net assets from the prior year.

***Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited***

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other non-major funds presented in total in one column. The major funds for the Western Brown Local School District are the general fund, the debt service fund, and the Western Brown construction project capital projects fund.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during 2004?" The *Statement of Net Assets* and the *Statements of Activities*, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

In the Statement of Net Assets and the Statements of Activities, the School District is divided into two distinct kinds of activities:

- Government Activities - Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extra-curricular activities.

- Business-Type Activities - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The School District's food service is reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 9. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

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

Proprietary Funds - Proprietary funds use the same basis of accounting as business-type activities; therefore, the statements for the proprietary fund will essentially match.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2004 and 2003:

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Assets						
Current and other Assets	\$11,605,127	\$11,896,016	\$224,083	\$275,019	\$11,829,210	\$12,171,035
Capital Assets	59,028,774	60,484,227	2,111,448	2,232,744	61,140,222	62,716,971
Total Assets	70,633,901	72,380,243	2,335,531	2,507,763	72,969,432	74,888,006
Liabilities						
Long-Term Liabilities	(8,026,629)	(8,671,608)	(16,063)	(6,123)	(8,042,692)	(8,677,731)
Other Liabilities	(6,109,498)	(5,407,204)	(110,746)	(97,398)	(6,220,244)	(5,504,602)
Total Liabilities	(14,136,127)	(14,078,812)	(126,809)	(103,521)	(14,262,936)	(14,182,333)
Net Assets						
Invested in Capital Assets Net of Debt	52,270,245	53,812,800	2,111,448	2,232,744	54,381,693	56,045,544
Restricted	4,892,531	5,513,566	0	0	4,892,531	5,513,566
Unrestricted (Deficit)	(665,002)	(1,024,935)	97,274	171,498	(567,728)	(853,437)
Total Net Assets	\$56,497,774	\$58,301,431	\$2,208,722	\$2,404,242	\$58,706,496	\$60,705,673

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Table 2 shows the changes in net assets for fiscal year 2004 and 2003.

(Table 2)
Changes in Net Assets

	Governmental Activities 2004	Governmental Activities 2003	Business-Type Activities 2004	Business-Type Activities 2003	Total 2004	Total 2003
Revenues						
Program Revenues:						
Charges for Services and Sales	\$848,404	\$783,043	\$584,299	\$609,331	\$1,432,703	\$1,392,374
Operating Grants and Contributions	2,253,283	1,801,397	400,574	381,847	2,653,857	2,183,244
Capital Grants and Contributions	78,650	67,045	0	0	78,650	67,045
Total Program Revenues	3,180,337	2,651,485	984,873	991,178	4,165,210	3,642,663
General Revenues:						
Property Taxes	4,084,297	3,916,058	0	0	4,084,297	3,916,058
Grants and Entitlements not Restricted to Specific Programs	16,729,287	15,899,676	0	0	16,729,287	15,899,676
Investment Earnings	65,060	126,630	1,592	2,720	66,652	129,350
Gain on Sale of Capital Assets	276,088	53,143	0	0	276,088	53,143
Miscellaneous	54,288	82,964	17,308	17,179	71,596	100,143
Total General Revenues	21,209,020	20,078,471	18,900	19,899	21,227,920	20,098,370
Transfers	0	0	0	8,921	0	8,921
Total Revenues	24,389,357	22,729,956	1,003,773	1,019,998	25,393,130	23,749,954
Program Expenses						
Instruction						
Regular	13,157,172	12,962,329	0	0	13,157,172	12,962,329
Special	2,100,815	2,242,856	0	0	2,100,815	2,242,856
Vocational	269,774	273,998	0	0	269,774	273,998
Support Services						
Pupils	1,064,124	1,084,700	0	0	1,064,124	1,084,700
Instructional Staff	904,816	886,418	0	0	904,816	886,418
Board of Education	26,087	18,213	0	0	26,087	18,213
Administration	2,092,474	2,126,037	0	0	2,092,474	2,126,037
Fiscal	625,984	485,519	0	0	625,984	485,519
Business	294	0	0	0	294	0
Operation and Maintenance of Plant	3,098,831	2,534,729	0	0	3,098,831	2,534,729
Pupil Transportation	1,769,004	1,662,716	0	0	1,769,004	1,662,716
Central	179,493	97,847	0	0	179,493	97,847
Operation of Non-Instructional Services	1,887	1,916	0	0	1,887	1,916
Extracurricular Activities	568,400	521,942	0	0	568,400	521,942
Interest and Fiscal Charges	333,859	338,146	0	0	333,859	338,146
Food Service	0	0	1,199,293	1,148,095	1,199,293	1,148,095
Total Expenses	26,193,014	25,237,366	1,199,293	1,148,095	27,392,307	26,385,461
Transfers	0	8,921	0	0	0	8,921
Total Expenses and Transfers	26,193,014	25,246,287	1,199,293	1,148,095	27,392,307	26,394,382
Increase (Decrease) in Net Assets	(\$1,803,657)	(\$2,516,331)	(\$195,520)	(\$128,097)	(\$1,999,177)	(\$2,644,428)

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Governmental Activities

The School District has been able to benefit greatly due to the increase in State funding. Grants and Entitlements made up 69 percent of revenues for governmental activities of the Western Brown Local School District for fiscal year 2004.

Instruction comprises 59 percent of governmental program expenses. Support services expenses make up 37 percent of governmental expenses.

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

(Table 3)
Governmental Activities

	Total Cost of Services 2004	Total Cost of Services 2003	Net Cost of Services 2004	Net Cost of Services 2003
Instruction	\$15,527,761	\$14,982,626	\$13,326,894	\$13,472,518
Support Services	9,761,107	8,896,179	8,980,704	8,390,820
Operation of Non-Instructional Services	1,887	1,916	679	(101)
Extracurricular Activities	568,400	521,942	370,541	384,498
Interest and Fiscal Charges	333,859	338,146	333,859	338,146
Total Expenses	\$26,193,014	\$24,740,809	\$23,012,677	\$22,585,881

Business-Type Activities

The only business-type activity is the food service operation. This program had revenues of \$1,003,773 and expenses of \$1,199,293 for fiscal year 2004. Of the revenues, \$584,299 was charges for services, \$400,574 was from State and Federal grants, \$1,592 was from investment earnings, and \$17,308 was from miscellaneous revenues. Business activities receive no support from tax revenues. The School District will continue to monitor the charges and costs of this activity. If it becomes necessary, the School District will increase the charges for this activity.

*Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited*

The School District's Funds

Information about the School District's major funds start on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$24,687,028 and expenditures of \$25,500,809. The net change in fund balance for the year was most significant in the general fund, a decrease of \$738,188. This was due to an increase in regular instruction expenditures along with an increase in almost all support services.

The debt service fund saw an increase in fund balance of \$147,190 which was the result of increased property tax and intergovernmental revenues.

The decrease in the Western Brown Construction Project fund was the result of final expenditures being made on the construction project.

General Fund - Budget Highlights

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

During the course of fiscal 2004 the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A summary of the general fund original and final budgeted amounts is listed on page 22, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

For the general fund, the actual budget basis revenue was \$21,559,492 with an original budget estimate of \$20,669,703. The difference of \$889,789 was primarily due to increases in property tax revenue and additional State foundation monies being received.

The School District's ending unobligated cash balance was \$244,308 above the final budgeted amount.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2004 the School District had \$61,140,222 invested in land, buildings and improvements, furniture and equipment, and vehicles. \$59,028,774 was the net capital assets in governmental activities. Table 4 shows fiscal year 2004 balances compared to 2003:

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

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$2,493,304	\$2,602,879	\$0	\$0	\$2,493,304	\$2,602,879
Buildings and Improvements	52,221,036	52,249,036	1,192,318	1,229,907	53,413,354	53,478,943
Furniture and Equipment	3,475,117	4,006,159	919,130	1,002,837	4,394,247	5,008,996
Vehicles	839,317	888,892	0	0	839,317	888,892
Construction in Progress	0	737,261	0	0	0	737,261
Totals	\$59,028,774	\$60,484,227	\$2,111,448	\$2,232,744	\$61,140,222	\$62,716,971

Net Capital Assets decreased from the prior year. Land, along with an administration building, was sold during the year. The amount of depreciation was greater than the additions to capital assets, resulting in a net decrease for the year. The new district office building and the new sports concessions and restroom building were completed during 2004.

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

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Debt

At June 30, 2004, the School District had \$6,187,000 in bonds outstanding, \$212,000 due within one year. Table 5 summarizes bonds outstanding at 2004 and 2003:

(Table 5)
Outstanding Debt, at Year End

	2004	2003
General Obligation Bonds:		
1998-School Improvement Bonds	\$6,165,000	\$6,330,000
1995-Energy Conservation Bonds	22,000	42,000
Total	\$6,187,000	\$6,372,000

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

On May 10, 1995, the School District issued \$202,000 in unvoted general obligation debt for the purpose of providing energy conservation measures for the School District, under authority of the Ohio Revised Code Sections 133.06(G) and 3313.372. The bonds were issued for at ten year period with final maturity during fiscal year 2005. It is anticipated that the savings over ten years will offset the costs.

At June 30, 2004 the School District's overall legal debt margin was \$12,912,992 with an unvoted debt margin of \$196,308, and an Energy Conservation debt margin of \$1,744,776 at June 30, 2004. The School District had a AA- bond rating by Standard and Poor's Rating Service on the 1998 School Improvement Bonds.

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

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

District Challenges for the Future

Although expenditures continue to exceed revenues in the General Fund, the Western Brown School District is not experiencing financial difficulties at this time, and the General Fund maintained a positive fund balance at fiscal year-end. Our concern for the future is a great deal of uncertainty in regard to State funding for education. This is particularly true given the current State budget shortfall as well as projections for the next biennium.

The District's enrollment is growing but not at rates that we had expected and we are beginning to see a positive return on open enrollment students coming into the District. In years past this has been a negative with more students going out than coming in. We have also learned the critical importance of accurate EMIS reporting in regard to enrollment and will continue our vigilance in that area to be certain that every child and their percent of time is counted properly for maximum state funding.

The District is continuing to monitor and deal with Home Schooling and Community Schools which constitute a significant drain on revenues for us. The deployment of the Virtual Learning Academy in conjunction with the Brown County Educational Service Center is an attempt on our part to offer alternatives to these other educational options. Through the Virtual Learning Academy, students are able to enroll in courses taught by Western Brown teachers, over the internet at home. This enables the School District to retain students and funding that might otherwise go to Community Schools. We are also currently closely monitoring the Community School Average Daily Membership web site on a weekly basis in order to challenge Community School enrollments that in fact are not accurate. In regard to home schooling we are seeing a modest decline in parents seeking this option.

It is highly unfortunate that we are working during a time of unprecedented accountability for student performance results in education and at the same time are more unsure than ever about the future of the State funding of education. Through careful planning and conservative spending we will do our best to ensure that the District maintains its positive financial outlook.

*Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited*

Contacting the School District's Financial Management

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

Basic Financial Statements

Western Brown Local School District
Statement of Net Assets
June 30, 2004

	Governmental Activities	Business-Type Activity	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$7,181,539	\$141,278	\$7,322,817
Accrued Interest Receivable	80	0	80
Prepaid Items	21,030	0	21,030
Inventory Held for Resale	0	16,909	16,909
Materials and Supplies Inventory	0	2,615	2,615
Intergovernmental Receivable	80,923	63,281	144,204
Taxes Receivable	4,275,235	0	4,275,235
Accounts Receivable	553	0	553
Cash and Cash Equivalents with Fiscal Agents	5,000	0	5,000
Investments with Fiscal Agents	25,471	0	25,471
Deferred Charges	15,296	0	15,296
Capital Assets:			
Land and Construction in Progress	2,493,304	0	2,493,304
Depreciable Capital Assets, Net	56,535,470	2,111,448	58,646,918
<i>Total Assets</i>	<u>70,633,901</u>	<u>2,335,531</u>	<u>72,969,432</u>
Liabilities			
Accounts Payable	172,711	0	172,711
Contracts Payable	1,595	0	1,595
Accrued Wages and Benefits	1,847,473	68,947	1,916,420
Matured Compensated Absences Payable	99,264	0	99,264
Intergovernmental Payable	602,234	41,799	644,033
Deferred Revenue	3,355,385	0	3,355,385
Matured Interest Payable	5,000	0	5,000
Accrued Interest Payable	25,836	0	25,836
Long-Term Liabilities:			
Due Within One Year	290,564	356	290,920
Due in More Than One Year	7,736,065	15,707	7,751,772
<i>Total Liabilities</i>	<u>14,136,127</u>	<u>126,809</u>	<u>14,262,936</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	52,270,245	2,111,448	54,381,693
Restricted for:			
Debt Service	1,404,525	0	1,404,525
Capital Projects	2,337,331	0	2,337,331
Other Purposes	1,150,675	0	1,150,675
Unrestricted (Deficit)	(665,002)	97,274	(567,728)
<i>Total Net Assets</i>	<u>\$56,497,774</u>	<u>\$2,208,722</u>	<u>\$58,706,496</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2004

	Program Revenues			
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities				
Instruction:				
Regular	\$13,157,172	\$369,450	\$347,567	\$78,650
Special	2,100,815	40,150	1,290,180	0
Vocational	269,774	5,736	69,134	0
Support Services:				
Pupils	1,064,124	23,399	358,889	0
Instructional Staff	904,816	28,267	26,954	0
Board of Education	26,087	0	0	0
Administration	2,092,474	45,886	157,334	0
Fiscal	625,984	17,207	2,017	0
Business	294	0	0	0
Operation and				
Maintenance of Plant	3,098,831	74,564	0	0
Pupil Transportation	1,769,004	45,886	0	0
Central	179,493	0	0	0
Operation of Non-Instructional				
Services	1,887	0	1,208	0
Extracurricular Activities	568,400	197,859	0	0
Interest and Fiscal Charges	333,859	0	0	0
<i>Total Governmental Activities</i>	26,193,014	848,404	2,253,283	78,650
Business-Type Activity				
Food Service	1,199,293	584,299	400,574	0
<i>Totals</i>	\$27,392,307	\$1,432,703	\$2,653,857	\$78,650

General Revenues:

