



**Auditor of State
Betty Montgomery**



Mary Taylor, CPA
Auditor of State

January 9, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

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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 DECEMBER 31, 2006**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Food Distribution Program	N/A	10.550	\$0 0	\$84,036 84,036	\$0 0	\$88,338 88,338
Nutrition Cluster:						
National School Breakfast Program	05-PU-05	10.553	15,228		15,228	
	05-PU-06	10.553	124,917		124,917	
			140,145		140,145	
National School Lunch Program	LL-P4-05	10.555	50,664		50,664	
	LL-P4-06	10.555	317,156		317,156	
			367,820		367,820	
Total U.S. Department of Agriculture - Nutrition Cluster			507,965		507,965	
Total Department of Agriculture			507,965	84,036	507,965	88,338
<u>U.S. DEPARTMENT OF DEFENSE (ARMY)</u>						
National Guard Civilian Youth Opportunities	N/A	12.404	38,802	0	38,802	0
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Grants to States (IDEA Part B)	6B-SF-05	84.027	68,610		78,353	
	6B-SF-06	84.027	741,214		732,101	
			809,824	0	810,454	0
Title I Grants to Local Educational Agencies	C1-S1-05	84.010	74,441		88,385	
	C1-S1-06	84.010	473,478		454,151	
			547,919	0	542,536	0
Safe and Drug-Free Schools and Communities - State Grants	DR-S1-05	84.186			0	
	DR-S1-06	84.186	14,870		12,488	
			14,870	0	12,488	0
Innovative Educational Program Strategies	C2-S1-05	84.298	3,000		3,000	
	C2-S1-06	84.298	7,852		4,554	
			10,852	0	7,554	0
Improving Teacher Quality	TR-S1-05	84.367	4,687		11,302	
	TR-S1-06	84.367	145,841		134,702	
			150,528	0	146,004	0
Technology Literacy Challenge Grant	TJ-S1-05	84.318	0		548	
	TJ-S1-06	84.318	13,518		14,117	
			13,518	0	14,665	0
Total Department of Education			1,547,511	0	1,533,701	0
Totals			\$2,094,278	\$84,036	\$2,080,468	\$88,338

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, 2006**

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

Cash receipts from the U.S Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE C – FOOD INVENTORY

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.



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, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 19, 2006. 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 19, 2006 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*. In a separate letter to the District's management dated December 19, 2006, we reported a matter related to noncompliance we deemed material.

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 19, 2006



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, 2006. 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, 2006.

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, 2006, and have issued our report thereon dated December 19, 2006. 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 19, 2006

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006**

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):	Special Education Grants to States CFDA # 84.027
(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, 2006***

WESTERN BROWN LOCAL SCHOOL DISTRICT

MT. ORAB, OHIO

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Issued by:
Treasurer's Office

Denny Dunlap, Treasurer

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INTRODUCTORY SECTION

Western Brown Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2006

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Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2006

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WESTERN BROWN LOCAL SCHOOL DISTRICT

BOARD OF EDUCATION

Bruce S. Wallace, President
William H. Neal, Vice President
James W. Herrmann
JoAnn C. Hildebrandt
Dennis R. Wright



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. Lanter, Executive Secretary
Jina Bohl, Director of Curriculum and Instruction
Kendra Byrd, Special Education Coordinator
Dan Colonel, Maintenance Supervisor
Joe Hower, Transportation Supervisor
Stella Napier, Food Service Director

December 19, 2006

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, 2006. 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. The basic financial statements from this report were filed to fulfill that requirement for the fiscal year ended June 30, 2006.

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, 2006. 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 title page, a table of contents, this transmittal letter, a list of principal officials, the School District's organizational chart, a list of the School District's consultants and advisors, the GFOA and ASBO certificates the School District received for the June 30, 2005 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 and policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the School District's tax dollars, and approves the annual appropriation resolution.

The current Board members, their terms and years on the Board as of June 30, 2006, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Bruce Wallace	Jan. 2006 - Dec. 2009	21 - 1/3
William Neal	Jan. 2004 - Dec. 2007	14 - 1/2
JoAnn Hildebrandt	Jan. 2004 - Dec. 2007	2 - 1/2
James Herrmann	Jan. 2004 - Dec. 2007	14 - 1/2
Dennis Wright	Jan. 2006 - Dec. 2009	1/2

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. Jeff Royalty was appointed Superintendent on January 11, 2004. Mr. Royalty's contract expired on July 31, 2006 and was renewed through July 31, 2008.

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 270 full time employees. These employees include certified, non-certified and administrative personnel providing services to 3,367 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 17, 18 and 19 to the basic financial statements.

The School Board is required to adopt an annual budget no later than the close of the fiscal year for the following fiscal 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 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.

With Mt. Orab and Hamersville being rural communities in Southern Ohio, the unemployment rate of 6.20 percent continues to be higher than the State of Ohio rate of 5.10 percent. This is largely due to the area being a farming community. Mt. Orab is seeing more growth than Hamersville. A major highway goes through Mt. Orab which helps the community. Housing developments are being built. A lot of small business are starting to come to the area. The School District approved a request from the Village of Mt. Orab for a Tax Increment Financing District. By approving this, the Village can be competitive and bring in new business and new housing to the community. It was also announced in 2006 that Clermont Mercy Hospital will build a hospital in Mt. Orab. This should provide additional growth for the community.

The School District served 3,367 students during the 2006 fiscal year. School District facilities include one senior high school (9-12), and three buildings that serve K-8; one at Mt. Orab serving Pre K-4, one at Mt. Orab serving grades K-8 and one at Hamersville serving grades K-8. The Western Brown High School and Hamersville Middle and Elementary School were constructed in 2002. The Mt. Orab Middle School was constructed in 1957, with additions in 1971, 1984, 1992 and 1998. The Mt. Orab Elementary school was constructed in 1971 with additions in 1988 and 1998.

The School District's enrollment declined by sixteen students during fiscal year 2006. While our enrollment has not increased as we expected in the past years, we did not expect our enrollment to decline. We still believe that in future years our enrollment will start to go up. During fiscal year 2006 more students were going out than coming in from open enrollment. This is a first since open enrollment was started in fiscal year 2002. The main reason for this is that our School District covers a lot of area and some students are closer to other school districts than our buildings.

FINANCIAL TRENDS

Since fiscal year 2001 the School District's expenditures have exceeded its revenues. With the School District's five year forecast showing a deficit in fiscal year 2008, the School District had to make reductions in order to be in compliance with the State of Ohio laws.

FINANCIAL PLANNING AND POLICIES

During fiscal year 2006 the School District implemented a plan to reduce costs in order to bring our expenses in line with our revenues. With our enrollment not increasing as we expected, we had more teaching members than needed. The School District did not replace many of the staff that left at the end of the school year. The School District also implemented a Memorandum of Understanding with the Teacher's union. This MOU is for employees with 35 or more years of service. It allows them to retire and be rehired by the School District at a lower salary for the next five years. This provided savings to the School District.

The State of Ohio budget bill, HB 66 signed into law June of 2005, has not been a positive bill for the School District. The per pupil funding provided 2.20 percent growth for each fiscal year. The bill also phases out tangible personal property taxes. The School District will lose 2 percent of its General Fund revenue starting in the fiscal year 2011.

During the school year the School District approved the creation of a Tax Increment Financing Project for the Village of Mt. Orab. 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. By approving this tax increment financing project for the Village, this will lower our tax revenue and increase our State revenue since our valuation will decrease. If payments in lieu of taxes are made in the future to the School District by the Village, our State revenue will be decreased accordingly.

MAJOR INITIATIVES

The School District has successfully completed projects that included the refurbishing of the track surface at Western Brown High School and five new tennis courts there as well. In addition to this, gym dividers were installed for use by physical education 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 School 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, 2005. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of State and local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one fiscal year only. The Western Brown Local School District believes our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

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, 2005 to the Western Brown Local School District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005, 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.

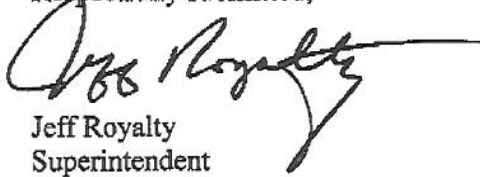
The Western Brown Local School District believes our current report conforms to the ASBO's principles and standards and we are submitting it to ABSO to determine its eligibility for an award.

ACKNOWLEDGMENTS

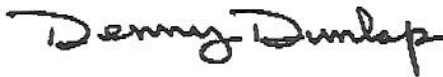
A note of sincere appreciation is extended to the many conscientious people who have contributed their time and effort to the preparation of this report. A special thank you is also extended to the Auditor of State's Local Government Services Section for all of their efforts and contributions in the 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, 2006*

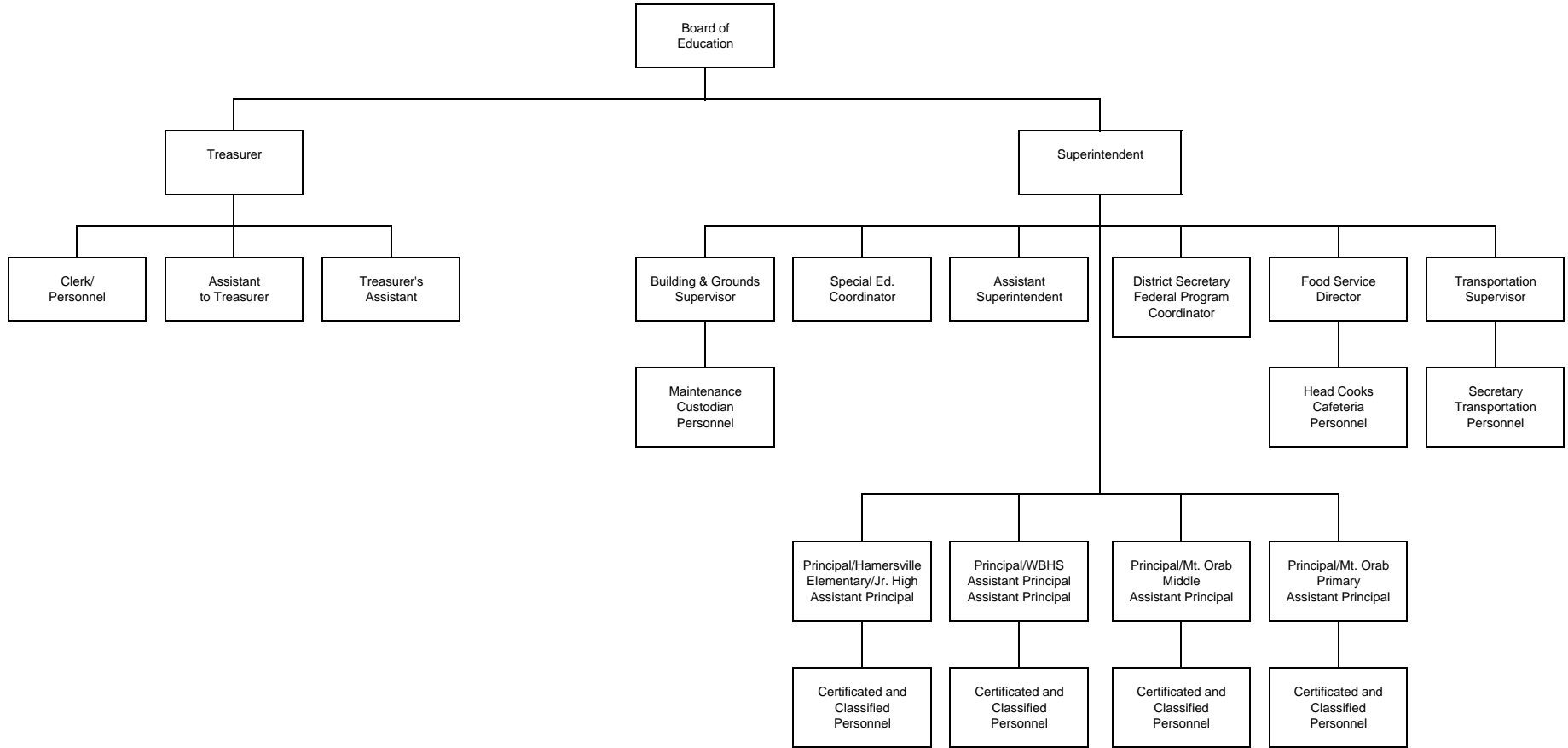
ELECTED OFFICIALS

President, Board of Education Bruce Wallace
Vice President, Board of Education..... William Neal
Board Member JoAnn Hildebrandt
Board Member..... James Herrmann
Board Member..... Dennis Wright

ADMINISTRATIVE OFFICIALS

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

**Western Brown Local School District
Organizational Chart
June 30, 2006**



***Western Brown Local School District
Consultants and Advisors
June 30, 2006***

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

Baird & Co.
Suite 2500
10 West Broad Street
Columbus, OH 43215-3418

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

National City Bank
155 East Broad Street
Columbus, OH 43251-0061

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, 2005

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.



President

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, 2005

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

President

Interim Executive Director

Western Brown Local Schools

Strategic Plan

Adopted by the Western Brown Board of Education
June 30, 2006

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

- We will always make decisions that are in the best interest of our students.
- Site-based decisions will always be consistent with the strategic plan.
- Priority will always be given to the K-12 instructional program as defined by approved course of study.

- No new program will be accepted unless:
 - it is consistent with the strategic plan;
 - benefits clearly exceed costs; and
 - provisions are made for staff development and program evaluation.

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

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

Goals

- All students will graduate from high school.
- By 2013-2014, all students will reach high standards, at a minimum attaining proficiency or better in reading/language arts.
- By 2013-2014, all students will reach high standards, at a minimum attaining proficiency or better in mathematics.
- Students with disabilities will have Individualized Educational Program goals and measures aligned with the academic content standards.
- All students will be educated in learning environments that are safe, drug free, and conducive in learning.
- By 2013-2014, all students will reach high standards, at a minimum attaining proficiency or better in science.
- By 2013-2014, all students will reach high standards, at a minimum attaining proficiency or better in citizenship.
- The Western Brown Local School District will provide meaningful opportunities for family and community involvement in the educational process.

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FINANCIAL SECTION



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Western Brown Local School District, Brown County, Ohio (the District), as of and for the year ended June 30, 2006, 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, 2006, 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 19, 2006, 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 the Governmental Accounting Standards Board 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 are presented for additional analysis 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.

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 19, 2006

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
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, 2006. 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 \$3,046,662. Net assets of governmental activities decreased \$2,931,916 and net assets of business-type activity decreased by \$114,746. Governmental expenses increased by \$1,805,243, due primarily to increases in regular instruction, administration, and pupil transportation, while governmental revenues increased by \$596,545. In addition, capital assets of governmental activities decreased by \$2,354,226 and long-term liabilities of governmental activities decreased by \$376,911.
- Governmental general revenues accounted for \$22,320,478, or 86 percent of total revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,771,448 or 14 percent of total revenues of \$26,091,926.
- Total assets of governmental activities decreased by \$3,598,243.
- The School District had \$29,023,842 in expenses related to governmental activities; only \$3,771,448 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$22,320,478 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, 2006
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 nonmajor funds presented in total in one column. The major funds for the Western Brown Local School District are the General Fund and the Debt Service 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 2006?" The *Statement of Net Assets* and the *Statement of Activities*, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all *assets* and *liabilities* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current 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, 2006
Unaudited

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

- **Governmental Activities** - Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- **Business-Type 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-type activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
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 2006 and 2005:

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets						
Current and other						
Assets	\$10,871,672	\$12,115,689	\$235,923	\$208,894	\$11,107,595	\$12,324,583
Capital Assets	55,218,830	57,573,056	1,905,617	2,033,945	57,124,447	59,607,001
Total Assets	66,090,502	69,688,745	2,141,540	2,242,839	68,232,042	71,931,584
Liabilities						
Long-Term Liabilities	(7,636,643)	(8,013,554)	(22,362)	(16,780)	(7,659,005)	(8,030,334)
Other Liabilities	(6,654,834)	(6,944,250)	(126,246)	(118,381)	(6,781,080)	(7,062,631)
Total Liabilities	(14,291,477)	(14,957,804)	(148,608)	(135,161)	(14,440,085)	(15,092,965)
Net Assets						
Invested in Capital						
Assets Net of Debt	48,946,361	51,070,621	1,905,617	2,033,945	50,851,978	53,104,566
Restricted	3,328,969	3,953,047	0	0	3,328,969	3,953,047
Unrestricted (Deficit)	(476,305)	(292,727)	87,315	73,733	(388,990)	(218,994)
Total Net Assets	\$51,799,025	\$54,730,941	\$1,992,932	\$2,107,678	\$53,791,957	\$56,838,619

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Table 2 shows the changes in net assets for fiscal year 2006 and 2005.

(Table 2)
Changes in Net Assets

	Governmental Activities 2006	Governmental Activities 2005	Business-Type Activities 2006	Business-Type Activities 2005	Total 2006	Total 2005
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,126,436	\$1,012,266	\$637,513	\$596,124	\$1,763,949	\$1,608,390
Operating Grants and Contributions	2,573,020	2,484,693	613,495	506,964	3,186,515	2,991,657
Capital Grants and Contributions	71,992	0	0	0	71,992	0
Total Program Revenues	3,771,448	3,496,959	1,251,008	1,103,088	5,022,456	4,600,047
General Revenues:						
Property Taxes	4,679,613	4,668,587	0	0	4,679,613	4,668,587
Grants and Entitlements not Restricted to Specific Programs	17,302,267	17,078,312	0	0	17,302,267	17,078,312
Investment Earnings	182,083	103,622	0	18,778	182,083	122,400
Gifts and Donations	18,265	5,841	0	0	18,265	5,841
Miscellaneous	138,250	142,060	17,548	0	155,798	142,060
Total General Revenues	22,320,478	21,998,422	17,548	18,778	22,338,026	22,017,200
Total Revenues	\$26,091,926	\$25,495,381	\$1,268,556	\$1,121,866	\$27,360,482	\$26,617,247
Program Expenses						
Instruction:						
Regular	14,703,897	13,628,477	0	0	14,703,897	13,628,477
Special	2,751,167	2,596,384	0	0	2,751,167	2,596,384
Vocational	319,570	288,623	0	0	319,570	288,623
Student Intervention Services	101,933	0	0	0	101,933	0
Support Services:						
Pupils	1,083,805	1,095,373	0	0	1,083,805	1,095,373
Instructional Staff	1,029,535	878,219	0	0	1,029,535	878,219
Board of Education	25,214	23,317	0	0	25,214	23,317
Administration	2,323,665	2,178,806	0	0	2,323,665	2,178,806
Fiscal	487,405	534,234	0	0	487,405	534,234
Business	23,666	31,641	0	0	23,666	31,641
Operation and Maintenance of Plant	2,870,792	2,821,977	0	0	2,870,792	2,821,977
Pupil Transportation	2,107,161	1,920,582	0	0	2,107,161	1,920,582
Central	181,968	211,797	0	0	181,968	211,797
Operation of Non-Instructional Services	3,578	46,862	0	0	3,578	46,862
Extracurricular Activities	692,746	640,459	0	0	692,746	640,459
Interest and Fiscal Charges	317,740	321,848	0	0	317,740	321,848
Food Service	0	0	1,383,302	1,266,525	1,383,302	1,266,525
Total Expenses	29,023,842	27,218,599	1,383,302	1,266,525	30,407,144	28,485,124
Decrease in Net Assets Before Transfers						
	(2,931,916)	(1,723,218)	(114,746)	(144,659)	(3,046,662)	(1,867,877)
Transfers	0	(43,615)	0	43,615	0	0
Decrease in Net Assets						
	(2,931,916)	(1,766,833)	(114,746)	(101,044)	(3,046,662)	(1,867,877)
Net Assets - Beginning of Year	54,730,941	56,497,774	2,107,678	2,208,722	56,838,619	58,706,496
Net Assets - End of Year	\$51,799,025	\$54,730,941	\$1,992,932	\$2,107,678	\$53,791,957	\$56,838,619

Capital grants and contributions increased by \$71,992 in the governmental activities. In fiscal year 2006, the School District received private donations in the General Fund to assist in the building of new Tennis Courts. Also, grant monies were received in the School Net Capital Projects Fund that were not received in fiscal year 2005.

