

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

**SUPPLEMENTAL REPORTS
*(Audited)***

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2007**

JAMES SZABO, TREASURER



Mary Taylor, CPA
Auditor of State

Board of Education
Big Walnut Local School District
P.O. Box 218
70 North Walnut Street
Galena, Ohio 43201

We have reviewed the *Independent Auditor's Report* of the Big Walnut Local School District, Delaware County, prepared by Julian & Grube, Inc., for the audit period July 1, 2006 through June 30, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 11, 2008

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

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report on Supplementary Schedule of Receipts and Expenditures of Federal Awards

Board of Education
Big Walnut Local School District
70 Walnut Street
Galena, OH 43021

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Big Walnut Local School District, Delaware County, Ohio as of and for the fiscal year ended June 30, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Big Walnut Local School District's basic financial statements. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Julian & Grube, Inc.
February 14, 2008

**BIG WALNUT LOCAL SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(E) CASH FEDERAL RECEIPTS	OTHER FEDERAL RECEIPTS	(E) CASH FEDERAL DISBURSEMENTS	OTHER FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION						
(C) Food Donation	10.550	N/A	\$ -	\$ 26,623	\$ -	\$ 26,623
Total Food Donation			-	26,623	-	26,623
Nutrition Cluster:						
(A) (D) National School Lunch Program	10.555	046748-LLP4-2006	40,671		40,671	
(A) (D) National School Lunch Program	10.555	046748-LLP4-2007	105,304		105,304	
Total National School Lunch Program			145,975		145,975	
(A) (D) Special Milk Program for Children	10.556	046748-02PU-2006	135		135	
(A) (D) Special Milk Program for Children	10.556	046748-02PU-2007	434		434	
Total Special Milk Program for Children			569		569	
Total Nutrition Cluster			146,544		146,544	
Total U.S. Department of Agriculture			146,544	26,623	146,544	26,623
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION						
Title I Grants to Local Educational Agencies	84.010	046748-C1S1-2006	16,194		17,791	
Title I Grants to Local Educational Agencies	84.010	046748-C1S1-2007	91,738		94,388	
Total Title I Grants to Local Educational Agencies			107,932		112,179	
Special Education Cluster:						
(B) (F) Special Education_Grants to States	84.027	046748-GBSF-2006	(344)		-	
(B) Special Education_Grants to States	84.027	046748-GBSF-2007	536,686		641,461	
Total Special Education_Grants to States			536,342		641,461	
(B) Special Education_Preschool Grants	84.173	046748-PGS1-2006	8,730		8,363	
(B) Special Education_Preschool Grants	84.173	046748-PGS1-2007	12,900		13,132	
Total Special Education_Preschool Grants			21,630		21,495	
Total Special Education Cluster			557,972		662,956	
(G) Safe and Drug-Free Schools and Communities_State Grants	84.186	046748-DRS1-2006	(43)		464	
Safe and Drug-Free Schools and Communities_State Grants	84.186	046748-DRS1-2007	5,914		5,613	
Total Safe and Drug-Free Schools and Communities_State Grants			5,871		6,077	
(H) State Grants for Innovative Programs	84.298	046748-C2S1-2006	(265)		57	
State Grants for Innovative Programs	84.298	046748-C2S1-2007	5,132		5,126	
Total State Grants for Innovative Programs			4,867		5,183	
(I) Education Technology State Grants	84.318	046748-TIS1-2006	(101)		-	
Education Technology State Grants	84.318	046748-TIS1-2007	1,135		1,030	
Total Education Technology State Grants			1,034		1,030	
(J) Improving Teacher Quality State Grants	84.367	046748-TRS1-2005	-		100	
Improving Teacher Quality State Grants	84.367	046748-TRS1-2006	(855)		-	
Improving Teacher Quality State Grants	84.367	046748-TRS1-2007	66,939		66,215	
Total Improving Teacher Quality State Grants			66,084		66,315	
Total U.S. Department of Education			743,760		853,740	
U.S. DEPARTMENT OF HOMELAND SECURITY						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	-		2,399	
Total Disaster Grants - Public Assistance			-		2,399	
Total U.S. Department of Homeland Security			-		2,399	
Total Federal Financial Assistance			\$ 890,304	\$ 26,623	\$ 1,002,683	\$ 26,623

(A) Included as part of "Nutrition Grant Cluster" in determining major programs.

(B) Included as part of "Special Education Grant Cluster" in determining major programs.

(C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are valued at fair market prices.

(D) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on first-in, first-out basis.

(E) This schedule was prepared on the cash basis of accounting.

(F) Amount of \$344 transferred to fiscal year 2007 grant year based on Ohio Department of Education administrative action.

(G) Amount of \$43 transferred to fiscal year 2007 grant year based on Ohio Department of Education administrative action.

(H) Amount of \$265 transferred to fiscal year 2007 grant year based on Ohio Department of Education administrative action.