Property Taxes Levied for:
 General Purposes
 Debt Service
 Capital Outlay
Grants and Entitlements
 not Restricted to Specific Programs
Investment Earnings
Gain on Sale of Capital Assets
Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activity	Business-Type Activity	Total
(\$12,361,505)	\$0	(\$12,361,505)
(770,485)	0	(770,485)
(194,904)	0	(194,904)
(681,836)	0	(681,836)
(849,595)	0	(849,595)
(26,087)	0	(26,087)
(1,889,254)	0	(1,889,254)
(606,760)	0	(606,760)
(294)	0	(294)
(3,024,267)	0	(3,024,267)
(1,723,118)	0	(1,723,118)
(179,493)	0	(179,493)
(679)	0	(679)
(370,541)	0	(370,541)
(333,859)	0	(333,859)
(23,012,677)	0	(23,012,677)
0	(214,420)	(214,420)
(\$23,012,677)	(\$214,420)	(\$23,227,097)
3,396,506	0	3,396,506
552,220	0	552,220
135,571	0	135,571
16,729,287	0	16,729,287
65,060	1,592	66,652
276,088	0	276,088
54,288	17,308	71,596
21,209,020	18,900	21,227,920
(1,803,657)	(195,520)	(1,999,177)
58,301,431	2,404,242	60,705,673
\$56,497,774	\$2,208,722	\$58,706,496

Western Brown Local School District
Balance Sheet
Governmental Funds
June 30, 2004

	General	Debt Service	Western Brown Construction Project	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$3,008,649	\$1,305,963	\$1,619,943	\$921,623	\$6,856,178
Cash and Cash Equivalents with Fiscal Agents	0	5,000	0	0	5,000
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	325,361	0	0	0	325,361
Investments with Fiscal Agents	25,471	0	0	0	25,471
Receivables:					
Taxes	3,657,145	524,436	0	93,654	4,275,235
Accounts	0	0	0	553	553
Intergovernmental	19,649	0	0	61,274	80,923
Accrued Interest	80	0	0	0	80
Prepaid Items	21,030	0	0	0	21,030
<i>Total Assets</i>	<u>\$7,057,385</u>	<u>\$1,835,399</u>	<u>\$1,619,943</u>	<u>\$1,077,104</u>	<u>\$11,589,831</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$130,999	\$0	\$692	\$41,020	\$172,711
Contracts Payable	1,595	0	0	0	1,595
Accrued Wages and Benefits	1,765,124	0	0	82,349	1,847,473
Matured Compensated Absences Payable	99,264	0	0	0	99,264
Intergovernmental Payable	413,210	0	0	35,319	448,529
Deferred Revenue	3,005,442	420,163	0	78,569	3,504,174
Matured Interest Payable	0	5,000	0	0	5,000
<i>Total Liabilities</i>	<u>5,415,634</u>	<u>425,163</u>	<u>692</u>	<u>237,257</u>	<u>6,078,746</u>
Fund Balances					
Reserved for Encumbrances	328,498	0	11,108	29,006	368,612
Reserved for Property Taxes	528,580	84,573	0	12,007	625,160
Reserved for Textbooks	252,413	0	0	0	252,413
Reserved for Bus Purchases	72,948	0	0	0	72,948
Reserved for Capital Improvements	25,471	0	0	0	25,471
Unreserved, Undesignated, Reported in:					
General Fund	433,841	0	0	0	433,841
Special Revenue Funds	0	0	0	798,834	798,834
Debt Service Funds	0	1,325,663	0	0	1,325,663
Capital Projects Funds	0	0	1,608,143	0	1,608,143
<i>Total Fund Balances</i>	<u>1,641,751</u>	<u>1,410,236</u>	<u>1,619,251</u>	<u>839,847</u>	<u>5,511,085</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,057,385</u>	<u>\$1,835,399</u>	<u>\$1,619,943</u>	<u>\$1,077,104</u>	<u>\$11,589,831</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2004*

Total Governmental Fund Balances \$5,511,085

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

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

Land	2,493,304	
Other capital assets	70,738,759	
Accumulated depreciation	<u>(14,203,289)</u>	
Total capital assets		59,028,774

Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

Taxes		148,789
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Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds. (153,705)

Governmental funds report capital lease issuance costs as expenditures, whereas these amounts are deferred and amortized in the statement of activities. 15,296

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds payable	(6,187,000)	
Accrued interest on bonds	(25,836)	
Capital leases payable	(597,000)	
Compensated absences	<u>(1,242,629)</u>	
Total liabilities		<u>(8,052,465)</u>

Net Assets of Governmental Activities \$56,497,774

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2004

	General	Debt Service	Western Brown Construction Project	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$3,534,831	\$574,352	\$0	\$139,289	\$4,248,472
Intergovernmental	17,550,814	67,544	0	1,440,130	19,058,488
Interest	49,269	0	15,791	0	65,060
Tuition and Fees	573,570	0	0	61,701	635,271
Extracurricular Activities	0	0	0	197,859	197,859
Contributions and Donations	0	0	0	10,102	10,102
Miscellaneous	54,288	0	0	15,274	69,562
<i>Total Revenues</i>	<u>21,762,772</u>	<u>641,896</u>	<u>15,791</u>	<u>1,864,355</u>	<u>24,284,814</u>
Expenditures					
Current:					
Instruction:					
Regular	10,912,720	0	0	533,248	11,445,968
Special	1,515,489	0	0	508,453	2,023,942
Vocational	233,561	0	0	0	233,561
Support Services:					
Pupils	724,467	0	0	270,862	995,329
Instructional Staff	814,079	0	0	68,480	882,559
Board of Education	26,104	0	0	0	26,104
Administration	1,664,836	0	0	180,665	1,845,501
Fiscal	579,352	19,200	0	4,801	603,353
Business	294	0	0	0	294
Operation and Maintenance of Plant	2,841,770	0	2,615	0	2,844,385
Pupil Transportation	1,666,455	0	0	0	1,666,455
Central	181,903	0	0	0	181,903
Operation of Non-Instructional Services	0	0	0	1,700	1,700
Extracurricular Activities	376,880	0	0	110,851	487,731
Capital Outlay	902,089	0	370,054	51,200	1,323,343
Debt Service:					
Principal Retirement	440,000	165,000	0	0	605,000
Interest and Fiscal Charges	23,175	310,506	0	0	333,681
<i>Total Expenditures</i>	<u>22,903,174</u>	<u>494,706</u>	<u>372,669</u>	<u>1,730,260</u>	<u>25,500,809</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,140,402)	147,190	(356,878)	134,095	(1,215,995)
Other Financing Sources					
Proceeds from Sale of Capital Assets	402,214	0	0	0	402,214
<i>Net Change in Fund Balance</i>	(738,188)	147,190	(356,878)	134,095	(813,781)
<i>Fund Balance at Beginning of Year</i>	<u>2,379,939</u>	<u>1,263,046</u>	<u>1,976,129</u>	<u>705,752</u>	<u>6,324,866</u>
<i>Fund Balance at End of Year</i>	<u>\$1,641,751</u>	<u>\$1,410,236</u>	<u>\$1,619,251</u>	<u>\$839,847</u>	<u>\$5,511,085</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
*Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2004*

Net Change in Fund Balances - Total Governmental Funds (\$813,781)

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital asset additions	1,267,221	
Depreciation expense	<u>(2,596,548)</u>	
Excess of capital outlay over depreciation expense		(1,329,327)

The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of the capital assets are removed from the capital asset account in the statement of net assets and offset against the proceeds from the sale of capital assets resulting in a loss on the sale of capital assets in the statement of activities.

Proceeds from Sale of Capital Assets	(402,214)	
Gain on Disposal of Capital Assets	<u>276,088</u>	
		(126,126)

Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by this amount this year.

Delinquent Property Taxes	(164,175)	
Intergovernmental	<u>(7,370)</u>	
		(171,545)

Governmental funds report bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the statement of activities. (962)

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

Bond principal retirement	185,000	
Capital lease payments	<u>420,000</u>	
Total long-term debt repayment		605,000

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

Decrease in accrued interest	784	
Decrease in compensated absences	39,979	
Increase in intergovernmental payable	<u>(7,679)</u>	
Total additional expenditures		<u>33,084</u>

Change in Net Assets of Governmental Activities (\$1,803,657)

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$3,405,203	\$3,444,061	\$3,504,014	\$59,953
Intergovernmental	16,768,784	17,643,254	17,390,554	(252,700)
Interest	66,531	70,000	48,165	(21,835)
Tuition and Fees	405,424	426,566	573,570	147,004
Miscellaneous	23,761	25,000	43,189	18,189
<i>Total Revenues</i>	<u>20,669,703</u>	<u>21,608,881</u>	<u>21,559,492</u>	<u>(49,389)</u>
Expenditures:				
Current:				
Instruction:				
Regular Instruction	10,695,122	10,488,122	10,002,291	485,831
Special Instruction	1,903,136	1,903,136	1,605,461	297,675
Vocational Instruction	231,473	231,473	231,237	236
Other Instruction	295,032	599,432	813,652	(214,220)
Support Services:				
Pupils	690,636	690,636	713,217	(22,581)
Instructional Staff	713,145	863,145	818,685	44,460
Board of Education	22,550	22,550	27,195	(4,645)
Administration	1,810,788	1,810,788	1,654,175	156,613
Fiscal	460,688	460,688	477,287	(16,599)
Business	0	0	294	(294)
Operation and Maintenance of Plant	2,547,614	2,544,614	2,924,052	(379,438)
Pupil Transportation	1,593,691	1,650,691	1,694,772	(44,081)
Central	107,650	107,650	177,903	(70,253)
Extracurricular Activities	308,473	313,503	379,588	(66,085)
Capital Outlay	912,233	1,172,233	1,220,909	(48,676)
Debt Service:				
Principal Retirement	40,560	440,560	440,000	560
Interest and Fiscal Charges	38,109	38,109	23,175	14,934
<i>Total Expenditures</i>	<u>22,370,900</u>	<u>23,337,330</u>	<u>23,203,893</u>	<u>133,437</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,701,197)</u>	<u>(1,728,449)</u>	<u>(1,644,401)</u>	<u>84,048</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	402,214	402,214	0
Refund of Prior Year Expenditures	0	0	160,260	160,260
Advances In	0	75,000	6,000	(69,000)
Advances Out	(75,000)	(75,000)	(6,000)	69,000
<i>Total Other Financing Sources (Uses)</i>	<u>(75,000)</u>	<u>402,214</u>	<u>562,474</u>	<u>160,260</u>
Net Change in Fund Balance	(1,776,197)	(1,326,235)	(1,081,927)	244,308
Fund Balance at Beginning of Year	3,072,015	3,072,015	3,072,015	0
Unexpended Prior Year Encumbrances	921,975	921,975	921,975	0
Fund Balance at End of Year	<u>\$2,217,793</u>	<u>\$2,667,755</u>	<u>\$2,912,063</u>	<u>\$244,308</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Fund Net Assets
Proprietary Fund
June 30, 2004

	<u>Food Service</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$141,278
Intergovernmental Receivables	63,281
Inventory Held for Resale	16,909
Materials and Supplies Inventory	<u>2,615</u>
<i>Total Current Assets</i>	224,083
Capital Assets, Net	<u>2,111,448</u>
<i>Total Assets</i>	<u>2,335,531</u>
Liabilities	
Accrued Wages and Benefits	68,947
Compensated Absences Payable	356
Intergovernmental Payable	<u>41,799</u>
<i>Total Current Liabilities</i>	111,102
Compensated Absences Payable	<u>15,707</u>
<i>Total Liabilities</i>	<u>126,809</u>
Net Assets	
Invested in Capital Assets	2,111,448
Unrestricted	<u>97,274</u>
<i>Total Net Assets</i>	<u><u>\$2,208,722</u></u>

See accompanying notes to the basic financial statements

Western Brown Local School District
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2004*

	Food Service
Operating Revenues	
Sales	\$584,299
Miscellaneous	17,308
<i>Total Operating Revenues</i>	601,607
Operating Expenses	
Salaries	343,979
Fringe Benefits	224,610
Purchased Services	3,093
Materials and Supplies	8,717
Cost of Sales	497,598
Depreciation	121,296
<i>Total Operating Expenses</i>	1,199,293
<i>Operating Loss</i>	(597,686)
Non-Operating Revenues	
Donated Commodities	91,893
Operating Grants	308,681
Interest	1,592
<i>Total Non-Operating Revenues</i>	402,166
<i>Change in Net Assets</i>	(195,520)
<i>Net Assets at Beginning of Year</i>	2,404,242
<i>Net Assets at End of Year</i>	\$2,208,722

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2004

	Food Service
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Customers	\$584,299
Cash Received from Others	19,039
Cash Payments on Employee Benefits	(211,613)
Cash Payments to Employees for Services	(333,688)
Cash Payments to Suppliers for Goods and Services	(415,972)
<i>Net Cash Used for Operating Activities</i>	(357,935)
Cash Flows from Noncapital Financing Activities	
Operating Grants Received	291,921
<i>Net Cash Provided by Noncapital Financing Activities</i>	291,921
Cash Flows from Investing Activities	
Interest	1,592
<i>Net Decrease in Cash and Cash Equivalents</i>	(64,422)
<i>Cash and Cash Equivalents at Beginning of Year</i>	205,700
<i>Cash and Cash Equivalents at End of Year</i>	\$141,278
	<i>(continued)</i>

Western Brown Local School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2004
(continued)

	Food Service
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities	
Operating Loss	(\$597,686)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	121,296
Donated Commodities Received During Year	91,893
(Increase) Decrease In Assets	
Inventory Held for Resale	1,550
Materials and Supplies Inventory	(7)
Intergovernmental Receivable	1,731
Increase (Decrease) in Liabilities	
Accrued Wages and Benefits	6,954
Compensated Absences Payable	6,519
Intergovernmental Payable	9,815
Total Adjustments	239,751
Net Cash Used for Operating Activities	(\$357,935)

Non-Cash Transactions

During fiscal year 2004, the Food Service Enterprise Fund received \$91,893 in donated commodities.

See accompanying notes to the general purpose financial statements

Western Brown Local School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2004

	Private Purpose Trust	Agency Fund
	Scholarship	
Assets		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$13,449	\$73,759
Liabilities		
Undistributed Monies	0	73,759
<i>Total Liabilities</i>	0	\$73,759
Net Assets		
Held in Trust for Scholarships	13,449	
<i>Total Net Assets</i>	\$13,449	

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2004

	Private Purpose Trust
	Scholarship
Additions	
Contributions	\$5,430
Equity in Pooled Cash and Cash Equivalents	
Deductions	
Scholarships Awarded	11,400
<i>Change in Net Assets</i>	(5,970)
<i>Net Assets Beginning of Year</i>	19,419
<i>Net Assets End of Year</i>	\$13,449

See accompanying notes to the basic financial statements

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District operates under a locally elected Board of Education (five members) and is responsible for the education of the residents of the School District. The Board controls the School District's four instructional support facilities staffed by 120 non-certificated, 207 teaching and 12 administrative employees providing education to 3,365 students.

