



**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 EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$94,092	\$0	\$100,125
National School Breakfast Program	05-PU-04 05-PU-05	10.553 10.553	9,993 55,426 <u>65,419</u>		9,993 55,426 <u>65,419</u>	
National School Lunch Program	LL-P4-04 LL-P4-05	10.555 10.555	108,185 289,952 <u>398,137</u>		108,185 289,952 <u>398,137</u>	
Total U.S. Department of Agriculture - Nutrition Cluster			<u>463,556</u>	<u>94,092</u>	<u>463,556</u>	<u>100,125</u>
U.S. DEPARTMENT OF DEFENSE (ARMY)						
National Guard Civilian Youth Opportunities	N/A	12.404	<u>43,700</u>	<u>0</u>	<u>43,700</u>	<u>0</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Grants to States (IDEA Part B)	6B-SF-04 6B-SF-05	84.027 84.027	573 467,903 <u>468,476</u>	0	11,892 458,237 <u>470,129</u>	0
Title I Grants to Local Educational Agencies	CI-S1-04 C1-S1-05	84.010 84.010	37,253 386,333 <u>423,586</u>	0	92,933 372,389 <u>465,322</u>	0
Safe and Drug-Free Schools and Communities - State Grants	DR-S1-04 DR-S1-05	84.186 84.186	16,712 <u>16,712</u>	0	4,069 13,753 <u>17,822</u>	0
Innovative Educational Program Strategies	C2-S1-04 C2-S1-05	84.298 84.298	0 8,830 <u>8,830</u>	0	4,494 8,830 <u>13,324</u>	0
Improving Teacher Quality	TR-S1-04 TR-S1-05	84.367 84.367	5,880 147,937 <u>153,817</u>	0	15,381 141,322 <u>156,703</u>	0
Technology Literacy Challenge Grant	TJ-S1-04 TJ-S1-05	84.318 84.318	0 8,849 <u>8,849</u>	0	5,880 3,600 <u>9,480</u>	0
Total Department of Education			<u>1,080,270</u>	<u>0</u>	<u>1,132,780</u>	<u>0</u>
Totals			<u><u>\$1,587,526</u></u>	<u><u>\$94,092</u></u>	<u><u>\$1,640,036</u></u>	<u><u>\$100,125</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 EXPENDITURES
JUNE 30, 2005**

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards 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 INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Western Brown Local School District, Brown County, Ohio (the District), as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2005. 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 the Comptroller General of the United States *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated December 15, 2005 we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 or other matters we must report under *Government Auditing Standards*.

Western Brown Local School District
Brown County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies and pass-through entities. It is not intended for 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 15, 2005



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM 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

To the Board of Education:

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 apply to its major federal program for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to its major federal program. 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures 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 apply to its major federal program for the year ended June 30, 2005.

Internal Control Over Compliance

The District's management 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 directly and materially affect a major federal program 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.

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 reportable 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 caused by error or fraud 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 when 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 Expenditures

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Western Brown Local School District, Brown County, Ohio as of and for the year ended June 30, 2005, and have issued our report thereon dated December 15, 2005. Our audit was performed to form an opinion on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information 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 intend this report solely for the information and use of the audit committee, the Board of Education, and federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

December 15, 2005

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2005**

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):	Title I Grant to Local Educational Agencies, CFDA # 84.010
(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, 2005*

INTRODUCTORY SECTION

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WESTERN BROWN LOCAL SCHOOL DISTRICT

MT. ORAB, OHIO

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Issued by:
Treasurer's Office

Denny Dunlap, Treasurer

Western Brown Local School District
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WESTERN BROWN LOCAL SCHOOL DISTRICT

BOARD OF EDUCATION

Bruce S. Wallace, President
James W. Herrmann, Vice President
JoAnn Hildebrandt
William H. Neal
Richard E. Pride II



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

ADMINISTRATION

Jeffrey Royalty, Superintendent
Denny Dunlap, CPA, Treasurer
William Garrett, Assistant Superintendent
Eva M. Lanier, Executive Secretary
Jina Bohl, Director of Curriculum and Instruction
Billy Brandenburg, Building Project Coordinator
Kendra Byrd, Special Education Coordinator
Dan Colonel, Maintenance Supervisor
Joe Howser, Transportation Supervisor
Stella Napier, Food Service Director

December 15, 2005

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, 2005. This Comprehensive Annual Financial Report, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to government entities. The intent of this report is to provide the taxpayers of the Western Brown Local School District with comprehensive financial data in a format that enables them to gain a true understanding of the School District's financial affairs as well as provide management with better financial information for future decision making.

State law requires that every general-purpose local government submit a complete set of financial statements within five months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2005.

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

The Auditor of State of Ohio has issued an unqualified ("clean") opinion on the Western Brown Local School District's financial statements for the fiscal year ended June 30, 2005. The report of independent accountants is located at the front of the Financial Section of this report.

Management's discussion and analysis immediately follows the report of independent accountants and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

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 organizational chart, the School District's consultants and advisors, the GFOA and ASBO certificates the School District received for the June 30, 2004 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, the combining and individual fund 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.

FORMATION OF THE SCHOOL DISTRICT

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

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

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

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

FORM OF GOVERNMENT AND REPORTING ENTITY

The Board of Education of the Western Brown Local School District is a five member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, 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, 2005, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Richard Pride II	Jan. 2002 - Dec. 2005	3 - 1/2
Jim Herrmann	Jan. 2004 - Dec. 2007	13 - 1/2
William Neal	Jan. 2004 - Dec. 2007	13 - 1/2
JoAnn Hildebrandt	Jan. 2004 - Dec. 2007	1 - 1/2
Bruce Wallace	Jan. 2002 - Dec. 2005	20 - 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. Jeffrey A. Royalty was appointed Superintendent on January 11, 2004. Mr. Royalty's contract expires on July 31, 2006.

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 2009.

The School District employs 349 full time employees. These employees include certified, non-certified and administrative personnel providing services to 3,383 students.

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.

The School Board is required to adopt a final budget no later than the close of the school year. This annual budget serves as the foundation of the Western Brown Local School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The legal level of budgetary control is established at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

ECONOMIC CONDITION AND OUTLOOK

The School District's communities are residential communities with a heritage of farming. Companies in the communities are food chains, grocery stores and gas stations. There are some companies that provide building materials and automotive parts. The manufacturing companies that we have provide plastic processing and the building of trailers and farm equipment.

Brown County is a rural community in Southern Ohio with a relatively high unemployment rate. During the past ten years, the unemployment rate rose from 6.10 percent in 1996 to a high of 7.20 percent in 2002, with a current rate of 6.50 percent. The population of Brown County in the 2000 census was 41,576. Population projections for Brown County are indicating growth over the next decade. The projected increase in population is attributed to more affordable housing, rural communities and cheaper property taxes.

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.

The School District served 3,383 students during the 2005 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.

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.

FINANCIAL TRENDS

Expenditures continue to exceed revenues in the General Fund. The Western Brown Local School District is concerned of this financial trend and will be evaluating its expenditures in order to make cuts to keep the School District solvent. Currently, the School District's forecast shows a deficit in fiscal year 2008.

FINANCIAL PLANNING AND POLICIES

Due to our enrollment not increasing as we expected and the economy in the State of Ohio, our revenue will not be increasing as in the past. This means we must manage our finances much closer so we can provide an education to the students of the School District.

An issue the School District is encountering is House Bill 66. In June 2005, House Bill 66 was signed and put into law. This bill phases out the tangible personal property tax. This bill will effect future planning of the School District's budget because the School District will lose 2 percent of its General Fund revenue when this tax is phased out beginning in the year 2011.

Another issue with the School District is Tax Incremental Financing Projects. Tax increment financing is a development tool that exempts taxes on the incremental value of properties and instead collects payments in lieu of taxes from property owners. Currently, the Village of Mt. Orab is seeking Tax Increment Financing Projects in compliance with State of Ohio laws. This means the School District needs to approve the projects or deny the projects. House Bill 66 also affected Tax Increment Financing Projects. The projects need to be approved by January 1, 2006 and meet certain criteria in order not to affect the School District's State funding.

MAJOR INITIATIVES

The School District has successfully completed projects that included the refurbishing of the track surface at WBHS and five new tennis courts there as well. In addition to this, gym dividers were installed for use by PE classes at Mt. Orab Middle School. A new gymnasium sound system and acoustical treatment has been installed at Mt. Orab Elementary School. The School District was also able to purchase and renovate a facility to house our maintenance department operations.

In regards to School District academic performance, the School District, through continued effort and focus on student achievement, managed to show increases in the State accountability system in nearly every category. This across the board improvement in the District performance index score moved Western Brown Local School District within one percentage point of the Effective District category. Western Brown was recognized as one of 36 districts across the State that improved by more than 10 points on the State performance index score.

Major long-term efforts in this 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 District and buildings;
- Development of school portfolios as a means of measuring progress and data analysis, and the development of comprehensive school improvement plans;
- Implementation of the Program Evaluation Protocol district-wide;
- Development of a comprehensive two-way communications plan with all stakeholders of the School District; and
- Development of a system of Collaborative Team Planning for ongoing improvement work in the School District.

The Treasurer plans to continue to prepare the Comprehensive Annual Financial Report in future fiscal years.

AWARDS AND ACKNOWLEDGEMENTS

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the Western Brown Local School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2004. 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, 2004 to the Western Brown Local School District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004, 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 of their efforts and contributions in the preparation of this Comprehensive Annual Financial Report.

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

Respectfully submitted,

Jeff Royalty
Superintendent

Denny Dunlap, CPA
Treasurer

*Western Brown Local School District
Principal Officials
As Of June 30, 2005*

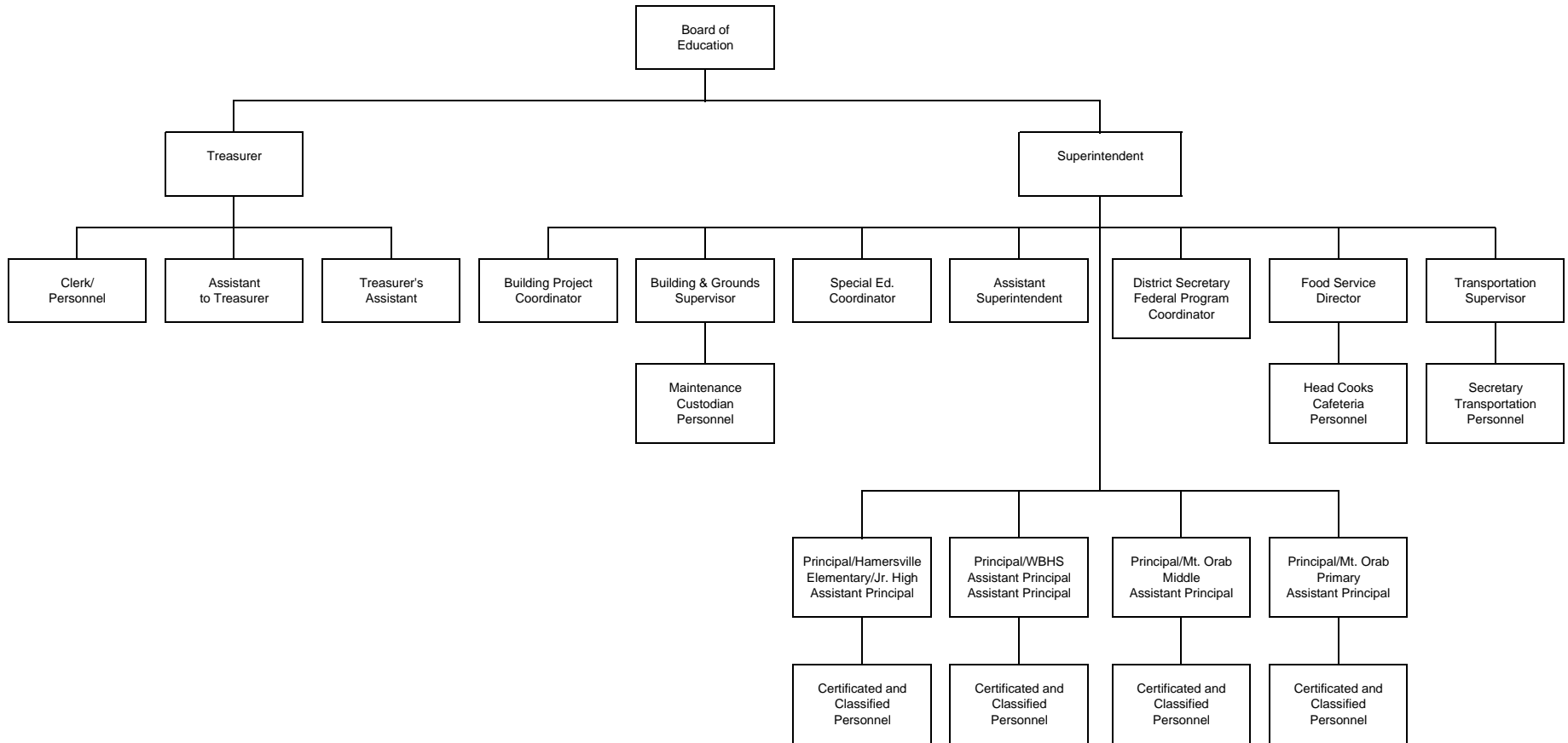
ELECTED OFFICIALS

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, 2005**



Western Brown Local School District
Consultants and Advisors
June 30, 2005

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

**Workers' 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

NCB, FSB
139 South High Street
Hillsboro, OH 45133

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Western Brown Local School District, Ohio

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Zelle

President

Jeffrey R. Emer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

WESTERN BROWN LOCAL SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2004

Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

John Stankovic
President

Ernie H. Keller
Executive Director

Western Brown Local Schools

Strategic Plan

Adopted by the Western Brown Board of Education
June 30, 2005

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 interest 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 Individualized Educational Program goals and measures aligned with the academic content standards.
- All students will be educated in learning environments that are safe, drug free, and conducive in learning.