(I) Amount of \$101 transferred to fiscal year 2007 grant year based on Ohio Department of Education administrative action.

(J) Amount of \$855 transferred to fiscal year 2007 grant year based on Ohio Department of Education administrative action.



Julian & Grube, Inc.

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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Education
Big Walnut Local School District
70 Walnut Street
Galena, OH 43021

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Big Walnut Local School District as of and for the fiscal year ended June 30, 2007, which collectively comprise Big Walnut Local School District's basic financial statements and have issued our report thereon dated February 14, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Big Walnut Local School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Big Walnut Local School District's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of Big Walnut Local School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Big Walnut Local School District's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Big Walnut Local School District's financial statements that is more than inconsequential will not be prevented or detected by Big Walnut Local School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Big Walnut Local School District's internal control.

Board of Education
Big Walnut Local School District

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Big Walnut Local School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed four instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and responses as items 2007-BWLSD-001, 2007-BWLSD-002, 2007-BWLSD-003 and 2007-BWLSD-004.

We noted certain matters that we reported to the management of Big Walnut Local School District in a separate letter dated February 14, 2008.

Big Walnut Local School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Big Walnut Local School District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the management and Board of Education of Big Walnut Local School District and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Julian & Grube, Inc.
February 14, 2008



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Report on Compliance With Requirements Applicable to Its Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Board of Education
Big Walnut Local School District
70 Walnut Street
Galena, OH 43021

Compliance

We have audited the compliance of Big Walnut Local School District, Delaware County, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the fiscal year ended June 30, 2007. Big Walnut Local School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and responses. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Big Walnut Local School District's management. Our responsibility is to express an opinion on Big Walnut Local School 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, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Big Walnut Local School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Big Walnut Local School District's compliance with those requirements.

In our opinion, Big Walnut Local School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the fiscal year ended June 30, 2007.

Board of Education
Big Walnut Local School District

Internal Control Over Compliance

The management of Big Walnut Local School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Big Walnut Local School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Big Walnut Local School District's internal control over compliance.

A control deficiency in Big Walnut Local School District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Big Walnut Local School District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by Big Walnut Local School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Big Walnut Local School District's internal control.

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

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



Julian & Grube, Inc.
February 14, 2008

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

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
JUNE 30, 2007**

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

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

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
JUNE 30, 2007**

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2007-BWLSLSD-001

Ohio Revised Code Section 5705.41(B) in part requires that expenditures shall not exceed appropriations.

The District had expenditures in excess of appropriations at June 30, 2007 and throughout the fiscal year in the following funds:

<u>Fund Type/ Fund/Function/Object</u>	<u>Appropriations</u>	<u>Expenditures Plus</u>	
		<u>Encumbrances</u>	<u>Excess</u>
Special Revenue Funds			
Education Management			
Information Systems			
Fiscal			
Salaries	\$ -	\$ 7,842	\$ 7,842
Fringe Benefits	2,221	3,861	1,640
Ohio Reads			
Regular Instruction			
Fringe Benefits	316	585	269
Special Revenue Funds			
Title VI-B			
Special Instruction			
Fringe Benefits	49,754	109,187	59,433
Pupils			
Purchased Services	206,517	290,903	84,386
Title I			
Special Instruction			
Fringe Benefits	31,847	36,133	4,286
Pupils			
Salaries	150	200	50
Fringe Benefits	21	28	7
Title V			
Regular Instruction			
Fringe Benefits	155	260	105
Early Childhood Special			
Education			
Instructional Staff			
Salaries	14,850	17,025	2,175
Fringe Benefits	311	964	653
Purchased Services	-	3,506	3,506

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

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
JUNE 30, 2007**

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2007-BWLSD-001 - (Continued)

With expenditures exceeding appropriations, the District is expending monies that have not been appropriated and approved by the Board. This may result in unnecessary purchases or overspending which may lead to a fund deficit.

We recommend that the District comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed lawful appropriations and amending the appropriations on a more continual basis.

Client Response: The Treasurer will modify its appropriations as needed to be in compliance and monitor the expenditures on a regular basis.

Finding Number	2007-BWLSD-002
----------------	----------------

Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section requires that any amendments to an appropriation measure be made by Board resolution and comply with the same provisions of the law as used in making the original appropriations.

The District did not timely modify its appropriations throughout the fiscal year.

By not timely and properly modifying the District's appropriations, the District is not adequately monitoring its expenditures versus appropriations. This may result in appropriating monies in excess of estimated resources, and having expenditures exceed appropriations, and possibly, fund deficits.

We recommend that the District comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by monitoring its budgetary process on a regular basis and approving amendments as necessary. We recommend that the Board adopt accounting policies for amending appropriations and include these policies in the Board's accounting policies and procedures manual, consider reviewing estimated resources and appropriations and expenditures versus appropriations on a monthly basis, and certify amendments to the Board of Commissioners as necessary. We recommend the Board utilize its accounting software or a spreadsheet to help monitor the budget.