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

Reporting Entity

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

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

The School District participates in two jointly governed organizations, one public entity shared risk and insurance purchasing pool and one insurance purchasing pool. These organizations are the South Central Ohio Computer Association (SCOCA), Hopewell Special Education Regional Resource Center (Hopewell), Brown County Schools Benefits Consortium, and the Ohio School Boards Association Workers’ Compensation Group Rating Plan. These organizations are presented in Notes 16, 17 and 18 to the basic financial statements.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Western Brown 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. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The entity has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its business-type activities and proprietary fund. The more significant of the School District's accounting policies are described below.

A. Basis of Presentation

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

The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the single business-type activity of the School District. 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, grants and contributions 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 business activity or governmental program is self-financing or draws from the general revenues of the School District.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

General Fund - The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general obligation bond principal and interest and certain other long-term obligations when the School District is obligated for the payment.

Western Brown Construction Project Fund - The Western Brown construction project fund is used to account for all debt proceeds and interest received and expended in connection with the contracts entered into by the School District and the Ohio Department of Education for the building and equipping of the new and remodeled classroom facilities.

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. 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 therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only fiduciary funds are a private purpose trust fund and an agency fund. The private purpose trust fund accounts for college scholarship programs for students. The School District's agency fund accounts for those student activities which consist of a student body, student president, student treasurer and faculty advisor.

C. Measurement Focus

Government-wide Financial Statements

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

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that 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, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2004, but which were levied to finance fiscal year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

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

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

E. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including the proprietary fund, are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the financial statements as "Cash and Cash Equivalents with Fiscal Agents" and represents deposits. During 2004, the School District held monies to be used for construction of a new administration building. The monies are presented as "Restricted Assets: Investments with Fiscal Agents" on the balance sheet.

During fiscal year 2004, the School District's investments were limited to certificates of deposit, money market mutual funds and funds invested in the State Treasury Assets Reserve of Ohio (STAROhio). Except for nonparticipating investment contracts, investments are reported at fair value which based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2004.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2004 amounted to \$49,269, which includes \$37,353 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash and cash equivalents.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. Restricted assets represent unexpended revenues restricted for the purchase of buses, amounts required by Statute to be set-aside by the School District to purchase textbooks (see note 19), and cash received through the capital lease-purchase agreement related to the administration building construction project (see note 14).

G. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, property taxes, textbooks, bus purchases and capital improvements.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute for fiscal year 2004. The reserve for capital improvements represents amounts which may only be expended for the administration building construction capital improvement project.

H. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used.

Inventories consist of purchased food held for resale and consumable supplies.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the government-wide statement of net assets and in the fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives	Business-Type Activity Estimated Lives
Buildings and Improvements	10 – 40 years	10 – 40 years
Furniture and Equipment	5 – 10 years	12 years
Vehicles	10 years	N/A

J. Compensated Absences

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

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures 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 have accumulated leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-term Obligations

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

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

L. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include activities for music and athletic programs, student activities, and federal and state grants restricted to expenditures for specified purposes.

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

M. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenditures not meeting this definition are classified as non-operating.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

O. 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.

P. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate that was in effect at the time the final appropriations were passed.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Q. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2004, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2004, the School District has implemented GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units.” This Statement further defines the guidelines of GASB Statement No. 14, “The Financial Reporting Entity.” The implementation of this new statement has no effect on the School District’s financial statements for fiscal year 2004.

NOTE 4 - FUND DEFICITS

The Disadvantaged Pupil Impact Aid and Alternative School Special Revenue Funds had deficit fund balances at June 30, 2004, of \$722 and \$4,008, respectively. The deficits in these funds are due to adjustments for accrued liabilities which generate expenditures that are greater than those recognized on a cash basis. The General Fund is liable for the deficits and provides operating transfers when cash is required, not when accruals occur.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (Continued)

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 a reservation of fund balance (GAAP basis).
4. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statement.

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	(\$738,188)
Adjustments:	
Revenue Accruals	(36,874)
Expenditure Accruals	140,553
Encumbrances	(441,272)
Unrecorded Cash	<u>(6,146)</u>
Budget Basis	<u><u>(\$1,081,927)</u></u>

NOTE 6 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such 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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

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

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, 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 provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least five percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Deposits: At fiscal year-end, the carrying amount of the School District's deposits was \$3,243,075 and the bank balance was \$3,478,486. Of the bank balance, \$200,000 was covered by federal depository insurance and \$3,278,486 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

Investments: The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. Money market mutual funds and investments in STAROhio, an investment pool operated by the Ohio State Treasurer, are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Fair Value
Armada Government Money Market Mutual Fund	\$571
Bayerische Hypo Und Verinsbank Investment Money Market Mutual Funds	24,900
STAROhio	4,171,950
Total	\$4,197,421

The classification of cash and cash equivalents, and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting."

A reconciliation between the classifications of cash and cash equivalents and investments on the basic financial statements and the classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
<i>GASB Statement No. 9</i>	\$7,415,025	\$25,471
Investments:		
STAROhio	(4,171,950)	4,171,950
<i>GASB Statement No. 3</i>	\$3,243,075	\$4,197,421

NOTE 7 - PROPERTY TAXES

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 7 - PROPERTY TAXES (Continued)

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2004 represents collections of calendar year 2003 taxes. Real property taxes received in calendar year 2004 were levied after April 1, 2003, on the assessed value listed as of January 1, 2003, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2004 represents collections of calendar year 2003 taxes. Public utility real and tangible personal property taxes received in calendar year 2004 became a lien December 31, 2002, were levied after April 1, 2003 and are collected in 2004 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2004 (other than public utility property) represents the collection of 2004 taxes. Tangible personal property taxes received in calendar year 2004 were levied after April 1, 2003, on the value as of December 31, 2003. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year, the June 2004 tangible personal property tax was not received until July 2004.

The School District receives property taxes from Brown County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2004, are available to finance fiscal year 2004 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2004 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 7 - PROPERTY TAXES (Continued)

The amount available as an advance at June 30, 2004, was \$528,580 in the General Fund, \$84,573 in the Debt Service Fund and \$12,007 in the non-major governmental funds. The amount available as an advance at June 30, 2003, was \$572,994 in the General Fund, \$91,679 in the Debt Service Fund and \$14,324 in the non-major governmental funds.

The assessed values upon which fiscal year 2004 taxes were collected are:

	2003 Second- Half Collections		2004 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$155,956,050	88.99%	\$178,136,460	90.75%
Public Utility Personal	8,142,990	4.64%	8,247,680	4.20%
Tangible Personal Property	11,176,322	6.37%	9,924,264	5.05%
Total	\$175,275,362	100.00%	\$196,308,404	100.00%
Tax rate per \$1,000 of assessed valuation	\$23.70		\$23.20	

NOTE 8 - RECEIVABLES

Receivables at June 30, 2004, consisted of property taxes, accounts, intergovernmental grants and interest. All receivables are considered collectible in full and will be received within one year. A summary of the principal items of intergovernmental receivables follows:

	Amounts
Governmental Activities:	
Title I - Targeted Assistance Grant	\$37,946
Title VI-B - Special Education IDEA Grant	15,156
Title II-A - Class Size Reduction Grant	8,172
Miscellaneous Refunds and Reimbursements	19,649
Total Governmental Activities	80,923
Business-Type Activity:	
Food Service - Federal Lunch Reimbursements	63,281
Total Intergovernmental Receivables	\$144,204

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

	Balance 6/30/03	Additions	Deductions	Balance 6/30/04
<u>Governmental Activities</u>				
<i>Capital Assets, Not being Depreciated</i>				
Land	\$2,602,879	\$0	(\$109,575)	\$2,493,304
Construction in Progress	737,261	478,956	(1,216,217)	0
Total Capital Assets, Not Being Depreciated	<u>3,340,140</u>	<u>478,956</u>	<u>(1,325,792)</u>	<u>2,493,304</u>
<i>Capital Assets Being Depreciated</i>				
Buildings and Improvements	60,310,889	1,571,004	(65,077)	61,816,816
Furniture and Equipment	6,437,540	286,184	(43,650)	6,680,074
Vehicles	2,170,608	147,294	(76,033)	2,241,869
Total Capital Assets, Being Depreciated	<u>68,919,037</u>	<u>2,004,482</u>	<u>(184,760)</u>	<u>70,738,759</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(8,061,853)	(1,599,004)	65,077	(9,595,780)
Furniture and Equipment	(2,431,381)	(800,675)	27,099	(3,204,957)
Vehicles	(1,281,716)	(196,869)	76,033	(1,402,552)
Total Accumulated Depreciation	<u>(11,774,950)</u>	<u>(2,596,548) *</u>	<u>168,209</u>	<u>(14,203,289)</u>
Total Capital Assets, Being Depreciated, Net	<u>57,144,087</u>	<u>(592,066)</u>	<u>(16,551)</u>	<u>56,535,470</u>
Governmental Activities Capital Assets, Net	<u>\$60,484,227</u>	<u>(\$113,110)</u>	<u>(\$1,342,343)</u>	<u>\$59,028,774</u>

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 9 - CAPITAL ASSETS (Continued)

	Balance 6/30/03	Additions	Deductions	Balance 6/30/04
<u>Business-Type Activity</u>				
Buildings and Improvements	\$1,422,497	\$0	\$0	\$1,422,497
Furniture and Equipment	1,222,004	0	0	1,222,004
Total Capital Assets, Being Depreciated	<u>2,644,501</u>	<u>0</u>	<u>0</u>	<u>2,644,501</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(192,590)	(37,589)	0	(230,179)
Furniture and Equipment	(219,167)	(83,707)	0	(302,874)
Total Accumulated Depreciation	<u>(411,757)</u>	<u>(121,296)</u>	<u>0</u>	<u>(533,053)</u>
Business-Type Activity Capital Assets, Net	<u>\$2,232,744</u>	<u>(\$121,296)</u>	<u>\$0</u>	<u>\$2,111,448</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,761,549
Special	102,320
Vocational	33,605
Support Services:	
Pupils	61,967
Instructional Staff	16,461
Administration	276,336
Fiscal	14,578
Operation and Maintenance of Plant	32,168
Pupil Transportation	200,464
Central	442
Extracurricular Activities	96,658
Total Depreciation Expense	<u>\$2,596,548</u>

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2004, the School District contracted with Selective Insurance Company for general liability insurance with a \$2,000,000 single occurrence limit and a \$4,000,000 aggregate. Property is protected by the Indiana Insurance Company and holds a \$1,000 deductible. The School District's vehicles are covered by the Indiana Insurance Company under a business policy and hold a \$500 deductible for comprehensive and collision with a \$1,000,000 limit on any accident. School Board errors and omissions coverage is provided by Zurich and has a \$1,000,000 limit. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no reduction in coverage from the prior year.

B. Workers' Compensation

For fiscal year 2004, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP 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 GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald provides administrative, cost control and actuarial services to the GRP. Each year the School District pays an enrollment fee to the GRP to cover costs of administering the program.

C. Employee Medical

The School District participates in the Brown County Schools Benefits Consortium (the Consortium), a public entity shared risk and insurance purchasing pool (Note 17) consisting of six districts. Medical coverage is provided through Medical Mutual and the dental coverage is being provided through a shared risk pool based on member districts' number of employees. The School District is responsible for providing a current listing of enrolled employees and for providing timely pro-rata payments of premiums to the Consortium for employee health coverage and dental benefits. The Consortium is responsible for the management and operation of the program. Upon termination from the Consortium, for any reason, the terminated member shall assume and be responsible for the payment of any delinquent contributions relating to the medical insurance and all dental claims related to its employees from the date of termination, regardless of the date such claims were incurred.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$277,638, \$265,051, and \$123,631, respectively; 47.48 percent has been contributed for fiscal year 2004 and 100 percent for the fiscal years 2003 and 2002. \$145,824, represents the unpaid contribution for fiscal year 2004.

B. State Teachers Retirement System of Ohio

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to the STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090, or by visiting the STRS Ohio website at www.strsoh.org.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 20, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may/ qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2004, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2003, the portion used to fund pension obligations was 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2004, 2003, and 2002 were \$1,278,429, \$1,384,949, and \$803,255, respectively; 83.05 percent has been contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002. \$216,721 represents the unpaid contribution for 2004. Contributions to the DC and Combined Plans for fiscal year 2004 were \$1,415 made by the School District and \$18,189 made by the plan members.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 12 - POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2004, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$98,341 for fiscal year 2004.

STRS Ohio pays health care benefits from the Health Care Reserve Fund. At June 30, 2003, (the latest information available) the balance in the Fund was \$2.8 billion. For the year ended June 30, 2003, net health care costs paid by STRS Ohio were \$352,301,000 and STRS had 108,294 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2004, employer contributions to fund health care benefits were 4.91 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2004, the minimum pay was established at \$25,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2004 fiscal year equaled \$181,219.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2003 (the latest information available), were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003, SERS had net assets available for payment of health care benefits of \$303.6 million. SERS has approximately 50,000 participants currently receiving health care benefits.

NOTE 13 - EMPLOYEE BENEFITS

A. Compensated Absences

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

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

B. Insurance Benefits

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

NOTE 14 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In fiscal year 2003, the School District entered into a lease-purchase agreement for the construction of a new district administration building. The School District is leasing the project from Rickenbacker Port Authority. Rickenbacker Port Authority will retain title to the project during the lease term. Rickenbacker Port Authority has assigned National City Bank as trustee. National City Bank deposited \$1,017,000 in the School District's name with a fiscal agent for the construction of the building. Amounts will be paid to contractors by the School District as the work progresses. The School District will then submit the invoices to the agent for reimbursement. The School District will make semi-annual lease payments to National City Bank. Interest rates are based on a calculation of the TBMA Index. The lease is renewable annually and expires in 2020. The intention of the School District is to renew the lease annually.

At fiscal year-end, the project was complete. In fiscal year 2004, the School District made the first scheduled principal payment of \$20,000 and an additional principal payment of \$400,000. The principal amount owed on the lease at year end is \$597,000.

At year end, capital assets under this lease have been capitalized as buildings in the statement of net assets for governmental activities in the amount of \$991,427.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 14 - CAPITALIZED LEASES - LESSEE DISCLOSURE (Continued)

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2004.