Regular instruction increased by \$1,075,420 in the governmental activities. This is due to the purchase of new math and social studies textbooks, classroom equipment and the cost of doing business for supplies.

Administration expenditures increased by \$144,859 in the governmental activities. This is due to a new position called a Director of Curriculum and Instruction and the purchase of administration equipment.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Pupil transportation expenditures increased by \$186,579 in the governmental activities. This is due to building a new bus compound, hiring a new bus driver and increasing the other drivers' route time due to the buses being parked at the bus compound.

Governmental Activities

The School District has been able to benefit greatly due to the increase in State funding. Grants and Entitlements made up 66 percent of revenues for governmental activities of the Western Brown Local School District for fiscal year 2006.

Instruction comprises 62 percent of governmental program expenses. Support services expenses make up 35 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 2006	Total Cost of Services 2005	Net Cost of Services 2006	Net Cost of Services 2005
Instruction	\$17,876,567	\$16,513,484	(\$15,257,542)	(\$14,161,255)
Support Services	10,133,211	9,695,946	(9,130,501)	(8,658,675)
Operation of Non-Instructional Services	3,578	46,862	268	(43,818)
Extracurricular Activities	692,746	640,459	(546,879)	(536,044)
Interest and Fiscal Charges	317,740	321,848	(317,740)	(536,044)
Total Expenses	\$29,023,842	\$27,218,599	(\$25,252,394)	(\$23,935,836)

Business-Type Activities

The only business-type activity is the food service operation. This program had revenues of \$1,268,556 and expenses of \$1,383,302 for fiscal year 2006. Of the revenues, \$637,513 was charges for services and sales, \$613,495 was from State and Federal grants, and \$17,548 was from miscellaneous receipts. 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, 2006
Unaudited

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$26,230,826 and expenditures of \$27,049,513. The net change in fund balance for the fiscal year was most significant in the General Fund, a decrease of \$479,023. 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 \$91,033 which was the result of decreased support services expenditures and interest and fiscal charges.

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 2006 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 20, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

For the General Fund, the original budget basis revenue was \$23,137,022 with a final budget estimate of \$23,289,291. The difference of \$152,269 was primarily due to increases in tuition and fees revenue and additional State foundation monies being received. The School District's final actual revenues were \$23,509,694 at fiscal year-end, which represented a \$220,403 increase over final budgeted revenues. This difference was primarily due to increases in income tax revenues and tuition and fees.

Original budget basis appropriations were \$23,831,510 with a final budget estimate of \$24,365,187. The difference of \$533,677 was primarily due to increases in regular instruction, support services pupil transportation, and support services central. The School District's final actual appropriations were \$24,075,074 at fiscal year-end, which represented a \$290,113 decrease over final budgeted appropriations. This difference was primarily due to decreases in support services administration and support services operation and maintenance of plant.

The School District's ending unobligated cash balance was \$462,339 above the final budgeted amount.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2006, the School District had \$55,218,830 invested in land, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2006 balances compared to fiscal year 2005:

(Table 4)

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$2,515,954	\$2,515,954	\$0	\$0	\$2,515,954	\$2,515,954
Buildings and Improvements	49,730,401	50,952,782	1,117,658	1,154,850	50,848,059	52,107,632
Furniture and Equipment	2,355,957	2,838,969	787,959	879,095	3,143,916	3,718,064
Vehicles	616,518	734,991	0	0	616,518	734,991
Construction in Progress	0	530,360	0	0	0	530,360
Totals	<u>\$55,218,830</u>	<u>\$57,573,056</u>	<u>\$1,905,617</u>	<u>\$2,033,945</u>	<u>\$57,124,447</u>	<u>\$59,607,001</u>

Net capital assets decreased from the prior fiscal year. The amount of depreciation was greater than the additions to capital assets, resulting in a net decrease for the fiscal year. The School District purchased new classroom equipment, administration equipment, finished the HVAC system at the Mt. Orab Middle School and built a new bus compound to park the buses and save on fuel.

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

Debt

At June 30, 2006, the School District had \$5,775,000 in bonds outstanding, \$215,000 of which is due within one year. Table 5 summarizes bonds outstanding at 2006 and 2005:

(Table 5)

Outstanding Debt, at Fiscal Year-End

	2006	2005
General Obligation Bonds:		
1998-School Improvement Bonds	<u>\$5,775,000</u>	<u>\$5,975,000</u>

***Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited***

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

At June 30, 2006 the School District's overall legal debt margin was \$13,675,056 with an unvoted debt margin of \$197,395, at June 30, 2006. 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

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 Local School District is not experiencing immediate financial difficulties at this time but an approaching deficit caused School District administration to enact a broad range of spending reductions and cost savings measures. Through these actions the deficit has been extended out to the third year of the five-year forecast. 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 are two 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 relatively flat and not growing at rates that we had expected in light of the increased home building in the Mt. Orab area. We continue to see increasing numbers of open enrollment students coming into the School District, which serve as an offset to those leaving the School District. 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 School 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 website 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. This is especially distasteful, as our School District has just been recognized by the Ohio Department of Education as well as all buildings being rated as "Effective" 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? We have many needs for continual improvement for the educational program in the Western Brown Local School District and our staff is giving an outstanding effort. We are in great need of leadership in

*Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited*

Columbus that will provide a Constitutional funding system in Ohio. This is the only way that we can ensure the greatest educational opportunities for the children of this 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, 2006

	Governmental Activities	Business-Type Activity	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$5,771,756	\$226,440	\$5,998,196
Accrued Interest Receivable	160	0	160
Prepaid Items	14,293	0	14,293
Inventory Held for Resale	0	6,574	6,574
Materials and Supplies Inventory	0	2,359	2,359
Intergovernmental Receivable	109,785	0	109,785
Taxes Receivable	4,921,642	0	4,921,642
Accounts Receivable	4,734	550	5,284
Cash and Cash Equivalents with Escrow Agents	3,771	0	3,771
Cash and Cash Equivalents with Fiscal Agents	5,000	0	5,000
Investments with Fiscal Agents	27,147	0	27,147
Deferred Charges	13,384	0	13,384
Capital Assets:			
Land and Construction in Progress	2,515,954	0	2,515,954
Depreciable Capital Assets, Net	52,702,876	1,905,617	54,608,493
Total Assets	66,090,502	2,141,540	68,232,042
Liabilities			
Accounts Payable	77,177	6,393	83,570
Accrued Wages and Benefits	2,138,966	78,626	2,217,592
Matured Compensated Absences Payable	184,885	0	184,885
Intergovernmental Payable	586,030	41,227	627,257
Deferred Revenue	3,634,902	0	3,634,902
Matured Interest Payable	5,000	0	5,000
Accrued Interest Payable	24,103	0	24,103
Retainage Payable	3,771	0	3,771
Long-Term Liabilities:			
Due Within One Year	330,020	2,047	332,067
Due in More Than One Year	7,306,623	20,315	7,326,938
Total Liabilities	14,291,477	148,608	14,440,085
Net Assets			
Invested in Capital Assets, Net of Related Debt	48,946,361	1,905,617	50,851,978
Restricted for:			
Debt Service	1,679,299	0	1,679,299
Capital Projects	728,696	0	728,696
Other Purposes	838,607	0	838,607
Set-Asides	82,367	0	82,367
Unrestricted (Deficit)	(476,305)	87,315	(388,990)
Total Net Assets	\$51,799,025	\$1,992,932	\$53,791,957

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2006

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activity	Total
Governmental Activities							
Instruction:							
Regular	\$14,703,897	\$567,375	\$302,023	\$36,992	(\$13,797,507)	\$0	(\$13,797,507)
Special	2,751,167	79,065	1,544,584	0	(1,127,518)	0	(1,127,518)
Vocational	319,570	11,349	77,637	0	(230,584)	0	(230,584)
Student Intervention Services	101,933	0	0	0	(101,933)	0	(101,933)
Support Services:							
Pupils	1,083,805	29,129	220,819	0	(833,857)	0	(833,857)
Instructional Staff	1,029,535	32,912	146,596	0	(850,027)	0	(850,027)
Board of Education	25,214	1,050	0	0	(24,164)	0	(24,164)
Administration	2,323,665	71,026	169,215	0	(2,083,424)	0	(2,083,424)
Fiscal	487,405	18,253	0	0	(469,152)	0	(469,152)
Business	23,666	0	18,046	0	(5,620)	0	(5,620)
Operation and							
Maintenance of Plant	2,870,792	115,193	0	0	(2,755,599)	0	(2,755,599)
Pupil Transportation	2,107,161	83,321	78,254	0	(1,945,586)	0	(1,945,586)
Central	181,968	6,896	12,000	0	(163,072)	0	(163,072)
Operation of Non-Instructional							
Services	3,578	0	3,846	0	268	0	268
Extracurricular Activities	692,746	110,867	0	35,000	(546,879)	0	(546,879)
Interest and Fiscal Charges	317,740	0	0	0	(317,740)	0	(317,740)
<i>Total Governmental Activities</i>	<u>29,023,842</u>	<u>1,126,436</u>	<u>2,573,020</u>	<u>71,992</u>	<u>(25,252,394)</u>	<u>0</u>	<u>(25,252,394)</u>
Business-Type Activity							
Food Service	1,383,302	637,513	613,495	0	0	(132,294)	(132,294)
<i>Totals</i>	<u>\$30,407,144</u>	<u>\$1,763,949</u>	<u>\$3,186,515</u>	<u>\$71,992</u>	<u>(\$25,252,394)</u>	<u>(\$132,294)</u>	<u>(\$25,384,688)</u>
General Revenues							
Property Taxes Levied for:							
General Purposes					4,050,425	0	4,050,425
Debt Service					535,614	0	535,614
Capital Outlay					93,574	0	93,574
Grants and Entitlements							
not Restricted to Specific Programs					17,302,267	0	17,302,267
Investment Earnings					182,083	0	182,083
Gifts and Donations					18,265	0	18,265
Miscellaneous					138,250	17,548	155,798
<i>Total General Revenues</i>					<u>22,320,478</u>	<u>17,548</u>	<u>22,338,026</u>
Change in Net Assets					(2,931,916)	(114,746)	(3,046,662)
<i>Net Assets Beginning of Year</i>					<u>54,730,941</u>	<u>2,107,678</u>	<u>56,838,619</u>
<i>Net Assets End of Year</i>					<u>\$51,799,025</u>	<u>\$1,992,932</u>	<u>\$53,791,957</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
Balance Sheet
Governmental Funds
June 30, 2006

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,425,213	\$1,561,268	\$1,673,937	\$5,660,418
Cash and Cash Equivalents with Fiscal Agents	0	5,000	0	5,000
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	111,338	0	0	111,338
Investments with Fiscal Agents	27,147	0	0	27,147
Cash and Cash Equivalents with Escrow Agents	3,771	0	0	3,771
Receivables:				
Taxes	4,242,862	591,132	87,648	4,921,642
Accounts	812	0	3,922	4,734
Intergovernmental	16,335	2,023	91,427	109,785
Accrued Interest	160	0	0	160
Prepaid Items	14,293	0	0	14,293
Total Assets	\$6,841,931	\$2,159,423	\$1,856,934	\$10,858,288
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$35,549	\$0	\$41,628	\$77,177
Accrued Wages and Benefits	2,013,362	0	125,604	2,138,966
Matured Compensated Absences Payable	184,885	0	0	184,885
Retainage Payable	3,771	0	0	3,771
Intergovernmental Payable	566,587	0	19,443	586,030
Deferred Revenue	3,269,283	469,877	65,318	3,804,478
Matured Interest Payable	0	5,000	0	5,000
Total Liabilities	6,073,437	474,877	251,993	6,800,307
Fund Balances				
Reserved for Encumbrances	144,238	0	28,447	172,685
Reserved for Property Taxes	955,942	119,493	21,889	1,097,324
Reserved for Textbooks	82,367	0	0	82,367
Reserved for Bus Purchases	28,971	0	0	28,971
Reserved for Capital Improvements	27,147	0	0	27,147
Unreserved, Undesignated (Deficit), Reported in:				
General Fund	(470,171)	0	0	(470,171)
Special Revenue Funds	0	0	856,516	856,516
Debt Service Fund	0	1,565,053	0	1,565,053
Capital Projects Funds	0	0	698,089	698,089
Total Fund Balances	768,494	1,684,546	1,604,941	4,057,981
Total Liabilities and Fund Balances	\$6,841,931	\$2,159,423	\$1,856,934	\$10,858,288

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, 2006

Total Governmental Fund Balances \$4,057,981

***Amounts reported for governmental activities in the
 Statement of Net Assets are different because:***

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

Land	2,515,954	
Other capital assets	71,685,133	
Accumulated depreciation	<u>(18,982,257)</u>	
Total capital assets		55,218,830

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	154,592	
Intergovernmental	<u>14,984</u>	
		169,576

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

13,384

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	(5,775,000)	
Accrued interest on bonds	(24,103)	
Capital leases payable	(538,000)	
Compensated absences	<u>(1,323,643)</u>	
Total liabilities		<u>(7,660,746)</u>

Net Assets of Governmental Activities \$51,799,025

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, 2006

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$4,047,434	\$539,849	\$93,509	\$4,680,792
Intergovernmental	18,300,405	61,684	1,682,065	20,044,154
Interest	158,292	0	23,791	182,083
Tuition and Fees	945,757	0	69,812	1,015,569
Extracurricular Activities	0	0	110,867	110,867
Contributions and Donations	35,500	0	21,611	57,111
Miscellaneous	49,411	0	90,839	140,250
<i>Total Revenues</i>	<u>23,536,799</u>	<u>601,533</u>	<u>2,092,494</u>	<u>26,230,826</u>
Expenditures				
Current:				
Instruction:				
Regular	12,240,763	0	470,187	12,710,950
Special	1,953,363	0	719,828	2,673,191
Vocational	293,065	0	0	293,065
Student Intervention Services	49,809	0	52,124	101,933
Support Services:				
Pupils	717,176	0	278,361	995,537
Instructional Staff	851,026	0	212,005	1,063,031
Board of Education	25,214	0	0	25,214
Administration	1,729,965	0	192,797	1,922,762
Fiscal	435,628	16,080	6,068	457,776
Business	159	0	23,507	23,666
Operation and Maintenance of Plant	2,817,881	0	9,800	2,827,681
Pupil Transportation	2,033,526	0	0	2,033,526
Central	169,526	0	23,014	192,540
Operation of Non-Instructional Services	0	0	3,578	3,578
Extracurricular Activities	444,804	0	132,756	577,560
Capital Outlay	203,784	0	396,100	599,884
Debt Service:				
Principal Retirement	30,000	200,000	0	230,000
Interest and Fiscal Charges	23,199	294,420	0	317,619
<i>Total Expenditures</i>	<u>24,018,888</u>	<u>510,500</u>	<u>2,520,125</u>	<u>27,049,513</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(482,089)</u>	<u>91,033</u>	<u>(427,631)</u>	<u>(818,687)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	41	41
Proceeds from Sale of Capital Assets	3,107	0	0	3,107
Transfers Out	(41)	0	0	(41)
<i>Total Other Financing Sources (Uses)</i>	<u>3,066</u>	<u>0</u>	<u>41</u>	<u>3,107</u>
<i>Net Change in Fund Balance</i>	<u>(479,023)</u>	<u>91,033</u>	<u>(427,590)</u>	<u>(815,580)</u>
<i>Fund Balance at Beginning of Year</i>	<u>1,247,517</u>	<u>1,593,513</u>	<u>2,032,531</u>	<u>4,873,561</u>
<i>Fund Balance at End of Year</i>	<u>\$768,494</u>	<u>\$1,684,546</u>	<u>\$1,604,941</u>	<u>\$4,057,981</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, 2006*

Net Change in Fund Balances - Total Governmental Funds (\$815,580)

***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	840,001	
Depreciation expense	(2,386,500)	
Excess of capital outlay over depreciation expense		(1,546,499)

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

Proceeds from Sale of Capital Assets	(3,107)	
Loss on Disposal of Capital Assets	(804,620)	
		(807,727)

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	(1,179)	
Intergovernmental	(137,721)	
		(138,900)

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	200,000	
Capital lease payments	30,000	
Total long-term debt repayment		230,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional amount of interest on the Statement of Activities is the result of the following:

Decrease in accrued interest		835
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Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in compensated absences		146,911
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Change in Net Assets of Governmental Activities (\$2,931,916)