Client Response: The District will more closely monitor its expenditures versus approved appropriations throughout the fiscal year and obtain additional approved modifications as necessary.

Finding Number	2007-BWLSD-003
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Ohio Revised Code Section 5705.39 in part requires that total appropriations from each fund should not exceed total estimated resources.

The District had appropriations in excess of estimated resources at June 30, 2007 in the following funds:

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

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
JUNE 30, 2007**

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2007-BWLSLSD-003 - (Continued)

<u>Fund Type/Fund</u>	Estimated Resources Plus Available		
	<u>Balances</u>	<u>Appropriations</u>	<u>Excess</u>
Special Revenue Funds			
Food Service	\$ 792,685	\$ 935,779	\$ 143,094
Network Connectivity	21,880	22,876	996
SchoolNet Professional Development	6,565	7,080	515
School Improvement	5,841	5,891	50
Miscellaneous State Grants	13,359	19,204	5,845
Title VI-B	542,376	611,891	69,515
Title I	94,920	121,971	27,051
Title VI-B	4,178	7,814	3,636
Title IV-A	5,455	7,254	1,799
Title II-A	57,275	110,313	53,038
Title II-D	974	1,135	161

With appropriations exceeding estimated resources, the District is appropriating monies that are not in the Treasury or in the process of collection that have been certified with the County Auditor. Thus, over-appropriating may cause expenditures to increase and cause a deficit fund balance.

We recommend the District comply with the Ohio Revised Code by monitoring appropriations so they do not exceed estimated resources. This may be achieved by monitoring the budget more closely on a continual basis and amending estimated resources or appropriations as necessary.

Client Response: The Treasurer will attempt to update estimated revenues on a more timely basis.

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

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
JUNE 30, 2007**

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2007-BWLSD-004

Ohio Revised Code Sections 5705.36, in part, requires Treasurers to certify to the County Auditor the total amount from all sources which are available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year.

It was noted during the fiscal year ended June 30, 2007 that the District did not request enough amended certificates throughout the year upon notice of increased or decreased resources.

The District is not properly certifying its most current estimated resources to the appropriate authorities and thus causing appropriations to exceed estimated resources.

We recommend that the District certify its available sources at year end and file amended certificates as necessary throughout the year. This will facilitate the District's appropriation process.

Client Response: The District will attempt to monitor its estimated revenues more closely and will request amended certificates as needed.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

Comprehensive Annual Financial Report

**For the Fiscal Year Ended
June 30, 2007**

INTRODUCTORY SECTION

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BIG WALNUT LOCAL SCHOOL DISTRICT DELAWARE COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2007

Prepared By:

Treasurer's Office

James Szabo, Treasurer

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BIG WALNUT LOCAL SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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Big Walnut Local Schools

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Galena, Ohio 43021
www.bigwalnut.k12.oh.us

February 14, 2008

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Big Walnut Local School District for the fiscal year ended June 30, 2007. This Comprehensive Annual Financial Report contains financial statements, supplemental statements, and statistical information conforming with generally accepted accounting principles as applicable to governmental entities. It provides complete and full disclosure of all material financial aspects of the School District.

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

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

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

Julian & Grube, Inc. has issued an unqualified opinion on Big Walnut Local School District's financial statements for the fiscal year ended June 30, 2007. The Independent Auditor's Report is located at the front of the financial section of this report.

Profile of the School District

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

The School District was established in 1951. The School District is the 187th largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by one hundred twenty nine classified employees, one hundred eighty-three certified employees, and fourteen administrative employees who provide services to 2,779 students and other community members. The School District currently operates three elementary schools, a middle school, and a high school.

April Domine
Superintendent

James Szabo
Treasurer
VII

Steven Mazzi
Assistant Superintendent

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board of Education of the School District.

The Treasurer is the chief financial officer of the School District and is directly responsible to the Board of Education for all financial operations, investments, and custody of all School District funds and assets. The Treasurer also serves as Secretary to the Board of Education.

The School Board is required to adopt a final budget no later than the close of the fiscal year for the following fiscal year. The annual budget serves as the foundation of the School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund, function, and object level within each fund.

Local Economy

The School District encompasses one hundred ten square miles in Delaware County, in central Ohio. The County is located approximately ten miles north of Columbus, the State capital. This central location is strategically positioned for the future development of business and industry.

Delaware County is a suburban community in central Ohio with a relatively low unemployment rate. The unemployment rate for December 2007 of 4.2 percent was the lowest in Ohio. The estimated population of Delaware County according to the 2004 U.S. Census was 142,503. Delaware County remains the fastest growing county in Ohio and the 13th fastest growing county in the United States.

American Showa, Inc. has a planned addition which will add about one hundred jobs within the School District.