Fiscal Year Ending June 30,	Total Payments
2005	\$55,447
2006	55,162
2007	54,833
2008	54,460
2009	54,043
2010-2014	269,911
2015-2019	266,769
2020	25,063
Total	835,688
Less: Amount Representing Interest	(238,688)
Present Value of Minimum Lease Payments	\$597,000

NOTE 15 - LONG-TERM LIABILITIES

The change in the School District's long-term liabilities during the fiscal year 2004 were as follows:

	Amount Outstanding 6/30/03	Additions	Deductions	Amount Outstanding 6/30/04	Amounts Due in One Year
<i>Governmental Activities:</i>					
School Improvement					
Bonds 1998 5.01%	\$6,330,000	\$0	\$165,000	\$6,165,000	\$190,000
Energy Conservation					
Bonds 1995 5.70%	42,000	0	20,000	22,000	22,000
Compensated Absences	1,282,608	242,256	282,235	1,242,629	49,564
Capital Leases	1,017,000	0	420,000	597,000	29,000
Total General					
Long-Term Liabilities	\$8,671,608	\$242,256	\$887,235	\$8,026,629	\$290,564
<i>Business-Type Activity:</i>					
Compensated Absences	\$6,123	\$13,361	\$3,421	\$16,063	\$356

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 15 - LONG-TERM LIABILITIES (Continued)

School Improvement Bonds 1998

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

Energy Conservation Bonds 1995

On May 10, 1995, the School District issued \$202,000 in unvoted general obligation debt for the purpose of providing energy conservation measures for the School District, under authority of the Ohio Revised Code Sections 133.06(G) and 3313.372. The bonds were issued for a ten year period with final maturity during fiscal year 2005. The debt will be retired from the anticipated savings over the ten years and will be paid from the General Fund.

Compensated absences will be paid from the General, Alternative School, Title VI-B, Title I, Reducing Class Size and Food Service funds. Capital lease obligations will be paid from the General Fund.

The School District's overall legal debt margin was \$12,912,992 with an unvoted debt margin of \$196,308 and an Energy Conservation debt margin of \$1,744,776 at June 30, 2004 (see Table 9).

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2004 are as follows:

School Improvement Bonds 1998

Fiscal Year Ending June 30,	Principal	Interest	Total
2005	\$190,000	\$302,905	\$492,905
2006	200,000	294,420	494,420
2007	215,000	285,236	500,236
2008	240,000	275,052	515,052
2009	255,000	263,851	518,851
2010-2014	1,595,000	1,107,228	2,702,228
2015-2019	2,300,000	601,993	2,901,993
2020-2021	1,170,000	59,250	1,229,250
Total	<u>\$6,165,000</u>	<u>\$3,189,935</u>	<u>\$9,354,935</u>

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 15 - LONG-TERM LIABILITIES (Continued)

Energy Conservation Bonds 1995

Fiscal Year Ended June 30,	Principal	Interest	Total
2005	\$22,000	\$969	\$22,969

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

A. South Central Ohio Computer Association

The School District is a participant in the South Central Ohio Computer Association (SCOCA), which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Adams, Brown, Gallia, Highland, Pickaway, Pike, Ross, Scioto, Vinton, Jackson and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, plus a representative of the fiscal agent. The School District paid SCOCA \$87,998 for services provided during the year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School, P.O. Box 577, 175 Beaver Creek Rd., Piketon, Ohio, 45661.

B. Hopewell Special Education Regional Resource Center

The Hopewell Special Education Regional Resource Center (Hopewell) is a jointly governed organization created by the Ohio Department of Education at the request of the participating school districts to offer direct and related services to low incidence handicapped students of the region. Seventeen local, city, and exempted village school districts receive services from Hopewell. Hopewell is operated under regulations and policies established by the Ohio Department of Education, and its own governing board. The governing board is made up of superintendents from the seventeen school districts, plus a representative from the Clinton-Fayette-Highland Educational Service District, a representative from the board of mental retardation and developmental disabilities, two joint vocational school superintendents and five parents of handicapped children living in the region. The Clinton-Fayette-Highland Educational Service District acts as fiscal agent. Hopewell receives funding from the contracts with each of the member school districts and Federal and State grants. The School District paid \$193,022 to Hopewell during the year. To obtain financial information write to Hopewell at the Clinton-Fayette-Highland Educational Service District, 62 Laurel Dr., Wilmington, Ohio 45177.

NOTE 17 - PUBLIC ENTITY SHARED RISK AND INSURANCE PURCHASING POOL

Brown County Schools Benefits Consortium

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

NOTE 18 - INSURANCE PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 19 - SET-ASIDE CALCULATIONS

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 19 - SET-ASIDE CALCULATIONS (Continued)

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

	Textbooks	Capital Acquisition
Set-aside Reserve Balance as of June 30, 2003	\$47,924	\$0
Current Year Set-Aside Requirement	446,920	446,920
Current Year Offsets	0	(149,790)
Qualifying Disbursements	(242,431)	(1,268,251)
Totals	\$252,413	(\$971,121)
Set-aside Reserve Balance as of June 30, 2004	\$252,413	\$0
Required Set-aside Balances Carried Forward to FY 2005	\$252,413	\$0

Although the School District had qualifying disbursements during the year that reduced the set-aside amounts to below zero for capital acquisition, this extra amount may not be used to reduce the set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year for the capital acquisition set-aside.

NOTE 20 – STATE SCHOOL-FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State’s school funding plan. The decision reaffirmed earlier decisions that Ohio’s current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed “...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...”

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 21 - CONTINGENCIES

Grants:

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, 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, 2004.

Litigation:

The School District is of the opinion that ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

Western Brown Local School District

Combining and Individual Fund Statements and Schedules

Western Brown Local School District

Fund Descriptions

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes. The following are descriptions of the School District's nonmajor Special Revenue Funds:

Nonmajor Special Revenue Funds

THOMAS STOUT - This fund accounts for donations received by the School District to be used for the purchase of new signs to be erected on the grounds of the new school buildings.

UNIFORM SCHOOL SUPPLIES - This fund accounts for the purchase and sale of school supplies as adopted by the board of education for use in the schools of the School District. Revenues derived from such sale is to be used for school purposes or activities in connection with the school.

PUBLIC SCHOOL SUPPORT - This fund is used to account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e., sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

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

CLASSROOM FACILITY MAINTENANCE - This fund accounts for property tax revenues that are restricted to expenditures for the maintenance and upkeep of School District classroom facilities.

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

EXCELLENCE IN EDUCATION - This fund accounts for monies which are provided for pupil competency assessment and instructional development as required by the minimum standards for Ohio schools.

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

DISADVANTAGED PUPIL IMPACT AID - This fund accounts for monies which are provided for the improvement of the educational and cultural status of disadvantaged pupils.

(continued)

Western Brown Local School District

Fund Descriptions

Nonmajor Special Revenue Funds (Continued)

ONENET – This fund accounts for monies appropriated for Ohio Educational Computer Network connections.

PROFESSIONAL DEVELOPMENT - This fund accounts for the revenues and expenditures associated with a limited number of professional development subsidy grants.

OHIO READS - This fund accounts for State monies and operating expenditures associated with administering the Ohio Reads Program. The Ohio Reads Program is intended to improve reading outcomes, especially on the fourth grade reading proficiency test.

SUMMER SCHOOL - This fund accounts for State money used for summer school programs.

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

MISCELLANEOUS STATE GRANTS - This fund accounts for various monies received from State agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

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

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

TITLE VI - This fund accounts for federal funds used to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; and programs to enhance personal excellence of students and student achievement.

DRUG FREE GRANT - This fund accounts for federal funds used to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

(continued)

Western Brown Local School District

Fund Descriptions

Nonmajor Special Revenue Funds (Continued)

TELECOMMUNICATIONS ACT GRANT - This fund accounts for monies refunded from telecommunications vendors. This money will be used to pay future telecommunications bills or will be transferred to the General Fund.

REDUCING CLASS SIZE - This fund accounts for federal funds used to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

MISCELLANEOUS FEDERAL GRANTS - This fund accounts for the proceeds of specific federal grants that are legally restricted to expenditures for specific purposes.

Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, and for major renovation projects including equipment purchases. The following is a description of the School District's nonmajor Capital Projects Fund:

Nonmajor Capital Projects Fund

SCHOOLNET - This fund accounts for State grant monies used for the installation of wiring and the purchase of a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

Enterprise Fund

The Enterprise Fund is used to account for all transactions related to the food service operations. Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private sector business where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges. There is only one Enterprise fund.

Western Brown Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$910,173	\$11,450	\$921,623
Receivables:			
Taxes	93,654	0	93,654
Accounts	553	0	553
Intergovernmental	61,274	0	61,274
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$1,065,654</u>	<u>\$11,450</u>	<u>\$1,077,104</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$30,077	\$10,943	\$41,020
Accrued Wages and Benefits	82,349	0	82,349
Intergovernmental Payable	35,319	0	35,319
Deferred Revenue	78,569	0	78,569
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>226,314</u>	<u>10,943</u>	<u>237,257</u>
Fund Balances			
Reserved for Encumbrances	28,499	507	29,006
Reserved for Property Taxes	12,007	0	12,007
Unreserved, Undesignated	798,834	0	798,834
	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances</i>	<u>839,340</u>	<u>507</u>	<u>839,847</u>
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,065,654</u>	<u>\$11,450</u>	<u>\$1,077,104</u>

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Western Brown Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$139,289	\$0	\$139,289
Intergovernmental	1,361,480	78,650	1,440,130
Tuition and Fees	61,701	0	61,701
Extracurricular Activities	197,859	0	197,859
Contributions and Donations	10,102	0	10,102
Miscellaneous	15,274	0	15,274
<i>Total Revenues</i>	<u>1,785,705</u>	<u>78,650</u>	<u>1,864,355</u>
Expenditures			
Current:			
Instruction:			
Regular	455,105	78,143	533,248
Special	508,453	0	508,453
Support Services:			
Pupils	270,862	0	270,862
Instructional Staff	68,480	0	68,480
Administration	180,665	0	180,665
Fiscal	4,801	0	4,801
Operation of Non-Instructional Services	1,700	0	1,700
Extracurricular Activities	110,851	0	110,851
Capital Outlay	51,200	0	51,200
<i>Total Expenditures</i>	<u>1,652,117</u>	<u>78,143</u>	<u>1,730,260</u>
<i>Net Change in Fund Balances</i>	133,588	507	134,095
<i>Fund Balance at Beginning of Year</i>	<u>705,752</u>	<u>0</u>	<u>705,752</u>
<i>Fund Balance at End of Year</i>	<u><u>\$839,340</u></u>	<u><u>\$507</u></u>	<u><u>\$839,847</u></u>

Western Brown Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004

	Thomas Stout	Uniform School Supplies	Public School Support	Other Grant
Assets				
Equity in Pooled Cash and Cash Equivalents	\$786	\$115,900	\$75,106	\$46
Receivables:				
Taxes	0	0	0	0
Accounts	0	63	440	0
Intergovernmental	0	0	0	0
<i>Total Assets</i>	<u>\$786</u>	<u>\$115,963</u>	<u>\$75,546</u>	<u>\$46</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$335	\$0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>335</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	0	0	3,051	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	786	115,963	72,160	46
<i>Total Fund Balances (Deficit)</i>	<u>786</u>	<u>115,963</u>	<u>75,211</u>	<u>46</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$786</u>	<u>\$115,963</u>	<u>\$75,546</u>	<u>\$46</u>

<u>Classroom Facility Maintenance</u>	<u>District Managed Activity</u>	<u>Educational Management Information Systems</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>OneNet</u>
\$495,472	\$33,713	\$23,501	\$0	\$5,171
93,654	0	0	0	0
0	50	0	0	0
0	0	0	0	0
<u>\$589,126</u>	<u>\$33,763</u>	<u>\$23,501</u>	<u>\$0</u>	<u>\$5,171</u>
\$0	\$730	\$0	\$0	\$0
0	0	747	722	0
0	0	778	0	0
78,569	0	0	0	0
<u>78,569</u>	<u>730</u>	<u>1,525</u>	<u>722</u>	<u>0</u>
0	16,606	0	0	0
12,007	0	0	0	0
498,550	16,427	21,976	(722)	5,171
<u>510,557</u>	<u>33,033</u>	<u>21,976</u>	<u>(722)</u>	<u>5,171</u>
<u>\$589,126</u>	<u>\$33,763</u>	<u>\$23,501</u>	<u>\$0</u>	<u>\$5,171</u>

(continued)

Western Brown Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004
(continued)

	Professional Development	Ohio Reads	Summer School	Alternative School
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,653	\$2,266	\$19,275	\$1,471
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
<i>Total Assets</i>	<u>\$3,653</u>	<u>\$2,266</u>	<u>\$19,275</u>	<u>\$1,471</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	4,684
Intergovernmental Payable	0	0	19,275	795
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>19,275</u>	<u>5,479</u>
Fund Balances				
Reserved for Encumbrances	0	2,266	0	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	3,653	0	0	(4,008)
<i>Total Fund Balances (Deficit)</i>	<u>3,653</u>	<u>2,266</u>	<u>0</u>	<u>(4,008)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,653</u>	<u>\$2,266</u>	<u>\$19,275</u>	<u>\$1,471</u>

<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Grant</u>	<u>Tele-communications Act Grant</u>
\$11,319	\$55,680	\$5,932	\$4,069	\$39,106
0	0	0	0	0
0	0	0	0	0
15,156	37,946	0	0	0
<u>\$26,475</u>	<u>\$93,626</u>	<u>\$5,932</u>	<u>\$4,069</u>	<u>\$39,106</u>
\$0	\$0	\$0	\$0	\$29,012
10,301	52,136	0	0	0
2,156	9,461	55	0	0
0	0	0	0	0
<u>12,457</u>	<u>61,597</u>	<u>55</u>	<u>0</u>	<u>29,012</u>
0	6,077	499	0	0
0	0	0	0	0
14,018	25,952	5,378	4,069	10,094
<u>14,018</u>	<u>32,029</u>	<u>5,877</u>	<u>4,069</u>	<u>10,094</u>
<u>\$26,475</u>	<u>\$93,626</u>	<u>\$5,932</u>	<u>\$4,069</u>	<u>\$39,106</u>

(continued)

Western Brown Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004
(continued)

	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$9,502	\$8,205	\$910,173
Receivables:			
Taxes	0	0	93,654
Accounts	0	0	553
Intergovernmental	8,172	0	61,274
<i>Total Assets</i>	<u>\$17,674</u>	<u>\$8,205</u>	<u>\$1,065,654</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$30,077
Accrued Wages and Benefits	13,759	0	82,349
Intergovernmental Payable	2,799	0	35,319
Deferred Revenue	0	0	78,569
<i>Total Liabilities</i>	<u>16,558</u>	<u>0</u>	<u>226,314</u>
Fund Balances			
Reserved for Encumbrances	0	0	28,499
Reserved for Property Taxes	0	0	12,007
Unreserved, Undesignated (Deficit)	1,116	8,205	798,834
<i>Total Fund Balances (Deficit)</i>	<u>1,116</u>	<u>8,205</u>	<u>839,340</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$17,674</u>	<u>\$8,205</u>	<u>\$1,065,654</u>