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

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FINANCIAL SECTION

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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, 2005, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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, 2005, 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 15, 2005, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor 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 tables to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.



Betty Montgomery
Auditor of State

December 15, 2005

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
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, 2005. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards 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 \$1,867,877. Net assets of governmental activities decreased \$1,766,833 and net assets of business-type activity decreased by \$101,044. Governmental expenses increased by \$1,025,585, due primarily to increases in regular instruction, special instruction and extracurricular activities, while governmental revenues increased by \$1,106,024. In addition, capital assets of governmental activities decreased by \$1,455,718 and long-term liabilities of governmental activities decreased by \$13,075.

- General revenues accounted for \$21,998,422, or 86 percent of all total revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,496,959 or 14 percent of total revenues of \$25,495,381.

- Total assets of governmental activities decreased by \$945,156, due mainly to a \$1,138,148, increase in capital assets offset by a \$2,593,866 increase in accumulated depreciation.

- The School District had \$27,218,599 in expenses related to governmental activities; only \$3,496,959 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$21,998,422 were used to provide for these programs along with unrestricted net assets from prior years.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
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 2005?" 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, 2005
Unaudited

In the Statement of Net Assets and the Statement 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 extracurricular 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 program is reported as a business activity.

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 Statement 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, 2005
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 2005 and 2004:

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Assets						
Current and other Assets	\$12,115,689	\$11,605,127	\$208,894	\$224,083	\$12,324,583	\$11,829,210
Capital Assets	57,573,056	59,028,774	2,033,945	2,111,448	59,607,001	61,140,222
Total Assets	69,688,745	70,633,901	2,242,839	2,335,531	71,931,584	72,969,432
Liabilities						
Long-Term Liabilities	(8,013,554)	(8,026,629)	(16,780)	(16,063)	(8,030,334)	(8,042,692)
Other Liabilities	(6,944,250)	(6,109,498)	(118,381)	(110,746)	(7,062,631)	(6,220,244)
Total Liabilities	(14,957,804)	(14,136,127)	(135,161)	(126,809)	(15,092,965)	(14,262,936)
Net Assets						
Invested in Capital Assets Net of Debt	51,070,621	52,270,245	2,033,945	2,111,448	53,104,566	54,381,693
Restricted	3,953,047	4,892,531	0	0	3,953,047	4,892,531
Unrestricted (Deficit)	(292,727)	(665,002)	73,733	97,274	(218,994)	(567,728)
Total Net Assets	\$54,730,941	\$56,497,774	\$2,107,678	\$2,208,722	\$56,838,619	\$58,706,496

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Table 2 shows the changes in net assets for fiscal year 2005 and 2004.

(Table 2)
Changes in Net Assets

	Governmental Activities 2005	Governmental Activities 2004	Business-Type Activities 2005	Business-Type Activities 2004	Total 2005	Total 2004
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,012,266	\$848,404	\$596,124	\$584,299	\$1,608,390	\$1,432,703
Operating Grants and Contributions	2,484,693	2,253,283	506,964	400,574	2,991,657	2,653,857
Capital Grants and Contributions	0	78,650	0	0	0	78,650
Total Program Revenues	3,496,959	3,180,337	1,103,088	984,873	4,600,047	4,165,210
General Revenues:						
Property Taxes	4,668,587	4,084,297	0	0	4,668,587	4,084,297
Grants and Entitlements not Restricted to Specific Programs	17,078,312	16,729,287	0	0	17,078,312	16,729,287
Investment Earnings	103,622	65,060	18,778	1,592	122,400	66,652
Gifts and Donations	5,841	0	0	0	5,841	0
Gain on Sale of Capital Assets	0	276,088	0	0	0	276,088
Miscellaneous	142,060	54,288	0	17,308	142,060	71,596
Total General Revenues	21,998,422	21,209,020	18,778	18,900	22,017,200	21,227,920
Total Revenues	\$25,495,381	\$24,389,357	\$1,121,866	\$1,003,773	\$26,617,247	\$25,393,130
Program Expenses						
Instruction						
Regular	13,628,477	13,157,172	0	0	13,628,477	13,157,172
Special	2,596,384	2,100,815	0	0	2,596,384	2,100,815
Vocational	288,623	269,774	0	0	288,623	269,774
Support Services						
Pupils	1,095,373	1,064,124	0	0	1,095,373	1,064,124
Instructional Staff	878,219	904,816	0	0	878,219	904,816
Board of Education	23,317	26,087	0	0	23,317	26,087
Administration	2,178,806	2,092,474	0	0	2,178,806	2,092,474
Fiscal	534,234	625,984	0	0	534,234	625,984
Business	31,641	294	0	0	31,641	294
Operation and Maintenance of Plant	2,821,977	3,098,831	0	0	2,821,977	3,098,831
Pupil Transportation	1,920,582	1,769,004	0	0	1,920,582	1,769,004
Central	211,797	179,493	0	0	211,797	179,493
Operation of Non-Instructional Services	46,862	1,887	0	0	46,862	1,887
Extracurricular Activities	640,459	568,400	0	0	640,459	568,400
Interest and Fiscal Charges	321,848	333,859	0	0	321,848	333,859
Food Service	0	0	1,266,525	1,199,293	1,266,525	1,199,293
Total Expenses	27,218,599	26,193,014	1,266,525	1,199,293	28,485,124	27,392,307
Decrease in Net Assets Before						
Transfers	(1,723,218)	(1,803,657)	(144,659)	(195,520)	(1,867,877)	(1,999,177)
Transfers	(43,615)	0	43,615	0	0	0
Decrease in Net Assets	(1,766,833)	(1,803,657)	(101,044)	(195,520)	(1,867,877)	(1,999,177)
Net Assets - 7/1/2004	56,497,774	58,301,431	2,208,722	2,404,242	58,706,496	60,705,673
Net Assets - 6/30/2005	\$54,730,941	\$56,497,774	\$2,107,678	\$2,208,722	\$56,838,619	\$58,706,496

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Governmental Activities

The School District has been able to benefit greatly due to the increase in State funding. Grants and Entitlements made up 67 percent of revenues for governmental activities of the Western Brown Local School District for fiscal year 2005.

Instruction comprises 61 percent of governmental program expenses. Support services expenses make up 36 percent of governmental expenses.

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

(Table 3)
 Governmental Activities

	Total Cost of Services 2005	Total Cost of Services 2004	Net Cost of Services 2005	Net Cost of Services 2004
Instruction	\$16,513,484	\$15,527,761	(\$14,161,255)	(\$13,326,894)
Support Services	9,695,946	9,761,107	(8,658,675)	(8,980,704)
Operation of Non-Instructional Services	46,862	1,887	(43,818)	(679)
Extracurricular Activities	640,459	568,400	(536,044)	(370,541)
Interest and Fiscal Charges	321,848	333,859	(321,848)	(333,859)
Total Expenses	\$27,218,599	\$26,193,014	(\$23,721,640)	(\$23,012,677)

Business-Type Activities

The only business-type activity is the food service operation. This program had revenues of \$1,165,481 and expenses of \$1,266,525 for fiscal year 2005. Of the revenues, \$596,124 was charges for services and sales, \$506,964 was from State and Federal grants, and \$18,778 was from investment earnings. 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, 2005
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 of \$25,335,694 and expenditures of \$25,819,990. The net change in fund balance for the year was most significant in the General Fund, a decrease of \$241,006. This was due to an increase in all instruction expenditures along with an increase in almost all support services.

The Debt Service Fund saw an increase in fund balance of \$183,277 which was the result of increased property tax and intergovernmental revenues.

The decrease of \$541,361 in the Western Brown Construction Project fund was primarily the result of replacing a HVAC system in the Mt. Orab Middle School.

General Fund - Budget Highlights

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

During the course of fiscal year 2005 the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A summary of the General Fund's original and final budgeted amounts is listed on page 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 \$22,381,445 with an original budget estimate of \$21,688,586. The difference of \$767,859 was primarily due to increases in tuition and fees revenue and additional State foundation monies being received.

The School District's ending unobligated cash balance was \$162,226 above the final budgeted amount.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2005, the School District had \$59,607,001 invested in land, buildings and improvements, furniture and equipment, and vehicles. \$57,573,056 was the net capital assets in governmental activities. Table 4 shows fiscal year 2005 balances compared to 2004:

(Table 4)

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$2,515,954	\$2,493,304	\$0	\$0	\$2,515,954	\$2,493,304
Buildings and Improvements	50,952,782	52,221,036	1,154,850	1,192,318	52,107,632	53,413,354
Furniture and Equipment	2,838,969	3,475,117	879,095	919,130	3,718,064	4,394,247
Vehicles	734,991	839,317	0	0	734,991	839,317
Construction in Progress	530,360	0	0	0	530,360	0
Totals	\$57,573,056	\$59,028,774	\$2,033,945	\$2,111,448	\$59,607,001	\$61,140,222

Net capital assets decreased from the prior year. The amount of depreciation was greater than the additions to capital assets, resulting in a net decrease for the year. The School District purchased a maintenance building, new buses and furniture and equipment for the school buildings. In addition, the School District has construction in progress related to the installation of a new HVAC system at the Mt. Orab Middle School building.

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, 2005
Unaudited

Debt

At June 30, 2005, the School District had \$5,975,000 in bonds outstanding, \$200,000 due within one year. Table 5 summarizes bonds outstanding at 2005 and 2004:

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

	2005	2004
General Obligation Bonds:		
1998-School Improvement Bonds	\$5,975,000	\$6,165,000
1995-Energy Conservation Bonds	0	22,000
Total	\$5,975,000	\$6,187,000

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, 2005 the School District's overall legal debt margin was \$13,749,347 with an unvoted debt margin of \$201,454, at June 30, 2005. 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, 2005
Unaudited

District Challenges for the Future

A major concern for the School District is that 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. However, when looking at the five –year forecast, we do begin a deficit in year three. Our School District is primarily dependent on State funding for its operations and due to State provided gap-aid, running a levy to increase revenue is not a viable option. The 2005-2006 and 2006-2007 Biennium Budget in Ohio is one of the worst for education in history and this is a major contributor to our problem as it is for districts all around the State.

The School District's enrollment is growing but not at rates that we had expected and we continue to see a positive return on open enrollment students coming into the School District. In years past, more students have been 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. We are also currently closely monitoring the CSADM 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 continue to work 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. With levy options out of the question for us it does not take much to understand that reduction of staff and programs is our only option at this time. This is especially distasteful as our District has just been recently recognized by the Ohio Department of Education and State Board of Education for exceptional progress in academic performance as reported on the Ohio Local Report Card. If we find ourselves in the position of making cuts to staff and programs, can we expect to continue that progress? Hopefully, through careful planning and conservative spending we will do our best to ensure that the School District maintains its positive financial outlook as well as its progress towards becoming a high performing school district.