Long-Term Financial Planning

For the 2006/2007 and 2007/2008 school years, the School District negotiated a 2.25 and 2.5 percent salary increase, respectively, for the certified staff. Negotiations with the classified staff for the 2006/2007 school year resulted in a 2.5 to 3 percent increase and a 2.75 to 3 percent increase for the 2007/2008 school year. The administrative staff received similar increases. During 2008, the School District will begin negotiations with both certified and classified staff for contracts that will cover fiscal years 2009, 2010, and 2011.

During fiscal year 2008, the School District expects to begin to collecting revenue on the Sunbury Mills New Community Development. The New Community Development is an additional 4 mill charge levied upon new construction within the Development. The charge will continue for twenty years from the date of first collection. However, since construction is just getting underway, there is currently no projection on how much revenue can be anticipated for fiscal year 2008 or beyond.

At least semi-annually, the Board of Education approves a five-year financial forecast. The current five-year forecast illustrates that estimated revenues are expected to exceed estimated expenses in each of the first three fiscal years beginning with fiscal year 2008. For fiscal years 2011 and 2012, expenses are predicted to outpace revenues. The Board of Education continues to monitor spending closely.

Relevant Financial Policies

In an effort to move toward program-based budgeting, the School District has adopted a modified zero-based budgeting approach, replacing the past practice of incremental or formula budgeting. Pure zero-based budgeting calls for administrators and principals to evaluate their needs anew each year, and to make budget requests by answering the question "What do I need to achieve desired results?" While School District needs will always outstrip available resources, the most critical needs to achieve results are funded.

Another issue the School District is encountering is House Bill 66. In June 2005, House Bill 66 was signed and put into law. This bill phases out the tangible personal property tax for school districts. This may affect future planning of the School District's budget because the School District could lose approximately 4.5 percent of its General Fund revenues if State reimbursement for the loss of this tax begins phasing out in 2011.

Major Initiatives

The School District achieved a rating of Excellent on the State Report Card. This was the 2nd year in a row that the School District has received an excellent rating from the Ohio Department of Education. The School District has also established a Development Committee to study current facilities, improve enrollment projections, and to make recommendations on the future facility needs of the School District.

Awards and Acknowledgements

For fiscal year 2007, the School District has prepared a Comprehensive Annual Financial Report (CAFR) for the first time. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

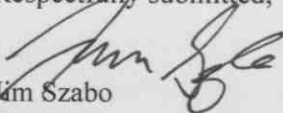
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

We believe that our comprehensive annual financial report will meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility.

Sincere gratitude goes to the Big Walnut Board of Education, Diana Butts, Jim Hildreth, Ron Hobelman, Lisa Grunewald, Verna Hines, where the commitment to excellence begins, for their support in granting funds for this project. Special acknowledgment is extended to the Auditor of State's Local Government Services Section for their efforts and contributions in the preparation of this Comprehensive Annual Financial Report.