Western Brown Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2004

	Thomas Stout	Uniform School Supplies	Public School Support	Other Grant
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	1,280
Tuition and Fees	0	61,701	0	0
Extracurricular Activities	0	0	107,175	0
Contributions and Donations	0	0	8,894	1,208
Miscellaneous	0	63	15,211	0
<i>Total Revenues</i>	<u>0</u>	<u>61,764</u>	<u>131,280</u>	<u>2,488</u>
Expenditures				
Current:				
Instruction:				
Regular	0	48,416	64,576	1,280
Special	0	0	0	0
Support Services:				
Pupils	0	0	2,657	0
Instructional Staff	0	0	35,581	0
Administration	0	0	71	0
Fiscal	0	0	0	0
Operation of Non-Instructional Services	0	0	0	1,700
Extracurricular Activities	0	0	19,785	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>48,416</u>	<u>122,670</u>	<u>2,980</u>
<i>Net Change in Fund Balances</i>	0	13,348	8,610	(492)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>786</u>	<u>102,615</u>	<u>66,601</u>	<u>538</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$786</u>	<u>\$115,963</u>	<u>\$75,211</u>	<u>\$46</u>

(continued)

Western Brown Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2004
(continued)

	Classroom Facility Maintenance	District Managed Activity	Excellence In Education	Educational Management Information Systems
Revenues				
Taxes	\$139,289	\$0	\$0	\$0
Intergovernmental	10,065	0	0	11,867
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	90,684	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>149,354</u>	<u>90,684</u>	<u>0</u>	<u>11,867</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	633	0
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	9,862
Fiscal	2,834	0	0	1,967
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	91,066	0	0
Capital Outlay	51,200	0	0	0
<i>Total Expenditures</i>	<u>54,034</u>	<u>91,066</u>	<u>633</u>	<u>11,829</u>
<i>Net Change in Fund Balances</i>	95,320	(382)	(633)	38
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>415,237</u>	<u>33,415</u>	<u>633</u>	<u>21,938</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$510,557</u>	<u>\$33,033</u>	<u>\$0</u>	<u>\$21,976</u>

Disadvantaged Pupil Impact Aid	OneNet	Professional Development	Ohio Reads	Summer School	Alternative School
\$0	\$0	\$0	\$0	\$0	\$0
40,024	12,000	4,140	35,000	23,841	66,264
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
40,024	12,000	4,140	35,000	23,841	66,264
0	8,059	2,339	7,733	33,777	62,076
0	0	0	5,342	0	0
0	0	0	0	0	0
0	0	0	28,899	0	0
21,131	0	0	4,000	0	3,397
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
21,131	8,059	2,339	45,974	33,777	65,473
18,893	3,941	1,801	(10,974)	(9,936)	791
(19,615)	1,230	1,852	13,240	9,936	(4,799)
(\$722)	\$5,171	\$3,653	\$2,266	\$0	(\$4,008)

(continued)

Western Brown Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2004
(continued)

	Miscellaneous State Grants	Title VI-B	Title I	Title VI
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental	10,000	401,409	493,640	23,794
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>10,000</u>	<u>401,409</u>	<u>493,640</u>	<u>23,794</u>
Expenditures				
Current:				
Instruction:				
Regular	82	0	14,745	9,374
Special	0	31,747	463,847	55
Support Services:				
Pupils	0	268,205	0	0
Instructional Staff	0	0	0	4,000
Administration	10,000	87,123	31,034	4,988
Fiscal	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>10,082</u>	<u>387,075</u>	<u>509,626</u>	<u>18,417</u>
<i>Net Change in Fund Balances</i>	(82)	14,334	(15,986)	5,377
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>82</u>	<u>(316)</u>	<u>48,015</u>	<u>500</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$0</u>	<u>\$14,018</u>	<u>\$32,029</u>	<u>\$5,877</u>

Drug Free Grant	Tele-communications Act Grant	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$139,289
15,293	34,261	151,997	26,605	1,361,480
0	0	0	0	61,701
0	0	0	0	197,859
0	0	0	0	10,102
0	0	0	0	15,274
<u>15,293</u>	<u>34,261</u>	<u>151,997</u>	<u>26,605</u>	<u>1,785,705</u>
14,923	29,012	148,091	9,989	455,105
0	0	0	7,462	508,453
0	0	0	0	270,862
0	0	0	0	68,480
2,797	0	5,228	1,034	180,665
0	0	0	0	4,801
0	0	0	0	1,700
0	0	0	0	110,851
0	0	0	0	51,200
<u>17,720</u>	<u>29,012</u>	<u>153,319</u>	<u>18,485</u>	<u>1,652,117</u>
(2,427)	5,249	(1,322)	8,120	133,588
<u>6,496</u>	<u>4,845</u>	<u>2,438</u>	<u>85</u>	<u>705,752</u>
<u>\$4,069</u>	<u>\$10,094</u>	<u>\$1,116</u>	<u>\$8,205</u>	<u>\$839,340</u>

Western Brown Local School District
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2004

	<u>Balance at 6/30/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 6/30/04</u>
<u>STUDENT MANAGED ACTIVITY</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$82,874</u>	<u>\$118,726</u>	<u>\$127,841</u>	<u>\$73,759</u>
Liabilities				
Undistributed Monies	<u>\$82,874</u>	<u>\$118,726</u>	<u>\$127,841</u>	<u>\$73,759</u>

Western Brown Local School District

Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$3,405,203	\$3,444,061	\$3,504,014	\$59,953
Intergovernmental	16,768,784	17,643,254	17,390,554	(252,700)
Interest	66,531	70,000	48,165	(21,835)
Tuition and Fees	405,424	426,566	573,570	147,004
Miscellaneous	23,761	25,000	43,189	18,189
<i>Total Revenues</i>	20,669,703	21,608,881	21,559,492	(49,389)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	7,467,024	7,467,024	7,242,614	224,410
Fringe Benefits	2,458,234	2,458,234	2,271,863	186,371
Purchased Services	144,702	144,702	132,452	12,250
Materials and Supplies	572,484	372,484	311,360	61,124
Capital Outlay - New	52,678	45,678	44,002	1,676
<i>Total Regular Instruction</i>	10,695,122	10,488,122	10,002,291	485,831
Special Instruction:				
Salaries and Wages	741,939	741,939	757,797	(15,858)
Fringe Benefits	397,848	397,848	302,275	95,573
Purchased Services	763,000	763,000	534,933	228,067
Materials and Supplies	349	349	6,593	(6,244)
Capital Outlay - New	0	0	3,863	(3,863)
<i>Total Special Instruction</i>	1,903,136	1,903,136	1,605,461	297,675
Vocational Instruction:				
Salaries and Wages	156,522	156,522	160,667	(4,145)
Fringe Benefits	46,806	46,806	48,385	(1,579)
Purchased Services	6,650	6,650	4,108	2,542
Materials and Supplies	20,745	20,745	16,789	3,956
Other	750	750	1,288	(538)
<i>Total Vocational Instruction</i>	231,473	231,473	231,237	236
Other Instruction:				
Purchased Services	295,032	599,432	813,652	(214,220)
<i>Total Instruction</i>	13,124,763	13,222,163	12,652,641	569,522
Support Services:				
Pupils:				
Salaries and Wages	429,719	429,719	438,476	(8,757)
Fringe Benefits	140,417	140,417	143,300	(2,883)
Purchased Services	105,500	105,500	122,130	(16,630)
Materials and Supplies	15,000	15,000	9,311	5,689
<i>Total Pupils</i>	\$690,636	\$690,636	\$713,217	(\$22,581)

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2004
(continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
Instructional Staff:				
Salaries and Wages	\$478,890	\$478,890	\$495,852	(\$16,962)
Fringe Benefits	190,723	190,723	173,283	17,440
Purchased Services	2,000	152,000	118,695	33,305
Materials and Supplies	41,532	41,532	28,865	12,667
Other	0	0	1,990	(1,990)
Total Instructional Staff	713,145	863,145	818,685	44,460
Board of Education:				
Salaries and Wages	8,000	8,000	5,930	2,070
Fringe Benefits	750	750	(39)	789
Purchased Services	800	800	7,739	(6,939)
Materials and Supplies	1,000	1,000	542	458
Other	12,000	12,000	13,023	(1,023)
Total Board of Education	22,550	22,550	27,195	(4,645)
Administration:				
Salaries and Wages	1,010,282	1,010,282	955,404	54,878
Fringe Benefits	421,251	421,251	457,146	(35,895)
Purchased Services	201,763	201,763	163,307	38,456
Materials and Supplies	18,786	18,786	20,203	(1,417)
Capital Outlay - New	0	0	1,288	(1,288)
Other	158,706	158,706	56,827	101,879
Total Administration	1,810,788	1,810,788	1,654,175	156,613
Fiscal:				
Salaries and Wages	185,204	185,204	188,742	(3,538)
Fringe Benefits	70,209	70,209	81,843	(11,634)
Purchased Services	37,200	37,200	35,326	1,874
Materials and Supplies	5,125	5,125	8,565	(3,440)
Capital Outlay - New	0	0	5,150	(5,150)
Other	162,950	162,950	157,661	5,289
Total Fiscal	460,688	460,688	477,287	(16,599)
Business:				
Materials and Supplies	0	0	294	(294)
Operation and Maintenance of Plant:				
Salaries and Wages	853,248	863,248	973,892	(110,644)
Fringe Benefits	455,419	455,419	478,413	(22,994)
Purchased Services	1,090,344	1,077,344	1,251,923	(174,579)
Materials and Supplies	148,415	148,415	187,971	(39,556)
Capital Outlay - New	0	0	31,315	(31,315)
Other	188	188	538	(350)
Total Operation and Maintenance of Plant	2,547,614	2,544,614	2,924,052	(379,438)
Pupil Transportation:				
Salaries and Wages	625,820	625,820	753,113	(127,293)
Fringe Benefits	468,057	468,057	416,899	51,158
Purchased Services	198,424	198,424	146,089	52,335
Materials and Supplies	245,390	245,390	261,212	(15,822)
Capital Outlay - New	55,000	112,000	117,374	(5,374)
Other	1,000	1,000	85	915
Total Pupil Transportation	\$1,593,691	\$1,650,691	\$1,694,772	(\$44,081)

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2004
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and Wages	\$50,000	\$50,000	\$36,889	\$13,111
Fringe Benefits	2,650	2,650	5,300	(2,650)
Purchased Services	5,000	5,000	22,241	(17,241)
Materials and Supplies	0	0	35,288	(35,288)
Other	50,000	50,000	78,185	(28,185)
Total Central	107,650	107,650	177,903	(70,253)
Total Support Services	7,946,762	8,150,762	8,487,580	(336,818)
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	0	0	62,796	(62,796)
Fringe Benefits	4,200	4,200	7,962	(3,762)
Purchased Services	11,574	11,574	7,605	3,969
Materials and Supplies	7,500	7,500	4,694	2,806
Capital Outlay - New	0	0	4,635	(4,635)
Total Academic and Subject Oriented Activities	23,274	23,274	87,692	(64,418)
Sports Oriented Activities:				
Salaries and Wages	232,595	232,595	210,756	21,839
Fringe Benefits	35,104	35,104	47,702	(12,598)
Purchased Services	10,000	10,000	13,853	(3,853)
Materials and Supplies	7,500	12,530	10,188	2,342
Capital Outlay - New	0	0	9,397	(9,397)
Total Sports Oriented Activities	285,199	290,229	291,896	(1,667)
Total Extracurricular Activities	308,473	313,503	379,588	(66,085)
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	730	215,730	228,219	(12,489)
Capital Outlay - Replacement	0	0	1,078	(1,078)
Total Site Improvement Services	730	215,730	229,297	(13,567)
Architecture and Engineering Services:				
Purchased Services	19,570	19,570	60,003	(40,433)
Building Acquisition and Construction Services:				
Capital Outlay - New	891,933	936,933	931,609	5,324
Total Capital Outlay	\$912,233	\$1,172,233	\$1,220,909	(\$48,676)

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2004
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service:				
Principal Retirement	\$40,560	\$440,560	\$440,000	\$560
Interest and Fiscal Charges	38,109	38,109	23,175	14,934
Total Debt Service	78,669	478,669	463,175	15,494
<i>Total Expenditures</i>	22,370,900	23,337,330	23,203,893	133,437
Excess of Revenues Over (Under) Expenditures	(1,701,197)	(1,728,449)	(1,644,401)	84,048
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	0	402,214	402,214	0
Refund of Prior Year Expenditures	0	0	160,260	160,260
Advances In	0	75,000	6,000	(69,000)
Advances Out	(75,000)	(75,000)	(6,000)	69,000
<i>Total Other Financing Sources (Uses)</i>	(75,000)	402,214	562,474	160,260
Net Change in Fund Balance	(1,776,197)	(1,326,235)	(1,081,927)	244,308
Fund Balance at Beginning of Year	3,072,015	3,072,015	3,072,015	0
Prior Year Encumbrances Appropriated	921,975	921,975	921,975	0
Fund Balance at End of Year	\$2,217,793	\$2,667,755	\$2,912,063	\$244,308