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, 2005

	Governmental Activities	Business-Type Activity	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$6,295,789	\$196,279	\$6,492,068
Accrued Interest Receivable	336	0	336
Prepaid Items	25,941	0	25,941
Inventory Held for Resale	0	10,876	10,876
Materials and Supplies Inventory	0	1,739	1,739
Intergovernmental Receivable	636,582	0	636,582
Taxes Receivable	5,110,929	0	5,110,929
Accounts Receivable	547	0	547
Cash and Cash Equivalents with Fiscal Agents	5,000	0	5,000
Investments with Fiscal Agents	26,225	0	26,225
Deferred Charges	14,340	0	14,340
Capital Assets:			
Land and Construction in Progress	3,046,314	0	3,046,314
Depreciable Capital Assets, Net	54,526,742	2,033,945	56,560,687
<i>Total Assets</i>	<u>69,688,745</u>	<u>2,242,839</u>	<u>71,931,584</u>
Liabilities			
Accounts Payable	175,884	584	176,468
Contracts Payable	1,552	0	1,552
Accrued Wages and Benefits	1,963,958	75,400	2,039,358
Matured Compensated Absences Payable	106,501	0	106,501
Intergovernmental Payable	638,540	42,397	680,937
Deferred Revenue	4,000,377	0	4,000,377
Matured Bonds Payable	5,000	0	5,000
Accrued Interest Payable	24,938	0	24,938
Retainage Payable	27,500	0	27,500
Long-Term Liabilities:			
Due Within One Year	299,587	440	300,027
Due in More Than One Year	7,713,967	16,340	7,730,307
<i>Total Liabilities</i>	<u>14,957,804</u>	<u>135,161</u>	<u>15,092,965</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	51,070,621	2,033,945	53,104,566
Restricted for:			
Debt Service	1,589,643	0	1,589,643
Capital Projects	1,137,508	0	1,137,508
Other Purposes	898,263	0	898,263
Set Asides	327,633	0	327,633
Unrestricted (Deficit)	(292,727)	73,733	(218,994)
<i>Total Net Assets</i>	<u>\$54,730,941</u>	<u>\$2,107,678</u>	<u>\$56,838,619</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2005

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activity	Business-Type Activity	Total
Governmental Activities						
Instruction:						
Regular	\$13,628,477	\$503,348	\$343,345	(\$12,781,784)	\$0	(\$12,781,784)
Special	2,596,384	75,845	1,349,651	(1,170,888)	0	(1,170,888)
Vocational	288,623	8,427	71,613	(208,583)	0	(208,583)
Support Services:						
Pupils	1,095,373	25,281	385,670	(684,422)	0	(684,422)
Instructional Staff	878,219	33,709	38,105	(806,405)	0	(806,405)
Board of Education	23,317	0	0	(23,317)	0	(23,317)
Administration	2,178,806	67,417	180,738	(1,930,651)	0	(1,930,651)
Fiscal	534,234	16,854	0	(517,380)	0	(517,380)
Business	31,641	0	25,750	(5,891)	0	(5,891)
Operation and						
Maintenance of Plant	2,821,977	109,553	0	(2,712,424)	0	(2,712,424)
Pupil Transportation	1,920,582	67,417	74,777	(1,778,388)	0	(1,778,388)
Central	211,797	0	12,000	(199,797)	0	(199,797)
Operation of Non-Instructional						
Services	46,862	0	3,044	(43,818)	0	(43,818)
Extracurricular Activities	640,459	104,415	0	(536,044)	0	(536,044)
Interest and Fiscal Charges	321,848	0	0	(321,848)	0	(321,848)
<i>Total Governmental Activities</i>	27,218,599	1,012,266	2,484,693	(23,721,640)	0	(23,721,640)
Business-Type Activity						
Food Service	1,266,525	596,124	506,964	0	(163,437)	(163,437)
<i>Totals</i>	<u>\$28,485,124</u>	<u>\$1,608,390</u>	<u>\$2,991,657</u>	<u>(\$23,721,640)</u>	<u>(\$163,437)</u>	<u>(\$23,885,077)</u>
General Revenues:						
Property Taxes Levied for:						
General Purposes				3,954,688	0	3,954,688
Debt Service				623,941	0	623,941
Capital Outlay				89,958	0	89,958
Grants and Entitlements						
not Restricted to Specific Programs				17,078,312	0	17,078,312
Investment Earnings				103,622	0	103,622
Gifts and Donations				5,841	0	5,841
Miscellaneous				142,060	18,778	160,838
Transfers				(43,615)	43,615	0
<i>Total General Revenues and Transfers</i>				21,954,807	62,393	22,017,200
Change in Net Assets				(1,766,833)	(101,044)	(1,867,877)
<i>Net Assets Beginning of Year</i>				56,497,774	2,208,722	58,706,496
<i>Net Assets End of Year</i>				<u>\$54,730,941</u>	<u>\$2,107,678</u>	<u>\$56,838,619</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
Balance Sheet
Governmental Funds
June 30, 2005

	General	Debt Service	Western Brown Construction Project	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$2,477,740	\$1,429,458	\$1,114,943	\$886,397	\$5,908,538
Cash and Cash Equivalents with Fiscal Agents	0	5,000	0	0	5,000
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	387,251	0	0	0	387,251
Investments with Fiscal Agents	26,225	0	0	0	26,225
Receivables:					
Taxes	4,402,623	617,640	0	90,666	5,110,929
Accounts	0	0	0	547	547
Intergovernmental	218,219	34,915	0	383,448	636,582
Accrued Interest	336	0	0	0	336
Prepaid Items	25,941	0	0	0	25,941
<i>Total Assets</i>	<u>\$7,538,335</u>	<u>\$2,087,013</u>	<u>\$1,114,943</u>	<u>\$1,361,058</u>	<u>\$12,101,349</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$133,158	\$0	\$9,553	\$33,173	\$175,884
Contracts Payable	1,552	0	0	0	1,552
Accrued Wages and Benefits	1,859,413	0	0	104,545	1,963,958
Matured Compensated Absences Payable	84,404	0	0	22,097	106,501
Retainage Payable	0	0	27,500	0	27,500
Intergovernmental Payable	616,793	0	0	21,747	638,540
Deferred Revenue	3,595,498	488,500	0	224,855	4,308,853
Matured Bonds Payable	0	5,000	0	0	5,000
<i>Total Liabilities</i>	<u>6,290,818</u>	<u>493,500</u>	<u>37,053</u>	<u>406,417</u>	<u>7,227,788</u>
Fund Balances					
Reserved for Encumbrances	483,723	0	458,862	60,381	1,002,966
Reserved for Property Taxes	767,687	122,830	0	17,530	908,047
Reserved for Textbooks	327,633	0	0	0	327,633
Reserved for Bus Purchases	59,618	0	0	0	59,618
Reserved for Capital Improvements	26,225	0	0	0	26,225
Unreserved, Undesignated (Deficit), Reported in:					
General Fund	(417,369)	0	0	0	(417,369)
Special Revenue Funds	0	0	0	876,730	876,730
Debt Service Fund	0	1,470,683	0	0	1,470,683
Capital Projects Funds	0	0	619,028	0	619,028
<i>Total Fund Balances</i>	<u>1,247,517</u>	<u>1,593,513</u>	<u>1,077,890</u>	<u>954,641</u>	<u>4,873,561</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,538,335</u>	<u>\$2,087,013</u>	<u>\$1,114,943</u>	<u>\$1,361,058</u>	<u>\$12,101,349</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, 2005

Total Governmental Fund Balances \$4,873,561

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 and Construction in Progress	3,046,314	
Other capital assets	71,323,897	
Accumulated depreciation	<u>(16,797,155)</u>	
Total capital assets		57,573,056

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	155,771	
Intergovernmental	<u>152,705</u>	
		308,476

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

14,340

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	(5,975,000)	
Accrued interest on bonds	(24,938)	
Capital leases payable	(568,000)	
Compensated absences	<u>(1,470,554)</u>	
Total liabilities		<u>(8,038,492)</u>

Net Assets of Governmental Activities \$54,730,941

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, 2005

	General	Debt Service	Western Brown Construction Project	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$3,948,791	\$622,998	\$0	\$89,816	\$4,661,605
Intergovernmental	17,852,982	72,143	0	1,482,131	19,407,256
Interest	73,925	0	29,697	0	103,622
Tuition and Fees	842,716	0	0	65,135	907,851
Extracurricular Activities	0	0	0	104,415	104,415
Contributions and Donations	0	0	0	8,885	8,885
Miscellaneous	28,231	0	0	113,829	142,060
<i>Total Revenues</i>	<u>22,746,645</u>	<u>695,141</u>	<u>29,697</u>	<u>1,864,211</u>	<u>25,335,694</u>
Expenditures					
Current:					
Instruction:					
Regular	11,518,963	0	0	399,099	11,918,062
Special	1,868,604	0	0	557,968	2,426,572
Vocational	251,460	0	0	0	251,460
Support Services:					
Pupils	728,204	0	0	297,216	1,025,420
Instructional Staff	785,541	0	0	73,301	858,842
Board of Education	23,317	0	0	0	23,317
Administration	1,681,301	0	0	180,464	1,861,765
Fiscal	433,581	18,969	0	57,711	510,261
Business	5,162	0	0	26,479	31,641
Operation and Maintenance of Plant	2,754,605	0	0	0	2,754,605
Pupil Transportation	1,797,817	0	0	0	1,797,817
Central	195,099	0	0	17,171	212,270
Operation of Non-Instructional Services	44,390	0	0	2,472	46,862
Extracurricular Activities	395,865	0	0	137,536	533,401
Capital Outlay	433,847	0	571,058	0	1,004,905
Debt Service:					
Principal Retirement	51,000	190,000	0	0	241,000
Interest and Fiscal Charges	18,895	302,895	0	0	321,790
<i>Total Expenditures</i>	<u>22,987,651</u>	<u>511,864</u>	<u>571,058</u>	<u>1,749,417</u>	<u>25,819,990</u>
<i>Net Change in Fund Balance</i>	(241,006)	183,277	(541,361)	114,794	(484,296)
<i>Fund Balance at Beginning of Year - Restated (See Note 3)</i>	<u>1,488,523</u>	<u>1,410,236</u>	<u>1,619,251</u>	<u>839,847</u>	<u>5,357,857</u>
<i>Fund Balance at End of Year</i>	<u>\$1,247,517</u>	<u>\$1,593,513</u>	<u>\$1,077,890</u>	<u>\$954,641</u>	<u>\$4,873,561</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, 2005*

Net Change in Fund Balances - Total Governmental Funds (\$484,296)

***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	1,138,148	
Depreciation expense	(2,593,866)	
Excess of capital outlay over depreciation expense	(1,455,718)	(1,455,718)

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	6,982	
Intergovernmental	152,705	
	159,687	159,687

Governmental funds report bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the statement of activities. (956)

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	212,000	
Capital lease payments	29,000	
Total long-term debt repayment	241,000	241,000

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	898	
Increase in compensated absences	(227,925)	
Decrease in intergovernmental payable	477	
Total additional expenditures	(226,550)	(226,550)

Change in Net Assets of Governmental Activities (\$1,766,833)

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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$3,813,332	\$3,796,233	\$3,793,369	(\$2,864)
Intergovernmental	16,969,969	17,619,643	17,617,837	(1,806)
Interest	65,186	67,682	79,643	11,961
Tuition and Fees	796,277	826,761	842,716	15,955
Miscellaneous	43,822	45,500	47,880	2,380
<i>Total Revenues</i>	<u>21,688,586</u>	<u>22,355,819</u>	<u>22,381,445</u>	<u>25,626</u>
Expenditures				
Current:				
Instruction:				
Regular	11,049,126	11,071,126	10,542,341	528,785
Special	1,860,538	1,860,538	1,899,884	(39,346)
Vocational	243,486	243,486	251,430	(7,944)
Other	860,000	860,000	977,945	(117,945)
Support Services:				
Pupils	675,605	675,605	724,322	(48,717)
Instructional Staff	753,410	753,410	750,663	2,747
Board of Education	33,900	33,900	26,104	7,796
Administration	1,948,951	1,808,951	1,700,360	108,591
Fiscal	496,976	496,976	474,815	22,161
Business	0	0	1,518	(1,518)
Operation and Maintenance of Plant	3,012,152	3,012,151	2,873,159	138,992
Pupil Transportation	1,696,636	1,696,636	1,799,973	(103,337)
Central	283,435	188,435	194,374	(5,939)
Operation of Non-Instructional Services	50,000	50,000	44,390	5,610
Extracurricular Activities	408,820	408,820	403,641	5,179
Capital Outlay	519,481	339,481	743,991	(404,510)
Debt Service:				
Principal Retirement	51,000	51,000	51,000	0
Interest and Fiscal Charges	22,964	22,964	18,895	4,069
<i>Total Expenditures</i>	<u>23,966,480</u>	<u>23,573,479</u>	<u>23,478,805</u>	<u>94,674</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,277,894)</u>	<u>(1,217,660)</u>	<u>(1,097,360)</u>	<u>120,300</u>
Other Financing Sources (Uses)				
Refund of Prior Year Expenditures	0	0	16,926	16,926
Advances Out	(25,000)	(25,000)	0	25,000
<i>Total Other Financing Sources (Uses)</i>	<u>(25,000)</u>	<u>(25,000)</u>	<u>16,926</u>	<u>41,926</u>
Net Change in Fund Balance	(2,302,894)	(1,242,660)	(1,080,434)	162,226
Fund Balance at Beginning of Year	2,912,063	2,912,063	2,912,063	0
Unexpended Prior Year Encumbrances	441,272	441,272	441,272	0
Fund Balance at End of Year	<u>\$1,050,441</u>	<u>\$2,110,675</u>	<u>\$2,272,901</u>	<u>\$162,226</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Fund Net Assets
Proprietary Fund
June 30, 2005

	<u>Food Service</u>
Assets	
Current Assets	
Equity in Pooled Cash and Cash Equivalents	\$196,279
Inventory Held for Resale	10,876
Materials and Supplies Inventory	<u>1,739</u>
<i>Total Current Assets</i>	208,894
Noncurrent Assets	
Capital Assets, Net	<u>2,033,945</u>
<i>Total Assets</i>	<u>2,242,839</u>
Liabilities	
Current Liabilities	
Accounts Payable	584
Accrued Wages and Benefits	75,400
Compensated Absences Payable	440
Intergovernmental Payable	<u>42,397</u>
<i>Total Current Liabilities</i>	118,821
Long-term Liabilities	
Compensated Absences Payable	<u>16,340</u>
<i>Total Liabilities</i>	<u>135,161</u>
Net Assets	
Invested in Capital Assets	2,033,945
Unrestricted	<u>73,733</u>
<i>Total Net Assets</i>	<u><u>\$2,107,678</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, 2005*