Respectfully submitted,

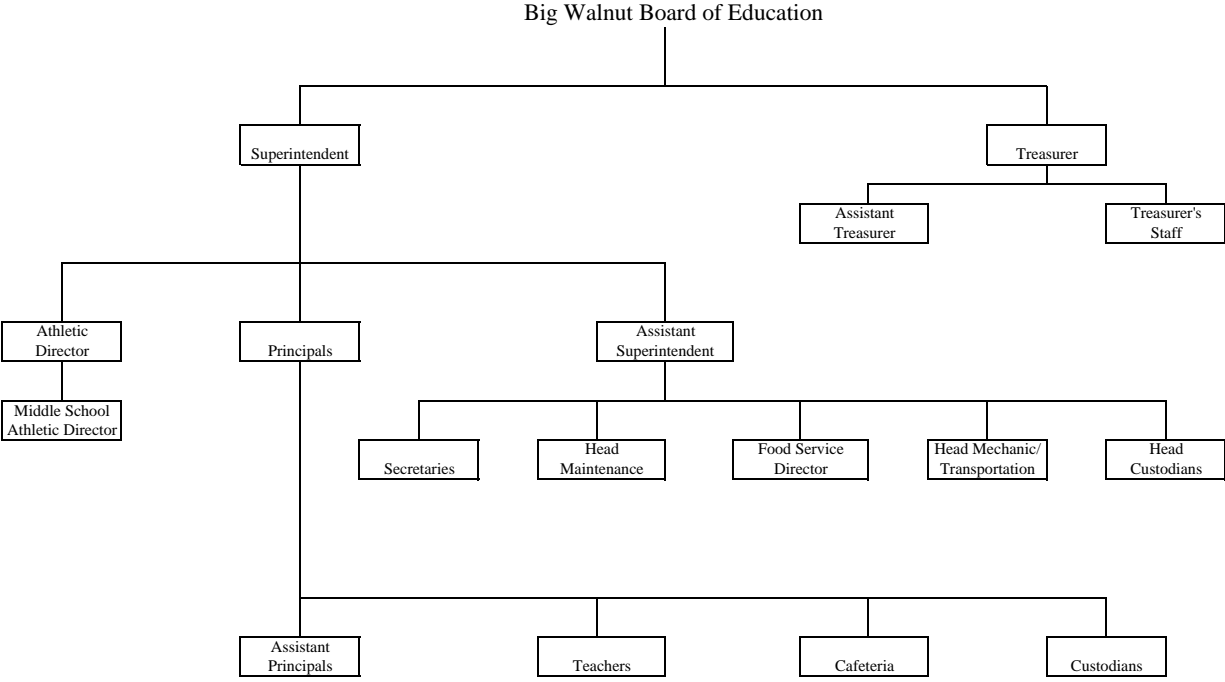
Jim Szabo
Treasurer



April Domine
Superintendent



BIG WALNUT LOCAL SCHOOL DISTRICT ORGANIZATIONAL CHART



BIG WALNUT LOCAL SCHOOL DISTRICT

PRINCIPAL OFFICIALS

JUNE 30, 2007

ELECTED OFFICIALS

President, Board of Education Diana Butts
Vice President, Board of Education..... James Hildreth
Board Member Thomas Andrews
(term expired December 31, 2007)
Board Member Ron Hobelman
Board Member Lisa Grunewald
Board Member Verna Hines

APPOINTED OFFICIALS

Superintendent April Domine
Treasurer James Szabo

ADMINISTRATIVE STAFF

Assistant Superintendent..... Steve Mazzi
Assistant Treasurer Ben Streby
Principal, High School..... Charles Workman
Assistant Principal, High School Brad Felkey
Principal, Middle School Steve House
Assistant Principal, Middle School..... Jay Walker
Principal, Big Walnut Elementary Peggy McMurry
Principal, Harrison Street Elementary Lynn Kaszynski
Principal, Hulen Souders Elementary Steve Butler
Athletic Director Steve Glesenkamp
Special Education Director Steve Moore
Curriculum Director..... Patricia Martell
Technology Coordinator Wayne Thompson

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**FINANCIAL
SECTION**

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Board of Education
Big Walnut Local School District
70 Walnut Street
Galena, OH 43021

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Big Walnut Local School District, Delaware County, Ohio, as of and for the fiscal year ended June 30, 2007, which collectively comprise Big Walnut Local School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Big Walnut Local School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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, each major fund, and the aggregate remaining fund information of Big Walnut Local School District, Delaware County, as of June 30, 2007, and the respective changes in financial position and the respective budgetary comparison for the General fund for the fiscal 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 February 14, 2008, on our consideration of Big Walnut Local School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Independent Auditor's Report
Big Walnut Local School District
Page Two

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Big Walnut Local School District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected 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 cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
February 14, 2008

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

The discussion and analysis of Big Walnut Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Highlights

Highlights for fiscal year 2007 are as follows:

In total, net assets increased \$505,341, or almost 6 percent, not a significant change from the prior fiscal year. Despite a 6 percent decrease in revenues and a 4 percent increase in expenses, revenues continued to exceed expenses for the fiscal year providing for the moderate increase in net assets overall.

General revenues were \$ 23,589,986, or 91 percent of total revenues, and reflect the School District's substantial dependence on local taxes and State funding.

In May 2006, the voters of the School District approved a five-year 1.25 mill emergency operating levy. The levy is expected to generate \$750,000 annually for general operations of the School District. Collections on this levy began January 1, 2007.

The School District's five-year forecast, approved by the Board of Education at least semi-annually, illustrates that estimated revenues are expected to exceed estimated expenses in each of the first three fiscal years beginning with fiscal year 2008. For fiscal years 2011 and 2012, expenses are predicted to outpace revenues. The Board of Education will closely monitor spending to extend the amount of time before it is necessary to ask voters for new operational funds.

As part of the recent bond issue, the School District requested a bond rating from Moody's Investor Service. The School District received an Aaa3 rating; this indicates Moody's trust in the financial health of the School District.

Using the Basic Financial Statements

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

The statement of net assets and the statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds, with all other nonmajor funds presented in total in a single column. For Big Walnut Local School District, the General Fund, the Bond Retirement debt service fund, and the Building capital projects fund are the most significant funds.

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Reporting the School District as a Whole

The statement of net assets and the statement of activities reflect how the School District did financially during fiscal year 2007. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

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

Governmental Funds - All of the School District's programs are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

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

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

The School District as a Whole

Table 1 provides a summary of the School District's net assets for fiscal year 2007 and fiscal year 2006:

Table 1 Net Assets		Governmental Activities	
	2007	2006	Change
<u>Assets</u>			
Current and Other Assets	\$22,789,032	\$25,772,239	(\$2,983,207)
Capital Assets, Net	24,102,631	18,557,654	5,544,977
Total Assets	<u>46,891,663</u>	<u>44,329,893</u>	<u>2,561,770</u>
<u>Liabilities</u>			
Current and Other Liabilities	15,482,032	12,017,197	(3,464,835)
Long-Term Liabilities	22,268,940	23,677,346	1,408,406
Total Liabilities	<u>37,750,972</u>	<u>35,694,543</u>	<u>(2,056,429)</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	7,865,501	7,554,471	311,030
Restricted	1,419,439	1,045,907	373,532
Unrestricted (Deficit)	(144,249)	34,972	(179,221)
Total Net Assets	<u>\$9,140,691</u>	<u>\$8,635,350</u>	<u>\$505,341</u>

The above table demonstrates several significant changes from the prior fiscal year. While total assets only increased 6 percent, there were sizable changes within both current and other assets and net capital assets. For current and other assets, there was a \$4.6 million decrease in cash and cash equivalents which was primarily monies spent for construction activities. However, note there was a corresponding increase in net capital assets. This construction consisted of renovations and additions to the high school, as well as renovations at both the middle school and at Big Walnut elementary school.