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$459,703	\$541,780	\$569,421	\$27,641
Intergovernmental	0	67,923	67,544	(379)
<i>Total Revenues</i>	<u>459,703</u>	<u>609,703</u>	<u>636,965</u>	<u>27,262</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	17,200	19,200	19,200	0
Debt Service:				
Principal Retirement	165,000	165,000	165,000	0
Interest and Fiscal Charges	310,497	310,496	310,496	0
Total Debt Service	<u>475,497</u>	<u>475,496</u>	<u>475,496</u>	<u>0</u>
<i>Total Expenditures</i>	<u>492,697</u>	<u>494,696</u>	<u>494,696</u>	<u>0</u>
Net Change in Fund Balance	(32,994)	115,007	142,269	27,262
Fund Balance at Beginning of Year	<u>1,163,703</u>	<u>1,163,703</u>	<u>1,163,703</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,130,709</u>	<u>\$1,278,710</u>	<u>\$1,305,972</u>	<u>\$27,262</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Western Brown Construction Project
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<u>Revenues:</u>				
Interest	\$5,000	\$5,000	\$15,791	\$10,791
<u>Expenditures:</u>				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	0	0	2,615	(2,615)
Capital Outlay:				
Building Acquisition and Construction Services:				
Purchased Services	0	0	15,143	(15,143)
Capital Outlay - New	1,973,625	431,228	366,019	65,209
Total Capital Outlay	1,973,625	431,228	381,162	50,066
<i>Total Expenditures</i>	1,973,625	431,228	383,777	47,451
Net Change in Fund Balance	(1,968,625)	(426,228)	(367,986)	58,242
Fund Balance at Beginning of Year	1,844,903	1,844,903	1,844,903	0
Prior Year Encumbrances Appropriated	131,228	131,228	131,228	0
Fund Balance at End of Year	<u>\$7,506</u>	<u>\$1,549,903</u>	<u>\$1,608,145</u>	<u>\$58,242</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Thomas Stout
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Total Revenues	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Other	786	0	0	0
Net Change in Fund Balance	(786)	0	0	0
Fund Balance at Beginning of Year	786	786	786	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$786</u>	<u>\$786</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Tuition and Fees	\$65,000	\$58,679	\$61,701	\$3,022
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Materials and Supplies	<u>76,527</u>	<u>76,527</u>	<u>48,488</u>	<u>28,039</u>
Net Change in Fund Balance	(11,527)	(17,848)	13,213	31,061
Fund Balance at Beginning of Year	97,987	97,987	97,987	0
Prior Year Encumbrances Appropriated	<u>4,627</u>	<u>4,627</u>	<u>4,627</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$91,087</u></u>	<u><u>\$84,766</u></u>	<u><u>\$115,827</u></u>	<u><u>\$31,061</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Extracurricular Activities	\$99,320	\$107,650	\$107,175	(\$475)
Contributions and Donations	5,536	6,000	8,894	2,894
Miscellaneous	15,144	16,415	15,981	(434)
<i>Total Revenues</i>	<u>120,000</u>	<u>130,065</u>	<u>132,050</u>	<u>1,985</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Purchased Services	18,300	19,800	6,877	12,923
Materials and Supplies	50,782	58,980	55,787	3,193
Capital Outlay - New	0	1,500	1,500	0
Other	5,600	7,302	2,982	4,320
Total Instruction	<u>74,682</u>	<u>87,582</u>	<u>67,146</u>	<u>20,436</u>
Support Services:				
Pupils:				
Purchased Services	0	2,700	2,657	43
Instructional Staff:				
Materials and Supplies	31,700	40,200	36,096	4,104
Administration:				
Materials and Supplies	0	0	71	(71)
Total Support Services	<u>31,700</u>	<u>42,900</u>	<u>38,824</u>	<u>4,076</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	1,750	0	185	(185)
Other	19,600	18,550	19,388	(838)
Total Academic and Subject Oriented Activities	<u>21,350</u>	<u>18,550</u>	<u>19,573</u>	<u>(1,023)</u>
Sports Oriented Activities:				
Materials and Supplies	0	0	212	(212)
Total Extracurricular Activities	<u>21,350</u>	<u>18,550</u>	<u>19,785</u>	<u>(1,235)</u>
<i>Total Expenditures</i>	<u>127,732</u>	<u>149,032</u>	<u>125,755</u>	<u>23,277</u>
Net Change in Fund Balance	(7,732)	(18,967)	6,295	25,262
Fund Balance at Beginning of Year	59,593	59,593	59,593	0
Prior Year Encumbrances Appropriated	5,832	5,832	5,832	0
Fund Balance at End of Year	<u>\$57,693</u>	<u>\$46,458</u>	<u>\$71,720</u>	<u>\$25,262</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Grant
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	2,572	\$1,280	\$1,280	\$0
Contributions and Donations	2,428	1,208	1,208	0
<i>Total Revenues</i>	<u>5,000</u>	<u>2,488</u>	<u>2,488</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Materials and Supplies	2,150	1,280	1,280	0
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	<u>2,850</u>	<u>1,700</u>	<u>1,700</u>	<u>0</u>
<i>Total Expenditures</i>	<u>5,000</u>	<u>2,980</u>	<u>2,980</u>	<u>0</u>
Net Change in Fund Balance	0	(492)	(492)	0
Fund Balance at Beginning of Year	<u>537</u>	<u>537</u>	<u>537</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$537</u></u>	<u><u>\$45</u></u>	<u><u>\$45</u></u>	<u><u>\$0</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facility Maintenance
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
<u>Revenues:</u>				
Taxes	\$85,131	\$128,140	\$139,725	\$11,585
Intergovernmental	1,000,000	9,811	10,065	254
<i>Total Revenues</i>	<u>1,085,131</u>	<u>137,951</u>	<u>149,790</u>	<u>11,839</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	3,400	3,400	2,834	566
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Capital Outlay - New	0	52,000	51,200	800
Architecture and Engineering Services:				
Purchased Services	575,000	0	0	0
Total Capital Outlay	<u>575,000</u>	<u>52,000</u>	<u>51,200</u>	<u>800</u>
<i>Total Expenditures</i>	<u>578,400</u>	<u>55,400</u>	<u>54,034</u>	<u>1,366</u>
Net Change in Fund Balance	506,731	82,551	95,756	13,205
Fund Balance at Beginning of Year	<u>399,716</u>	<u>399,716</u>	<u>399,716</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$906,447</u></u>	<u><u>\$482,267</u></u>	<u><u>\$495,472</u></u>	<u><u>\$13,205</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Activity
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Extracurricular Activities	\$68,300	\$91,101	\$91,399	\$298
<u>Expenditures:</u>				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Purchased Services	37,050	56,631	44,591	12,040
Materials and Supplies	49,264	47,948	56,594	(8,646)
Capital Outlay - New	0	8,835	9,210	(375)
<i>Total Expenditures</i>	<u>86,314</u>	<u>113,414</u>	<u>110,395</u>	<u>3,019</u>
Net Change in Fund Balance	(18,014)	(22,313)	(18,996)	3,317
Fund Balance at Beginning of Year	12,486	12,486	12,486	0
Prior Year Encumbrances Appropriated	<u>22,889</u>	<u>22,889</u>	<u>22,889</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$17,361</u></u>	<u><u>\$13,062</u></u>	<u><u>\$16,379</u></u>	<u><u>\$3,317</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Excellence In Education
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Purchased Services	634	535	535	0
Materials and Supplies	0	99	99	0
<i>Total Expenditures</i>	634	634	634	0
Net Change in Fund Balance	(634)	(634)	(634)	0
Fund Balance at Beginning of Year	634	634	634	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$12,300	\$11,825	\$11,867	\$42
<u>Expenditures:</u>				
Current:				
Support Services:				
Administration:				
Salaries and Wages	15,000	15,000	6,240	8,760
Fringe Benefits	2,250	2,250	4,367	(2,117)
Purchased Services	500	500	251	249
Total Administration	17,750	17,750	10,858	6,892
Fiscal:				
Capital Outlay - New	0	0	1,967	(1,967)
<i>Total Expenditures</i>	17,750	17,750	12,825	4,925
Net Change in Fund Balance	(5,450)	(5,925)	(958)	4,967
Fund Balance at Beginning of Year	24,459	24,459	24,459	0
Fund Balance at End of Year	<u>\$19,009</u>	<u>\$18,534</u>	<u>\$23,501</u>	<u>\$4,967</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Impact Aid
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$40,100	\$40,024	\$40,024	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	0	10,081	10,081	0
Fringe Benefits	15,000	3,148	3,148	0
Total Instruction	15,000	13,229	13,229	0
Support Services:				
Administration:				
Purchased Services	25,000	26,795	26,795	0
<i>Total Expenditures</i>	40,000	40,024	40,024	0
Net Change in Fund Balance	100	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OneNet
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$14,000	\$12,000	\$12,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Materials and Supplies	14,000	12,000	0	12,000
Capital Outlay - New	1,230	1,230	8,059	(6,829)
<i>Total Expenditures</i>	15,230	13,230	8,059	5,171
Net Change in Fund Balance	(1,230)	(1,230)	3,941	5,171
Fund Balance at Beginning of Year	1,230	1,230	1,230	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$5,171</u>	<u>\$5,171</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Professional Development
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$4,600	\$4,140	\$4,140	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Purchased Services	4,600	5,992	2,339	3,653
Net Change in Fund Balance	0	(1,852)	1,801	3,653
Fund Balance at Beginning of Year	1,852	1,852	1,852	0
Fund Balance at End of Year	<u>\$1,852</u>	<u>\$0</u>	<u>\$3,653</u>	<u>\$3,653</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$31,601	\$35,000	\$35,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Materials and Supplies	3,920	10,000	10,000	0
Special Instruction:				
Materials and Supplies	1,601	5,342	5,342	0
Total Instruction	5,521	15,342	15,342	0
Support Services:				
Instructional Staff:				
Salaries and Wages	30,000	21,098	21,447	(349)
Materials and Supplies	9,321	7,801	7,452	349
Total Instructional Staff	39,321	28,899	28,899	0
Administration:				
Purchased Services	0	4,000	4,000	0
Total Support Services	39,321	32,899	32,899	0
<i>Total Expenditures</i>	44,842	48,241	48,241	0
Net Change in Fund Balance	(13,241)	(13,241)	(13,241)	0
Fund Balance at Beginning of Year	11,639	11,639	11,639	0
Prior Year Encumbrances Appropriated	1,602	1,602	1,602	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer School
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$23,841	\$23,841	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	<u>9,936</u>	<u>33,777</u>	<u>14,502</u>	<u>19,275</u>
Net Change in Fund Balance	(9,936)	(9,936)	9,339	19,275
Fund Balance at Beginning of Year	<u>9,936</u>	<u>9,936</u>	<u>9,936</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$19,275</u></u>	<u><u>\$19,275</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Alternative School
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$67,000	\$66,264	\$66,264	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	64,000	62,867	61,619	1,248
Support Services:				
Administration:				
Purchased Services	3,223	3,620	3,397	223
<i>Total Expenditures</i>	<u>67,223</u>	<u>66,487</u>	<u>65,016</u>	<u>1,471</u>
Net Change in Fund Balance	(223)	(223)	1,248	1,471
Fund Balance at Beginning of Year	<u>223</u>	<u>223</u>	<u>223</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$1,471</u></u>	<u><u>\$1,471</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$47,382	\$10,000	\$10,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	7,500	0	0	0
Purchased Services	2,800	0	0	0
Materials and Supplies	5,082	82	82	0
Total Instruction	15,382	82	82	0
Support Services:				
Administration:				
Purchased Services	32,000	10,000	10,000	0
<i>Total Expenditures</i>	47,382	10,082	10,082	0
Excess of Revenues Under Expenditures	0	(82)	(82)	0
<u>Other Financing Sources (Uses):</u>				
Advances-In	0	6,000	6,000	0
Advances-Out	0	(6,000)	(6,000)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0	0
Net Change in Fund Balance	0	(82)	(82)	0
Fund Balance at Beginning of Year	82	82	82	0
Fund Balance at End of Year	<u>\$82</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$401,409	\$386,253	\$386,253	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	401,409	0	0	0
Special Instruction:				
Purchased Services	0	26,419	26,419	0
Capital Outlay - New	0	5,328	5,328	0
Total Special Instruction	0	31,747	31,747	0
Total Instruction	401,409	31,747	31,747	0
Support Services:				
Pupils:				
Purchased Services	0	268,205	268,205	0
Administration:				
Salaries and Wages	9,103	69,633	69,633	0
Fringe Benefits	1,274	10,726	10,726	0
Purchased Services	0	5,000	5,000	0
Total Administration	10,377	85,359	85,359	0
Total Expenditures	411,786	385,311	385,311	0
Net Change in Fund Balance	(10,377)	942	942	0
Fund Balance at Beginning of Year	10,377	10,377	10,377	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$11,319</u>	<u>\$11,319</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$508,316	\$455,694	\$455,694	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	508,316	0	0	0
Purchased Services	0	11,325	10,875	450
Total Regular Instruction	508,316	11,325	10,875	450
Special Instruction:				
Salaries and Wages	48,015	313,267	313,267	0
Fringe Benefits	0	79,477	79,477	0
Purchased Services	0	6,328	6,328	0
Materials and Supplies	0	13,125	13,125	0
Total Special Instruction	48,015	412,197	412,197	0
Total Instruction	556,331	423,522	423,072	450
Support Services:				
Administration:				
Salaries and Wages	0	24,234	24,234	0
Fringe Benefits	0	800	800	0
Purchased Services	0	6,000	6,000	0
Total Support Services	0	31,034	31,034	0
<i>Total Expenditures</i>	556,331	454,556	454,106	450
Net Change in Fund Balance	(48,015)	1,138	1,588	450
Fund Balance at Beginning of Year	48,015	48,015	48,015	0
Fund Balance at End of Year	\$0	\$49,153	\$49,603	\$450

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$23,528	\$23,794	\$23,794	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	22,485	8,509	8,509	0
Purchased Services	380	500	500	0
Materials and Supplies	120	1,304	365	939
Total Instruction	<u>22,985</u>	<u>10,313</u>	<u>9,374</u>	<u>939</u>
Support Services:				
Instructional Staff:				
Purchased Services	<u>0</u>	<u>4,499</u>	<u>4,499</u>	<u>0</u>
Administration:				
Salaries and Wages	759	1,519	1,519	0
Fringe Benefits	284	375	375	0
Purchased Services	<u>0</u>	<u>3,094</u>	<u>3,094</u>	<u>0</u>
Total Administration	<u>1,043</u>	<u>4,988</u>	<u>4,988</u>	<u>0</u>
Total Support Services	<u>1,043</u>	<u>9,487</u>	<u>9,487</u>	<u>0</u>
<i>Total Expenditures</i>	<u>24,028</u>	<u>19,800</u>	<u>18,861</u>	<u>939</u>
Net Change in Fund Balance	(500)	3,994	4,933	939
Fund Balance at Beginning of Year	286	286	286	0
Prior Year Encumbrances Appropriated	<u>214</u>	<u>214</u>	<u>214</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$4,494</u></u>	<u><u>\$5,433</u></u>	<u><u>\$939</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Grant
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$15,309	\$15,293	\$15,293	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	15,309	0	0	0
Purchased Services	0	15,136	11,077	4,059
Materials and Supplies	200	3,846	3,846	0
Total Instruction	15,509	18,982	14,923	4,059
Support Services:				
Administration:				
Salaries and Wages	0	306	306	0
Purchased Services	0	2,500	2,491	9
Total Support Services	0	2,806	2,797	9
<i>Total Expenditures</i>	15,509	21,788	17,720	4,068
Net Change in Fund Balance	(200)	(6,495)	(2,427)	4,068
Fund Balance at Beginning of Year	6,295	6,295	6,295	0
Prior Year Encumbrances Appropriated	200	200	200	0
Fund Balance at End of Year	<u>\$6,295</u>	<u>\$0</u>	<u>\$4,068</u>	<u>\$4,068</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Telecommunications Act Grant
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
<u>Revenues:</u>				
Intergovernmental	\$16,846	\$34,261	\$34,261	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Capital Outlay - New	16,846	34,673	29,012	5,661
Net Change in Fund Balance	0	(412)	5,249	5,661
Fund Balance at Beginning of Year	4,846	4,846	4,846	0
Fund Balance at End of Year	<u>\$4,846</u>	<u>\$4,434</u>	<u>\$10,095</u>	<u>\$5,661</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Reducing Class Size
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$152,112	\$143,825	\$143,825	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	153,309	74,314	74,314	0
Fringe Benefits	0	17,071	17,071	0
Purchased Services	0	40,150	40,150	0
Total Instruction	153,309	131,535	131,535	0
Support Services:				
Administration:				
Salaries and Wages	1,185	1,783	1,783	0
Fringe Benefits	0	445	445	0
Purchased Services	0	3,000	3,000	0
Total Support Services	1,185	5,228	5,228	0
<i>Total Expenditures</i>	154,494	136,763	136,763	0
Net Change in Fund Balance	(2,382)	7,062	7,062	0
Fund Balance at Beginning of Year	1,240	1,240	1,240	0
Prior Year Encumbrances Appropriated	1,197	1,197	1,197	0
Fund Balance at End of Year	\$55	\$9,499	\$9,499	\$0