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$4,494,877	\$3,768,548	\$3,868,335	\$99,787
Intergovernmental	17,514,125	18,430,781	18,452,877	22,096
Interest	150,556	137,000	158,626	21,626
Tuition and Fees	897,645	907,962	945,757	37,795
Contributions and Donations	33,694	0	35,500	35,500
Miscellaneous	46,127	45,000	48,599	3,599
<i>Total Revenues</i>	<u>23,137,022</u>	<u>23,289,291</u>	<u>23,509,694</u>	<u>220,403</u>
Expenditures				
Current:				
Instruction:				
Regular	11,072,471	11,170,979	11,014,909	156,070
Special	1,926,642	1,957,046	1,947,384	9,662
Vocational	262,302	265,162	264,069	1,093
Other	944,000	950,720	1,165,717	(214,997)
Support Services:				
Pupils	636,971	637,451	687,677	(50,226)
Instructional Staff	811,725	812,950	789,927	23,023
Board of Education	34,200	34,700	25,099	9,601
Administration	1,958,560	1,926,839	1,763,316	163,523
Fiscal	490,737	493,238	493,165	73
Business	17,225	7,225	603	6,622
Operation and Maintenance of Plant	2,957,438	3,094,045	2,884,485	209,560
Pupil Transportation	1,764,802	1,957,141	2,042,745	(85,604)
Central	227,437	263,813	182,459	81,354
Extracurricular Activities	429,000	437,395	447,186	(9,791)
Capital Outlay	266,000	324,483	313,134	11,349
Debt Service:				
Principal Retirement	30,000	30,000	30,000	0
Interest and Fiscal Charges	2,000	2,000	23,199	(21,199)
<i>Total Expenditures</i>	<u>23,831,510</u>	<u>24,365,187</u>	<u>24,075,074</u>	<u>290,113</u>
Excess of Revenues Over (Under) Expenditures	<u>(694,488)</u>	<u>(1,075,896)</u>	<u>(565,380)</u>	<u>510,516</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	3,107	3,107
Refund of Prior Year Expenditures	62,000	62,000	62,057	57
Advances In	51,300	51,300	51,300	0
Advances Out	0	0	(51,300)	(51,300)
Transfers Out	0	0	(41)	(41)
<i>Total Other Financing Sources (Uses)</i>	<u>113,300</u>	<u>113,300</u>	<u>65,123</u>	<u>(48,177)</u>
Net Change in Fund Balance	(581,188)	(962,596)	(500,257)	462,339
Fund Balance at Beginning of Year	2,272,901	2,272,901	2,272,901	0
Prior Year Encumbrances Appropriated	618,143	618,143	618,143	0
Fund Balance at End of Year	<u>\$2,309,856</u>	<u>\$1,928,448</u>	<u>\$2,390,787</u>	<u>\$462,339</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Fund Net Assets
Proprietary Fund
June 30, 2006

	Food Service
Assets	
Current Assets	
Equity in Pooled Cash and Cash Equivalents	\$226,440
Accounts Receivable	550
Inventory Held for Resale	6,574
Materials and Supplies Inventory	2,359
<i>Total Current Assets</i>	235,923
Noncurrent Assets	
Capital Assets, Net	1,905,617
<i>Total Assets</i>	2,141,540
Liabilities	
Current Liabilities	
Accounts Payable	6,393
Accrued Wages and Benefits	78,626
Compensated Absences Payable	2,047
Intergovernmental Payable	41,227
<i>Total Current Liabilities</i>	128,293
Long-term Liabilities	
Compensated Absences Payable	20,315
<i>Total Liabilities</i>	148,608
Net Assets	
Invested in Capital Assets	1,905,617
Unrestricted	87,315
<i>Total Net Assets</i>	\$1,992,932

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, 2006*

	Food Service
Operating Revenues	
Sales	\$637,513
Miscellaneous	17,548
	<u>655,061</u>
<i>Total Operating Revenues</i>	<u>655,061</u>
Operating Expenses	
Salaries	376,338
Fringe Benefits	250,197
Purchased Services	12,500
Materials and Supplies	29,008
Cost of Sales	586,931
Depreciation	128,328
	<u>1,383,302</u>
<i>Total Operating Expenses</i>	<u>1,383,302</u>
<i>Operating Loss</i>	<u>(728,241)</u>
Non-Operating Revenues	
Donated Commodities	84,406
Operating Grants	529,089
	<u>613,495</u>
<i>Total Non-Operating Revenues</i>	<u>613,495</u>
<i>Change in Net Assets</i>	(114,746)
<i>Net Assets at Beginning of Year</i>	<u>2,107,678</u>
<i>Net Assets at End of Year</i>	<u>\$1,992,932</u>

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, 2006

	Food Service
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Customers	\$637,513
Cash Received from Others	16,998
Cash Payments on Employee Benefits	(243,598)
Cash Payments to Employees for Services	(369,120)
Cash Payments to Suppliers for Goods and Services	(540,721)
<i>Net Cash Used for Operating Activities</i>	(498,928)
Cash Flows from Noncapital Financing Activities	
Operating Grants Received	529,089
<i>Net Increase in Cash and Cash Equivalents</i>	30,161
<i>Cash and Cash Equivalents at Beginning of Year</i>	196,279
<i>Cash and Cash Equivalents at End of Year</i>	\$226,440
Reconciliation of Operating Loss to Net	
Cash Used for Operating Activities	
Operating Loss	(\$728,241)
Adjustments to Reconcile Operating Loss to	
Net Cash Used for Operating Activities	
Depreciation	128,328
Donated Commodities Received During Year	84,406
(Increase) Decrease In Assets	
Inventory Held for Resale	4,302
Materials and Supplies Inventory	(620)
Accounts Receivable	(550)
Increase (Decrease) in Liabilities	
Accounts Payable	5,809
Accrued Wages and Benefits	3,226
Compensated Absences Payable	5,582
Intergovernmental Payable	(1,170)
Total Adjustments	229,313
<i>Net Cash Used for Operating Activities</i>	(\$498,928)

Non-Cash Transactions

During fiscal year 2006, the Food Service Enterprise Fund received \$84,406 in donated commodities.

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2006

	Private Purpose Trust	Agency Fund
	Scholarship	
Assets		
Equity in Pooled Cash and Cash Equivalents	\$17,915	\$79,342
Liabilities		
Undistributed Monies	0	\$79,342
Net Assets		
Held in Trust for Scholarships	17,915	
<i>Total Net Assets</i>	\$17,915	

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, 2006

	Private Purpose Trust
	Scholarship
Additions	
Contributions and Donations	\$12,875
Interest	91
	12,966
<i>Total Additions</i>	12,966
Deductions	
Scholarships Awarded	13,150
	(184)
<i>Change in Net Assets</i>	(184)
<i>Net Assets Beginning of Year</i>	18,099
	18,099
<i>Net Assets End of Year</i>	\$17,915

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, 2006

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, 125 teaching and 15 administrative employees providing education to 3,367 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 17, 18 and 19 to the basic financial statements.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental 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.

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

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.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Deferred Revenue

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes for which there is an enforceable legal claim as of June 30, 2006 but which were levied to finance fiscal year 2007 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 fiscal year 2006, the School District held monies to be used for the construction of a new administration building. The monies are presented as "Restricted Assets: Investments with Fiscal Agents" on the Balance Sheet. The School District also utilizes an escrow agent to hold retainage on construction contracts. The balance in this account is presented on the financial statements as "Restricted Assets: Cash and Cash Equivalents with Escrow Agents."

During fiscal year 2006, the School District's investments were limited to certificates of deposit, money market mutual funds 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.

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, 2006.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2006 amounted to \$158,292, which includes \$87,879 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, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent amounts required by Statute to be set aside by the School District to purchase textbooks (see Note 20), unexpended revenues restricted for the purchase of buses, 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 2006. 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.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2006, 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.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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
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.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who 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 fiscal year. Bonds and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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 \$3,328,969 of restricted net assets, none of which are restricted by enabling legislation.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2006, the School District has implemented *GASB Statement No. 42, “Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries”*, *GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section”*, an amendment of NCGA Statement 1, and *GASB Statement No. 47, “Accounting for Termination Benefits.”*

GASB Statement No. 42 establishes accounting and financial reporting standards for the impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. The implementation of this statement had no effect on the School District’s financial statements for 2006.

GASB Statement No. 44 defines the requirements for the statistical tables in the Comprehensive Annual Financial Report.

GASB Statement No. 47 establishes accounting and financial reporting standards for termination benefits. This statement clarifies and establishes reporting requirements for those benefits provided by employers to employees as an incentive or settlement for voluntary early termination or as a consequence of the involuntary early termination of services. The implementation of this statement had no effect on the School District’s financial statements for fiscal year 2006.

NOTE 4 – ACCOUNTABILITY

At June 30, 2006, the Alternative School and Reducing Class Size nonmajor special revenue funds had deficit fund balances of \$5,307 and \$10,076, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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.

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	(\$479,023)
Adjustments:	
Revenue Accruals	38,737
Expenditure Accruals	116,711
Encumbrances	(172,897)
Unrecorded Cash	<u>(3,785)</u>
Budget Basis	<u><u>(\$500,257)</u></u>

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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;
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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. 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, \$3,012,592 of the School District's bank balance of \$3,412,592 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.

Investments

As of June 30, 2006, 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	\$2,902,149	Average 35 Days
First American Government Obligation Fund	27,148	Average 23 Days
Total Investments	<u><u>\$2,929,297</u></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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

STAROhio and the First American Government Obligation 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.

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 2006 represents collections of calendar year 2005 taxes. Real property taxes received in calendar year 2006 were levied after April 1, 2005, on the assessed value listed as of January 1, 2005, 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 2006 represents collections of calendar year 2005 taxes. Public utility real and tangible personal property taxes received in calendar year 2006 became a lien December 31, 2004, were levied after April 1, 2005, and are collected in 2006 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 2006 (other than public utility property tax) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar year 2006 were levied after April 1, 2005, on the value as of December 31, 2005. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. 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 2006 tangible personal property tax was not received until August 2006.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 7 - PROPERTY TAXES (Continued)

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, 2006, are available to finance fiscal year 2006 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, 2006 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 and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2006, was \$955,942 in the General Fund, \$119,493 in the Debt Service Fund and \$21,889 in the Other Governmental Funds. 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.

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 2006 taxes were collected are:

	2005 Second- Half Collections		2006 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$184,027,820	91.28%	\$191,150,950	91.59%
Public Utility Personal	8,307,630	4.12%	8,383,120	4.02%
General Business Personal	9,247,660	4.59%	9,164,247	4.39%
Total Assessed Value	\$201,583,110	100.00%	\$208,698,317	100.00%
Tax rate per \$1,000 of assessed valuation	\$23.70		\$23.00	

NOTE 8 - RECEIVABLES

Receivables at June 30, 2006, consisted of property taxes, accounts, intergovernmental grants and interest. All receivables, except for delinquent property taxes, are considered collectible in full and will be received in one year due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal. The intergovernmental receivables are as follows:

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 8 – RECEIVABLES (Continued)

	<u>Amounts</u>
<u>Governmental Activities:</u>	
Title VI-B - Special Education IDEA Grant	\$32,177
Title I - Targeted Assistance Grant	56,101
Title IV - Drug Free Grant	2,551
Title II-A - Improving Teacher Quality Grant	282
Homestead and Rollback	14,984
Miscellaneous	3,690
Total Intergovernmental Receivables	\$109,785

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

	Balance 6/30/05	Additions	Deductions	Balance 6/30/06
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$2,515,954	\$0	\$0	\$2,515,954
Construction in Progress	530,360	368,240	(898,600)	0
Total Capital Assets, Not Being Depreciated	3,046,314	368,240	(898,600)	2,515,954
Capital Assets, Being Depreciated:				
Buildings and Improvements	62,175,498	1,213,622	(885,186)	62,503,934
Furniture and Equipment	6,820,977	91,789	0	6,912,766
Vehicles	2,327,422	64,950	(123,939)	2,268,433
Total Capital Assets, Being Depreciated	71,323,897	1,370,361	(1,009,125)	71,685,133
Less Accumulated Depreciation:				
Buildings and Improvements	(11,222,716)	(1,628,276)	77,459	(12,773,533)
Furniture and Equipment	(3,982,008)	(574,801)	0	(4,556,809)
Vehicles	(1,592,431)	(183,423)	123,939	(1,651,915)
Total Accumulated Depreciation	(16,797,155)	(2,386,500) *	201,398	(18,982,257)
Total Capital Assets, Being Depreciated, Net	54,526,742	(1,016,139)	(807,727)	52,702,876
Governmental Activities Capital Assets, Net	\$57,573,056	(\$647,899)	(\$1,706,327)	\$55,218,830

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 9 - CAPITAL ASSETS (Continued)

	Balance 6/30/05	Additions	Deductions	Balance 6/30/06
<u>Business-Type Activity</u>				
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$1,422,497	\$0	\$0	\$1,422,497
Furniture and Equipment	1,269,389	0	0	1,269,389
Total Capital Assets, Being Depreciated	2,691,886	0	0	2,691,886
Less Accumulated Depreciation:				
Buildings and Improvements	(267,647)	(37,192)	0	(304,839)
Furniture and Equipment	(390,294)	(91,136)	0	(481,430)
Total Accumulated Depreciation	(657,941)	(128,328)	0	(786,269)
Business-Type Activity				
Capital Assets, Net	\$2,033,945	(\$128,328)	\$0	\$1,905,617

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,539,580
Special	98,228
Vocational	32,864
Support Services:	
Pupils	61,100
Instructional Staff	10,284
Administration	287,995
Fiscal	13,741
Operation and Maintenance of Plant	31,682
Pupil Transportation	187,120
Central	2,095
Extracurricular Activities	121,811
Total Depreciation Expense	\$2,386,500

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 2006, the School District contracted with Indiana Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and a \$2,000,000 aggregate. The School District also contracts with Indiana Insurance Company for commercial umbrella liability insurance with a \$3,000,000 single occurrence and aggregate limit. 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 Indiana Insurance Company and has a \$1,000,000 limit. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was a reduction in general liability coverage from the last fiscal year's \$2,000,000 single occurrence limit and a \$4,000,000 aggregate.

B. Workers' Compensation

For fiscal year 2006, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 19). 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.

NOTE 10 - RISK MANAGEMENT (Continued)

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 18) 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, by calling (800) 878-5853 or by visiting the SERS website at www.ohsers.org.

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 2006, 10.58 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, 2006, 2005, and 2004 were \$353,157, \$369,980, and \$277,638, respectively; 47.12 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004.

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

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 death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, 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 divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The 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 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member 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, 2006, 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 2005, the portion used to fund pension obligations was also 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.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2006, 2005, and 2004, were \$1,423,619, \$1,372,161, and \$1,278,429, respectively; 83.31 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. Contributions to the DC and Combined Plans for fiscal year 2006 were \$5,237 made by the School District and \$23,330 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2006, three members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

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 partial reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS Ohio 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, 2006, the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$109,509 for fiscal year 2006.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available) the balance in the Fund was \$3.3 billion. For the fiscal year ended June 30, 2005, net health care costs paid by STRS Ohio were \$254,780,000 and STRS Ohio had 115,395 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

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, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, compared to 3.43 percent of covered payroll for fiscal year 2005. 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 2006, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2006 fiscal year equaled \$160,095.

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 projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available) were \$178,221,113. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267.5 million. SERS has 58,123 participants eligible to receive 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 fiscal year under contract. An unlimited amount of sick leave may be accumulated during regular employment for teachers, administrators, and classified personnel. Upon severance from the School District, payment is made for one-half of administrators' unused sick leave credit and one-fourth of teachers' and classified employees' accumulated, but unused sick leave credit.

B. Insurance Benefits

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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

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 School 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 fiscal year 2020. The intention of the School District is to renew the lease annually.

In fiscal year 2006, the School District made the second scheduled principal payment of \$30,000. The principal amount owed on the lease at fiscal year-end is \$538,000.

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, 2006.

Fiscal Year Ending June 30,	Total Payments
2007	\$57,321
2008	56,740
2009	56,102
2010	56,395
2011	55,593
2012-2016	271,733
2017-2020	183,290
Total	737,174
Less: Amount Representing Interest	(199,174)
Present Value of Minimum Lease Payments	\$538,000

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 15 - LONG-TERM LIABILITIES

The change in the School District's long-term liabilities during fiscal year 2006 were as follows:

	Amount Outstanding 6/30/05	Additions	Deductions	Amount Outstanding 6/30/06	Amounts Due in One Year
<u>Governmental Activities:</u>					
School Improvement					
Bonds 1998 5.01%	\$5,975,000	\$0	\$200,000	\$5,775,000	\$215,000
Compensated Absences	1,470,554	238,216	385,127	1,323,643	84,020
Capital Leases	568,000	0	30,000	538,000	31,000
Total General					
Long-Term Liabilities	<u>\$8,013,554</u>	<u>\$238,216</u>	<u>\$615,127</u>	<u>\$7,636,643</u>	<u>\$330,020</u>
<u>Business-Type Activities:</u>					
Compensated Absences	<u>\$16,780</u>	<u>\$5,582</u>	<u>\$0</u>	<u>\$22,362</u>	<u>\$2,047</u>

School Improvement Bonds 1998

On June 15, 1998, the School District issued \$7,164,600 in voted general obligation bonds for the purpose of acquiring land, constructing new classroom facilities, and making renovations to existing classrooms. These bonds are being paid from property tax revenues. The Ohio Department of Education, School Finance, announced that the School District was eligible for State school building assistance funding on June 2, 1997. The bond issue satisfied the local match required to receive State assistance for the construction project. The bonds were issued for a twenty-three year period with final maturity in December 2020. These bonds are being paid from the Debt Service 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 \$13,675,056 with an unvoted debt margin of \$197,395 at June 30, 2006.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 15 - LONG-TERM LIABILITIES (Continued)

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2006 are as follows:

School Improvement Bonds 1998

Fiscal Year Ending June 30,	Principal	Interest	Total
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	300,000	238,655	538,655
2012-2016	1,845,000	928,779	2,773,779
2017-2021	2,650,000	349,197	2,999,197
Total	<u>\$5,775,000</u>	<u>\$2,592,610</u>	<u>\$8,367,610</u>

NOTE 16 – INTERFUND ACTIVITY

Transfers made during the fiscal year ended June 30, 2006, were as follows:

Transfer To	Transfer From
Other Governmental Funds	General
	<u>\$41</u>

Transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

NOTE 17 - 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 \$122,683 for services provided during the fiscal year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, P.O. Box 577, 175 Beaver Creek Rd., Piketon, Ohio, 45661.