Another noteworthy increase within current and other assets is an increase in the receivable for property taxes (in part due to receiving a full year of collections from the emergency levy for fiscal year 2008, only one-half year of collections was received in fiscal year 2007). An additional factor affecting the increase in the receivable for property taxes is the result of the property reappraisal in 2005 as well as new construction (the School District resides in a County undergoing a great deal of growth). This increase in property taxes receivable is offset by an increase in deferred revenue, a factor contributing to the increase in current and other liabilities.

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Table 2 reflects the change in net assets for fiscal year 2007 and fiscal year 2006.

Table 2
Change in Net Assets

	Governmental Activities		Change
	2007	2006	
<u>Revenues</u>			
Program Revenues			
Charges for Services	\$1,100,273	\$1,083,513	\$16,760
Operating Grants and Contributions	1,300,892	1,373,899	(73,007)
Capital Grants and Contributions	22,841	21,659	1,182
Total Program Revenues	<u>2,424,006</u>	<u>2,479,071</u>	<u>(55,065)</u>
General Revenues			
Property Taxes Levied for General Purposes	10,140,434	11,310,488	(1,170,054)
Property Taxes Levied for Debt Service Purposes	1,889,652	2,258,006	(368,354)
Income Taxes Levied for General Purposes	4,358,466	4,545,105	(186,639)
Payment in Lieu of Taxes	18,000	18,000	0
Grants and Entitlements	6,548,534	6,191,456	357,078
Interest	535,992	664,609	(128,617)
Gifts and Donations	2,446	8,653	(6,207)
Miscellaneous	96,462	105,791	(9,329)
Total General Revenues	<u>23,589,986</u>	<u>25,102,108</u>	<u>(1,512,122)</u>
Total Revenues	<u>26,013,992</u>	<u>27,581,179</u>	<u>(1,567,187)</u>
<u>Expenses</u>			
Instruction			
Regular	10,766,134	10,640,482	(125,652)
Special	2,952,259	2,310,234	(642,025)
Vocational	380,318	361,900	(18,418)
Support Services			
Pupils	1,240,150	1,217,465	(22,685)
Instructional Staff	886,296	1,112,190	225,894
Board of Education	184,257	159,106	(25,151)
Administration	1,943,266	1,644,074	(299,192)
Fiscal	748,515	708,063	(40,452)
Business	251,600	229,590	(22,010)
Operation and Maintenance of Plant	1,891,168	1,859,258	(31,910)
Pupil Transportation	1,763,719	1,809,895	46,176
Central	57,179	41,406	(15,773)
Non-Instructional Services	958,656	810,128	(148,528)
Extracurricular Activities	631,834	658,180	26,346
Interest and Fiscal Charges	853,300	1,005,545	152,245
Total Expenses	<u>25,508,651</u>	<u>24,567,516</u>	<u>(941,135)</u>
Increase in Net Assets	505,341	3,013,663	(2,508,322)
Net Assets Beginning of Year	8,635,350	5,621,687	3,013,663
Net Assets End of Year	<u>\$9,140,691</u>	<u>\$8,635,350</u>	<u>\$505,341</u>

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Program revenues, which are primarily represented by tuition and fees, charges for extracurricular activities, food service sales, and restricted intergovernmental revenues, represented only 9 percent of total revenues for fiscal year 2007, the same as the prior fiscal year.

The primary sources of general revenues are property taxes, income taxes, and unrestricted State resources (generally State foundation monies). While property taxes and income taxes account for 69 percent of general revenues (and 63 percent of total revenues), both revenue sources decreased from fiscal year 2006. Income taxes decreased just slightly; however, property taxes reflect an 11 percent decrease. This is explained by the amount of advances available from property taxes at fiscal year end. For fiscal year 2006, the School District had over \$3.9 million available for advance at fiscal year end and reflected as revenue for fiscal year 2006. For fiscal year 2007, the amount available for advance at fiscal year end decreased to \$2.1 million, a drop of \$1.8 million. Unrestricted State resources account for 28 percent of general revenues (and 25 percent of total revenues). This revenue source remained comparable to fiscal year 2006.