	Food Service
Operating Revenues	
Sales	\$596,124
Miscellaneous	18,778
<i>Total Operating Revenues</i>	614,902
Operating Expenses	
Salaries	345,361
Fringe Benefits	240,169
Purchased Services	6,149
Materials and Supplies	69,219
Cost of Sales	480,739
Depreciation	124,888
<i>Total Operating Expenses</i>	1,266,525
<i>Operating Loss</i>	(651,623)
Non-Operating Revenues	
Donated Commodities	93,644
Operating Grants	413,320
<i>Total Non-Operating Revenues</i>	506,964
<i>Loss before Contributions</i>	(144,659)
Capital Contributions	43,615
<i>Change in Net Assets</i>	(101,044)
<i>Net Assets at Beginning of Year</i>	2,208,722
<i>Net Assets at End of Year</i>	\$2,107,678

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, 2005

	Food Service
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Customers	\$596,124
Cash Received from Others	18,778
Cash Payments on Employee Benefits	(235,083)
Cash Payments to Employees for Services	(342,543)
Cash Payments to Suppliers for Goods and Services	(455,106)
<i>Net Cash Used for Operating Activities</i>	(417,830)
Cash Flows from Noncapital Financing Activities	
Operating Grants Received	476,601
Cash Flows from Capital and Related Financing Activities	
Payments for Capital Acquisitions	(3,770)
<i>Net Decrease in Cash and Cash Equivalents</i>	55,001
<i>Cash and Cash Equivalents at Beginning of Year</i>	141,278
<i>Cash and Cash Equivalents at End of Year</i>	\$196,279
	<i>(continued)</i>

Western Brown Local School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2005
(continued)

	Food Service
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	(\$651,623)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	124,888
Donated Commodities Received During Year	93,644
(Increase) Decrease In Assets	
Inventory Held for Resale	6,033
Materials and Supplies Inventory	876
Increase (Decrease) in Liabilities	
Accounts Payable	584
Accrued Wages and Benefits	6,453
Compensated Absences Payable	717
Intergovernmental Payable	598
Total Adjustments	233,793
Net Cash Used for Operating Activities	(\$417,830)

Non-Cash Transactions

During fiscal year 2005, the Food Service Enterprise Fund received \$93,644 in donated commodities and \$43,615 in assets donated by other funds.

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005

	Private Purpose Trust	Agency Fund
	Scholarship	
Assets		
Equity in Pooled Cash and Cash Equivalents	\$18,099	\$87,510
Liabilities		
Undistributed Monies	0	\$87,510
Net Assets		
Held in Trust for Scholarships	18,099	
<i>Total Net Assets</i>	\$18,099	

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, 2005

	Private Purpose Trust
	Scholarship
Additions	
Contributions and Donations	\$12,900
Deductions	
Scholarships Awarded	8,250
<i>Change in Net Assets</i>	4,650
<i>Net Assets Beginning of Year</i>	13,449
<i>Net Assets End of Year</i>	\$18,099

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, 2005

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 130 non-certificated, 205 teaching and 14 administrative employees providing education to 3,383 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), 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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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 School District has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its business-type activities and enterprise 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 are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be spent to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business 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, 2005

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 fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. 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. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service Fund - The Debt Service Fund is used to account for 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 School Facilities Commission 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, 2005

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 financial 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 (e.g., revenues) and decreases (e.g., 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, 2005

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 revenues, expenses and changes in fund net assets presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

The private purpose trust fund is reported using the 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. "Measurable" means the amount of the transaction can be determined, and "available" means that the resources are collectible within the current fiscal year, or are expected to be collected soon 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.

Non-exchange 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 fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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, 2005 but which were levied to finance fiscal year 2006 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 2005, 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 2005, the School District's investments were limited to certificates of deposit, money market mutual funds, repurchase agreements and funds invested in the State Treasury Asset Reserve of Ohio (STAROhio). Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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, 2005.

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 2005 amounted to \$73,925, which includes \$34,135 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 nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund 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 2005. 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 expensed/expensed when used. Inventories consist of purchased and donated 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, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

J. 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 which is determined by indexing the current replacement cost back to the year of acquisition) 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 capitalized.

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

Description	Governmental Activities Estimated Lives	Business-Type Activity Estimated Lives
Land Improvements	5 – 30 years	N/A
Buildings and Improvements	10 – 75 years	10 – 75 years
Furniture and Equipment	5 – 20 years	10 years
Vehicles	3 - 15 years	N/A

K. 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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

L. 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, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

M. 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 or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for music and athletic programs and 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.

The government-wide statement of net assets reports \$3,953,047 of restricted net assets, of which \$883,632 are restricted by enabling legislation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Operating Revenues and Expenses

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

O. 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 non-operating revenues/expenses in the proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. 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.

Q. 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, 2005

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.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2005, the School District has implemented *GASB Statement No. 40, “Deposit and Investment Risk Disclosures”*, *GASB Statement No. 46, “Net Assets Restricted by Enabling Legislation”* and *GASB Technical Bulletin No. 2004-2, “Recognition of Pension and Other Post-Employment Benefit Expenditures/Expenses and Liabilities by Cost Sharing Employers”*.

GASB Statement No. 40 creates new disclosure requirements for deposits and investments related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. The implementation of this statement had no effect on the School District’s financial statements for fiscal year 2005.

GASB Statement No. 46 clarifies how legal enforceability should be applied for determining restricted net assets. The implementation of this new statement had no effect on the School District’s financial statements for fiscal year 2005.

GASB Technical Bulletin No. 2004-2, addresses the amount that should be recognized as an expenditure/expense and as a liability each period by employers participating in a cost-sharing, multiple-employer pension and other post-employment benefit (OPEB) plans. The implementation of this bulletin resulted in the following restatement of the School District’s governmental fund balances at June 30, 2004:

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE (Continued)

	<u>General Fund</u>
Fund Balance, June 30, 2004 as reported	\$1,641,751
Restatement of Intergovernmental Payable	<u>(153,228)</u>
Fund Balance, June 30, 2004 as Restated	<u><u>\$1,488,523</u></u>

NOTE 4 - FUND DEFICITS

The Ohio Reads, Alternative School, Title I, and Reducing Class Size Special Revenue Funds had deficit fund balances at June 30, 2005, of \$470, \$3,364, \$602, and \$8,163, 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:

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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (Continued)

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	(\$241,006)
Adjustments:	
Revenue Accruals	(348,102)
Expenditure Accruals	126,989
Encumbrances	(618,143)
Unrecorded Cash	(172)
Budget Basis	<u>(\$1,080,434)</u>

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$2,883,782 of the School District's bank balance of \$4,194,026 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all 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 FDIC.

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

Investments

As of June 30, 2005, the School District had the following investments, which are in an internal investment pool:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>
STAROhio	\$2,868,996	Average 30 Days
Allegiant Government Money Market Mutual Fund	1,256	Average 90 Days
Repurchase Agreements	24,900	Less than 2 years
Total Investments	<u>\$2,895,152</u>	

Interest Rate Risk

The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity. State statute limits investments in commercial paper to a maximum maturity of 180 days from the date of purchase. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least two percent and be marked to market daily.

Credit Risk

STAROhio and the Allegiant Government Money Market Mutual Fund both carry ratings of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

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, 2005

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 year 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, 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 year 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 became a lien December 31, 2003, were levied after April 1, 2004 and are collected in 2005 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 year 2005 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2004. 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 2005 tangible personal property tax was not received until July 2005.

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, 2005, are available to finance fiscal year 2005 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, 2005 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.

The amount available as an advance at June 30, 2005, was \$767,687 in the General Fund, \$122,830 in the Debt Service Fund and \$17,530 in the other governmental funds. 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 other governmental funds.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 7 - PROPERTY TAXES (Continued)

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which fiscal year 2005 taxes were collected are:

	2004 Second- Half Collections		2005 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$178,136,460	90.74%	\$183,935,690	91.30%
Public Utility Personal	8,247,680	4.20%	8,353,770	4.15%
Tangible Personal Property	9,924,264	5.06%	9,164,247	4.55%
Total	\$196,308,404	100.00%	\$201,453,707	100.00%
 Tax rate per \$1,000 of assessed valuation	 \$23.20		 \$23.00	

NOTE 8 - RECEIVABLES

Receivables at June 30, 2005, 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:

	<u>Amounts</u>
Governmental Activities:	
Title I - Targeted Assistance Grant	\$139,570
Title VI - Innovative Programs Grant	6,910
Title VI-B - Special Education IDEA Grant	189,464
Title II-A - Improving Teacher Quality Grant	4,687
Title II-D - Technology Grant	5,114
Alternative Education Challenge Grant	323
Student Reading Intervention Grant	32,398
Homestead and Rollback	258,116
Total Intergovernmental Receivables	\$636,582

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	Balance 6/30/04	Additions	Deductions	Balance 6/30/05
<u>Governmental Activities</u>				
<i>Capital Assets, Not being Depreciated</i>				
Land	\$2,493,304	\$22,650	\$0	\$2,515,954
Construction in Progress	0	530,360	0	530,360
Total Capital Assets, Not Being Depreciated	<u>2,493,304</u>	<u>553,010</u>	<u>0</u>	<u>3,046,314</u>
<i>Capital Assets Being Depreciated</i>				
Buildings and Improvements	61,816,816	358,682	0	62,175,498
Furniture and Equipment	6,680,074	140,903	0	6,820,977
Vehicles	2,241,869	85,553	0	2,327,422
Total Capital Assets, Being Depreciated	<u>70,738,759</u>	<u>585,138</u>	<u>0</u>	<u>71,323,897</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(9,595,780)	(1,626,936)	0	(11,222,716)
Furniture and Equipment	(3,204,957)	(777,051)	0	(3,982,008)
Vehicles	(1,402,552)	(189,879)	0	(1,592,431)
Total Accumulated Depreciation	<u>(14,203,289)</u>	<u>(2,593,866) *</u>	<u>0</u>	<u>(16,797,155)</u>
Total Capital Assets, Being Depreciated, Net	<u>56,535,470</u>	<u>(2,008,728)</u>	<u>0</u>	<u>54,526,742</u>
Governmental Activities Capital Assets, Net	<u>\$59,028,774</u>	<u>(\$1,455,718)</u>	<u>\$0</u>	<u>\$57,573,056</u>
	Balance 6/30/04	Additions	Deductions	Balance 6/30/05
<u>Business-Type Activity</u>				
Buildings and Improvements	\$1,422,497	\$0	\$0	\$1,422,497
Furniture and Equipment	1,222,004	47,385	0	1,269,389
Total Capital Assets, Being Depreciated	<u>2,644,501</u>	<u>47,385</u>	<u>0</u>	<u>2,691,886</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(230,179)	(37,468)	0	(267,647)
Furniture and Equipment	(302,874)	(87,420)	0	(390,294)
Total Accumulated Depreciation	<u>(533,053)</u>	<u>(124,888)</u>	<u>0</u>	<u>(657,941)</u>
Business-Type Activity Capital Assets, Net	<u>\$2,111,448</u>	<u>(\$77,503)</u>	<u>\$0</u>	<u>\$2,033,945</u>

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 9 - CAPITAL ASSETS (Continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,727,688
Special	101,510
Vocational	33,540
Support Services:	
Pupils	61,770
Instructional Staff	14,198
Administration	301,704
Fiscal	14,025
Operation and Maintenance of Plant	32,620
Pupil Transportation	191,672
Central	985
Extracurricular Activities	114,154
Total Depreciation Expense	<u><u>\$2,593,866</u></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 2005, 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.

NOTE 10 - RISK MANAGEMENT (Continued)

B. Workers' Compensation

For fiscal year 2005, 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 and Co. 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 purchased 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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

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 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 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, 2005, 2004, and 2002 were \$369,980, \$277,638, and \$265,051, respectively; 49.76 percent has been contributed for fiscal year 2005 and 100 percent for the fiscal years 2004 and 2003.

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.

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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

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, 2005, 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 2004, 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, 2005, 2004, and 2003 were \$1,372,161, \$1,278,429, and \$1,384,949, respectively; 83.23 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003. Contributions to the DC and Combined Plans for fiscal year 2005 were \$2,399 made by the School District and \$19,794 made by the plan members.

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 retirees who participated in the DB or Combined Plans and their 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. All 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, 2005, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$105,551 for fiscal year 2005.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2004, (the latest information available) the balance in the Fund was \$3.1 billion. For the year ended June 30, 2004, net health care costs paid by STRS Ohio were \$268,739,000 and STRS Ohio had 111,853 eligible benefit recipients.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

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. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

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, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. 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 2005, the minimum pay was established at \$27,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2005 fiscal year equaled \$155,594.

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, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 13 - EMPLOYEE BENEFITS (Continued)

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. The School District makes 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.

In fiscal year 2005, the School District made the second scheduled principal payment of \$29,000. The principal amount owed on the lease at fiscal year-end is \$568,000.

At fiscal 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 \$991,436.

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, 2005.