B. Hopewell Special Education Regional Resource Center

The Hopewell Special Education Regional Resource Center (Hopewell) is a jointly governed organization created by the Ohio Department of Education at the request of the participating school districts to offer direct and related services to low incidence handicapped students of the region. Seventeen local, city, and exempted village school districts receive services from Hopewell. Hopewell is operated under regulations and policies established by the Ohio Department of Education, and its own governing board. The governing board is made up of superintendents from the seventeen school districts, plus a representative from the Southern Ohio Educational Service Center, 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 Southern Ohio Educational Service Center 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 \$202,426 to Hopewell during the year. To obtain financial information write to Hopewell at the Southern Ohio Educational Service Center, 62 Laurel Dr., Wilmington, Ohio 45177.

NOTE 18 - 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 medical 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 districts pay an administrative fee to the fiscal agent to cover the costs associated with the administering of the Consortium. To obtain financial information write to Brown County Educational Service Center at 325 West State St., Georgetown, Ohio 45121.

NOTE 19 - 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 Ohio School Boards Association (OSBA). The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each fiscal year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 20 - SET-ASIDE CALCULATIONS

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the 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 fiscal years.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 20 - SET-ASIDE CALCULATIONS (Continued)

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.

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-aside Reserve Balance as of June 30, 2005	\$327,633	\$0
Current Year Set-Aside Requirement	474,491	474,491
Current Year Offsets	0	(104,174)
Qualifying Disbursements	(719,757)	(569,329)
Totals	<u>\$82,367</u>	<u>(\$199,012)</u>
Set-aside Reserve Balance as of June 30, 2006	<u>\$82,367</u>	<u>\$0</u>
Required Set-aside Balances Carried Forward to FY 2007	<u>\$82,367</u>	<u>\$0</u>

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

NOTE 21 - 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, 2006.

B. Litigation

The School District is not party to any legal proceedings.

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.

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

(continued)

Western Brown Local School District

Fund Descriptions

Nonmajor Special Revenue Funds (Continued)

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.

POVERTY BASED ASSISTANCE - This fund accounts for monies which are provided for the improvement of the educational and cultural status of disadvantaged pupils.

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.

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

(continued)

Western Brown Local School District

Fund Descriptions

Nonmajor Special Revenue Funds (Continued)

REDUCING CLASS SIZE - This fund accounts for federal funds used to hire additional classroom teachers in grades one through three, 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 are descriptions of the School District's nonmajor Capital Projects Funds:

Nonmajor Capital Projects Funds

WESTERN BROWN CONSTRUCTION PROJECT - This 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.

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.

Agency Fund

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governmental units, and/or other funds.

STUDENT MANAGED ACTIVITY

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

Western Brown Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$967,819	\$706,118	\$1,673,937
Receivables:			
Taxes	87,648	0	87,648
Accounts	3,922	0	3,922
Intergovernmental	91,427	0	91,427
<i>Total Assets</i>	<u>\$1,150,816</u>	<u>\$706,118</u>	<u>\$1,856,934</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$35,235	\$6,393	\$41,628
Accrued Wages and Benefits	125,604	0	125,604
Intergovernmental Payable	19,443	0	19,443
Deferred Revenue	65,318	0	65,318
<i>Total Liabilities</i>	<u>245,600</u>	<u>6,393</u>	<u>251,993</u>
Fund Balances			
Reserved for Encumbrances	26,811	1,636	28,447
Reserved for Property Taxes	21,889	0	21,889
Unreserved, Undesignated	856,516	698,089	1,554,605
<i>Total Fund Balances</i>	<u>905,216</u>	<u>699,725</u>	<u>1,604,941</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,150,816</u>	<u>\$706,118</u>	<u>\$1,856,934</u>

Western Brown Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006

	Thomas Stout	Uniform School Supplies	Public School Support	Other Grant
Assets				
Equity in Pooled Cash and Cash Equivalents	\$786	\$157,032	\$77,907	\$23,602
Receivables:				
Taxes	0	0	0	0
Accounts	0	32	3,890	0
Intergovernmental	0	0	0	0
<i>Total Assets</i>	<u>786</u>	<u>157,064</u>	<u>81,797</u>	<u>23,602</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$606	\$2,794
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>606</u>	<u>2,794</u>
Fund Balances				
Reserved for Encumbrances	0	0	6,954	3,015
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	786	157,064	74,237	17,793
<i>Total Fund Balances (Deficit)</i>	<u>786</u>	<u>157,064</u>	<u>81,191</u>	<u>20,808</u>
<i>Total Liabilities and Fund Balances</i>	<u>786</u>	<u>157,064</u>	<u>81,797</u>	<u>23,602</u>

<u>Classroom Facility Maintenance</u>	<u>District Managed Activity</u>	<u>Educational Management Information Systems</u>	<u>Professional Development</u>	<u>Ohio Reads</u>
\$571,536	\$29,175	\$18,891	\$3,925	\$5,491
87,648	0	0	0	0
0	0	0	0	0
316	0	0	0	0
<u>\$659,500</u>	<u>\$29,175</u>	<u>\$18,891</u>	<u>\$3,925</u>	<u>\$5,491</u>
\$9,696	\$9,009	\$0	\$0	\$2,116
0	0	1,331	0	0
0	73	778	0	935
65,318	0	0	0	0
<u>75,014</u>	<u>9,082</u>	<u>2,109</u>	<u>0</u>	<u>3,051</u>
3,922	9,470	0	0	2,324
21,889	0	0	0	0
558,675	10,623	16,782	3,925	116
<u>584,486</u>	<u>20,093</u>	<u>16,782</u>	<u>3,925</u>	<u>2,440</u>
<u>\$659,500</u>	<u>\$29,175</u>	<u>\$18,891</u>	<u>\$3,925</u>	<u>\$5,491</u>

(continued)

Western Brown Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006
(continued)

	Alternative School	Poverty Based Assistance	Title VI-B	Title I
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$5,054	\$9,032	\$19,325
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	32,177	56,101
<i>Total Assets</i>	<u>\$0</u>	<u>\$5,054</u>	<u>\$41,209</u>	<u>\$75,426</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	0	\$0	\$0
Accrued Wages and Benefits	5,006	0	34,137	64,105
Intergovernmental Payable	301	208	5,327	8,858
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>5,307</u>	<u>208</u>	<u>39,464</u>	<u>72,963</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	(5,307)	4,846	1,745	2,463
<i>Total Fund Balances (Deficit)</i>	<u>(5,307)</u>	<u>4,846</u>	<u>1,745</u>	<u>2,463</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$0</u>	<u>\$5,054</u>	<u>\$41,209</u>	<u>\$75,426</u>

<u>Title VI</u>	<u>Drug Free Grant</u>	<u>Tele-communications Act Grant</u>	<u>Reducing Class Size</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$3,298	\$5,383	\$22,141	\$11,139	\$4,102	\$967,819
0	0	0	0	0	87,648
0	0	0	0	0	3,922
0	2,551	0	282	0	91,427
<u>\$3,298</u>	<u>\$7,934</u>	<u>\$22,141</u>	<u>\$11,421</u>	<u>\$4,102</u>	<u>\$1,150,816</u>
\$0	\$0	\$11,014	\$0	\$0	\$35,235
806	723	0	18,747	749	125,604
112	101	0	2,750	0	19,443
0	0	0	0	0	65,318
<u>918</u>	<u>824</u>	<u>11,014</u>	<u>21,497</u>	<u>749</u>	<u>245,600</u>
0	0	1,126	0	0	26,811
0	0	0	0	0	21,889
2,380	7,110	10,001	(10,076)	3,353	856,516
<u>2,380</u>	<u>7,110</u>	<u>11,127</u>	<u>(10,076)</u>	<u>3,353</u>	<u>905,216</u>
<u>\$3,298</u>	<u>\$7,934</u>	<u>\$22,141</u>	<u>\$11,421</u>	<u>\$4,102</u>	<u>\$1,150,816</u>

Western Brown Local School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2006

	<u>Western Brown Construction Project</u>	<u>School Net</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$695,042	\$11,076	\$706,118
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$6,393	\$0	\$6,393
Fund Balances			
Reserved for Encumbrances	1,636	0	1,636
Unreserved, Undesignated	687,013	11,076	698,089
<i>Total Fund Balances</i>	<u>688,649</u>	<u>11,076</u>	<u>699,725</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$695,042</u>	<u>\$11,076</u>	<u>\$706,118</u>

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, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$93,509	\$0	\$93,509
Intergovernmental	1,645,073	36,992	1,682,065
Interest	0	23,791	23,791
Tuition and Fees	69,812	0	69,812
Extracurricular Activities	110,867	0	110,867
Contributions and Donations	21,611	0	21,611
Miscellaneous	90,839	0	90,839
<i>Total Revenues</i>	<u>2,031,711</u>	<u>60,783</u>	<u>2,092,494</u>
Expenditures			
Current:			
Instruction:			
Regular	371,476	98,711	470,187
Special	719,828	0	719,828
Student Intervention Services	52,124	0	52,124
Support Services:			
Pupils	278,361	0	278,361
Instructional Staff	212,005	0	212,005
Administration	192,797	0	192,797
Fiscal	6,068	0	6,068
Business	23,507	0	23,507
Operation and Maintenance of Plant	3,485	6,315	9,800
Central	23,014	0	23,014
Operation of Non-Instructional Services	3,500	78	3,578
Extracurricular Activities	132,756	0	132,756
Capital Outlay	62,256	333,844	396,100
<i>Total Expenditures</i>	<u>2,081,177</u>	<u>438,948</u>	<u>2,520,125</u>
<i>Excess of Revenues Under Expenditures</i>	(49,466)	(378,165)	(427,631)
Other Financing Sources			
Transfers In	41	0	41
<i>Net Change in Fund Balance</i>	(49,425)	(378,165)	(427,590)
<i>Fund Balance at Beginning of Year</i>	<u>954,641</u>	<u>1,077,890</u>	<u>2,032,531</u>
<i>Fund Balance at End of Year</i>	<u><u>\$905,216</u></u>	<u><u>\$699,725</u></u>	<u><u>\$1,604,941</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, 2006

	Thomas Stout	Uniform School Supplies	Public School Support	Other Grant
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	16,420
Tuition and Fees	0	69,812	0	0
Extracurricular Activities	0	0	73,767	0
Contributions and Donations	0	0	17,765	3,846
Miscellaneous	0	32	15,040	2,000
<i>Total Revenues</i>	<u>0</u>	<u>69,844</u>	<u>106,572</u>	<u>22,266</u>
Expenditures				
Current:				
Instruction:				
Regular	0	49,832	44,240	8,356
Special	0	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	39,518	0
Administration	0	0	164	0
Fiscal	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	3,500
Extracurricular Activities	0	0	15,843	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>49,832</u>	<u>99,765</u>	<u>11,856</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	20,012	6,807	10,410
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balance</i>	0	20,012	6,807	10,410
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>786</u>	<u>137,052</u>	<u>74,384</u>	<u>10,398</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$786</u></u>	<u><u>\$157,064</u></u>	<u><u>\$81,191</u></u>	<u><u>\$20,808</u></u>

Classroom Facility Maintenance	District Managed Activity	Educational Management Information Systems	OneNet	Professional Development	Ohio Reads
\$93,509	\$0	\$0	\$0	\$0	\$0
9,813	0	10,945	12,000	3,925	64,000
0	0	0	0	0	0
0	110,867	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>103,322</u>	<u>110,867</u>	<u>10,945</u>	<u>12,000</u>	<u>3,925</u>	<u>64,000</u>
0	0	0	0	0	17,008
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	37,966
0	0	13,510	0	0	6,116
6,068	0	0	0	0	0
0	0	0	0	0	0
3,485	0	0	0	0	0
0	0	0	12,000	0	0
0	0	0	0	0	0
0	116,913	0	0	0	0
<u>62,256</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>71,809</u>	<u>116,913</u>	<u>13,510</u>	<u>12,000</u>	<u>0</u>	<u>61,090</u>
31,513	(6,046)	(2,565)	0	3,925	2,910
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
31,513	(6,046)	(2,565)	0	3,925	2,910
<u>552,973</u>	<u>26,139</u>	<u>19,347</u>	<u>0</u>	<u>0</u>	<u>(470)</u>
<u>\$584,486</u>	<u>\$20,093</u>	<u>\$16,782</u>	<u>\$0</u>	<u>\$3,925</u>	<u>\$2,440</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, 2006
(continued)

	Summer School	Alternative School	Poverty Based Assistance	Title VI-B
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental	0	57,609	57,178	724,511
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>0</u>	<u>57,609</u>	<u>57,178</u>	<u>724,511</u>
Expenditures				
Current:				
Instruction:				
Regular	13,830	56,672	208	0
Special	0	0	0	293,110
Student Intervention Services	0	0	52,124	0
Support Services:				
Pupils	0	0	0	278,361
Instructional Staff	0	0	0	134,521
Administration	0	2,880	0	111,292
Fiscal	0	0	0	0
Business	0	0	0	2,810
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>13,830</u>	<u>59,552</u>	<u>52,332</u>	<u>820,094</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(13,830)	(1,943)	4,846	(95,583)
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(13,830)	(1,943)	4,846	(95,583)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>13,830</u>	<u>(3,364)</u>	<u>0</u>	<u>97,328</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$0</u>	<u>(\$5,307)</u>	<u>\$4,846</u>	<u>\$1,745</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	\$93,509
506,004	7,002	17,421	0	146,123	12,122	1,645,073
0	0	0	0	0	0	69,812
0	0	0	0	0	0	184,634
0	0	0	0	0	0	21,611
0	0	0	0	0	0	17,072
<u>506,004</u>	<u>7,002</u>	<u>17,421</u>	<u>0</u>	<u>146,123</u>	<u>12,122</u>	<u>2,031,711</u>
38,123	0	8,365	0	125,027	9,815	371,476
426,718	0	0	0	0	0	719,828
0	0	0	0	0	0	52,124
0	0	0	0	0	0	278,361
0	0	0	0	0	0	212,005
37,719	448	321	0	19,942	405	192,797
0	0	0	0	0	0	6,068
379	7,980	4,625	0	3,067	4,646	23,507
0	0	0	0	0	0	3,485
0	0	0	11,014	0	0	23,014
0	0	0	0	0	0	3,500
0	0	0	0	0	0	132,756
0	0	0	0	0	0	62,256
<u>502,939</u>	<u>8,428</u>	<u>13,311</u>	<u>11,014</u>	<u>148,036</u>	<u>14,866</u>	<u>2,081,177</u>
3,065	(1,426)	4,110	(11,014)	(1,913)	(2,744)	(49,466)
0	0	41	0	0	0	41
3,065	(1,426)	4,151	(11,014)	(1,913)	(2,744)	(49,425)
(602)	3,806	2,959	22,141	(8,163)	6,097	954,641
<u>\$2,463</u>	<u>\$2,380</u>	<u>\$7,110</u>	<u>\$11,127</u>	<u>(\$10,076)</u>	<u>\$3,353</u>	<u>\$905,216</u>

Western Brown Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2006

	Western Brown Construction Project	School Net	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	\$0	\$36,992	\$36,992
Interest	23,791	0	23,791
<i>Total Revenues</i>	<u>23,791</u>	<u>36,992</u>	<u>60,783</u>
Expenditures			
Current:			
Instruction:			
Regular	72,795	25,916	98,711
Support Services:			
Operation and Maintenance of Plant	6,315	0	6,315
Operation of Non-Instructional Services	78	0	78
Capital Outlay	333,844	0	333,844
<i>Total Expenditures</i>	<u>413,032</u>	<u>25,916</u>	<u>438,948</u>
<i>Net Change in Fund Balance</i>	(389,241)	11,076	(378,165)
<i>Fund Balance at Beginning of Year</i>	<u>1,077,890</u>	<u>0</u>	<u>1,077,890</u>
<i>Fund Balance at End of Year</i>	<u><u>\$688,649</u></u>	<u><u>\$11,076</u></u>	<u><u>\$699,725</u></u>

Western Brown Local School District
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2006

	<u>Balance at 6/30/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 6/30/06</u>
<u>STUDENT MANAGED ACTIVITY</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$87,510</u>	<u>\$126,280</u>	<u>\$134,448</u>	<u>\$79,342</u>
Liabilities				
Undistributed Monies	<u>\$87,510</u>	<u>\$126,280</u>	<u>\$134,448</u>	<u>\$79,342</u>

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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
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$4,494,877	\$3,768,548	\$3,868,335	\$99,787
Intergovernmental	17,514,124	18,430,781	18,452,877	22,096
Interest	150,556	137,000	158,626	21,626
Tuition and Fees	897,644	907,962	945,757	37,795
Contributions and Donations	33,694	0	35,500	35,500
Miscellaneous	46,127	45,000	48,599	3,599
<i>Total Revenues</i>	23,137,022	23,289,291	23,509,694	220,403
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	7,533,953	7,561,436	7,494,787	66,649
Fringe Benefits	2,671,696	2,603,735	2,657,807	(54,072)
Purchased Services	122,813	152,699	122,175	30,524
Materials and Supplies	716,543	819,520	712,818	106,702
Capital Outlay - New	27,466	33,589	27,322	6,267
<i>Total Regular</i>	11,072,471	11,170,979	11,014,909	156,070
Special:				
Salaries and Wages	822,164	803,992	831,015	(27,023)
Fringe Benefits	302,626	269,683	305,884	(36,201)
Purchased Services	789,904	881,737	798,408	83,329
Materials and Supplies	7,603	1,634	7,685	(6,051)
Capital Outlay - New	4,345	0	4,392	(4,392)
<i>Total Special</i>	1,926,642	1,957,046	1,947,384	9,662
Vocational:				
Salaries and Wages	180,508	180,750	181,724	(974)
Fringe Benefits	48,979	49,252	49,309	(57)
Purchased Services	2,297	6,910	2,312	4,598
Materials and Supplies	26,357	25,250	26,535	(1,285)
Other	4,161	3,000	4,189	(1,189)
<i>Total Vocational</i>	262,302	265,162	264,069	1,093
Other:				
Salaries and Wages	2,313	0	2,857	(2,857)
Purchased Services	932,387	950,720	1,151,376	(200,656)
Materials and Supplies	9,300	0	11,484	(11,484)
<i>Total Other Instruction</i>	944,000	950,720	1,165,717	(214,997)
<i>Total Instruction</i>	14,205,415	14,343,907	14,392,079	(48,172)
Support Services:				
Pupils:				
Salaries and Wages	440,460	473,978	475,523	(1,545)
Fringe Benefits	130,556	141,693	140,949	744
Purchased Services	57,374	2,080	61,941	(59,861)
Materials and Supplies	8,581	19,700	9,264	10,436
<i>Total Pupils</i>	\$636,971	\$637,451	\$687,677	(\$50,226)