With an overall increase of less than 4 percent, expenses remained quite comparable to fiscal year 2006. As expected, the School District's major program expense is for instruction, which accounts for 55 percent of all expenses. The instruction category, however, does not include all activities associated with educating students as pupils, instructional staff, and pupil transportation costs have a significant role in delivering education. These programs represent 15 percent total expenses.

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2007	2006	2007	2006
Instruction				
Regular	\$10,766,134	\$10,640,482	\$10,472,295	\$10,268,824
Special	2,952,259	2,310,234	1,921,790	1,293,313
Vocational	380,318	361,900	360,310	340,828
Support Services				
Pupils	1,240,150	1,217,465	1,222,875	1,189,278
Instructional Staff	886,296	1,112,190	886,296	1,112,190
Board of Education	184,257	159,106	184,257	159,106
Administration	1,943,266	1,644,074	1,943,266	1,644,074
Fiscal	748,515	708,063	748,515	708,063
Business	251,600	229,590	251,600	229,590
Operation and Maintenance of Plant	1,891,168	1,859,258	1,891,168	1,859,258
Pupil Transportation	1,763,719	1,809,895	1,740,878	1,788,236
Central	57,179	41,406	57,179	41,406
Non-Instructional Services	958,656	810,128	129,527	14,023
Extracurricular Activities	631,834	658,180	421,389	434,711
Interest and Fiscal Charges	853,300	1,005,545	853,300	1,005,545
Total Expenses	<u>\$25,508,651</u>	<u>\$24,567,516</u>	<u>\$23,084,645</u>	<u>\$22,088,445</u>

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

As demonstrated again in the above table, general revenues are relied upon to bear the burden of the costs of programs provided by the School District. In fiscal year 2007, as in fiscal year 2006, general revenues provided for approximately 90 percent of the costs of programs provided. Only a very few of the School District's programs receive a significant amount of program revenues to offset their costs. One of these programs is special instruction which provides for 35 percent of program costs through program revenues, much of this in the form of operating grants restricted for special instruction purposes. Over 86 percent of non-instructional services were provided for through program revenues. This is primarily due to cafeteria sales, and state and federal subsidies and donated commodities for food service. Approximately 33 percent of extracurricular activities expenses are covered by program revenues. This is the result of music and athletic fees, ticket sales, and gate receipts.

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. A review of the School District's major funds demonstrates a decrease in fund balance for all three of the School District's major funds. The 13 percent decrease in fund balance in the General Fund is due to a \$1.4 million decrease in property taxes revenue. This is again explained by the amount of tax revenue available for advance at fiscal year end. Fund balance decreased 25 percent in the Bond Retirement debt service fund as principal and interest requirements begin to exceed the amount of taxes collected for their repayment. The Building capital projects fund reflects a 70 percent decrease in fund balances as resources are being spent for ongoing construction projects.

General Fund Budgeting Highlights

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

During fiscal year 2007, the School District amended its General Fund budget as needed. For revenues, changes from the original budget to the final budget and from the final budget to actual revenues were not significant. For expenditures, there were only modest changes from the original budget to the final budget. At fiscal year end, the School District amended the appropriations to match actual revenue amounts received.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2007, the School District had \$24,102,631 invested in capital assets (net of accumulated depreciation), a net increase of \$5,544,977, or 30 percent. Most of the additions to capital assets were related to the School District's construction activities. For further information regarding the School District's capital assets, refer to Note 10 to the basic financial statements.

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Debt

The School District's outstanding debt at June 30, 2007, consisted of general obligation bonds, in the amount of \$20,915,691. The School District's long-term obligations also include compensated absences. For further information regarding the School District's long-term obligations, refer to Note 17 to the basic financial statements.

Current Issues

As stated previously, the School District has many construction projects that include a new addition to the high school, a renovated middle school, and renovations to all three elementary schools. These projects were funded by a \$13 million bond issue approved by voters in November 2004.

The Board of Education will enter into contract negotiations around March 2008 with the Big Walnut Education Association, the Big Walnut Professional Support Staff, and OAPSE Local 524. The Board of Education hopes to come to an agreement with the unions before the end of the 2008 fiscal year.

The School District is engaged in the development of GIS mapping data. This data will allow the School District to more accurately predict growth, assist in the efficient use of capital investments, and be used in the planning of future capital investment.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to James Szabo, Treasurer, Big Walnut Local School District, PO Box 218, 70 North Walnut Street, Galena, Ohio 43201.