Fiscal Year Ending June 30,	Total Payments
2006	\$55,162
2007	54,833
2008	54,460
2009	54,043
2010	54,581
2011-2015	268,582
2016-2020	238,580
Total	780,241
Less: Amount Representing Interest	(212,241)
Present Value of Minimum Lease Payments	\$568,000

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 15 - LONG-TERM LIABILITIES

The change in the School District's long-term liabilities during the fiscal year 2005 were as follows:

	Amount Outstanding 6/30/04	Additions	Deductions	Amount Outstanding 6/30/05	Amounts Due in One Year
<i>Governmental Activities:</i>					
School Improvement					
Bonds 1998 5.01%	\$6,165,000	\$0	\$190,000	\$5,975,000	\$200,000
Energy Conservation					
Bonds 1995 5.70%	22,000	0	22,000	0	0
Compensated Absences	1,242,629	404,160	176,235	1,470,554	69,587
Capital Leases	597,000	0	29,000	568,000	30,000
Total General Long-Term Liabilities	<u>\$8,026,629</u>	<u>\$404,160</u>	<u>\$417,235</u>	<u>\$8,013,554</u>	<u>\$299,587</u>
<i>Business-Type Activity:</i>					
Compensated Absences	<u>\$16,063</u>	<u>\$717</u>	<u>\$0</u>	<u>\$16,780</u>	<u>\$440</u>

School Improvement Bonds 1998

On June 15, 1998, the School District issued \$7,164,600 in voted general obligation bonds for the purpose of acquiring land, constructing new classroom facilities, and making renovations to existing classrooms. These bonds are being paid from property tax revenues. The Ohio Department of Education, School Finance, announced that the School District was eligible for State school building assistance funding on June 2, 1997. The bond issue satisfied the local match required to receive State assistance for the construction project. 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 \$13,749,347 with an unvoted debt margin of \$201,454 at June 30, 2005.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 15 - LONG-TERM LIABILITIES (Continued)

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2005 are as follows:

School Improvement Bonds 1998

Fiscal Year Ending June 30,	Principal	Interest	Total
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	270,000	251,840	521,840
2011-2015	1,720,000	1,022,276	2,742,276
2016-2020	2,475,000	479,355	2,954,355
2021	600,000	15,000	615,000
Total	<u>\$5,975,000</u>	<u>\$2,887,030</u>	<u>\$8,862,030</u>

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 \$107,828 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.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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 \$194,397 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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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 fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the fiscal 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, 2004	\$252,413	\$0
Current Year Set-Aside Requirement	457,275	457,275
Current Year Offsets	0	(91,714)
Qualifying Disbursements	(382,055)	(739,488)
Totals	\$327,633	(\$373,927)
Set-aside Reserve Balance as of June 30, 2005	\$327,633	\$0
Required Set-aside Balances Carried Forward to FY 2006	\$327,633	\$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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 20 - CONTINGENCIES

A. Grants:

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2005.

B. 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 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 extracurricular 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.

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.

Western Brown Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005

	Thomas Stout	Uniform School Supplies	Public School Support	Other Grant
Assets				
Equity in Pooled Cash and Cash Equivalents	\$786	\$137,884	\$77,458	\$10,568
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	547	0
Intergovernmental	0	0	0	0
<i>Total Assets</i>	<u>\$786</u>	<u>\$137,884</u>	<u>\$78,005</u>	<u>\$10,568</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$832	\$3,621	\$170
Accrued Wages and Benefits	0	0	0	0
Matured Compensated Absences Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>832</u>	<u>3,621</u>	<u>170</u>
Fund Balances				
Reserved for Encumbrances	0	337	5,559	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	786	136,715	68,825	10,398
<i>Total Fund Balances (Deficit)</i>	<u>786</u>	<u>137,052</u>	<u>74,384</u>	<u>10,398</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$786</u>	<u>\$137,884</u>	<u>\$78,005</u>	<u>\$10,568</u>

<u>Classroom Facility Maintenance</u>	<u>District Managed Activity</u>	<u>Educational Management Information Systems</u>	<u>Ohio Reads</u>	<u>Summer School</u>
\$529,475	\$29,862	\$21,452	\$1,999	\$14,276
90,666	0	0	0	0
0	0	0	0	0
4,982	0	0	0	32,398
<u>\$625,123</u>	<u>\$29,862</u>	<u>\$21,452</u>	<u>\$1,999</u>	<u>\$46,674</u>
\$0	\$3,613	\$0	\$2,000	\$0
0	0	1,289	0	0
0	0	0	0	0
0	110	816	469	446
72,150	0	0	0	32,398
<u>72,150</u>	<u>3,723</u>	<u>2,105</u>	<u>2,469</u>	<u>32,844</u>
42,960	8,028	0	0	0
17,530	0	0	0	0
492,483	18,111	19,347	(470)	13,830
<u>552,973</u>	<u>26,139</u>	<u>19,347</u>	<u>(470)</u>	<u>13,830</u>
<u>\$625,123</u>	<u>\$29,862</u>	<u>\$21,452</u>	<u>\$1,999</u>	<u>\$46,674</u>

(continued)

Western Brown Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005
(continued)

	Alternative School	Title VI-B	Title I	Title VI
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,066	\$9,664	\$13,943	\$0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	323	189,464	139,570	6,910
<i>Total Assets</i>	<u>\$2,389</u>	<u>\$199,128</u>	<u>\$153,513</u>	<u>\$6,910</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$50	\$22,288	\$0
Accrued Wages and Benefits	4,848	24,119	57,937	0
Matured Compensated Absences Payable	0	0	22,097	0
Intergovernmental Payable	905	5,657	10,238	44
Deferred Revenue	0	71,974	41,555	3,060
<i>Total Liabilities</i>	<u>5,753</u>	<u>101,800</u>	<u>154,115</u>	<u>3,104</u>
Fund Balances				
Reserved for Encumbrances	0	0	3,497	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	(3,364)	97,328	(4,099)	3,806
<i>Total Fund Balances (Deficit)</i>	<u>(3,364)</u>	<u>97,328</u>	<u>(602)</u>	<u>3,806</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,389</u>	<u>\$199,128</u>	<u>\$153,513</u>	<u>\$6,910</u>

Drug Free Grant	Tele-communications Act Grant	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$2,959	\$22,141	\$6,615	\$5,249	\$886,397
0	0	0	0	90,666
0	0	0	0	547
0	0	4,687	5,114	383,448
<u>\$2,959</u>	<u>\$22,141</u>	<u>\$11,302</u>	<u>\$10,363</u>	<u>\$1,361,058</u>
\$0	\$0	\$51	\$548	\$33,173
0	0	16,352	0	104,545
0	0	0	0	22,097
0	0	3,062	0	21,747
0	0	0	3,718	224,855
<u>0</u>	<u>0</u>	<u>19,465</u>	<u>4,266</u>	<u>406,417</u>
0	0	0	0	60,381
0	0	0	0	17,530
2,959	22,141	(8,163)	6,097	876,730
<u>2,959</u>	<u>22,141</u>	<u>(8,163)</u>	<u>6,097</u>	<u>954,641</u>
<u>\$2,959</u>	<u>\$22,141</u>	<u>\$11,302</u>	<u>\$10,363</u>	<u>\$1,361,058</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, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Taxes	\$89,816	\$0	\$89,816
Intergovernmental	1,482,131	0	1,482,131
Tuition and Fees	65,135	0	65,135
Extracurricular Activities	104,415	0	104,415
Contributions and Donations	8,885	0	8,885
Miscellaneous	113,829	0	113,829
	<u> </u>	<u> </u>	<u> </u>
<i>Total Revenues</i>	<u>1,864,211</u>	<u>0</u>	<u>1,864,211</u>
Expenditures			
Current:			
Instruction:			
Regular	398,592	507	399,099
Special	557,968	0	557,968
Support Services:			
Pupils	297,216	0	297,216
Instructional Staff	73,301	0	73,301
Administration	180,464	0	180,464
Fiscal	57,711	0	57,711
Business	26,479	0	26,479
Central	17,171	0	17,171
Operation of Non-Instructional Services	2,472	0	2,472
Extracurricular Activities	137,536	0	137,536
	<u> </u>	<u> </u>	<u> </u>
<i>Total Expenditures</i>	<u>1,748,910</u>	<u>507</u>	<u>1,749,417</u>
<i>Net Change in Fund Balances</i>	115,301	(507)	114,794
<i>Fund Balance at Beginning of Year</i>	<u>839,340</u>	<u>507</u>	<u>839,847</u>
<i>Fund Balance at End of Year</i>	<u><u>\$954,641</u></u>	<u><u>\$0</u></u>	<u><u>\$954,641</u></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, 2005

	Thomas Stout	Uniform School Supplies	Public School Support	Other Grant
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	15,975
Tuition and Fees	0	65,135	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	5,841	3,044
Miscellaneous	0	0	113,829	0
<i>Total Revenues</i>	<u>0</u>	<u>65,135</u>	<u>119,670</u>	<u>19,019</u>
Expenditures				
Current:				
Instruction:				
Regular	0	44,046	57,047	6,195
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	37,223	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Business	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	2,472
Extracurricular Activities	0	0	26,227	0
<i>Total Expenditures</i>	<u>0</u>	<u>44,046</u>	<u>120,497</u>	<u>8,667</u>
<i>Net Change in Fund Balances</i>	0	21,089	(827)	10,352
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>786</u>	<u>115,963</u>	<u>75,211</u>	<u>46</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$786</u></u>	<u><u>\$137,052</u></u>	<u><u>\$74,384</u></u>	<u><u>\$10,398</u></u>

Classroom Facility Maintenance	District Managed Activity	Educational Management Information Systems	Disadvantaged Pupil Impact Aid	OneNet	Professional Development	Ohio Reads
\$89,816	\$0	\$0	\$0	\$0	\$0	\$0
10,311	0	10,382	40,024	12,000	4,140	25,000
0	0	0	0	0	0	0
0	104,415	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>100,127</u>	<u>104,415</u>	<u>10,382</u>	<u>40,024</u>	<u>12,000</u>	<u>4,140</u>	<u>25,000</u>
0	0	0	13,142	0	7,793	3,267
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	20,469
0	0	13,011	26,160	0	0	4,000
57,711	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	17,171	0	0
0	0	0	0	0	0	0
0	111,309	0	0	0	0	0
<u>57,711</u>	<u>111,309</u>	<u>13,011</u>	<u>39,302</u>	<u>17,171</u>	<u>7,793</u>	<u>27,736</u>
42,416	(6,894)	(2,629)	722	(5,171)	(3,653)	(2,736)
<u>510,557</u>	<u>33,033</u>	<u>21,976</u>	<u>(722)</u>	<u>5,171</u>	<u>3,653</u>	<u>2,266</u>
<u>\$552,973</u>	<u>\$26,139</u>	<u>\$19,347</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$470)</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, 2005
(continued)

	Summer School	Alternative School	Miscellaneous State Grants	Title VI-B
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental	36,568	64,020	8,670	570,809
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>36,568</u>	<u>64,020</u>	<u>8,670</u>	<u>570,809</u>
Expenditures				
Current:				
Instruction:				
Regular	22,738	59,952	0	0
Special	0	0	0	85,641
Support Services:				
Pupils	0	0	0	297,216
Instructional Staff	0	0	0	15,108
Administration	0	3,424	8,670	84,534
Fiscal	0	0	0	0
Business	0	0	0	5,000
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>22,738</u>	<u>63,376</u>	<u>8,670</u>	<u>487,499</u>
<i>Net Change in Fund Balances</i>	13,830	644	0	83,310
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>(4,008)</u>	<u>0</u>	<u>14,018</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$13,830</u>	<u>(\$3,364)</u>	<u>\$0</u>	<u>\$97,328</u>

Title I	Title VI	Drug Free Grant	Tele-communications Act Grant	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$89,816
483,654	11,242	16,712	12,047	150,332	10,245	1,482,131
0	0	0	0	0	0	65,135
0	0	0	0	0	0	104,415
0	0	0	0	0	0	8,885
0	0	0	0	0	0	113,829
<u>483,654</u>	<u>11,242</u>	<u>16,712</u>	<u>12,047</u>	<u>150,332</u>	<u>10,245</u>	<u>1,864,211</u>
26,979	12,812	17,488	0	116,279	10,854	398,592
472,327	0	0	0	0	0	557,968
0	0	0	0	0	0	297,216
0	501	0	0	0	0	73,301
0	0	334	0	39,332	999	180,464
0	0	0	0	0	0	57,711
16,979	0	0	0	4,000	500	26,479
0	0	0	0	0	0	17,171
0	0	0	0	0	0	2,472
0	0	0	0	0	0	137,536
<u>516,285</u>	<u>13,313</u>	<u>17,822</u>	<u>0</u>	<u>159,611</u>	<u>12,353</u>	<u>1,748,910</u>
(32,631)	(2,071)	(1,110)	12,047	(9,279)	(2,108)	115,301
<u>32,029</u>	<u>5,877</u>	<u>4,069</u>	<u>10,094</u>	<u>1,116</u>	<u>8,205</u>	<u>839,340</u>
<u>(\$602)</u>	<u>\$3,806</u>	<u>\$2,959</u>	<u>\$22,141</u>	<u>(\$8,163)</u>	<u>\$6,097</u>	<u>\$954,641</u>