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2006
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Instructional Staff:				
Salaries and Wages	\$546,500	\$570,734	\$531,824	\$38,910
Fringe Benefits	235,471	202,091	229,148	(27,057)
Purchased Services	1,778	4,100	1,730	2,370
Materials and Supplies	27,976	34,225	27,225	7,000
Other	0	1,800	0	1,800
Total Instructional Staff	811,725	812,950	789,927	23,023
Board of Education:				
Salaries and Wages	12,584	9,000	9,235	(235)
Fringe Benefits	307	900	225	675
Purchased Services	5,994	7,800	4,399	3,401
Materials and Supplies	150	1,000	110	890
Other	15,165	16,000	11,130	4,870
Total Board of Education	34,200	34,700	25,099	9,601
Administration:				
Salaries and Wages	1,172,458	1,156,041	1,055,579	100,462
Fringe Benefits	531,605	473,434	478,611	(5,177)
Purchased Services	156,042	187,050	140,487	46,563
Materials and Supplies	16,938	36,014	15,249	20,765
Other	81,517	74,300	73,390	910
Total Administration	1,958,560	1,926,839	1,763,316	163,523
Fiscal:				
Salaries and Wages	207,315	202,091	208,341	(6,250)
Fringe Benefits	72,682	73,171	73,042	129
Purchased Services	41,318	36,279	41,522	(5,243)
Materials and Supplies	9,865	8,147	9,914	(1,767)
Other	159,557	173,550	160,346	13,204
Total Fiscal	490,737	493,238	493,165	73
Business:				
Salaries and Wages	13,169	7,000	461	6,539
Fringe Benefits	4,056	225	142	83
Total Business	17,225	7,225	603	6,622
Operation and Maintenance of Plant:				
Salaries and Wages	1,087,241	1,049,438	1,060,421	(10,983)
Fringe Benefits	503,589	489,627	491,167	(1,540)
Purchased Services	1,130,629	1,360,176	1,102,739	257,437
Materials and Supplies	220,154	194,304	214,723	(20,419)
Capital Outlay - New	15,379	0	15,000	(15,000)
Other	446	500	435	65
Total Operation and Maintenance of Plant	2,957,438	3,094,045	2,884,485	209,560
Pupil Transportation:				
Salaries and Wages	729,763	828,270	844,695	(16,425)
Fringe Benefits	417,539	485,512	483,298	2,214
Purchased Services	185,288	174,524	214,470	(39,946)
Materials and Supplies	322,845	302,019	373,691	(71,672)
Capital Outlay - New	107,527	165,916	124,462	41,454
Capital Outlay - Replacement	1,412	0	1,634	(1,634)
Other	428	900	495	405
Total Pupil Transportation	\$1,764,802	\$1,957,141	\$2,042,745	(\$85,604)

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2006
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and Wages	\$53,306	\$42,746	\$42,764	(\$18)
Fringe Benefits	13,705	8,847	10,995	(2,148)
Purchased Services	44,674	58,844	35,839	23,005
Materials and Supplies	19,669	25,000	15,779	9,221
Capital Outlay - New	17,545	25,860	14,075	11,785
Other	78,538	102,516	63,007	39,509
Total Central	227,437	263,813	182,459	81,354
Total Support Services	8,899,095	9,227,402	8,869,476	357,926
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	58,300	70,458	60,771	9,687
Fringe Benefits	11,667	12,200	12,162	38
Purchased Services	10,670	17,950	11,122	6,828
Materials and Supplies	2,476	10,500	2,581	7,919
Capital Outlay - New	20,592	0	21,465	(21,465)
Total Academic and Subject Oriented Activities	103,705	111,108	108,101	3,007
Sports Oriented Activities:				
Salaries and Wages	232,485	242,342	242,340	2
Fringe Benefits	47,625	51,000	49,644	1,356
Purchased Services	24,258	18,750	25,286	(6,536)
Materials and Supplies	5,456	9,195	5,687	3,508
Capital Outlay - New	15,471	5,000	16,128	(11,128)
Total Sports Oriented Activities	325,295	326,287	339,085	(12,798)
Total Extracurricular Activities	429,000	437,395	447,186	(9,791)
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Purchased Services	44,762	49,494	52,694	(3,200)
Capital Outlay - New	158,428	186,500	186,500	0
Total Site Acquisition Services	203,190	235,994	239,194	(3,200)
Site Improvement Services:				
Capital Outlay - New	21,949	22,124	25,838	(3,714)
Capital Outlay - Replacement	19,927	23,458	23,458	0
Total Site Improvement Services	41,876	45,582	49,296	(3,714)
Architecture and Engineering Services:				
Purchased Services	10,761	30,891	12,668	18,223
Building Acquisition and Construction Services:				
Capital Outlay - New	10,173	12,016	11,976	40
Total Capital Outlay	\$266,000	\$324,483	\$313,134	\$11,349

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2006
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service:				
Principal Retirement	\$30,000	\$30,000	\$30,000	\$0
Interest and Fiscal Charges	2,000	2,000	23,199	(21,199)
Total Debt Service	32,000	32,000	53,199	(21,199)
<i>Total Expenditures</i>	<i>23,831,510</i>	<i>24,365,187</i>	<i>24,075,074</i>	<i>290,113</i>
Excess of Revenues Over (Under) Expenditures	(694,488)	(1,075,896)	(565,380)	510,516
<i>Other Financing Sources (Uses):</i>				
Proceeds from Sale of Capital Assets	0	0	3,107	3,107
Refund of Prior Year Expenditures	62,000	62,000	62,057	57
Advances In	51,300	51,300	51,300	0
Advances Out	0	0	(51,300)	(51,300)
Transfers Out	0	0	(41)	(41)
Total Other Financing Sources (Uses)	113,300	113,300	65,123	(48,177)
Net Change in Fund Balance	(581,188)	(962,596)	(500,257)	462,339
Fund Balance at Beginning of Year	2,272,901	2,272,901	2,272,901	0
Prior Year Encumbrances Appropriated	618,143	618,143	618,143	0
Fund Balance at End of Year	\$2,309,856	\$1,928,448	\$2,390,787	\$462,339

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, 2006

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$627,000	\$534,000	\$545,711	\$11,711
Intergovernmental	0	90,000	96,599	6,599
<i>Total Revenues</i>	<u>627,000</u>	<u>624,000</u>	<u>642,310</u>	<u>18,310</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	<u>22,250</u>	<u>22,250</u>	<u>16,080</u>	<u>6,170</u>
Debt Service:				
Principal Retirement	200,000	200,000	200,000	0
Interest and Fiscal Charges	<u>294,920</u>	<u>294,920</u>	<u>294,420</u>	<u>500</u>
Total Debt Service	<u>494,920</u>	<u>494,920</u>	<u>494,420</u>	<u>500</u>
<i>Total Expenditures</i>	<u>517,170</u>	<u>517,170</u>	<u>510,500</u>	<u>6,670</u>
Net Change in Fund Balance	109,830	106,830	131,810	24,980
Fund Balance at Beginning of Year	<u>1,429,458</u>	<u>1,429,458</u>	<u>1,429,458</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,539,288</u></u>	<u><u>\$1,536,288</u></u>	<u><u>\$1,561,268</u></u>	<u><u>\$24,980</u></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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Other	786	786	0	786
Net Change in Fund Balance	(786)	(786)	0	786
Fund Balance at Beginning of Year	786	786	786	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$786</u>	<u>\$786</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, 2006

	<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	\$69,000	\$69,812	\$812
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	47,514	58,851	50,664	8,187
Net Change in Fund Balance	(47,514)	10,149	19,148	8,999
Fund Balance at Beginning of Year	137,545	137,545	137,545	0
Prior Year Encumbrances Appropriated	337	337	337	0
Fund Balance at End of Year	<u>\$90,368</u>	<u>\$148,031</u>	<u>\$157,030</u>	<u>\$8,999</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, 2006

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Extracurricular Activities	\$72,943	\$80,575	\$73,767	(\$6,808)
Contributions and Donations	17,566	5,900	17,765	11,865
Miscellaneous	11,566	15,600	11,697	(3,903)
<i>Total Revenues</i>	<u>102,075</u>	<u>102,075</u>	<u>103,229</u>	<u>1,154</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	13,604	13,754	8,952	4,802
Materials and Supplies	37,776	41,372	35,452	5,920
Capital Outlay - New	85	85	239	(154)
Other	6,863	5,913	5,587	326
Total Instruction	<u>58,328</u>	<u>61,124</u>	<u>50,230</u>	<u>10,894</u>
Support Services:				
Instructional Staff:				
Materials and Supplies	36,453	40,443	43,563	(3,120)
Administration:				
Materials and Supplies	0	0	164	(164)
Total Support Services	<u>36,453</u>	<u>40,443</u>	<u>43,727</u>	<u>(3,284)</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	0	0	131	(131)
Other	23,764	15,046	15,973	(927)
Total Academic and Subject Oriented Activities	<u>23,764</u>	<u>15,046</u>	<u>16,104</u>	<u>(1,058)</u>
Sports Oriented Activities:				
Purchased Services		0	73	(73)
Materials and Supplies	3,776	776	205	571
Total Sports Oriented Activities	<u>3,776</u>	<u>776</u>	<u>278</u>	<u>498</u>
Total Extracurricular Activities	<u>27,540</u>	<u>15,822</u>	<u>16,382</u>	<u>(560)</u>
<i>Total Expenditures</i>	<u>122,321</u>	<u>117,389</u>	<u>110,339</u>	<u>7,050</u>
Net Change in Fund Balance	(20,246)	(15,314)	(7,110)	8,204
Fund Balance at Beginning of Year	68,297	68,297	68,297	0
Prior Year Encumbrances Appropriated	9,161	9,161	9,161	0
Fund Balance at End of Year	<u>\$57,212</u>	<u>\$62,144</u>	<u>\$70,348</u>	<u>\$8,204</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$16,420	\$16,420	\$16,420	\$0
Contributions and Donations	3,846	3,846	3,846	0
Miscellaneous	2,000	2,000	2,000	0
<i>Total Revenues</i>	<u>22,266</u>	<u>22,266</u>	<u>22,266</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	0	0	232	(232)
Materials and Supplies	32,500	22,275	11,309	10,966
Total Instruction	32,500	22,275	11,541	10,734
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	0	3,500	3,500	0
<i>Total Expenditures</i>	<u>32,500</u>	<u>25,775</u>	<u>15,041</u>	<u>10,734</u>
Net Change in Fund Balance	(10,234)	(3,509)	7,225	10,734
Fund Balance at Beginning of Year	<u>10,568</u>	<u>10,568</u>	<u>10,568</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$334</u></u>	<u><u>\$7,059</u></u>	<u><u>\$17,793</u></u>	<u><u>\$10,734</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$99,600	\$86,000	\$89,379	\$3,379
Intergovernmental	0	13,600	14,795	1,195
<i>Total Revenues</i>	99,600	99,600	104,174	4,574
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	3,650	3,650	6,068	(2,418)
Operation and Maintenance of Plant:				
Purchased Services	0	0	3,485	(3,485)
Total Support Services	3,650	3,650	9,553	(5,903)
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - Replacement	0	42,960	66,178	(23,218)
Building Acquisition and Construction Services:				
Capital Outlay - New	100,000	100,000	0	100,000
Total Capital Outlay	100,000	142,960	66,178	76,782
<i>Total Expenditures</i>	103,650	146,610	75,731	70,879
Net Change in Fund Balance	(4,050)	(47,010)	28,443	75,453
Fund Balance at Beginning of Year	486,517	486,517	486,517	0
Prior Year Encumbrances Appropriated	42,960	42,960	42,960	0
Fund Balance at End of Year	\$525,427	\$482,467	\$557,920	\$75,453

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, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<u>Revenues:</u>				
Extracurricular Activities	\$110,683	\$110,683	\$110,867	\$184
<u>Expenditures:</u>				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Purchased Services	53,279	58,719	57,920	799
Materials and Supplies	52,964	64,656	66,866	(2,210)
Capital Outlay - New	7,451	7,451	5,320	2,131
<i>Total Expenditures</i>	113,694	130,826	130,106	720
Net Change in Fund Balance	(25,694)	(20,143)	(19,239)	904
Fund Balance at Beginning of Year	18,231	18,231	18,231	0
Prior Year Encumbrances Appropriated	11,632	11,632	11,632	0
Fund Balance at End of Year	\$4,169	\$9,720	\$10,624	\$904

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, 2006

	<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	\$10,000	\$10,945	\$945
<u>Expenditures:</u>				
Current:				
Support Services:				
Administration:				
Salaries and Wages	11,000	11,000	8,608	2,392
Fringe Benefits	4,450	4,450	4,419	31
Purchased Services	2,000	2,000	479	1,521
<i>Total Expenditures</i>	<u>17,450</u>	<u>17,450</u>	<u>13,506</u>	<u>3,944</u>
Net Change in Fund Balance	(7,450)	(7,450)	(2,561)	4,889
Fund Balance at Beginning of Year	<u>21,452</u>	<u>21,452</u>	<u>21,452</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$14,002</u></u>	<u><u>\$14,002</u></u>	<u><u>\$18,891</u></u>	<u><u>\$4,889</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OneNet
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$12,000	\$12,000	\$12,000	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Central:				
Purchased Services	12,000	12,000	12,000	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
Professional Development
For the Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$4,140	\$3,925	\$3,925	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	4,140	3,925	0	3,925
Net Change in Fund Balance	0	0	3,925	3,925
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$3,925</u>	<u>\$3,925</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$64,000	\$64,000	\$64,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	0	700	582	118
Materials and Supplies	0	21,800	20,866	934
Total Instruction	0	22,500	21,448	1,052
Support Services:				
Instructional Staff:				
Salaries and Wages	0	37,500	37,500	0
Administration:				
Purchased Services	0	6,000	6,000	0
Total Support Services	0	43,500	43,500	0
Total Expenditures	0	66,000	64,948	1,052
Net Change in Fund Balance	64,000	(2,000)	(948)	1,052
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	2,000	2,000	2,000	0
Fund Balance at End of Year	<u>\$66,000</u>	<u>\$0</u>	<u>\$1,052</u>	<u>\$1,052</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>	\$0	\$0	\$0	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Fringe Benefits	3,445	3,445	3,445	0
Excess of Revenues Under Expenditures	(3,445)	(3,445)	(3,445)	0
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	(10,831)	(10,831)	(10,831)	0
Net Change in Fund Balance	(14,276)	(14,276)	(14,276)	0
Fund Balance at Beginning of Year	14,276	14,276	14,276	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
Alternative School
For the Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$67,389	\$57,932	\$57,932	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	67,389	57,118	57,118	0
Support Services:				
Administration:				
Purchased Services	0	2,880	2,880	0
<i>Total Expenditures</i>	<u>67,389</u>	<u>59,998</u>	<u>59,998</u>	<u>0</u>
Excess of Revenues Under Expenditures	(0)	(2,066)	(2,066)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	0	3,800	3,800	0
Advances Out	0	(3,800)	(3,800)	0
Net Change in Fund Balance	(0)	(2,066)	(2,066)	0
Fund Balance at Beginning of Year	<u>2,066</u>	<u>2,066</u>	<u>2,066</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>\$2,066</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
Poverty Based Assistance
For the Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$57,178	\$57,178	\$57,178	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Other:				
Salaries and Wages	28,433	40,543	36,959	3,584
Fringe Benefits	127	181	165	16
Purchased Services	11,540	16,454	15,000	1,454
<i>Total Expenditures</i>	<u>40,100</u>	<u>57,178</u>	<u>52,124</u>	<u>5,054</u>
Net Change in Fund Balance	17,078	0	5,054	5,054
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>\$17,078</u></u>	<u><u>\$0</u></u>	<u><u>\$5,054</u></u>	<u><u>\$5,054</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, 2006

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$900,117	\$809,824	\$809,824	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	815,727	154,508	154,508	0
Fringe Benefits	27,094	22,200	22,200	0
Purchased Services	0	109,415	109,415	0
Materials and Supplies	848	0	0	0
Total Instruction	843,669	286,123	286,123	0
Support Services:				
Pupils:				
Purchased Services	0	278,361	278,361	0
Instructional Staff:				
Salaries and Wages	8,117	14,664	12,251	2,413
Fringe Benefits	13,169	3,495	2,219	1,276
Purchased Services	0	120,854	120,000	854
Total Instructional Staff	21,286	139,013	134,470	4,543
Administration:				
Salaries and Wages	38,870	99,539	97,922	1,617
Fringe Benefits	5,955	13,705	11,254	2,451
Total Administration	44,825	113,244	109,176	4,068
Business:				
Salaries and Wages	0	2,747	2,326	421
Total Support Services	66,112	533,365	524,333	9,032
Total Expenditures	909,781	819,488	810,456	9,032
Net Change in Fund Balance	(9,664)	(9,664)	(632)	9,032
Fund Balance at Beginning of Year	9,664	9,664	9,664	0
Fund Balance (Deficit) at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$9,032</u>	<u>\$9,032</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, 2006

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$596,493	\$547,918	\$547,918	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	0	32,631	32,631	0
Materials and Supplies	0	9,375	5,492	3,883
Total Regular Instruction	0	42,006	38,123	3,883
Special:				
Salaries and Wages	559,168	340,681	340,681	0
Fringe Benefits	37,927	128,070	123,893	4,177
Materials and Supplies	9,437	3,734	3,734	0
Total Special	606,532	472,485	468,308	4,177
Total Instruction	606,532	514,491	506,431	8,060
Support Services:				
Administration:				
Salaries and Wages	0	23,868	20,196	3,672
Purchased Services	0	23,123	15,588	7,535
Total Administration	0	46,991	35,784	11,207
Business:				
Salaries and Wages	0	380	321	59
Total Support Services	0	47,371	36,105	11,266
<i>Total Expenditures</i>	<u>606,532</u>	<u>561,862</u>	<u>542,536</u>	<u>19,326</u>
Excess of Revenues Over (Under) Expenditures	<u>(10,039)</u>	<u>(13,944)</u>	<u>5,382</u>	<u>19,326</u>
<u>Other Financing Sources (Uses):</u>				
Advances In	0	25,000	25,000	0
Advances Out	0	(25,000)	(25,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at Beginning of Year	10,256	10,256	10,256	0
Prior Year Encumbrances Appropriated	3,688	3,688	3,688	0
Fund Balance at End of Year	<u>\$3,905</u>	<u>\$0</u>	<u>\$19,326</u>	<u>\$19,326</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$16,572	\$10,852	\$10,852	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	9,662	0	0	0
Purchased Services	3,060	2,369	0	2,369
Total Instruction	12,722	2,369	0	2,369
Support Services:				
Administration:				
Salaries and Wages	700	483	411	72
Fringe Benefits	150	0	0	0
Total Administration	850	483	411	72
Business:				
Salaries and Wages	3,000	8,000	7,143	857
Total Support Services	3,850	8,483	7,554	929
Total Expenditures	16,572	10,852	7,554	3,298
Net Change in Fund Balance	0	0	3,298	3,298
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance (Deficit) at End of Year	\$0	\$0	\$3,298	\$3,298