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$18,306	\$26,605	\$26,605	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	10,930	0	0	0
Purchased Services	0	15,197	9,955	5,242
Materials and Supplies	7,376	0	34	(34)
Total Regular Instruction	18,306	15,197	9,989	5,208
Special Instruction:				
Materials and Supplies	0	7,715	1,782	5,933
Capital Outlay - New	0	846	6,877	(6,031)
Total Special Instruction	0	8,561	8,659	(98)
Total Instruction	18,306	23,758	18,648	5,110
Support Services:				
Administration:				
Salaries and Wages	0	500	500	0
Fringe Benefits	0	34	34	0
Purchased Services	0	500	500	0
Total Support Services	0	1,034	1,034	0
<i>Total Expenditures</i>	18,306	24,792	19,682	5,110
Net Change in Fund Balance	0	1,813	6,923	5,110
Fund Balance at Beginning of Year	97	97	97	0
Prior Year Encumbrances Appropriated	1,185	1,185	1,185	0
Fund Balance at End of Year	<u>\$1,282</u>	<u>\$3,095</u>	<u>\$8,205</u>	<u>\$5,110</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$78,650	\$78,650	\$78,650	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	<u>78,650</u>	<u>78,650</u>	<u>78,650</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Services
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<u>Revenues:</u>				
Sales	\$359,986	\$325,000	\$584,299	\$259,299
Interest	2,769	2,500	1,592	(908)
Federal and State Subsidies	614,745	555,000	291,921	(263,079)
Other Revenues	0	0	19,039	19,039
<i>Total Revenues</i>	<u>977,500</u>	<u>882,500</u>	<u>896,851</u>	<u>14,351</u>
<u>Expenses:</u>				
Salaries	355,045	355,045	333,688	21,357
Fringe Benefits	191,861	191,861	211,613	(19,752)
Purchased Services	8,868	8,868	3,626	5,242
Materials and Supplies	426,223	426,223	412,879	13,344
<i>Total Expenses</i>	<u>981,997</u>	<u>981,997</u>	<u>961,806</u>	<u>20,191</u>
<i>Net Change in Fund Balance</i>	(4,497)	(99,497)	(64,955)	34,542
Fund Balance at Beginning of Year	<u>205,700</u>	<u>205,700</u>	<u>205,700</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$201,203</u></u>	<u><u>\$106,203</u></u>	<u><u>\$140,745</u></u>	<u><u>\$34,542</u></u>

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STATISTICAL SECTION

Western Brown Local School District

Statistical Section

The following statistical tables reflect economic data, financial trends and fiscal capacity of the School District.

WESTERN BROWN LOCAL SCHOOL DISTRICT

General Government Expenditures by Function (1)

Last Ten Fiscal Years

<u>Fiscal Year (2)</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Current:					
Instruction:					
Regular	\$5,522,019	\$6,325,427	\$6,552,823	\$6,599,280	\$6,986,880
Special	1,047,777	1,107,730	1,134,055	1,179,633	1,637,025
Vocational	202,934	214,616	216,331	225,227	238,702
Other	60,137	61,410	36,628	53,207	74,237
Support Services:					
Pupils	391,943	456,958	522,655	516,512	611,949
Instructional Staff	349,678	469,399	521,859	534,698	565,070
Board of Education	15,787	17,090	18,951	20,193	19,871
Administration	847,147	967,303	1,043,548	1,259,446	1,322,121
Fiscal	209,382	259,672	270,512	314,902	316,568
Business	0	0	0	0	0
Operation and Maintenance					
of Plant	861,158	995,880	1,014,982	1,066,097	1,061,173
Pupil Transportation	810,864	1,016,884	934,959	1,005,717	1,118,240
Central	5,914	15,708	15,884	18,470	26,581
Operation of Non-Instructional Services	6,941	1,295	2,085	2,197	2,110
Extracurricular Activities	214,945	251,502	274,545	210,195	224,208
Capital Outlay	788,123	364,637	735,301	2,775,367	3,264,502
Debt Service	109,435	172,226	173,755	132,867	757,114
Total	<u>\$11,444,184</u>	<u>\$12,697,737</u>	<u>\$13,468,873</u>	<u>\$15,914,008</u>	<u>\$18,226,351</u>

Source: Western Brown Local School District records.

- (1) Includes general, special revenue, capital projects and debt service funds.
- (2) In fiscal year 2004, the Ohio Department of Education (ODE) changed its accounting practice for remitting funding for open enrollment. In previous years, the School District was provided with and posted the net amount of monies received less monies deducted for payment to other districts. In 2004, ODE provided information which allowed the School District to post the gross amount of monies received and monies deducted, rather than the net amount. The 2003 expenditures have been adjusted to reflect this change for comparative purposes.

TABLE 1

2000	2001	2002	2003	2004
\$7,562,398	\$8,815,842	\$10,393,020	\$11,143,905	\$11,445,968
1,696,333	1,798,908	1,723,141	2,129,407	2,023,942
201,082	235,505	237,884	230,475	233,561
246,475	322,220	0	0	0
668,085	737,671	916,806	1,001,563	995,329
588,016	715,753	856,387	861,362	882,559
17,463	19,691	30,438	18,208	26,104
1,372,313	1,696,706	1,740,695	1,796,803	1,845,501
370,393	394,236	443,539	453,750	603,353
0	0	115	0	294
1,157,787	1,431,397	2,225,489	2,459,572	2,844,385
1,394,202	1,625,326	1,733,213	1,838,405	1,666,455
27,274	35,632	70,304	96,431	181,903
2,124	3,093	54,351	1,916	1,700
246,507	266,885	362,070	443,485	487,731
20,034,990	25,207,716	6,349,331	1,767,310	1,323,343
581,298	554,367	554,184	563,115	938,681
<u>\$36,166,740</u>	<u>\$43,860,948</u>	<u>\$27,690,967</u>	<u>\$24,805,707</u>	<u>\$25,500,809</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT

General Government Revenues by Source (1)
Last Ten Fiscal Years

<u>Fiscal Year (2)</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Taxes	\$2,104,303	\$2,330,221	\$1,887,549	\$2,928,840	\$3,372,682
Intergovernmental	8,991,566	9,757,083	10,957,534	11,726,451	20,804,415
Interest	109,029	122,740	115,598	156,887	491,425
Tuition and Fees	13,306	6,696	5,546	10,445	4,921
Extracurricular Activities	78,969	76,774	79,458	102,754	118,572
Rent	220	253	60,875	102	104
Contributions and Donations	0	0	0	0	0
Miscellaneous	<u>67,706</u>	<u>27,600</u>	<u>41,783</u>	<u>116,445</u>	<u>70,449</u>
Total	<u>\$11,365,099</u>	<u>\$12,321,367</u>	<u>\$13,148,343</u>	<u>\$15,041,924</u>	<u>\$24,862,568</u>

Source: Western Brown Local School District records.

- (1) Includes general, special revenue, capital projects and debt service funds.
- (2) In fiscal year 2004, the Ohio Department of Education (ODE) changed its accounting practice for remitting funding for open enrollment. In previous years, the School District was provided with and posted the net amount of monies received less monies deducted for payment to other districts. In 2004, ODE provided information which allowed the School District to post the gross amount of monies received and monies deducted, rather than the net amount. The 2003 revenues have been adjusted to reflect this change for comparative purposes.

TABLE 2

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$3,391,359	\$3,717,413	\$4,045,516	\$3,699,848	\$4,248,472
38,529,501	30,562,605	17,688,565	17,711,280	19,058,488
1,042,221	1,148,868	306,638	126,630	65,060
126,643	95,952	81,376	569,959	635,271
133,836	153,313	177,630	197,649	197,859
0	46	0	0	0
0	24,931	58,555	49,468	10,102
<u>290,924</u>	<u>88,057</u>	<u>134,706</u>	<u>98,399</u>	<u>69,562</u>
<u>\$43,514,484</u>	<u>\$35,791,185</u>	<u>\$22,492,986</u>	<u>\$22,453,233</u>	<u>\$24,284,814</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT

Governmental Activities Expenses by Function
Last Five Fiscal Years (1)

<u>Fiscal Year (2)</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Current:			
Instruction:			
Regular	\$8,068,695	\$10,067,185	\$12,180,875
Special	1,719,676	1,862,292	1,804,213
Vocational	199,223	247,993	265,181
Other	246,475	322,220	0
Support Services:			
Pupils	648,298	781,023	972,090
Instructional Staff	585,093	733,883	871,741
Board of Education	17,873	19,462	30,269
Administration	1,415,779	1,818,114	1,973,300
Fiscal	399,413	412,367	457,010
Business	0	15,950	115
Operation and Maintenance			
of Plant	1,163,058	1,441,306	2,164,658
Pupil Transportation	1,335,397	1,473,213	1,609,885
Central	39,941	61,637	70,364
Operation of Non-Instructional Services	2,124	3,093	73,801
Extracurricular Activities	254,892	291,069	401,793
Interest and Fiscal Charges	352,057	341,112	330,800
Total	<u>\$16,447,994</u>	<u>\$19,891,919</u>	<u>\$23,206,095</u>

Source: Western Brown Local School District records.

- (1) Fiscal year 2000 is the first year the District prepared full accrual statements for Governmental Activities.
- (2) In fiscal year 2004, the Ohio Department of Education (ODE) changed its accounting practice for remitting funding for open enrollment. In previous years, the School District was provided with and posted the net amount of monies received less monies deducted for payment to other districts. In 2004, ODE provided information which allowed the School District to post the gross amount of monies received and monies deducted, rather than the net amount. The 2003 expenditures have been adjusted to reflect this change for comparative purposes.

TABLE 3

<u>2003</u>	<u>2004</u>
\$12,962,329	\$13,157,172
2,242,856	2,100,815
273,998	269,774
0	0
1,084,700	1,064,124
886,418	904,816
18,213	26,087
2,126,037	2,092,474
485,519	625,984
0	294
2,534,729	3,098,831
1,662,716	1,769,004
97,847	179,493
1,916	1,887
521,942	568,400
338,146	333,859
<u>\$25,237,366</u>	<u>\$26,193,014</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT

Governmental Activities Revenues

Last Five Fiscal Years (1)

Fiscal Year (1)	Program Revenues		
	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
2000	\$260,479	\$1,798,652	\$283,058
2001	249,265	1,029,607	164,651
2002	261,506	1,828,883	187,682
2003	783,043	1,801,397	67,045
2004	848,404	2,253,283	78,650

Source: Western Brown Local School District records.

(1) In fiscal year 2004, the Ohio Department of Education (ODE) changed its accounting practice for remitting funding for open enrollment. In previous years, the School District was provided with and posted the net amount of monies received less monies deducted for payment to other districts. In 2004, ODE provided information which allowed the School District to post the gross amount of monies received and monies deducted, rather than the net amount. The 2003 revenues have been adjusted to reflect this change for comparative purposes.

TABLE 4

General Revenues					
Property Taxes	Grants and Entitlements	Investment Earnings	Gain on Sale of Capital Assets	Miscellaneous	Total
\$3,499,950	\$37,191,909	\$1,042,221	\$0	\$234,698	\$44,310,967
3,795,624	13,715,161	1,148,868	0	88,103	20,191,279
3,955,468	15,421,480	306,638	0	127,206	22,088,863
3,916,058	15,899,676	126,630	53,143	82,964	22,729,956
4,084,297	16,729,287	65,060	276,088	54,288	24,389,357

WESTERN BROWN LOCAL SCHOOL DISTRICT
Property Tax Levies and Collections - Real and Public Utility Property
Last Ten Collection (Calendar) Years

<u>Collection Year</u>	<u>Tax Levied (1)</u>	<u>Current Tax Collection (2)</u>	<u>Percent Collected</u>	<u>Delinquent Collection</u>	<u>Total Tax Collections</u>
1995	\$2,184,071	\$2,080,589	95.26%	\$147,252	\$2,227,841
1996	2,240,914	2,176,478	97.12	106,918	2,283,396
1997	2,366,746	2,230,989	94.26	97,492	2,328,481
1998	3,152,355	2,971,413	94.26	128,169	3,099,582
1999	3,499,080	2,994,064	85.57	192,717	3,186,781
2000	3,619,000	2,733,798	75.54	201,748	2,935,546
2001	3,996,074	2,784,616	69.68	230,414	3,015,030
2002	3,996,074	3,498,450	87.55	230,908	3,729,358
2003	4,153,755	3,620,965	87.17	226,570	3,847,535
2004	4,213,785	3,600,460	85.44	322,475	3,922,935

Source: Brown County Auditor

- (1) Taxes levied and collected are presented on a cash basis.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

TABLE 5

<u>Percent Of Total Collections To Levy</u>	<u>Outstanding Delinquent Taxes (3)</u>	<u>Percent of Outstanding Delinquent Taxes To Tax Levied</u>
102.00%	\$156,928	7.19%
101.90	121,315	5.41
98.38	114,227	4.83
98.33	179,904	5.71
91.07	312,299	8.93
81.11	329,691	9.11
75.45	289,171	7.24
93.33	230,908	5.78
92.63	306,220	7.37
93.10	290,850	6.90

WESTERN BROWN LOCAL SCHOOL DISTRICT

Assessed and Estimated Actual Value of Taxable Property
Last Ten Collection (Calendar) Years (1)

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1995	\$84,432,090	\$241,234,543	\$18,956,300	\$75,825,200
1996	86,287,220	246,534,914	19,790,970	79,163,880
1997	90,793,590	259,410,257	21,239,870	84,959,480
1998	109,251,850	312,148,140	19,863,940	108,307,960
1999	112,223,030	320,637,229	19,059,300	76,237,200
2000	118,254,980	337,871,758	18,815,010	75,260,040
2001	141,948,170	405,566,200	15,129,970	60,519,880
2002	148,785,410	425,101,171	11,087,420	44,349,680
2003	155,956,050	445,588,714	11,176,322	44,705,288
2004	178,136,460	508,961,314	9,924,264	39,697,056

Source: Brown County Auditor

- (1) Brown County Auditor property tax records are maintained on a calendar year basis.
- (2) Ratio represents total assessed value/total estimated actual value.