Western Brown Local School District
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2005

	<u>Balance at 6/30/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 6/30/05</u>
<u>STUDENT MANAGED ACTIVITY</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$73,759</u>	<u>\$132,766</u>	<u>\$119,015</u>	<u>\$87,510</u>
Liabilities				
Undistributed Monies	<u>\$73,759</u>	<u>\$132,766</u>	<u>\$119,015</u>	<u>\$87,510</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$3,813,332	\$3,796,233	\$3,793,369	(\$2,864)
Intergovernmental	16,969,969	17,619,643	17,617,837	(1,806)
Interest	65,186	67,682	79,643	11,961
Tuition and Fees	796,277	826,761	842,716	15,955
Miscellaneous	43,822	45,500	47,880	2,380
<i>Total Revenues</i>	<i>21,688,586</i>	<i>22,355,819</i>	<i>22,381,445</i>	<i>25,626</i>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	7,697,971	7,697,971	7,329,947	368,024
Fringe Benefits	2,507,692	2,529,692	2,492,042	37,650
Purchased Services	146,219	146,219	134,310	11,909
Materials and Supplies	560,805	560,805	464,897	95,908
Capital Outlay - New	136,439	136,439	121,145	15,294
<i>Total Regular</i>	<i>11,049,126</i>	<i>11,071,126</i>	<i>10,542,341</i>	<i>528,785</i>
Special:				
Salaries and Wages	779,951	779,951	788,043	(8,092)
Fringe Benefits	305,429	305,429	301,975	3,454
Purchased Services	766,358	766,358	799,918	(33,560)
Materials and Supplies	8,800	8,800	9,948	(1,148)
<i>Total Special</i>	<i>1,860,538</i>	<i>1,860,538</i>	<i>1,899,884</i>	<i>(39,346)</i>
Vocational:				
Salaries and Wages	163,520	163,520	173,122	(9,602)
Fringe Benefits	49,399	49,399	49,703	(304)
Purchased Services	6,315	6,315	3,675	2,640
Materials and Supplies	21,452	21,452	22,702	(1,250)
Other	2,800	2,800	2,228	572
<i>Total Vocational</i>	<i>243,486</i>	<i>243,486</i>	<i>251,430</i>	<i>(7,944)</i>
Other:				
Purchased Services	860,000	860,000	977,945	(117,945)
<i>Total Instruction</i>	<i>14,013,150</i>	<i>14,035,150</i>	<i>13,671,600</i>	<i>363,550</i>
Support Services:				
Pupils:				
Salaries and Wages	452,527	452,527	455,612	(3,085)
Fringe Benefits	144,828	144,828	144,712	116
Purchased Services	61,000	61,000	111,799	(50,799)
Materials and Supplies	17,250	17,250	12,199	5,051
<i>Total Pupils</i>	<i>\$675,605</i>	<i>\$675,605</i>	<i>\$724,322</i>	<i>(\$48,717)</i>

(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, 2005
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Instructional Staff:				
Salaries and Wages	\$533,282	\$533,282	\$513,765	\$19,517
Fringe Benefits	182,715	182,715	196,801	(14,086)
Purchased Services	2,050	2,050	3,533	(1,483)
Materials and Supplies	35,363	35,363	34,808	555
Other	0	0	1,756	(1,756)
Total Instructional Staff	753,410	753,410	750,663	2,747
Board of Education:				
Salaries and Wages	9,000	9,000	7,740	1,260
Fringe Benefits	750	750	80	670
Purchased Services	7,800	7,800	5,744	2,056
Materials and Supplies	1,000	1,000	452	548
Other	15,350	15,350	12,088	3,262
Total Board of Education	33,900	33,900	26,104	7,796
Administration:				
Salaries and Wages	1,095,415	955,415	1,010,518	(55,103)
Fringe Benefits	581,485	581,485	436,023	145,462
Purchased Services	184,604	184,604	154,642	29,962
Materials and Supplies	23,647	23,647	29,710	(6,063)
Other	63,800	63,800	69,467	(5,667)
Total Administration	1,948,951	1,808,951	1,700,360	108,591
Fiscal:				
Salaries and Wages	194,689	194,689	194,636	53
Fringe Benefits	85,312	85,312	74,182	11,130
Purchased Services	37,275	37,275	38,154	(879)
Materials and Supplies	8,000	8,000	6,963	1,037
Other	171,700	171,700	160,880	10,820
Total Fiscal	496,976	496,976	474,815	22,161
Business:				
Salaries and Wages	0	0	1,444	(1,444)
Fringe Benefits	0	0	74	(74)
Total Business	0	0	1,518	(1,518)
Operation and Maintenance of Plant:				
Salaries and Wages	1,018,815	1,018,815	1,005,902	12,913
Fringe Benefits	459,479	459,479	474,394	(14,915)
Purchased Services	1,346,428	1,346,427	1,200,036	146,391
Materials and Supplies	186,930	186,930	190,558	(3,628)
Capital Outlay - New	0	0	1,850	(1,850)
Other	500	500	419	81
Total Operation and Maintenance of Plant	3,012,152	3,012,151	2,873,159	138,992
Pupil Transportation:				
Salaries and Wages	746,120	746,120	781,979	(35,859)
Fringe Benefits	441,481	441,481	452,885	(11,404)
Purchased Services	172,247	172,247	150,012	22,235
Materials and Supplies	279,888	279,888	338,023	(58,135)
Capital Outlay - New	56,000	56,000	76,834	(20,834)
Other	900	900	240	660
Total Pupil Transportation	\$1,696,636	\$1,696,636	\$1,799,973	(\$103,337)

(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, 2005
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and Wages	\$41,200	\$41,200	\$41,449	(\$249)
Fringe Benefits	11,141	11,141	10,258	883
Purchased Services	25,344	25,344	35,790	(10,446)
Materials and Supplies	25,750	25,750	21,965	3,785
Capital Outlay - New	100,000	5,000	2,859	2,141
Other	80,000	80,000	82,053	(2,053)
Total Central	283,435	188,435	194,374	(5,939)
Total Support Services	8,901,065	8,666,064	8,545,288	120,776
Operation of Non-Instructional Services:				
Services:				
Food Service Operations:				
Capital Outlay - New	50,000	50,000	44,390	5,610
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	56,623	56,623	59,753	(3,130)
Fringe Benefits	7,500	7,500	10,187	(2,687)
Purchased Services	9,100	9,100	14,003	(4,903)
Materials and Supplies	8,894	8,894	5,573	3,321
Total Academic and Subject Oriented Activities	82,117	82,117	89,516	(7,399)
Sports Oriented Activities:				
Salaries and Wages	246,406	246,406	234,344	12,062
Fringe Benefits	47,800	47,800	49,085	(1,285)
Purchased Services	15,000	15,000	21,097	(6,097)
Materials and Supplies	8,000	8,000	4,842	3,158
Capital Outlay - New	9,497	9,497	4,757	4,740
Total Sports Oriented Activities	326,703	326,703	314,125	12,578
Total Extracurricular Activities	408,820	408,820	403,641	5,179
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Purchased Services	0	0	49,494	(49,494)
Capital Outlay - New	0	0	367,500	(367,500)
Total Site Acquisition Services	0	0	416,994	(416,994)
Site Improvement Services:				
Capital Outlay - New	224,083	224,083	208,700	15,383
Architecture and Engineering Services:				
Purchased Services	36,704	36,704	42,693	(5,989)
Building Acquisition and Construction Services:				
Capital Outlay - New	258,694	78,694	75,604	3,090
Total Capital Outlay	\$519,481	\$339,481	\$743,991	(\$404,510)

(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, 2005
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service:				
Principal Retirement	\$51,000	\$51,000	\$51,000	\$0
Interest and Fiscal Charges	22,964	22,964	18,895	4,069
Total Debt Service	73,964	73,964	69,895	4,069
<i>Total Expenditures</i>	23,966,480	23,573,479	23,478,805	94,674
Excess of Revenues Over (Under) Expenditures	(2,277,894)	(1,217,660)	(1,097,360)	120,300
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	0	0	16,926	16,926
Advances Out	(25,000)	(25,000)	0	25,000
<i>Total Other Financing Sources (Uses)</i>	(25,000)	(25,000)	16,926	41,926
Net Change in Fund Balance	(2,302,894)	(1,242,660)	(1,080,434)	162,226
Fund Balance at Beginning of Year	2,912,063	2,912,063	2,912,063	0
Prior Year Encumbrances Appropriated	441,272	441,272	441,272	0
Fund Balance at End of Year	\$1,050,441	\$2,110,675	\$2,272,901	\$162,226

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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Taxes	\$468,310	\$592,999	\$598,131	\$5,132
Intergovernmental	73,785	37,596	37,229	(367)
<i>Total Revenues</i>	<u>542,095</u>	<u>630,595</u>	<u>635,360</u>	<u>4,765</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	<u>20,605</u>	<u>20,605</u>	<u>18,969</u>	<u>1,636</u>
Debt Service:				
Principal Retirement	190,000	190,000	190,000	0
Interest and Fiscal Charges	<u>302,905</u>	<u>302,905</u>	<u>302,905</u>	<u>0</u>
Total Debt Service	<u>492,905</u>	<u>492,905</u>	<u>492,905</u>	<u>0</u>
<i>Total Expenditures</i>	<u>513,510</u>	<u>513,510</u>	<u>511,874</u>	<u>1,636</u>
Net Change in Fund Balance	28,585	117,085	123,486	6,401
Fund Balance at Beginning of Year	<u>1,305,972</u>	<u>1,305,972</u>	<u>1,305,972</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,334,557</u></u>	<u><u>\$1,423,057</u></u>	<u><u>\$1,429,458</u></u>	<u><u>\$6,401</u></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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Interest	\$23,000	\$28,335	\$29,697	\$1,362
<u>Expenditures:</u>				
Capital Outlay:				
Building Acquisition and Construction Services:				
Purchased Services	0	0	157,772	(157,772)
Capital Outlay - New	1,642,133	1,023,133	845,340	177,793
<i>Total Expenditures</i>	<u>1,642,133</u>	<u>1,023,133</u>	<u>1,003,112</u>	<u>20,021</u>
Net Change in Fund Balance	(1,619,133)	(994,798)	(973,415)	21,383
Fund Balance at Beginning of Year	1,608,145	1,608,145	1,608,145	0
Prior Year Encumbrances Appropriated	<u>11,799</u>	<u>11,799</u>	<u>11,799</u>	<u>0</u>
Fund Balance at End of Year	<u>\$811</u>	<u>\$625,146</u>	<u>\$646,529</u>	<u>\$21,383</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Other	<u>786</u>	<u>786</u>	<u>0</u>	<u>786</u>
Net Change in Fund Balance	(786)	(786)	0	786
Fund Balance at Beginning of Year	<u>786</u>	<u>786</u>	<u>786</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$786</u></u>	<u><u>\$786</u></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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Tuition and Fees	\$65,000	\$65,000	\$65,198	\$198
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	<u>65,072</u>	<u>49,072</u>	<u>43,551</u>	<u>5,521</u>
Net Change in Fund Balance	(72)	15,928	21,647	5,719
Fund Balance at Beginning of Year	115,827	115,827	115,827	0
Prior Year Encumbrances Appropriated	<u>71</u>	<u>71</u>	<u>71</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$115,826</u></u>	<u><u>\$131,826</u></u>	<u><u>\$137,545</u></u>	<u><u>\$5,719</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, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Extracurricular Activities	\$106,250	\$95,223	\$95,931	\$708
Contributions and Donations	6,000	6,000	5,841	(159)
Miscellaneous	15,700	14,700	15,648	948
<i>Total Revenues</i>	<u>127,950</u>	<u>115,923</u>	<u>117,420</u>	<u>1,497</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	7,900	7,900	13,323	(5,423)
Materials and Supplies	59,931	59,931	41,105	18,826
Capital Outlay - New	0	1,500	81	1,419
Other	5,091	3,591	6,928	(3,337)
Total Instruction	<u>72,922</u>	<u>72,922</u>	<u>61,437</u>	<u>11,485</u>
Support Services:				
Pupils:				
Purchased Services	2,700	0	0	0
Instructional Staff:				
Materials and Supplies	36,615	36,615	38,708	(2,093)
Administration:				
Materials and Supplies	300	300	0	300
Total Support Services	<u>39,615</u>	<u>36,915</u>	<u>38,708</u>	<u>(1,793)</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Other	19,050	19,050	22,632	(3,582)
Sports Oriented Activities:				
Materials and Supplies	0	0	3,595	(3,595)
Total Extracurricular Activities	<u>19,050</u>	<u>19,050</u>	<u>26,227</u>	<u>(7,177)</u>
<i>Total Expenditures</i>	<u>131,587</u>	<u>128,887</u>	<u>126,372</u>	<u>2,515</u>
Excess of Revenues Over (Under) Expenditures	(3,637)	(12,964)	(8,952)	4,012
<u>Other Financing Sources:</u>				
Transfers In	0	2,100	2,143	43
Net Change in Fund Balance	(3,637)	(10,864)	(6,809)	4,055
Fund Balance at Beginning of Year	71,720	71,720	71,720	0
Prior Year Encumbrances Appropriated	3,386	3,386	3,386	0
Fund Balance at End of Year	<u>\$71,469</u>	<u>\$64,242</u>	<u>\$68,297</u>	<u>\$4,055</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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	1,280	\$15,975	\$15,975	\$0
Contributions and Donations	1,000	3,044	3,044	0
<i>Total Revenues</i>	<u>2,280</u>	<u>19,019</u>	<u>19,019</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	1,280	6,024	6,024	0
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	1,000	2,472	2,472	0
<i>Total Expenditures</i>	<u>2,280</u>	<u>8,496</u>	<u>8,496</u>	<u>0</u>
Net Change in Fund Balance	0	10,523	10,523	0
Fund Balance at Beginning of Year	45	45	45	0
Fund Balance at End of Year	<u><u>\$45</u></u>	<u><u>\$10,568</u></u>	<u><u>\$10,568</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, 2005