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, 2006

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$17,870	\$14,870	\$14,870	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	17,421	13,748	8,365	5,383
Support Services:				
Administration:				
Salaries and Wages	0	294	294	0
Business:				
Salaries and Wages	2,959	3,828	3,828	0
Total Support Services	2,959	4,122	4,122	0
<i>Total Expenditures</i>	20,380	17,870	12,487	5,383
Excess of Revenues Over (Under) Expenditures	(2,510)	(3,000)	2,383	5,383
<u>Other Financing Sources:</u>				
Transfers In	0	41	41	0
Net Change in Fund Balance	(2,510)	(2,959)	2,424	5,383
Fund Balance at Beginning of Year	2,959	2,959	2,959	0
Fund Balance at End of Year	\$449	\$0	\$5,383	\$5,383

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Central:				
Capital Outlay - New	0	12,800	12,140	660
Net Change in Fund Balance	0	(12,800)	(12,140)	660
Fund Balance at Beginning of Year	22,141	22,141	22,141	0
Fund Balance at End of Year	<u>\$22,141</u>	<u>\$9,341</u>	<u>\$10,001</u>	<u>\$660</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$159,028	\$150,528	\$150,528	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	160,177	106,594	97,103	9,491
Fringe Benefits	0	27,028	27,028	0
Total Instruction	160,177	133,622	124,131	9,491
Support Services:				
Administration:				
Salaries and Wages	0	7,521	6,366	1,155
Purchased Services	0	13,000	12,968	32
Total Administration	0	20,521	19,334	1,187
Business:				
Salaries and Wages	0	3,000	2,539	461
Total Support Services	0	23,521	21,873	1,648
Total Expenditures	160,177	157,143	146,004	11,139
Excess of Revenues Over (Under) Expenditures	(1,149)	(6,615)	4,524	11,139
<u>Other Financing Sources (Uses):</u>				
Advances In	0	8,500	8,500	0
Advances Out	0	(8,500)	(8,500)	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	(1,149)	(6,615)	4,524	11,139
Fund Balance at Beginning of Year	6,615	6,615	6,615	0
Fund Balance at End of Year	<u>\$5,466</u>	<u>\$0</u>	<u>\$11,139</u>	<u>\$11,139</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$19,614	\$13,518	\$13,518	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	4,465	0	0	0
Purchased Services	1,816	10,363	10,363	0
Materials and Supplies	8,298	0	0	0
Total Instruction	14,579	10,363	10,363	0
Support Services:				
Administration:				
Salaries and Wages	0	3,404	371	3,033
Purchased Services	3,534	0	0	0
Total Administration	3,534	3,404	371	3,033
Business:				
Salaries and Wages	0	5,000	3,931	1,069
Total Support Services	3,534	8,404	4,302	4,102
<i>Total Expenditures</i>	18,113	18,767	14,665	4,102
Net Change in Fund Balance	1,501	(5,249)	(1,147)	4,102
Fund Balance at Beginning of Year	4,701	4,701	4,701	0
Prior Year Encumbrances Appropriated	548	548	548	0
Fund Balance at End of Year	<u>\$6,750</u>	<u>\$0</u>	<u>\$4,102</u>	<u>\$4,102</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Interest	\$21,098	\$21,098	\$23,791	\$2,693
<u>Expenditures:</u>				
Capital Outlay:				
Building Acquisition and Construction Services:				
Purchased Services	0	149,966	81,530	68,436
Capital Outlay - New	680,000	470,362	363,798	106,564
<i>Total Expenditures</i>	<u>680,000</u>	<u>620,328</u>	<u>445,328</u>	<u>175,000</u>
Net Change in Fund Balance	(658,902)	(599,230)	(421,537)	177,693
Fund Balance at Beginning of Year	646,529	646,529	646,529	0
Prior Year Encumbrances Appropriated	468,415	468,415	468,415	0
Fund Balance at End of Year	<u>\$456,042</u>	<u>\$515,714</u>	<u>\$693,407</u>	<u>\$177,693</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$36,992	\$36,992	\$36,992	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	0	36,992	25,916	11,076
Net Change in Fund Balance	36,992	0	11,076	11,076
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$36,992	\$0	\$11,076	\$11,076

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service
For the Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Sales	\$575,033	\$635,000	\$637,513	\$2,513
Interest	0	1,000	0	(1,000)
Federal and State Subsidies	477,235	457,200	529,089	71,889
Other Revenues	15,332	16,100	16,998	898
<i>Total Revenues</i>	<u>1,067,600</u>	<u>1,109,300</u>	<u>1,183,600</u>	<u>74,300</u>
<u>Expenses:</u>				
Salaries	359,669	409,669	369,120	40,549
Fringe Benefits	244,801	244,801	243,598	1,203
Purchased Services	6,015	6,505	19,345	(12,840)
Materials and Supplies	471,405	521,405	528,376	(6,971)
Capital Outlay - New	3,959	3,959	0	3,959
<i>Total Expenses</i>	<u>1,085,849</u>	<u>1,186,339</u>	<u>1,160,439</u>	<u>25,900</u>
<i>Net Change in Fund Balance</i>	(18,249)	(77,039)	23,161	100,200
Fund Balance at Beginning of Year	195,787	195,787	195,787	0
Prior Year Encumbrances Appropriated	490	490	490	0
Fund Balance at End of Year	<u><u>\$178,028</u></u>	<u><u>\$119,238</u></u>	<u><u>\$219,438</u></u>	<u><u>\$100,200</u></u>

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STATISTICAL SECTION

Statistical Section

This part of the Western Brown Local School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year. The School District implemented GASB Statement 34 in 2000; schedules presenting government-wide information include information beginning in that fiscal year.

WESTERN BROWN LOCAL SCHOOL DISTRICT

Net Assets by Component
Last Seven Fiscal Years
(accrual basis of accounting)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$27,950,343	\$50,234,994	\$54,382,759	\$53,812,800
Restricted for:				
Debt Service	720,668	1,025,227	1,200,826	1,278,683
Capital Projects	31,096,187	8,071,299	2,383,815	3,407,766
Other Purposes	1,382,398	1,025,497	658,867	827,117
Set Asides	0	0	0	0
Unrestricted (Deficit)	<u>(4,196,147)</u>	<u>1,852,180</u>	<u>2,191,495</u>	<u>(1,024,935)</u>
Total Governmental Activities Net Assets	<u>\$56,953,449</u>	<u>\$62,209,197</u>	<u>\$60,817,762</u>	<u>\$58,301,431</u>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$125,642	\$0	\$2,344,334	\$2,232,744
Unrestricted	<u>60,606</u>	<u>0</u>	<u>188,005</u>	<u>171,498</u>
Total Business-type Activities Net Assets	<u>\$186,248</u>	<u>\$0</u>	<u>\$2,532,339</u>	<u>\$2,404,242</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$28,075,985	\$50,234,994	\$56,727,093	\$56,045,544
Restricted	33,199,253	10,122,023	4,243,508	5,513,566
Unrestricted (Deficit)	<u>(4,135,541)</u>	<u>1,852,180</u>	<u>2,379,500</u>	<u>(853,437)</u>
Total Primary Government Net Assets	<u>\$57,139,697</u>	<u>\$62,209,197</u>	<u>\$63,350,101</u>	<u>\$60,705,673</u>

<u>2004</u>	<u>2005</u>	<u>2006</u>
\$52,270,245	\$51,070,621	\$48,946,361
1,404,525	1,589,643	1,679,299
2,337,331	1,137,508	728,696
1,150,675	898,263	838,607
0	327,633	82,367
<u>(665,002)</u>	<u>(292,727)</u>	<u>(476,305)</u>
<u>\$56,497,774</u>	<u>\$54,730,941</u>	<u>\$51,799,025</u>
\$2,111,448	\$2,033,945	\$1,905,617
<u>97,274</u>	<u>73,733</u>	<u>87,315</u>
<u>\$2,208,722</u>	<u>\$2,107,678</u>	<u>\$1,992,932</u>
\$54,381,693	\$53,104,566	\$50,851,978
4,892,531	3,953,047	3,328,969
<u>(567,728)</u>	<u>(218,994)</u>	<u>(388,990)</u>
<u>\$58,706,496</u>	<u>\$56,838,619</u>	<u>\$53,791,957</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT

Changes in Net Assets
Last Seven Fiscal Years

	2000	2001	2002	2003
Expenses				
Governmental Activities:				
Regular Instruction	\$8,068,695	\$10,067,185	\$12,180,875	\$12,465,772
Special Instruction	1,719,676	1,862,292	1,804,213	2,242,856
Vocational Instruction	199,223	247,993	265,181	273,998
Other	246,475	322,220	0	0
Student Intervention Services	0	0	0	0
Pupil Support	648,298	781,023	972,090	1,084,700
Instructional Staff Support	585,093	733,883	871,741	886,418
Board of Education	17,873	19,462	30,269	18,213
Administration	1,415,779	1,818,114	1,973,300	2,126,037
Fiscal	399,413	412,367	457,010	485,519
Business	0	15,950	115	0
Operation and Maintenance of Plant	1,163,058	1,441,306	2,164,658	2,534,729
Pupil Transportation	1,335,397	1,473,213	1,609,885	1,662,716
Central Support	39,941	61,637	70,364	97,847
Operation of Non-Instructional Services	2,124	3,093	73,801	1,916
Extracurricular Activities	254,892	291,069	401,793	521,942
Interest and Fiscal Charges	357,420	341,112	330,800	338,146
<i>Total Governmental Activities Expenses</i>	<u>16,453,357</u>	<u>19,891,919</u>	<u>23,206,095</u>	<u>24,740,809</u>
Business-type Activities:				
Food Service	953,772	1,013,583	1,109,624	1,148,095
<i>Total Expenses</i>	<u>17,407,129</u>	<u>20,905,502</u>	<u>24,315,719</u>	<u>25,888,904</u>
Program Revenues				
Governmental Activities:				
Charges for Services and Sales				
Regular Instruction	156,222	95,952	136,802	149,335
Special Instruction	0	0	0	0
Vocational Instruction	0	0	0	0
Pupil Support	0	0	315	1,901
Instructional Staff Support	21,142	0	18,100	29,823
Board of Education	0	0	0	0
Administration	12,290	0	3,394	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central Support	0	0	0	0
Operation of Non-Instructional Services	67	0	0	0
Extracurricular Activities	70,758	153,313	102,895	105,427
Operating Grants and Contributions	1,798,652	1,029,607	1,828,883	1,801,397
Capital Grants and Contributions	283,058	164,651	187,682	67,045
<i>Total Governmental Activities Program Revenues</i>	<u>\$2,342,189</u>	<u>\$1,443,523</u>	<u>\$2,278,071</u>	<u>\$2,154,928</u>

2004	2005	2006
\$13,157,172	\$13,628,477	\$14,703,897
2,100,815	2,596,384	2,751,167
269,774	288,623	319,570
0	0	0
0	0	101,933
1,064,124	1,095,373	1,083,805
904,816	878,219	1,029,535
26,087	23,317	25,214
2,092,474	2,178,806	2,323,665
625,984	534,234	487,405
294	31,641	23,666
3,098,831	2,821,977	2,870,792
1,769,004	1,920,582	2,107,161
179,493	211,797	181,968
1,887	46,862	3,578
568,400	640,459	692,746
333,859	321,848	317,740
<u>26,193,014</u>	<u>27,218,599</u>	<u>29,023,842</u>
<u>1,199,293</u>	<u>1,266,525</u>	<u>1,383,302</u>
<u>27,392,307</u>	<u>28,485,124</u>	<u>30,407,144</u>
369,450	503,348	567,375
40,150	75,845	79,065
5,736	8,427	11,349
23,399	25,281	29,129
28,267	33,709	32,912
0	0	1,050
45,886	67,417	71,026
17,207	16,854	18,253
74,564	109,553	115,193
45,886	67,417	83,321
0	0	6,896
0	0	0
197,859	104,415	110,867
2,253,283	2,484,693	2,573,020
78,650	0	71,992
<u>\$3,180,337</u>	<u>\$3,496,959</u>	<u>\$3,771,448</u>

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT

Changes in Net Assets
Last Seven Fiscal Years
(continued)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Business-type Activities:				
Food Service				
Charges for Services and Sales	\$614,916	\$623,757	\$631,462	\$609,331
Operating Grants and Contributions	363,891	348,812	388,620	381,847
<i>Total Business-type Activity Program Revenues</i>	<u>978,807</u>	<u>972,569</u>	<u>1,020,082</u>	<u>991,178</u>
<i>Total Program Revenues</i>	<u>3,320,996</u>	<u>2,416,092</u>	<u>3,298,153</u>	<u>3,146,106</u>
Net (Expense)/Revenue				
Governmental Activities	(14,111,168)	(18,448,396)	(20,928,024)	(22,585,881)
Business-type Activities	25,035	(41,014)	(89,542)	(156,917)
<i>Total Net (Expense)/Revenue</i>	<u>(\$14,086,133)</u>	<u>(\$18,489,410)</u>	<u>(\$21,017,566)</u>	<u>(\$22,742,798)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$2,777,773	\$3,012,419	\$3,283,024	\$3,304,693
Debt Service	0	0	0	528,751
Capital Outlay	722,177	783,205	672,444	82,614
Grants and Entitlements not				
Restricted to Specific Programs	13,072,046	13,715,161	15,421,480	15,899,676
Unrestricted Contributions, Gifts and Donations	0	0	8,096	0
Investment Earnings	1,042,221	1,148,868	306,638	126,630
Gain on Sale of Capital Assets	0	0	0	53,143
Miscellaneous	290,924	88,103	127,206	82,964
Transfers	(56,226)	(2,004,712)	(282,299)	(8,921)
<i>Total Governmental Activities</i>	<u>17,848,915</u>	<u>16,743,044</u>	<u>19,536,589</u>	<u>20,069,550</u>
Business-type Activities:				
Grants and Entitlements not				
Restricted to Specific Programs	0	8,955	0	2,720
Investment Earnings	0	0	4,581	0
Miscellaneous	0	0	7,394	17,179
Transfers	56,226	2,004,712	282,299	8,921
<i>Total Business-type Activities</i>	<u>56,226</u>	<u>2,013,667</u>	<u>294,274</u>	<u>28,820</u>
<i>Total Primary Government</i>	<u>17,905,141</u>	<u>18,756,711</u>	<u>19,830,863</u>	<u>20,098,370</u>
Change in Net Assets				
Governmental Activities	3,737,747	(1,705,352)	(1,391,435)	(2,516,331)
Business-type Activities	81,261	1,972,653	204,732	(128,097)
<i>Total Change in Net Assets</i>	<u>\$3,819,008</u>	<u>\$267,301</u>	<u>(\$1,186,703)</u>	<u>(\$2,644,428)</u>

<u>2004</u>	<u>2005</u>	<u>2006</u>
\$584,299	\$596,124	\$637,513
<u>400,574</u>	<u>506,964</u>	<u>613,495</u>
<u>984,873</u>	<u>1,103,088</u>	<u>1,251,008</u>
<u>4,165,210</u>	<u>4,600,047</u>	<u>5,022,456</u>
(23,012,677)	(23,721,640)	(25,252,394)
<u>(214,420)</u>	<u>(163,437)</u>	<u>(132,294)</u>
<u>(\$23,227,097)</u>	<u>(\$23,885,077)</u>	<u>(\$25,384,688)</u>
\$3,396,506	\$3,954,688	\$4,050,425
552,220	623,941	535,614
135,571	89,958	93,574
16,729,287	17,078,312	17,302,267
0	5,841	18,265
65,060	103,622	182,083
276,088	0	
54,288	142,060	138,250
<u>0</u>	<u>(43,615)</u>	<u>0</u>
<u>21,209,020</u>	<u>21,954,807</u>	<u>22,320,478</u>
0	0	0
1,592	0	0
17,308	18,778	17,548
<u>0</u>	<u>43,615</u>	<u>0</u>
<u>18,900</u>	<u>62,393</u>	<u>17,548</u>
<u>21,227,920</u>	<u>22,017,200</u>	<u>22,338,026</u>
(1,803,657)	(1,766,833)	(2,931,916)
<u>(195,520)</u>	<u>(101,044)</u>	<u>(114,746)</u>
<u>(\$1,999,177)</u>	<u>(\$1,867,877)</u>	<u>(\$3,046,662)</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
 Program Revenues by Function, Governmental Activities
 Last Seven Fiscal Years
 (accrual basis of accounting)

Governmental Activities	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Function				
Regular Instruction	\$762,291	\$524,215	\$728,968	\$479,630
Special Instruction	905,078	297,467	895,369	1,030,478
Vocational Instruction	0	0	62,577	0
Pupil Support	99,991	107,173	155,069	223,983
Instructional Staff Support	21,271	47,150	78,142	103,451
Board of Education	0	0	0	0
Administration	328,823	179,126	201,356	156,167
Fiscal	12,601	8,393	9,172	9,397
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	104,659	101,480	0	0
Central	12,604	14,219	0	12,361
Operation of Non-Instructional Services	4,029	2,648	267	2,017
Extracurricular Activities	90,842	161,652	147,151	137,444
Total Program Revenues	<u><u>\$2,342,189</u></u>	<u><u>\$1,443,523</u></u>	<u><u>\$2,278,071</u></u>	<u><u>\$2,154,928</u></u>