TABLE 6

Public Utilities Property		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio (2)
\$5,815,190	\$7,268,988	\$109,203,580	\$324,328,730	33.67%
5,967,480	7,459,350	112,045,670	333,158,144	33.63
6,304,190	7,880,238	118,337,650	352,249,975	33.59
7,262,630	9,078,288	136,378,420	420,518,080	32.43
7,389,800	9,237,250	138,672,130	406,111,679	34.15
7,713,000	9,641,250	144,782,990	443,831,366	32.62
8,829,875	11,037,344	165,908,015	477,123,424	34.77
7,851,920	9,814,900	167,724,750	479,265,751	35.00
8,142,990	10,178,738	175,275,362	500,472,740	35.02
8,247,680	10,309,600	196,308,404	558,967,970	35.12

WESTERN BROWN LOCAL SCHOOL DISTRICT

Property Tax Rates (Per \$1,000 of Assessed Valuation)

Direct and Overlapping Governments

Last Ten Collection (Calendar) Years

<u>Collection Year</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Western Brown Local School District	\$20.00	\$20.00	\$20.00	\$25.20	\$25.20
Brown County	5.80	5.80	5.80	5.80	5.80
Village of Mt. Orab	9.10	9.10	9.10	9.10	9.10
Southern Hills Joint Vocational School	5.80	5.80	5.80	5.80	5.80
Green Township	3.00	3.00	3.50	3.50	3.50
Pike Township	3.50	3.50	3.50	3.50	3.50
Sterling Township	5.50	5.50	5.50	5.50	5.50
Clark Township	3.60	3.60	4.10	4.10	4.10
Lewis Township	3.10	3.10	3.10	3.10	3.10
Scott Township	3.30	3.30	3.30	3.30	3.30

Source: Brown County Auditor

TABLE 7

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$25.20	\$25.20	\$23.70	\$23.70	\$23.20
5.80	5.80	5.80	5.80	5.80
9.10	9.10	9.10	9.10	9.10
5.80	5.80	5.80	5.80	5.80
3.50	3.50	4.50	4.50	4.50
3.50	3.50	4.50	4.50	4.50
5.50	5.50	6.50	6.50	6.50
4.60	4.60	4.60	4.60	4.60
3.25	3.25	3.25	3.25	3.25
3.30	3.30	3.30	4.00	4.00

TABLE 8**WESTERN BROWN LOCAL SCHOOL DISTRICT**

Ratio of Net General Bonded Debt to Assessed Value
 And Net Bonded Debt per Capita
 Last Ten Fiscal Years

Year	Population (1)	Total Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (%)	Net Bonded Debt Per Capita
1995	11,662	\$109,203,580	\$334,000	\$20,561	\$313,439	0.29%	\$27
1996	11,662	112,045,670	287,600	35,231	252,369	0.23	22
1997	11,662	118,337,650	241,200	6,880	234,320	0.20	20
1998	11,662	136,378,420	7,474,400	411,601	7,062,799	5.18	606
1999	11,662	138,672,130	7,120,400	473,360	6,647,040	4.79	570
2000	16,482	144,782,990	6,931,000	700,415	6,230,585	4.30	378
2001	16,482	165,908,015	6,676,000	990,387	5,685,613	3.43	345
2002	16,482	167,724,750	6,508,000	1,187,762	5,320,238	3.17	323
2003	16,482	175,275,362	6,330,000	1,263,046	5,066,954	2.89	307
2004	16,482	196,308,404	6,165,000	1,410,236	4,754,764	2.42	288

(1) Source: 1994 through 1999 population data from 1990 U.S. census.
 After 1999, population data is from U.S. census estimates.

(2) Source: Brown County Auditor, calendar year basis.

(3) Excludes Energy Conservation Bonds

TABLE 9**WESTERN BROWN LOCAL SCHOOL DISTRICT**

Computation of Legal Debt Margin

June 30, 2004

Assessed Valuation of District		<u><u>\$196,308,404</u></u>
<u>Overall Direct Debt Limitation</u>		
Direct debt limitation		
9% of assessed valuation (1)		\$17,667,756
Amount available in Debt Service Fund		1,410,236
Gross indebtedness	\$6,187,000	
Less Exempt Debt:		
Energy Conservation Bonds	<u>(22,000)</u>	
Net indebtedness		<u>(6,165,000)</u>
Legal debt margin within 9% limitation		<u><u>\$12,912,992</u></u>
<u>Unvoted Direct Debt Limitation</u>		
0.1% of assessed valuation (1)		\$196,308
Gross indebtedness	22,000	
Less Exempt Debt:		
Energy Conservation Bonds	<u>(22,000)</u>	
Net indebtedness		<u>0</u>
Legal debt margin within 0.1% limitation		<u><u>\$196,308</u></u>
<u>Energy Conservation Debt Limitation</u>		
Debt limitation		
0.9% of assessed valuation (1)		\$1,766,776
Net debt within 0.9% limitation		<u>(22,000)</u>
Energy Conservation Debt Margin		<u><u>\$1,744,776</u></u>

Source: Western Brown Local School District records.

- (1) Ohio Bond Law sets a limit of 9% for overall debt, 0.9% for Energy Conservation measures and 1/10 of 1% for unvoted debt.

TABLE 10**WESTERN BROWN LOCAL SCHOOL DISTRICT**

Computation of Direct and Overlapping Debt

June 30, 2004

Governmental Unit	Gross General Obligation Bonds (1)	Percent Applicable to District	Amount Applicable to District
Direct:			
Western Brown Local School District	\$6,165,000	100.00%	\$6,165,000
Overlapping:			
Brown County	2,654,540	34.50	915,816
Total direct and overlapping debt	\$8,819,540		\$7,080,816

Source: Ohio Municipal Advisory Council

(1) Excludes Energy Conservation Bonds.

TABLE 11

WESTERN BROWN LOCAL SCHOOL DISTRICT
 Ratio of Annual Debt Service Expenditures
 For General Bonded Debt to Total General Government Expenditures
 Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Government Expenditures	Ratio of Debt Service to General Expenditures (%)
1995	\$0	\$0	\$0	\$172,226	0.00%
1996	46,400	25,810	72,210	173,755	41.56
1997	46,400	21,414	67,814	132,867	51.04
1998	46,400	13,102	59,502	757,114	7.86
1999	354,000	348,183	702,183	581,298	120.80
2000	189,400	351,302	540,702	554,367	97.54
2001	153,000	332,473	485,473	554,184	87.60
2002	168,000	325,487	493,487	563,115	87.64
2003	178,000	317,915	495,915	24,805,707	2.00
2004	165,000	310,506	475,506	25,500,809	1.86

Source: Western Brown Local School District records.

WESTERN BROWN LOCAL SCHOOL DISTRICT

Demographic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Brown County Population (1)</u>	<u>Population of District (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Brown County (3)</u>	<u>Unemployment Rate State of Ohio (3)</u>	<u>Unemployment Rate U.S.A. (3)</u>
1995	34,966	11,662	3,128	5.90%	4.80%	5.60%
1996	34,966	11,662	3,125	6.10	4.90	4.90
1997	34,966	11,662	3,209	4.50	4.10	4.70
1998	34,966	11,662	3,219	5.50	4.50	4.70
1999	34,966	11,662	3,312	5.30	4.60	4.30
2000	41,576	16,482	3,381	5.90	4.20	4.20
2001	41,576	16,482	3,287	5.50	4.10	4.90
2002	41,576	16,482	3,335	7.20	5.50	5.70
2003	41,576	16,482	3,356	6.20	5.80	6.10
2004	41,576	16,482	3,365	6.20	5.80	6.10

Sources: (1) 1994 through 1999 population data from 1990 U.S. census
After 1999, population data is from the 2000 U.S. census

(2) Western Brown Local School District Records

(3) Ohio Department of Jobs and Family Services

TABLE 13

WESTERN BROWN LOCAL SCHOOL DISTRICT
Construction, Bank Deposits and Property Values
Last Ten Calendar Years

<u>Year</u>	<u>Construction (1)</u>	<u>County Bank Deposits (2) (in thousands)</u>	<u>Property Values (3)</u>
1995	\$2,456,000	\$86,564	\$84,432,090
1996	2,309,638	96,410	86,287,220
1997	2,625,011	79,345	90,793,590
1998	3,096,410	87,654	109,251,850
1999	2,632,391	87,294	112,223,030
2000	4,897,529	93,527	118,254,980
2001	11,428,103	107,946	141,948,170
2002	8,598,632	128,145	148,785,410
2003	5,272,491	157,570	155,956,050
2004	4,762,524	149,596	178,136,460

- Sources:
- (1) 1994-1996 data from Building Permit Survey, prepared by the Bureau of Census
1997-2000 data from Bureau of Census World Wide Web site
 - (2) Federal Reserve Bank of Cleveland
 - (3) Brown County Auditor, calendar year basis - assessed value of real property only.

TABLE 14**WESTERN BROWN LOCAL SCHOOL DISTRICT**

Top Ten Principal Taxpayers

Real Property

Name of Taxpayer	Assessed Valuation	% of Total Assessed Valuation
Kroger Limited Partnership	\$4,892,400	2.75%
Cincinnati Milacron	4,047,600	2.27%
Trinity Industries	1,888,870	1.06%
Ava Jo Bohl	1,537,857	0.86%
BHM Enterprises	1,423,342	0.80%
Howard Meeker L & F	1,254,742	0.70%
Countrytyme Lebanon	1,208,600	0.68%
Scottwood Commons	1,143,800	0.64%
Lake Grant Ltd.	1,092,142	0.61%
N A L Company	1,072,171	0.60%
Total Principal Taxpayers	\$19,561,524	10.98%
Total School District Real Property Assessed Value	\$178,136,460	100.00%

Source: Brown County Auditor.

TABLE 15**WESTERN BROWN LOCAL SCHOOL DISTRICT**

Miscellaneous Statistical Data

June 30, 2004

Original Charter:	July 19, 1971
Form of Government:	Public School District
Area of District:	141 square miles
Number of Miles Traveled by Transportation Fleet for the Fiscal 2003 School Year:	592,028

<u>School</u>	<u>Grade Levels</u>	<u>Enrollment</u>
Hamersville Elementary	K - 8	789
Mt. Orab Elementary	Pre K - 4	873
Mt. Orab Middle School	5 - 8	748
Western Brown High School	9 - 12	955
Total		<u><u>3,365</u></u>

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor	32	15.46 %
Bachelor +150	45	21.74
Masters	26	12.56
Masters +15 or more	104	50.24
Total	<u><u>207</u></u>	<u><u>100.00 %</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	56	27.05 %
6 - 10	36	17.39
11 - 15	23	11.12
16 - 20	28	13.53
21 - 25	21	10.14
26 and over	43	20.77
Total	<u><u>207</u></u>	<u><u>100.00 %</u></u>

Source: Western Brown Local School District records.

WESTERN BROWN LOCAL SCHOOL DISTRICT

Enrollment
Last Ten Fiscal Years

<u>Year</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
1995	253	279	224	247	281	238	244	263
1996	246	290	250	242	249	249	237	252
1997	246	296	257	251	243	237	272	250
1998	250	288	256	256	273	236	245	276
1999	317	244	268	263	280	256	254	250
2000	255	323	253	281	274	289	265	259
2001	239	278	298	256	267	269	271	270
2002	197	271	288	303	250	271	276	269
2003	226	212	270	284	311	258	280	287
2004	267	245	208	261	281	324	255	273

Source: Western Brown Local School District records.

TABLE 16

<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>Total</u>
227	233	244	218	177	3,128
246	240	225	211	188	3,125
233	258	232	209	225	3,209
249	223	245	232	190	3,219
287	240	213	232	208	3,312
264	277	231	194	216	3,381
237	252	268	209	173	3,287
261	251	249	256	193	3,335
271	255	240	230	232	3,356
295	253	258	231	214	3,365

TABLE 17***WESTERN BROWN LOCAL SCHOOL DISTRICT***Per Pupil Cost
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Western Brown Local All Funds</u>	<u>State Average</u>	<u>Difference + (-)</u>
1995	\$4,098	\$5,218	(\$1,120)
1996	4,429	5,545	(1,116)
1997	4,483	5,932	(1,449)
1998	6,905	6,281	624
1999	4,883	6,800	(1,917)
2000	5,031	7,235	(2,204)
2001	5,862	7,578	(1,716)
2002	6,474	8,054	(1,580)
2003	6,622	8,073	(1,451)
2004	6,436	8,261	(1,825)

Source: Western Brown Local School District records.

TABLE 18**WESTERN BROWN LOCAL SCHOOL DISTRICT**

Comparative Statistical Data

June 30, 2004

	Western Brown Local Schools	State
Expenditure Per Pupil (all funds)	\$6,436	\$8,261
H.S. Graduation Rate	86.0%	84.3%
Student Attendance Rate	94.6%	94.5%
<u>Proficiency Tests: Percentage of Students Who Passed</u>		
Grade 4: Math	57.7%	65.8%
Reading	66.9%	70.8%
Writing	73.5%	78.6%
Citizenship	52.2%	59.4%
Science	69.5%	64.4%
Grade 6: Math	72.2%	65.6%
Reading	66.3%	64.6%
Writing	86.2%	90.3%
Citizenship	59.8%	67.9%
Science	64.6%	63.1%
Grade 9: Math	76.9%	84.5%
Reading	92.0%	95.7%
Writing	90.8%	95.8%
Citizenship	88.7%	92.1%
Science	79.8%	88.3%
<u>Student Demographics: Racial Ethnic Data Percentages</u>		
White	99.4%	
Black	0.4%	
Hispanic	0.0%	
Asian	0.1%	
American Indian, Alaskan	0.0%	
Multi-Racial	0.1%	

Source: Ohio Department of Education, EMIS District Profile

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**Auditor of State
Betty Montgomery**

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**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 13, 2005**