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$85,107	\$86,268	\$86,385	\$117
Intergovernmental	8,902	5,341	5,329	(12)
<i>Total Revenues</i>	<u>94,009</u>	<u>91,609</u>	<u>91,714</u>	<u>105</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	3,100	3,100	2,750	350
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Capital Outlay - New	0	44,000	42,960	1,040
<i>Total Expenditures</i>	<u>3,100</u>	<u>47,100</u>	<u>45,710</u>	<u>1,390</u>
Excess of Revenues Over Expenditures	90,909	44,509	46,004	1,495
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	0	(54,959)	(54,959)	0
Net Change in Fund Balance	90,909	(10,450)	(8,955)	1,495
Fund Balance at Beginning of Year	<u>495,472</u>	<u>495,472</u>	<u>495,472</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$586,381</u></u>	<u><u>\$485,022</u></u>	<u><u>\$486,517</u></u>	<u><u>\$1,495</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, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Extracurricular Activities	\$88,000	\$101,343	\$101,465	\$122
<u>Expenditures:</u>				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Purchased Services	45,240	57,240	54,282	2,958
Materials and Supplies	61,495	59,295	58,570	725
Capital Outlay - New	0	7,000	7,096	(96)
<i>Total Expenditures</i>	<u>106,735</u>	<u>123,535</u>	<u>119,948</u>	<u>3,587</u>
Excess of Revenues Over (Under) Expenditures	(18,735)	(22,192)	(18,483)	3,709
<u>Other Financing Sources:</u>				
Transfers In	<u>0</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Net Change in Fund Balance	(18,735)	(19,192)	(15,483)	3,709
Fund Balance at Beginning of Year	16,379	16,379	16,379	0
Prior Year Encumbrances Appropriated	<u>17,335</u>	<u>17,335</u>	<u>17,335</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$14,979</u></u>	<u><u>\$14,522</u></u>	<u><u>\$18,231</u></u>	<u><u>\$3,709</u></u>

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$7,400	\$10,382	\$10,382	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Administration:				
Salaries and Wages	15,000	8,000	7,836	164
Fringe Benefits	3,000	4,315	4,379	(64)
Purchased Services	6,000	1,000	216	784
<i>Total Expenditures</i>	<u>24,000</u>	<u>13,315</u>	<u>12,431</u>	<u>884</u>
Net Change in Fund Balance	(16,600)	(2,933)	(2,049)	884
Fund Balance at Beginning of Year	<u>23,501</u>	<u>23,501</u>	<u>23,501</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$6,901</u></u>	<u><u>\$20,568</u></u>	<u><u>\$21,452</u></u>	<u><u>\$884</u></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, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$40,100	\$40,024	\$40,024	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	0	0	13,034	(13,034)
Fringe Benefits	0	0	830	(830)
Total Instruction	0	0	13,864	(13,864)
Support Services:				
Administration:				
Purchased Services	40,100	40,024	25,000	15,024
Materials and Supplies	0	0	1,160	(1,160)
Total Support Services	40,100	40,024	26,160	13,864
<i>Total Expenditures</i>	40,100	40,024	40,024	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OneNet
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$12,000	\$12,000	\$12,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	12,000	0	0	0
Central:				
Purchased Services	0	17,171	17,171	0
<i>Total Expenditures</i>	<u>12,000</u>	<u>17,171</u>	<u>17,171</u>	<u>0</u>
Net Change in Fund Balance	0	(5,171)	(5,171)	0
Fund Balance at Beginning of Year	<u>5,171</u>	<u>5,171</u>	<u>5,171</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$5,171</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Professional Development
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$4,600	\$4,140	\$4,140	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	4,600	7,793	7,793	0
Net Change in Fund Balance	0	(3,653)	(3,653)	0
Fund Balance at Beginning of Year	3,653	3,653	3,653	0
Fund Balance at End of Year	<u>\$3,653</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
Ohio Reads
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$35,000	\$25,000	\$25,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	12,267	3,267	3,267	0
Support Services:				
Instructional Staff:				
Salaries and Wages	21,000	20,000	20,000	0
Administration:				
Purchased Services	4,000	4,000	4,000	0
Total Support Services	25,000	24,000	24,000	0
<i>Total Expenditures</i>	<u>37,267</u>	<u>27,267</u>	<u>27,267</u>	<u>0</u>
Net Change in Fund Balance	(2,267)	(2,267)	(2,267)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	2,267	2,267	2,267	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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$69,000	\$36,568	\$36,568	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	69,000	36,568	22,292	14,276
Excess of Revenues Over Expenditures	0	0	14,276	14,276
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	0	(19,275)	(19,275)	0
Net Change in Fund Balance	0	(19,275)	(4,999)	14,276
Fund Balance at Beginning of Year	19,275	19,275	19,275	0
Fund Balance at End of Year	<u>\$19,275</u>	<u>\$0</u>	<u>\$14,276</u>	<u>\$14,276</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, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$58,000	\$63,697	\$63,697	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	58,000	59,678	59,678	0
Support Services:				
Administration:				
Purchased Services	0	3,424	3,424	0
<i>Total Expenditures</i>	<u>58,000</u>	<u>63,102</u>	<u>63,102</u>	<u>0</u>
Net Change in Fund Balance	0	595	595	0
Fund Balance at Beginning of Year	<u>1,471</u>	<u>1,471</u>	<u>1,471</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,471</u></u>	<u><u>\$2,066</u></u>	<u><u>\$2,066</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
Miscellaneous State Grants
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$10,000	\$8,670	\$8,670	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Administration:				
Purchased Services	<u>10,000</u>	<u>8,670</u>	<u>8,670</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, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$657,939	\$468,475	\$468,475	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	0	57,225	57,225	0
Fringe Benefits	0	14,949	14,949	0
Materials and Supplies	0	848	0	848
Total Instruction	0	73,022	72,174	848
Support Services:				
Pupils:				
Purchased Services	0	297,216	297,216	0
Instructional Staff:				
Salaries and Wages	0	10,097	10,097	0
Fringe Benefits	0	1,978	1,978	0
Total Instructional Staff	0	12,075	12,075	0
Administration:				
Salaries and Wages	663,511	72,372	72,372	0
Fringe Benefits	5,747	11,293	11,293	0
Total Administration	669,258	83,665	83,665	0
Business:				
Salaries and Wages	0	5,000	5,000	0
Total Support Services	669,258	397,956	397,956	0
Total Expenditures	669,258	470,978	470,130	848
Net Change in Fund Balance	(11,319)	(2,503)	(1,655)	848
Fund Balance at Beginning of Year	11,319	11,319	11,319	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$8,816</u>	<u>\$9,664</u>	<u>\$848</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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$582,802	\$423,585	\$423,585	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	31,399	31,399	31,399	0
Special:				
Salaries and Wages	573,865	318,878	318,878	0
Fringe Benefits	9,892	90,109	90,109	0
Purchased Services	3,672	2,901	2,901	0
Materials and Supplies	5,527	10,743	8,743	2,000
Total Special	592,956	422,631	420,631	2,000
Total Instruction	624,355	454,030	452,030	2,000
Support Services:				
Business:				
Salaries and Wages	0	5,979	5,979	0
Materials and Supplies	0	11,000	11,000	0
Total Support Services	0	16,979	16,979	0
<i>Total Expenditures</i>	624,355	471,009	469,009	2,000
Net Change in Fund Balance	(41,553)	(47,424)	(45,424)	2,000
Fund Balance at Beginning of Year	49,603	49,603	49,603	0
Prior Year Encumbrances Appropriated	6,077	6,077	6,077	0
Fund Balance at End of Year	<u>\$14,127</u>	<u>\$8,256</u>	<u>\$10,256</u>	<u>\$2,000</u>

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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$14,572	\$7,392	\$7,392	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	18,565	8,596	8,596	0
Purchased Services	0	4,227	4,227	0
Total Instruction	18,565	12,823	12,823	0
Support Services:				
Instructional Staff:				
Purchased Services	1,000	501	501	0
<i>Total Expenditures</i>	19,565	13,324	13,324	0
Net Change in Fund Balance	(4,993)	(5,932)	(5,932)	0
Fund Balance at Beginning of Year	5,433	5,433	5,433	0
Prior Year Encumbrances Appropriated	499	499	499	0
Fund Balance at End of Year	<u>\$939</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
Drug Free Grant
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$16,888	\$16,712	\$16,712	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	16,712	41	41	0
Purchased Services	4,060	17,447	17,447	0
Total Instruction	20,772	17,488	17,488	0
Support Services:				
Administration:				
Salaries and Wages	185	334	334	0
<i>Total Expenditures</i>	20,957	17,822	17,822	0
Net Change in Fund Balance	(4,069)	(1,110)	(1,110)	0
Fund Balance at Beginning of Year	4,069	4,069	4,069	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$2,959</u>	<u>\$2,959</u>	<u>\$0</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$0	\$0	\$12,047	\$12,047
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	29,013	29,013	29,013	0
Net Change in Fund Balance	(29,013)	(29,013)	(16,966)	12,047
Fund Balance at Beginning of Year	10,095	10,095	10,095	0
Prior Year Encumbrances Appropriated	29,012	29,012	29,012	0
Fund Balance at End of Year	<u>\$10,094</u>	<u>\$10,094</u>	<u>\$22,141</u>	<u>\$12,047</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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$158,611	\$153,820	\$153,820	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	163,553	91,227	92,333	(1,106)
Fringe Benefits	3,035	22,035	20,929	1,106
Purchased Services	1,409	110	110	0
Total Instruction	<u>167,997</u>	<u>113,372</u>	<u>113,372</u>	<u>0</u>
Support Services:				
Administration:				
Salaries and Wages	0	2,000	2,000	0
Fringe Benefits	0	500	500	0
Purchased Services	0	36,832	36,832	0
Total Administration	<u>0</u>	<u>39,332</u>	<u>39,332</u>	<u>0</u>
Business:				
Salaries and Wages	<u>0</u>	<u>4,000</u>	<u>4,000</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>43,332</u>	<u>43,332</u>	<u>0</u>
<i>Total Expenditures</i>	<u>167,997</u>	<u>156,704</u>	<u>156,704</u>	<u>0</u>
Net Change in Fund Balance	(9,386)	(2,884)	(2,884)	0
Fund Balance at Beginning of Year	<u>9,499</u>	<u>9,499</u>	<u>9,499</u>	<u>0</u>
Fund Balance at End of Year	<u>\$113</u>	<u>\$6,615</u>	<u>\$6,615</u>	<u>\$0</u>

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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$14,029	\$8,849	\$8,849	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	14,029	0	0	0
Purchased Services	5,880	10,854	10,854	0
Total Regular	19,909	10,854	10,854	0
Support Services:				
Administration:				
Purchased Services	0	999	999	0
Business:				
Salaries and Wages	0	500	500	0
Total Support Services	0	1,499	1,499	0
<i>Total Expenditures</i>	19,909	12,353	12,353	0
Net Change in Fund Balance	(5,880)	(3,504)	(3,504)	0
Fund Balance at Beginning of Year	8,205	8,205	8,205	0
Fund Balance at End of Year	<u>\$2,325</u>	<u>\$4,701</u>	<u>\$4,701</u>	<u>\$0</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$78,650	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	90,100	11,450	11,450	0
Net Change in Fund Balance	(11,450)	(11,450)	(11,450)	0
Prior Year Encumbrances Appropriated	11,450	11,450	11,450	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

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, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Sales	\$592,000	\$602,000	\$596,124	(\$5,876)
Interest	1,000	1,000	0	(1,000)
Federal and State Subsidies	296,000	468,000	476,601	8,601
Other Revenues	18,000	18,000	18,778	778
<i>Total Revenues</i>	<u>907,000</u>	<u>1,089,000</u>	<u>1,091,503</u>	<u>2,503</u>
<u>Expenses:</u>				
Salaries	351,422	351,422	342,543	8,879
Fringe Benefits	227,068	227,068	235,083	(8,015)
Purchased Services	10,533	10,533	6,639	3,894
Materials and Supplies	431,850	450,350	448,957	1,393
Capital Outlay - New	0	0	3,770	(3,770)
<i>Total Expenses</i>	<u>1,020,873</u>	<u>1,039,373</u>	<u>1,036,992</u>	<u>2,381</u>
<i>Net Change in Fund Balance</i>	(113,873)	49,627	54,511	4,884
Fund Balance at Beginning of Year	140,745	140,745	140,745	0
Prior Year Encumbrances Appropriated	531	531	531	0
Fund Balance at End of Year	<u><u>\$27,403</u></u>	<u><u>\$190,903</u></u>	<u><u>\$195,787</u></u>	<u><u>\$4,884</u></u>