<u>2004</u>	<u>2005</u>	<u>2006</u>
\$795,667	\$846,693	\$906,390
1,330,330	1,425,496	1,623,649
74,870	80,040	88,986
382,288	410,951	249,948
55,221	71,814	179,508
0	0	1,050
203,220	248,155	240,241
19,224	16,854	18,253
0	25,750	18,046
74,564	109,553	115,193
45,886	142,194	161,575
0	12,000	18,896
1,208	3,044	3,846
<u>197,859</u>	<u>104,415</u>	<u>145,867</u>
<u><u>\$3,180,337</u></u>	<u><u>\$3,496,959</u></u>	<u><u>\$3,771,448</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
General Fund				
Reserved	\$383,313	\$644,950	\$928,917	\$991,644
Unreserved	<u>(1,071,170)</u>	<u>(798,685)</u>	<u>(130,273)</u>	<u>1,266,604</u>
Total General Fund	<u>(687,857)</u>	<u>(153,735)</u>	<u>798,644</u>	<u>2,258,248</u>
All Other Governmental Funds				
Reserved	157,568	137,919	4,155,625	780,811
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	84,878	165,418	204,917	714,953
Debt Service Funds	6,880	321,060	360,325	609,157
Capital Projects Funds	<u>599,773</u>	<u>6,113,909</u>	<u>7,699,645</u>	<u>16,248,771</u>
Total All Other Governmental Funds	<u>849,099</u>	<u>6,738,306</u>	<u>12,420,512</u>	<u>18,353,692</u>
Total Governmental Funds	<u><u>\$161,242</u></u>	<u><u>\$6,584,571</u></u>	<u><u>\$13,219,156</u></u>	<u><u>\$20,611,940</u></u>

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$1,468,817	\$1,448,229	\$2,328,325	\$1,207,910	\$1,664,886	\$1,238,665
<u>1,400,369</u>	<u>1,894,687</u>	<u>51,614</u>	<u>433,841</u>	<u>(417,369)</u>	<u>(470,171)</u>
<u>2,869,186</u>	<u>3,342,916</u>	<u>2,379,939</u>	<u>1,641,751</u>	<u>1,247,517</u>	<u>768,494</u>
5,799,919	395,295	266,407	136,694	659,603	169,829
824,210	583,928	662,252	798,834	876,730	856,516
891,993	1,086,384	1,171,367	1,325,663	1,470,683	1,565,053
<u>2,370,497</u>	<u>2,197,615</u>	<u>1,844,901</u>	<u>1,608,143</u>	<u>619,028</u>	<u>698,089</u>
<u>9,886,619</u>	<u>4,263,222</u>	<u>3,944,927</u>	<u>3,869,334</u>	<u>3,626,044</u>	<u>3,289,487</u>
<u>\$12,755,805</u>	<u>\$7,606,138</u>	<u>\$6,324,866</u>	<u>\$5,511,085</u>	<u>\$4,873,561</u>	<u>\$4,057,981</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT

Changes in Fund Balances

Last Ten Fiscal Years

(modified accrual basis of accounting)

	1997	1998	1999	2000
Revenues				
Taxes	\$1,887,549	\$2,928,840	\$3,372,682	\$3,391,359
Intergovernmental	10,957,534	11,726,451	20,804,415	38,529,501
Interest	115,598	156,887	491,425	1,042,221
Tuition and Fees	5,546	10,445	4,921	126,643
Extracurricular Activities	79,458	102,754	118,572	133,836
Contributions and Donations	17,088	13,905	25,511	25,971
Rentals	60,875	102	104	0
Miscellaneous	41,783	116,445	70,449	290,924
<i>Total Revenues</i>	<u>13,165,431</u>	<u>15,055,829</u>	<u>24,888,079</u>	<u>43,540,455</u>
Expenditures				
Current:				
Instruction:				
Regular	6,552,823	6,599,280	6,986,880	7,562,398
Special	1,134,055	1,179,633	1,637,025	1,696,333
Vocational	216,331	225,227	238,702	201,082
Other	36,628	53,207	74,237	246,475
Student Intervention Services	0	0	0	0
Support Services:				
Pupil	522,655	516,812	613,454	668,085
Instructional Staff	521,859	534,698	565,070	588,016
Board of Education	18,951	20,193	19,871	17,463
Administration	1,043,548	1,259,446	1,322,121	1,372,313
Fiscal	270,512	314,902	316,568	370,393
Business	0	0	0	0
Operation and Maintenance of Plant	1,014,982	1,066,097	1,061,173	1,157,787
Pupil Transportation	934,959	1,005,717	1,118,240	1,394,202
Central	15,884	18,470	26,581	27,274
Operation of Non-Instructional Services	2,085	2,197	2,110	2,124
Extracurricular Activities	274,545	210,195	224,208	246,507
Capital Outlay	735,301	2,775,367	3,264,502	20,034,990
Debt Service:				
Principal Retirement	144,196	83,936	394,329	227,863
Interest and Fiscal Charges	29,559	48,931	362,785	353,435
<i>Total Expenditures</i>	<u>13,468,873</u>	<u>15,914,308</u>	<u>18,227,856</u>	<u>36,166,740</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(303,442)</u>	<u>(858,479)</u>	<u>6,660,223</u>	<u>7,373,715</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	3,077	0	0
General Obligation Bonds Issued	0	7,279,600	0	0
Inception of Capital Lease	58,960	0	0	0
Transfers In	616,636	261,313	117,609	112,005
Transfers Out	(616,636)	(261,313)	(142,609)	(168,231)
<i>Total Other Financing Sources (Uses)</i>	<u>58,960</u>	<u>7,282,677</u>	<u>(25,000)</u>	<u>(56,226)</u>
<i>Net Change in Fund Balances</i>	<u>(\$244,482)</u>	<u>\$6,424,198</u>	<u>\$6,635,223</u>	<u>\$7,317,489</u>
Debt Service as a Percentage of Noncapital Expenditures	1.4%	1.0%	5.1%	3.6%

2001	2002	2003	2004	2005	2006
\$3,717,413	\$4,045,516	\$3,699,848	\$4,248,472	\$4,661,605	\$4,680,792
30,562,605	17,688,565	17,711,280	19,058,488	19,407,256	20,044,154
1,148,868	306,638	126,630	65,060	103,622	182,083
95,952	81,376	73,402	635,271	907,851	1,015,569
153,313	177,630	197,649	197,859	104,415	110,867
24,931	58,555	49,468	10,102	8,885	57,111
46	0	0	0	0	0
88,057	134,706	98,399	69,562	142,060	140,250
<u>35,791,185</u>	<u>22,492,986</u>	<u>21,956,676</u>	<u>24,284,814</u>	<u>25,335,694</u>	<u>26,230,826</u>
8,815,842	10,393,020	10,647,348	11,445,968	11,918,062	12,710,950
1,798,908	1,723,141	2,129,407	2,023,942	2,426,572	2,673,191
235,505	237,884	230,475	233,561	251,460	296,065
322,220	0	0	0	0	0
0	0	0	0	0	101,933
737,671	916,806	1,001,563	995,329	1,025,420	995,537
715,753	856,387	861,362	882,559	858,842	1,063,031
19,691	30,438	18,208	26,104	23,317	25,214
1,696,706	1,740,695	1,796,803	1,845,501	1,861,765	1,922,762
394,236	443,539	453,750	603,353	510,261	457,776
0	115	0	294	31,641	23,666
1,431,397	2,225,489	2,459,572	2,844,385	2,754,605	2,827,681
1,625,326	1,733,213	1,838,405	1,666,455	1,797,817	2,033,526
35,632	70,304	96,431	181,903	212,270	192,540
3,093	54,351	1,916	1,700	46,862	3,578
266,885	362,070	443,485	487,731	533,401	577,560
25,207,716	6,349,331	1,767,310	1,323,343	1,004,905	599,884
212,185	222,249	207,569	605,000	241,000	230,000
342,182	331,935	355,546	333,681	321,790	317,619
<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>	<u>27,052,513</u>
<u>(8,069,763)</u>	<u>(5,197,981)</u>	<u>(2,352,474)</u>	<u>(1,215,995)</u>	<u>(484,296)</u>	<u>(821,687)</u>
213,628	48,314	54,202	402,214	0	3,107
0	0	0	0	0	0
0	0	1,017,000	0	0	0
0	0	0	0	0	41
0	0	0	0	0	(41)
<u>213,628</u>	<u>48,314</u>	<u>1,071,202</u>	<u>402,214</u>	<u>0</u>	<u>3,107</u>
<u>(\$7,856,135)</u>	<u>(\$5,149,667)</u>	<u>(\$1,281,272)</u>	<u>(\$813,781)</u>	<u>(\$484,296)</u>	<u>(\$818,580)</u>
3.0%	2.6%	2.5%	3.9%	2.3%	2.1%

WESTERN BROWN LOCAL SCHOOL DISTRICT

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
1997	\$80,012,450	\$10,825,900	\$259,538,143	\$16,158,920	\$20,198,650
1998	98,148,410	11,155,470	312,296,800	15,732,280	19,665,350
1999	100,939,470	11,341,440	320,802,600	16,132,710	20,165,888
2000	106,861,160	11,458,100	338,055,029	15,131,770	18,914,713
2001	128,159,730	10,019,580	394,798,029	15,303,270	19,129,088
2002	133,250,960	15,035,190	423,674,714	7,796,490	9,745,613
2003	139,999,030	16,001,850	445,716,800	8,089,690	10,112,113
2004	160,347,390	17,789,940	508,963,800	8,247,680	10,309,600
2005	167,878,040	16,149,780	525,793,771	8,307,630	10,384,538
2006	173,569,980	17,580,970	546,145,571	8,383,120	10,478,900

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

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

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

Source: State of Ohio Department of Taxation

Tangible Personal Property		Total			Weighted Average Tax Rate
General Business		Assessed	Estimated	Ratio	
Assessed Value	Estimated Actual Value	Value	Value		
\$11,284,876	\$45,139,504	\$118,282,146	\$324,876,297	36.41%	\$15.30
10,316,380	41,265,520	135,352,540	373,227,670	36.27%	\$20.50
1,064,670	4,258,680	129,478,290	345,227,168	37.51%	\$20.50
8,771,935	35,087,740	142,222,965	392,057,481	36.28%	\$20.50
11,096,690	44,386,760	164,579,270	458,313,876	35.91%	\$20.50
11,338,708	45,354,832	167,421,348	478,775,159	34.97%	\$20.19
9,720,179	38,880,716	173,810,749	494,709,629	35.13%	\$20.21
9,837,558	39,350,232	196,222,568	558,623,632	35.13%	\$20.23
9,247,660	36,990,640	201,583,110	573,168,949	35.17%	\$20.25
9,164,247	36,656,988	208,698,317	593,281,459	35.18%	\$20.13

WESTERN BROWN LOCAL SCHOOL DISTRICT
Property Tax Rates (Per \$1,000 of Assessed Valuation)
Direct and Overlapping Governments
Last Ten Collection (Calendar) Years

	1997	1998	1999	2000
UNVOTED MILLAGE:				
Operating	\$4.70	\$4.70	\$4.70	\$4.70
VOTED MILLAGE - BY LEVY:				
1976 Current Expense				
Residential/Agricultural Real	15.30	15.30	15.30	15.30
Commercial/Industrial and Public Utility Real	15.30	15.30	15.30	15.30
General Business and Public Utility Personal	15.30	15.30	15.30	15.30
1997 Bond (\$5,659,600)				
Residential/Agricultural Real	0.00	3.70	3.70	3.70
Commercial/Industrial and Public Utility Real	0.00	3.70	3.70	3.70
General Business and Public Utility Personal	0.00	3.70	3.70	3.70
1997 Bond (\$1,505,000)				
Residential/Agricultural Real	0.00	1.00	1.00	1.00
Commercial/Industrial and Public Utility Real	0.00	1.00	1.00	1.00
General Business and Public Utility Personal	0.00	1.00	1.00	1.00
1997 Capital Improvement				
Residential/Agricultural Real	0.00	0.50	0.50	0.50
Commercial/Industrial and Public Utility Real	0.00	0.50	0.50	0.50
General Business and Public Utility Personal	0.00	0.50	0.50	0.50
TOTAL VOTED MILLAGE BY TYPE OF PROPERTY				
Residential/Agricultural Real	15.30	20.50	20.50	20.50
Commercial/Industrial and Public Utility Real	15.30	20.50	20.50	20.50
General Business and Public Utility Personal	15.30	20.50	20.50	20.50
OVERLAPPING RATES BY TAXING DISTRICT				
TOWNSHIPS:				
Residential/Agricultural Real	0.10 - 2.41	0.10 - 2.41	0.10 - 2.41	0.10 - 2.08
Commercial/Industrial and Public Utility Real	0.10 - 2.48	0.10 - 2.50	0.10 - 2.50	0.10 - 2.45
General Business and Public Utility Personal	0.10 - 3.00	0.10 - 3.00	0.10 - 3.00	0.10 - 3.00
CORPORATIONS:				
Residential/Agricultural Real	0.60 - 2.50	0.60 - 2.10	0.60 - 2.10	0.60 - 2.10
Commercial/Industrial and Public Utility Real	0.60 - 2.78	0.60 - 2.80	0.60 - 2.80	0.60 - 2.80
General Business and Public Utility Personal	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00
SOUTHERN HILLS JOINT VOCATIONAL DISTRICT:				
Residential/Agricultural Real	3.93	3.40	3.40	3.40
Commercial/Industrial and Public Utility Real	4.11	4.09	4.09	4.10
General Business and Public Utility Personal	5.80	5.80	5.80	5.80
COUNTY AND OTHER UNITS:				
BROWN COUNTY				
Residential/Agricultural Real	4.76	4.63	4.63	5.04
Commercial/Industrial and Public Utility Real	4.79	4.78	4.78	5.09
General Business and Public Utility Personal	5.80	5.80	5.80	5.80
CLERMONT COUNTY				
Residential/Agricultural Real	6.71	6.71	6.70	6.37
Commercial/Industrial and Public Utility Real	7.15	7.20	7.20	7.15
General Business and Public Utility Personal	9.25	9.25	9.25	9.25
BROWN COUNTY PUBLIC LIBRARY				
Residential/Agricultural Real	1.00	1.00	1.00	1.00
Commercial/Industrial and Public Utility Real	1.00	1.00	1.00	1.00
General Business and Public Utility Personal	1.00	1.00	1.00	1.00
BETHEL-TATE JOINT AMBULANCE DISTRICT				
Residential/Agricultural Real	3.98	3.98	5.26	4.55
Commercial/Industrial and Public Utility Real	3.84	3.87	5.16	5.05
General Business and Public Utility Personal	5.30	5.30	6.60	6.60

Source: Ohio Department of Taxation

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

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

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

As real property values increase from inflation, voted levies that were approved at a specific rate (current operating levies and permanent improvement levies) are reduced so that the same property does not generate additional revenue. When the sum of these voted levies that are intended to fund operations plus the unvoted inside millage used to fund operations reaches 20 mills, no additional reductions in rates occur.

2001	2002	2003	2004	2005	2006
<u>\$4.70</u>	<u>\$4.70</u>	<u>\$4.70</u>	<u>\$4.70</u>	<u>\$4.70</u>	<u>\$4.70</u>
15.30	15.30	15.30	15.30	15.30	15.30
15.30	15.30	15.30	15.30	15.30	15.30
15.30	15.30	15.30	15.30	15.30	15.30
3.70	2.70	2.70	2.70	2.70	2.00
3.70	2.70	2.70	2.70	2.70	2.00
3.70	2.70	2.70	2.70	2.70	2.00
1.00	0.50	0.50	0.50	0.50	0.50
1.00	0.50	0.50	0.50	0.50	0.50
1.00	0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.45	0.45	0.45
0.50	0.50	0.50	0.47	0.50	0.50
<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>
20.50	19.00	19.00	18.95	18.95	18.25
20.50	19.00	19.00	18.97	19.00	18.30
<u>20.50</u>	<u>19.00</u>	<u>19.00</u>	<u>19.00</u>	<u>19.00</u>	<u>18.30</u>
0.10 - 2.08	0.10 - 2.08	0.10 - 1.84	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10
0.10 - 2.45	0.10 - 2.45	0.10 - 2.15	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10
0.10 - 3.00	0.10 - 3.00	0.10 - 3.00	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10
0.60 - 3.31	0.60 - 3.31	0.60 - 3.31	0.60 - 2.97	0.60 - 2.97	0.60 - 2.97
0.60 - 3.52	0.60 - 3.52	0.60 - 3.52	0.60 - 3.32	0.60 - 3.58	0.60 - 3.58
0.60 - 4.00	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00
2.91	2.91	2.91	2.64	2.43	3.43
3.56	3.57	3.60	3.41	3.16	4.16
5.80	5.80	5.80	5.80	5.40	6.40
4.88	4.88	4.88	4.77	4.77	4.78
4.93	4.93	4.94	4.88	4.90	4.90
5.80	5.80	5.80	5.80	5.80	5.80
6.37	7.28	6.41	7.16	7.16	6.79
7.14	7.80	6.83	7.63	7.63	7.37
9.25	9.35	8.60	9.35	9.35	9.35
1.00	1.00	0.75	0.75	0.75	0.75
1.00	1.00	0.75	0.75	0.75	0.75
1.00	1.00	0.75	0.75	0.75	0.75
4.55	4.55	4.02	0.00	0.00	0.00
5.05	5.05	4.44	0.00	0.00	0.00
6.60	6.60	6.60	0.00	0.00	0.00

WESTERN BROWN LOCAL SCHOOL DISTRICT

Property Tax Levies and Collections
Last Ten Collection (Calendar) Years (1)

<u>Collection Year (2)</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (3)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
1996	\$2,240,914	\$2,176,478	97.12%	\$106,918	\$2,283,396	101.90%
1997	2,366,746	2,230,989	94.26	97,492	\$2,328,481	98.38
1998	3,152,355	2,971,413	94.26	128,169	\$3,099,582	98.33
1999	3,499,080	2,994,064	85.57	192,717	\$3,186,781	91.07
2000	3,619,000	2,773,798	76.65	201,748	\$2,975,546	82.22
2001	3,996,074	2,784,616	69.68	230,414	\$3,015,030	75.45
2002	3,996,074	3,498,450	87.55	230,908	\$3,729,358	93.33
2003	4,153,755	3,620,965	87.17	226,570	\$3,847,535	92.63
2004	4,213,785	3,600,460	85.44	322,475	\$3,922,935	93.10
2005	4,043,336	3,770,901	93.26	307,254	\$4,078,155	100.86

Source: Brown County Auditor

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2006 information cannot be presented because all collections have not been made by June 30, 2006.
- (3) The County does not identify delinquent tax collections by tax year.

WESTERN BROWN LOCAL SCHOOL DISTRICT

Principal Tax Payers

Real Property

2005 and 2002 (1)

Name of Taxpayer	2005	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$1,797,950	1.04%
Cincinnati Milacron	1,573,410	0.91%
Timothy Hale	737,300	0.42%
Scottwood Commons	660,370	0.38%
Locust Ridge Land Corp.	519,820	0.30%
Alma Monk	427,220	0.25%
N A L Company	394,030	0.23%
HPWFP Limited Partnership	391,240	0.23%
Lake Grant Ltd.	378,900	0.22%
Shihasi Mt. Orab LLC	357,050	0.21%
Totals	<u>\$7,237,290</u>	<u>4.17%</u>
Total Assessed Valuation	<u>\$173,569,980</u>	<u>100.00%</u>

Name of Taxpayer	2002	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$4,892,400	3.49%
Cincinnati Milacron	4,047,600	2.89%
Trinity Industries	3,974,114	2.84%
Ava Jo Bohl	1,537,857	1.10%
BHM Enterprises	1,423,342	1.02%
Howard Meeker L & F	1,254,742	0.90%
Countrytyme Lebanon	1,208,600	0.86%
Scottwood Commons	1,143,800	0.82%
Lake Grant Ltd	1,092,142	0.78%
N A L Company	1,072,171	0.77%
Totals	<u>\$21,646,768</u>	<u>15.46%</u>
Total Assessed Valuation	<u>\$139,999,030</u>	<u>100.00%</u>

(1) The amounts represent the assessed values upon which 2005 and 2002 collections were based.

Source: Brown County Auditor.

1996 - 2001 information was not available.

Tangible Personal Property information was also not available.

WESTERN BROWN LOCAL SCHOOL DISTRICT

Ratio of Debt
to Assessed Value and Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property(2)	General Bonded Debt			
			General Bonded Debt Outstanding	Ratio of Net Bonded Debt to Estimated Actual Value	Bonded Debt per Capita	General Bonded Debt Outstanding
1997	12,347	\$324,876,297	\$241,200	0.07%	\$19.54	\$241,200
1998	12,347	373,227,670	7,474,400	2.00%	605.36	7,474,400
1999	12,347	345,227,168	7,120,400	2.06%	576.69	7,120,400
2000	15,717	392,057,481	6,931,000	1.77%	440.99	6,931,000
2001	15,717	458,313,876	6,676,000	1.46%	424.76	6,676,000
2002	15,717	478,775,159	6,508,000	1.36%	414.07	6,508,000
2003	15,717	494,709,629	6,330,000	1.28%	402.75	6,330,000
2004	15,717	558,623,632	6,165,000	1.10%	392.25	6,165,000
2005	15,717	573,168,949	5,975,000	1.04%	380.16	5,975,000
2006	15,717	593,281,459	5,775,000	0.97%	367.44	5,775,000

Sources: (1) National Center for Education Statistics
1997-1999 from 1990 U.S. Census Data
2000-2006 from 2000 U.S. Census Data

(2) Ohio Department of Taxation and Brown County Auditor

General Debt

Energy Conservation Notes	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita
\$135,934	\$63,397	\$440,531	0.14%	\$35.68
113,589	48,206	7,636,195	2.05%	618.47
89,522	31,944	7,241,866	2.10%	586.53
64,232	18,771	7,014,003	1.79%	446.27
37,612	6,206	6,719,818	1.47%	427.55
9,569	0	6,517,569	1.36%	414.68
0	1,017,000	7,347,000	1.49%	467.46
0	597,000	6,762,000	1.21%	430.23
0	568,000	6,543,000	1.14%	416.30
0	538,000	6,313,000	1.06%	401.67

WESTERN BROWN LOCAL SCHOOL DISTRICT

Legal Debt Margin
Last Ten Fiscal Years

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Assessed Valuation (1)	\$118,282,146	\$135,352,540	\$129,478,290	\$142,222,965
Less:				
General Business Personal Property	0	0	0	0
Railroad and Telephone Tangible Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assessed Valuation used to calculate Legal Debt Margin	118,282,146	135,352,540	129,478,290	142,222,965
Debt Limit - 9% of Assessed Value (2)	<u>10,645,393</u>	<u>12,181,729</u>	<u>11,653,046</u>	<u>12,800,067</u>
Amount of Debt Applicable to Debt Limit				
Gross Indebtedness	241,200	7,474,400	7,345,922	6,995,232
Less Exempt Debt	0	0	(225,522)	(166,232)
Less Amount Available in Debt Service	<u>(6,880)</u>	<u>(415,001)</u>	<u>(473,360)</u>	<u>(700,415)</u>
Amount of Debt Subject to Limit	<u>234,320</u>	<u>7,059,399</u>	<u>6,647,040</u>	<u>6,128,585</u>
Legal Debt Margin	<u>\$10,411,073</u>	<u>\$5,122,330</u>	<u>\$5,006,006</u>	<u>\$6,671,482</u>
Legal Debt Margin as a Percentage of the Debt Limit	97.80%	42.05%	42.96%	52.12%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$118,282	\$135,353	\$129,478	\$142,223
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$118,282</u>	<u>\$135,353</u>	<u>\$129,478</u>	<u>\$142,223</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Ohio Department of Taxation and School District Financial Records

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$164,579,270	\$167,421,348	\$173,810,749	\$196,222,568	\$201,583,110	\$208,698,317
0	0	0	0	0	(9,164,247)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,139,510)</u>
164,579,270	167,421,348	173,810,749	196,222,568	201,583,110	197,394,560
<u>14,812,134</u>	<u>15,067,921</u>	<u>15,642,967</u>	<u>17,660,031</u>	<u>18,142,480</u>	<u>17,765,510</u>
6,795,612	6,579,569	6,372,000	6,187,000	5,975,000	5,775,000
(119,612)	(71,569)	(42,000)	(22,000)	0	0
<u>(990,387)</u>	<u>(1,187,762)</u>	<u>(1,263,046)</u>	<u>(1,410,236)</u>	<u>(1,593,513)</u>	<u>(1,684,546)</u>
<u>0</u>	<u>0</u>	<u>5,066,954</u>	<u>4,754,764</u>	<u>4,381,487</u>	<u>4,090,454</u>
<u>\$14,812,134</u>	<u>\$15,067,921</u>	<u>\$10,576,013</u>	<u>\$12,905,267</u>	<u>\$13,760,993</u>	<u>\$13,675,056</u>
100.00%	100.00%	67.61%	73.08%	75.85%	76.98%
\$164,579	\$167,421	\$173,811	\$196,223	\$201,583	\$197,395
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$164,579</u>	<u>\$167,421</u>	<u>\$173,811</u>	<u>\$196,223</u>	<u>\$201,583</u>	<u>\$197,395</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

WESTERN BROWN LOCAL SCHOOL DISTRICT

Computation of Direct and Overlapping Debt

Governmental Activities

June 30, 2006

	<u>General Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct:			
General Obligation Bonds	\$5,775,000	100.00%	\$5,775,000
Capital Leases	<u>538,000</u>	100.00%	<u>538,000</u>
Total Direct	<u>6,313,000</u>		<u>6,313,000</u>
Overlapping:			
Brown County General Obligation Bonds	<u>2,259,122</u>	34.79	<u>785,949</u>
Total	<u><u>\$8,572,122</u></u>		<u><u>\$7,098,948</u></u>

Sources: Western Brown Local School District Records
Brown County Auditor

Percentages were determined by dividing each overlapping subdivision's assessed valuation within the County by its total assessed valuation.

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

WESTERN BROWN LOCAL SCHOOL DISTRICT

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (in thousands)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Household Income (1)</u>	<u>Brown County Unemployment Rate (3)</u>
1997	12,347	\$131,668,408	\$10,664	N/A	4.50%
1998	12,347	131,668,408	10,664	N/A	5.50%
1999	12,347	131,668,408	10,664	N/A	5.30%
2000	15,717	268,477,794	17,082	41,045	5.90%
2001	15,717	268,477,794	17,082	41,045	5.50%
2002	15,717	268,477,794	17,082	41,045	7.20%
2003	15,717	268,477,794	17,082	41,045	6.20%
2004	15,717	268,477,794	17,082	41,045	6.20%
2005	15,717	268,477,794	17,082	41,045	6.50%
2006	15,717	268,477,794	17,082	41,045	6.20%

Sources: (1) National Center for Education Statistics
1997-1999 from 1990 U.S. Census Data
2000-2006 from 2000 U.S. Census Data
1997-1999 Median Household Income not available.

(2) Computation of Per Capita Personal Income
multiplied by population

(3) Ohio Department of Jobs and Family Services

WESTERN BROWN LOCAL SCHOOL DISTRICT

Principal Employers
Current Year

Employer	Nature of Business	2006	
		Number of Employees	Rank
Kroger	Retail Grocer	287	1
Cincinnati Milacron	Plastic Injection	263	2
Western Brown Local School District	Education	172	3
McDonald's	Food Service	127	4
N A L Company	Paper Products	50	5
Kibler Lumber	Retail Lumber	45	6
Liberty Sheet Metal	Manufacturing	40	7
Cincinnati Wood & Dowel	Wood Products	40	8
Hawkline Nevada	Farm Implements	40	9
Stevens Plumbing & Mechanical	Commercial Plumbing & Fabrication	37	10
Village of Moutn Orab	Government	32	11
Mount Orab Ford	Auto Sales	30	12
Total		<u>1,163</u>	

Source: Brown County Department of Economic Development

(1) Historical data and information on total employment within the School District was not available.

WESTERN BROWN LOCAL SCHOOL DISTRICT

Per Pupil Cost
Last Ten Fiscal Years

Fiscal Year	Enrollment	General Government		Governmental Activities	
		Total Expenditures (1)	Per Pupil Cost	Total Expenses (2)	Per Pupil Cost
1997	3,209	\$13,295,118	4,143	N/A	N/A
1998	3,219	15,781,141	4,902	N/A	N/A
1999	3,312	17,469,237	\$5,275	N/A	N/A
2000	3,381	35,585,442	10,525	16,095,937	4,761
2001	3,287	43,306,581	13,175	19,550,807	5,948
2002	3,335	27,136,783	8,137	22,875,295	6,859
2003	3,356	23,746,035	7,076	24,899,220	7,419
2004	3,365	24,562,128	7,299	25,859,155	7,685
2005	3,383	25,257,200	7,466	26,896,751	7,951
2006	3,367	26,501,894	7,871	28,706,102	8,526

Source: Western Brown Local School District Records

(1) Excludes debt service expenditures

(2) The School District implemented GASB 34 in fiscal year 2000.
The Total Expenses do not include interest and fiscal charges

WESTERN BROWN LOCAL SCHOOL DISTRICT

School District Employees by Function/Program

Last Ten Fiscal Years

<u>Function/Program</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Regular Instruction				
Elementary Classroom Teachers	86.00	88.00	88.00	89.00
High School Classroom Teachers	29.00	29.00	29.00	29.00
Special Instruction				
Elementary Classroom Teachers	11.00	11.00	11.00	11.00
Gifted Education Teachers	0.00	0.00	0.00	0.00
High School Classroom Teachers	3.00	3.00	4.00	4.00
Vocational Instruction				
High School Classroom Teachers	4.00	4.00	3.00	3.00
Pupil Support Services				
Guidance Counselors	5.00	5.00	5.00	5.00
Librarians	3.00	3.00	3.00	3.00
Psychologists	0.00	0.00	0.00	0.00
Speech and Language Pathologists	0.00	0.00	0.00	0.00
Nurse	2.00	2.00	2.00	2.00
Administrators				
Elementary	6.00	6.00	6.00	6.00
High School	3.00	3.00	3.00	3.00
Operation and Maintenance of Plant				
Custodians	14.00	14.00	14.00	14.00
Maintenance	2.00	2.00	2.00	2.00
Pupil Transportation				
Bus Drivers	32.00	32.00	32.00	33.00
Bus Aides	2.00	2.00	2.00	2.00
Van Drivers	0.00	0.00	0.00	0.00
Food Service Program				
Elementary Cooks	12.00	12.00	12.00	12.00
High School Cooks	6.00	6.00	6.00	6.00
Totals:	<u>220.00</u>	<u>222.00</u>	<u>222.00</u>	<u>224.00</u>

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Source: Western Brown Local School District records.

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
89.00	102.00	100.00	100.00	99.00	102.00
35.00	35.00	35.00	35.00	36.00	36.00
11.00	11.00	11.00	11.00	13.00	14.00
0.00	0.00	0.00	0.00	0.00	0.00
4.00	4.00	4.00	4.00	5.00	5.00
3.00	3.00	3.00	3.00	3.00	3.00
5.00	5.00	5.00	5.00	5.00	5.00
3.00	3.00	3.00	3.00	3.00	3.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
2.00	2.00	2.00	2.00	2.00	2.00
6.00	6.00	6.00	6.00	6.00	6.00
3.00	3.00	3.00	3.00	3.00	3.00
16.00	23.00	27.00	27.00	26.00	26.00
2.00	2.00	2.00	2.00	3.00	3.00
33.00	33.00	34.00	34.00	34.00	35.00
2.00	2.00	3.00	3.00	3.00	3.00
0.00	0.00	0.00	0.00	0.00	0.00
12.00	12.00	18.00	18.00	18.00	18.00
6.00	6.00	6.00	6.00	0.00	6.00
<u>232.00</u>	<u>252.00</u>	<u>262.00</u>	<u>262.00</u>	<u>259.00</u>	<u>270.00</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT

Building Statistics
Last Ten Fiscal Years

	1997	1998	1999	2000
Mt. Orab Elementary/Middle School				
Constructed in 1971				
Additions in 1988 and 1998				
Total Building Square Footage	87,370	87,370	87,370	100,965
Enrollment Grades K-8 1997 - 2001	1,463	1,491	1,549	1,577
Enrollment Grades K-4 2002 - Present	N/A	N/A	N/A	N/A
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	54	54	54	54
Regular Instruction Teachers	54	54	54	54
Special Instruction Classrooms	7	7	7	7
Special Instruction Teachers	7	7	7	7
Mt. Orab Middle School				
Converted from the old High School				
Constructed in 1957				
Additions in 1971, 1984, 1992 and 1998				
Total Building Square Footage	N/A	N/A	N/A	N/A
Enrollment Grades K-8	N/A	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	N/A	N/A	N/A	N/A
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	N/A	N/A	N/A	N/A
Hamersville Elementary School				
Constructed in 1922				
Additions in 1940, 1957, 1960 and 1968				
Total Building Square Footage	151,250	151,250	151,250	151,250
Enrollment Grades K-8	822	838	870	886
Student Capacity	675	675	675	675
Regular Instruction Classrooms	35	35	35	35
Regular Instruction Teachers	32	34	34	35
Special Instruction Classrooms	4	4	4	4
Special Instruction Teachers	4	4	4	4
Hamersville Elementary & Middle School				
Constructed in 2002				
Total Building Square Footage	N/A	N/A	N/A	N/A
Enrollment Grades K-8	N/A	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	N/A	N/A	N/A	N/A
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	N/A	N/A	N/A	N/A
Western Brown High School				
Constructed in 1957				
Additions in 1971, 1984, 1992 and 1998				
Total Building Square Footage	64,085	64,085	64,085	64,085
Enrollment Grades 9-12	924	890	893	918
Student Capacity	564	564	564	564
Regular Instruction Classrooms	26	26	26	26
Regular Instruction Teachers	26	26	26	26
Special Instruction Classrooms	4	4	4	4
Special Instruction Teachers	3	3	4	4
Western Brown High School				
Constructed in 2002				
Total Building Square Footage	N/A	N/A	N/A	N/A
Enrollment Grades 9-12	N/A	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	N/A	N/A	N/A	N/A
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	N/A	N/A	N/A	N/A

Source: Western Brown Local School District records.

2001	2002	2003	2004	2005	2006
100,965	100,965	100,965	100,965	100,965	100,965
1,527	0	0	0	0	0
N/A	855	853	871	859	883
1,100	1,100	1,100	1,100	1,100	1,100
54	44	44	44	44	44
54	38	38	37	37	38
7	4	4	4	4	4
7	2	2	2	2	3
N/A	94,851	94,851	94,851	94,851	94,851
N/A	672	727	755	769	728
N/A	1,000	1,000	1,000	1,000	1,000
N/A	34	34	34	34	34
N/A	29	29	29	30	32
N/A	7	7	7	7	7
N/A	5	5	5	6	6
151,250	N/A	N/A	N/A	N/A	N/A
858	N/A	N/A	N/A	N/A	N/A
675	N/A	N/A	N/A	N/A	N/A
35	N/A	N/A	N/A	N/A	N/A
35	N/A	N/A	N/A	N/A	N/A
4	N/A	N/A	N/A	N/A	N/A
4	N/A	N/A	N/A	N/A	N/A
N/A	129,780	129,780	129,780	129,780	129,780
N/A	859	819	783	768	701
N/A	1,100	1,100	1,100	1,100	1,100
N/A	36	36	36	36	36
N/A	35	35	34	32	32
N/A	8	8	8	8	8
N/A	4	4	4	5	5
64,085	N/A	N/A	N/A	N/A	N/A
902	N/A	N/A	N/A	N/A	N/A
564	N/A	N/A	N/A	N/A	N/A
26	N/A	N/A	N/A	N/A	N/A
26	N/A	N/A	N/A	N/A	N/A
4	N/A	N/A	N/A	N/A	N/A
4	N/A	N/A	N/A	N/A	N/A
N/A	189,729	189,729	189,729	189,729	189,729
N/A	949	957	956	1,024	1,055
N/A	1,200	1,200	1,200	1,200	1,200
N/A	40	40	40	40	40
N/A	35	35	35	36	36
N/A	5	5	5	5	5
N/A	4	4	4	5	5

WESTERN BROWN LOCAL SCHOOL DISTRICT

Teacher to Student Ratio

Last Ten Fiscal Years

<u>Year</u>	<u>Average Number of Students per Teacher</u>	<u>State Average</u>
1997	23.4	20.7
1998	23.5	20.4
1999	22.5	18.6
2000	22.9	18.1
2001	21.2	18.0
2002	19.4	16.9
2003	19.5	16.5
2004	21.5	18.5
2005	21.0	18.5
2006	22.3	18.6

Source: Ohio Department of Education EMIS Data (Power User Reports)

WESTERN BROWN LOCAL SCHOOL DISTRICT
 Percentage of Students who Receive Free and Reduced Lunches
 Last Five Fiscal Years

District Buildings	2002	2003	2004	2005	2006
Hamersville Elementary	38.07%	36.25%	34.56%	37.60%	42.02%
Mt. Orab Elementary	32.37%	32.05%	32.26%	38.94%	37.66%
Mt. Orab Middle School	27.83%	26.85%	35.99%	37.23%	36.91%
Western Brown High School	16.89%	14.69%	15.17%	18.12%	24.45%

Information prior to 2002 was not available.

Source: Ohio Department of Education



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WESTERN BROWN LOCAL SCHOOL DISTRICT

BROWN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 16, 2007**