STATISTICAL SECTION

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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

Fiscal Year	1996	1997	1998	1999	2000
Current:					
Instruction:					
Regular	\$6,325,427	\$6,552,823	\$6,599,280	\$6,986,880	\$7,562,398
Special	1,107,730	1,134,055	1,179,633	1,637,025	1,696,333
Vocational	214,616	216,331	225,227	238,702	201,082
Other	61,410	36,628	53,207	74,237	246,475
Support Services:					
Pupils	456,958	522,655	516,512	611,949	668,085
Instructional Staff	469,399	521,859	534,698	565,070	588,016
Board of Education	17,090	18,951	20,193	19,871	17,463
Administration	967,303	1,043,548	1,259,446	1,322,121	1,372,313
Fiscal	259,672	270,512	314,902	316,568	370,393
Business	0	0	0	0	0
Operation and Maintenance of Plant	995,880	1,014,982	1,066,097	1,061,173	1,157,787
Pupil Transportation	1,016,884	934,959	1,005,717	1,118,240	1,394,202
Central	15,708	15,884	18,470	26,581	27,274
Operation of Non-Instructional Services	1,295	2,085	2,197	2,110	2,124
Extracurricular Activities	251,502	274,545	210,195	224,208	246,507
Capital Outlay	364,637	735,301	2,775,367	3,264,502	20,034,990
Debt Service	172,226	173,755	132,867	757,114	581,298
Total	<u>\$12,697,737</u>	<u>\$13,468,873</u>	<u>\$15,914,008</u>	<u>\$18,226,351</u>	<u>\$36,166,740</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

2001	2002	2003 (2)	2004 (2)	2005 (2)
\$8,815,842	\$10,393,020	\$10,647,348	\$11,445,968	\$11,918,062
1,798,908	1,723,141	2,129,407	2,023,942	2,426,572
235,505	237,884	230,475	233,561	251,460
322,220	0	0	0	0
737,671	916,806	1,001,563	995,329	1,025,420
715,753	856,387	861,362	882,559	858,842
19,691	30,438	18,208	26,104	23,317
1,696,706	1,740,695	1,796,803	1,845,501	1,861,765
394,236	443,539	453,750	603,353	510,261
0	115	0	294	31,641
1,431,397	2,225,489	2,459,572	2,844,385	2,754,605
1,625,326	1,733,213	1,838,405	1,666,455	1,797,817
35,632	70,304	96,431	181,903	212,270
3,093	54,351	1,916	1,700	46,862
266,885	362,070	443,485	487,731	533,401
25,207,716	6,349,331	1,767,310	1,323,343	1,004,905
554,367	554,184	563,115	938,681	562,790
<u>\$43,860,948</u>	<u>\$27,690,967</u>	<u>\$24,309,150</u>	<u>\$25,500,809</u>	<u>\$25,819,990</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT

General Government Revenues by Source (1)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Taxes	\$2,330,221	\$1,887,549	\$2,928,840	\$3,372,682	\$3,391,359
Intergovernmental	9,757,083	10,957,534	11,726,451	20,804,415	38,529,501
Interest	122,740	115,598	156,887	491,425	1,042,221
Tuition and Fees	6,696	5,546	10,445	4,921	126,643
Extracurricular Activities	76,774	79,458	102,754	118,572	133,836
Rent	253	60,875	102	104	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	<u>27,600</u>	<u>41,783</u>	<u>116,445</u>	<u>70,449</u>	<u>290,924</u>
Total	<u>\$12,321,367</u>	<u>\$13,148,343</u>	<u>\$15,041,924</u>	<u>\$24,862,568</u>	<u>\$43,514,484</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>2001</u>	<u>2002</u>	<u>2003 (2)</u>	<u>2004 (2)</u>	<u>2005 (2)</u>
\$3,717,413	\$4,045,516	\$3,699,848	\$4,248,472	\$4,661,605
30,562,605	17,688,565	17,711,280	19,058,488	19,407,256
1,148,868	306,638	126,630	65,060	103,622
95,952	81,376	569,959	635,271	907,851
153,313	177,630	197,649	197,859	104,415
46	0	0	0	0
24,931	58,555	49,468	10,102	8,885
<u>88,057</u>	<u>134,706</u>	<u>98,399</u>	<u>69,562</u>	<u>142,060</u>
<u><u>\$35,791,185</u></u>	<u><u>\$22,492,986</u></u>	<u><u>\$22,453,233</u></u>	<u><u>\$24,284,814</u></u>	<u><u>\$25,335,694</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT

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

<u>Fiscal Year</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 was 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 expenses have been adjusted to reflect this change for comparative purposes.

TABLE 3

<u>2003 (2)</u>	<u>2004 (2)</u>	<u>2005 (2)</u>
\$12,962,329	\$13,157,172	\$13,628,477
2,242,856	2,100,815	2,596,384
273,998	269,774	288,623
0	0	0
1,084,700	1,064,124	1,095,373
886,418	904,816	878,219
18,213	26,087	23,317
2,126,037	2,092,474	2,178,806
485,519	625,984	534,234
0	294	31,641
2,534,729	3,098,831	2,821,977
1,662,716	1,769,004	1,920,582
97,847	179,493	211,797
1,916	1,887	46,862
521,942	568,400	640,459
338,146	333,859	321,848
<u>\$25,237,366</u>	<u>\$26,193,014</u>	<u>\$27,218,599</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
 Governmental Activities Revenues
 Last Six Fiscal Years (1)

Fiscal Year	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 (2)	783,043	1,801,397	67,045
2004 (2)	848,404	2,253,283	78,650
2005 (2)	1,012,266	2,484,693	0

Source: Western Brown Local School District records.

- (1) Fiscal year 2000 was 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 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	Gifts and Donations	Miscellaneous	Total
\$3,499,950	\$37,191,909	\$1,042,221	\$0	\$0	\$234,698	\$44,310,967
3,795,624	13,715,161	1,148,868	0	0	88,103	20,191,279
3,955,468	15,421,480	306,638	0	0	127,206	22,088,863
3,916,058	15,899,676	126,630	53,143	0	82,964	22,729,956
4,084,297	16,729,287	65,060	276,088	0	54,288	24,389,357
4,668,587	17,078,312	103,622	0	5,841	142,060	25,495,381

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>
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
2005	4,043,336	3,770,901	93.26	307,254	4,078,155

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>
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
100.86	256,489	6.34

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
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
2005	183,935,690	525,530,543	9,164,247	36,656,988

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)
\$5,967,480	\$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	429,534,388	31.75
7,389,800	9,237,250	138,672,130	406,111,679	34.15
7,713,000	9,641,250	144,782,990	422,773,048	34.25
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
8,353,770	10,442,213	201,453,707	572,629,743	35.18

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>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Western Brown Local School District	\$20.00	\$20.00	\$25.20	\$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	3.50	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	4.10	4.10	4.10	4.60
Lewis Township	3.10	3.10	3.10	3.10	3.25
Scott Township	3.30	3.30	3.30	3.30	3.30

Source: Brown County Auditor

TABLE 7

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$25.20	\$23.70	\$23.70	\$23.20	\$23.00
5.80	5.80	5.80	5.80	5.80
9.10	9.10	9.10	9.10	7.60
5.80	5.80	5.80	5.80	5.40
3.50	4.50	4.50	4.50	4.50
3.50	4.50	4.50	4.50	4.50
5.50	6.50	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	4.00	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	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (%)	Net Bonded Debt Per Capita
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
2005	16,482	201,453,707	5,975,000	1,593,513	4,381,487	2.17	266

(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.

TABLE 9**WESTERN BROWN LOCAL SCHOOL DISTRICT**

Computation of Legal Debt Margin

June 30, 2005

Assessed Valuation of District		<u><u>\$201,453,707</u></u>
<u>Overall Direct Debt Limitation</u>		
Direct debt limitation		
9% of assessed valuation (1)		\$18,130,834
Gross indebtedness	\$5,975,000	
Less Amount Available for Debt Service Fund	<u>(1,593,513)</u>	
Net indebtedness		<u>(4,381,487)</u>
Legal debt margin within 9% limitation		<u><u>\$13,749,347</u></u>
<u>Unvoted Direct Debt Limitation</u>		
0.1% of assessed valuation (1)		<u>\$201,454</u>
Legal debt margin within 0.1% limitation		<u><u>\$201,454</u></u>

Source: Western Brown Local School District records.

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

TABLE 10**WESTERN BROWN LOCAL SCHOOL DISTRICT**

Computation of Direct and Overlapping Debt

June 30, 2005

Governmental Unit	Gross General Obligation Bonds (1)	Percent Applicable to District	Amount Applicable to District
Direct:			
Western Brown Local School District	\$5,975,000	100.00%	\$5,975,000
Overlapping:			
Brown County	2,405,000	34.75	835,738
Total direct and overlapping debt	\$8,380,000		\$6,810,738

Source: Ohio Municipal Advisory Council

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 (%)
1996	\$46,400	\$25,810	\$72,210	\$12,697,737	0.57%
1997	46,400	21,414	67,814	13,468,873	0.50
1998	46,400	13,102	59,502	15,914,008	0.37
1999	354,000	348,183	702,183	18,226,351	3.85
2000	189,400	351,302	540,702	36,166,740	1.50
2001	153,000	332,473	485,473	43,860,948	1.11
2002	168,000	325,487	493,487	27,690,967	1.78
2003	178,000	317,915	495,915	24,309,150	2.04
2004	165,000	310,506	475,506	25,500,809	1.86
2005	190,000	302,895	492,895	25,819,990	1.91

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>
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
2005	41,576	16,482	3,383	6.50	5.80	5.10

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>
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
2005	3,225,000	153,281	183,935,690

- Sources:
- (1) 1996 data from Building Permit Survey, prepared by the Bureau of Census
 1997-2000 data from Bureau of Census World Wide Web site
 2001-2005 data from Brown County Auditor
 - (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	\$1,797,950	0.98%
Cincinnati Milacron	1,573,410	0.86%
Timothy Hale	737,300	0.40%
Scottwood Commons	660,370	0.36%
Locust Ridge Land Corp.	519,820	0.28%
Alma Monk	427,220	0.23%
N A L Company	394,030	0.21%
HPWFP Limited Partnership	391,240	0.21%
Lake Grant Ltd.	378,900	0.21%
Shihasi Mt Orab LLC	357,050	0.19%
Total Principal Taxpayers	\$7,237,290	3.93%
Total School District Real Property Assessed Value	\$183,935,690	100.00%

Source: Brown County Auditor.

TABLE 15**WESTERN BROWN LOCAL SCHOOL DISTRICT**

Miscellaneous Statistical Data

June 30, 2005

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 2005 School Year:	592,028

<u>School</u>	<u>Grade Levels</u>	<u>Enrollment</u>
Hamersville Elementary	K - 8	732
Mt. Orab Elementary	Pre K - 4	850
Mt. Orab Middle School	5 - 8	780
Western Brown High School	9 - 12	1,021
Total		<u><u>3,383</u></u>

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor	17	8.29 %
Bachelor +150	42	20.48
Masters	52	25.36
Masters +15 or more	94	45.87
Total	<u><u>205</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	55	26.82 %
6 - 10	43	20.97
11 - 15	26	12.68
16 - 20	23	11.21
21 - 25	14	6.82
26 and over	44	21.50
Total	<u><u>205</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>
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
2005	234	266	235	208	257	274	323	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>
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
289	288	263	245	228	3,383

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>
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)
2005	6,747	8,529	(1,782)

Source: Western Brown Local School District records.

TABLE 18**WESTERN BROWN LOCAL SCHOOL DISTRICT**

Comparative Statistical Data

June 30, 2005

	Western Brown Local Schools	State
Expenditure Per Pupil (all funds)	\$6,747	\$8,529
H.S. Graduation Rate	89.0%	85.3%
Student Attendance Rate	94.6%	94.3%
<u>Proficiency Tests: Percentage of Students Who Passed</u>		
Grade 4: Math	57.9%	65.5%
Reading	77.1%	76.6%
Writing	72.1%	78.1%
Citizenship	65.8%	66.0%
Science	64.0%	61.2%
Grade 6: Math	54.8%	62.5%
Reading	78.9%	69.8%
Writing	81.9%	83.5%
Citizenship	71.9%	72.7%
Science	65.9%	66.9%
Grade 9: Math	79.3%	81.6%
Reading	91.6%	92.0%
Writing	85.2%	83.7%
Citizenship	72.8%	79.3%
Science	66.1%	73.0%
<u>Student Demographics: Racial Ethnic Data Percentages</u>		
White	99.2%	
Black	0.3%	
Hispanic	0.0%	
Asian	0.2%	
American Indian, Alaskan	0.3%	
Multi-Racial		

Source: Ohio Department of Education, EMIS District Profile



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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
DECEMBER 30, 2005**