Basic Financial Statements

Big Walnut Local School District
Statement of Net Assets
June 30, 2007

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$5,554,843
Cash and Cash Equivalents with Fiscal Agent	9,922
Accounts Receivable	845
Accrued Interest Receivable	13,066
Intergovernmental Receivable	99,180
Income Taxes Receivable	2,201,057
Inventory Held for Resale	10,788
Materials and Supplies Inventory	2,772
Property Taxes Receivable	14,618,345
Unamortized Issuance Costs	278,214
Nondepreciable Capital Assets	5,604,462
Depreciable Capital Assets, Net	18,498,169
 Total Assets	 46,891,663
<u>Liabilities</u>	
Accounts Payable	106,166
Contracts Payable	220,094
Accrued Wages and Benefits Payable	2,058,289
Matured Compensated Absences Payable	24,668
Intergovernmental Payable	706,685
Retainage Payable	179,458
Matured Bonds Payable	9,922
Accrued Interest Payable	60,368
Deferred Revenue	12,116,382
Long-Term Liabilities:	
Due Within One Year	1,174,610
Due in More Than One Year	21,094,330
 Total Liabilities	 37,750,972
<u>Net Assets</u>	
Invested in Capital Assets, Net of Related Debt	7,865,501
Restricted For:	
Debt Service	698,462
Capital Projects	445,216
Set Asides	128,199
Other Purposes	147,562
Unrestricted (Deficit)	(144,249)
 Total Net Assets	 \$9,140,691

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2007

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<u>Governmental Activities</u>				
Instruction				
Regular	\$10,766,134	\$188,569	\$105,270	\$0
Special	2,952,259	53,857	976,612	0
Vocational	380,318	0	20,008	0
Support Services				
Pupils	1,240,150	0	17,275	0
Instructional Staff	886,296	0	0	0
Board of Education	184,257	0	0	0
Administration	1,943,266	0	0	0
Fiscal	748,515	0	0	0
Business	251,600	0	0	0
Operation and Maintenance of Plant	1,891,168	0	0	0
Pupil Transportation	1,763,719	0	0	22,841
Central	57,179	0	0	0
Non-Instructional Services	958,656	656,422	172,707	0
Extracurricular Activities	631,834	201,425	9,020	0
Interest and Fiscal Charges	853,300	0	0	0
Total Governmental Activities	<u>\$25,508,651</u>	<u>\$1,100,273</u>	<u>\$1,300,892</u>	<u>\$22,841</u>

General Revenues

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

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in Net Assets

Governmental
Activities

(\$10,472,295)
(1,921,790)
(360,310)

(1,222,875)
(886,296)
(184,257)
(1,943,266)
(748,515)
(251,600)
(1,891,168)
(1,740,878)
(57,179)
(129,527)
(421,389)
(853,300)

(23,084,645)

10,140,434
1,889,652
4,358,466
18,000
6,548,534
535,992
2,446
96,462

23,589,986

505,341

8,635,350

\$9,140,691

Big Walnut Local School District
Balance Sheet
Governmental Funds
June 30, 2007

	General	Bond Retirement	Building	Other Governmental	Total
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$1,824,105	\$553,922	\$2,797,341	\$251,276	\$5,426,644
Cash and Cash Equivalents with Fiscal Agent	0	9,922	0	0	9,922
Accounts Receivable	175	0	0	670	845
Accrued Interest Receivable	13,066	0	0	0	13,066
Interfund Receivable	141,262	0	0	1,799	143,061
Intergovernmental Receivable	46,030	0	0	53,150	99,180
Income Taxes Receivable	2,201,057	0	0	0	2,201,057
Inventory Held for Resale	0	0	0	10,788	10,788
Materials and Supplies Inventory	0	0	0	2,772	2,772
Restricted Assets					
Equity in Pooled Cash and Cash Equivalents	128,199	0	0	0	128,199
Property Taxes Receivable	12,346,937	2,271,408	0	0	14,618,345
Total Assets	\$16,700,831	\$2,835,252	\$2,797,341	\$320,455	\$22,653,879
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Accounts Payable	\$87,751	\$0	\$10,254	\$8,161	\$106,166
Contracts Payable	0	0	220,094	0	220,094
Accrued Wages and Benefits Payable	1,943,373	0	375	114,541	2,058,289
Matured Compensated Absences Payable	24,668	0	0	0	24,668
Interfund Payable	0	0	0	143,061	143,061
Intergovernmental Payable	641,836	0	29	64,820	706,685
Retainage Payable	0	0	179,458	0	179,458
Matured Bonds Payable	0	9,922	0	0	9,922
Deferred Revenue	10,737,797	1,926,355	0	31,397	12,695,549
Total Liabilities	13,435,425	1,936,277	410,210	361,980	16,143,892
<u>Fund Balances</u>					
Reserved for Property Taxes	1,840,626	345,053	0	0	2,185,679
Reserved for Capital Improvements	128,199	0	0	0	128,199
Reserved for Encumbrances	477,876	0	637,809	48,544	1,164,229
Unreserved, Reported in					
General Fund	818,705	0	0	0	818,705
Special Revenue Funds (Deficit)	0	0	0	(90,069)	(90,069)
Debt Service Fund	0	553,922	0	0	553,922
Capital Projects Fund	0	0	1,749,322	0	1,749,322
Total Fund Balances (Deficit)	3,265,406	898,975	2,387,131	(41,525)	6,509,987
Total Liabilities and Fund Balances	\$16,700,831	\$2,835,252	\$2,797,341	\$320,455	\$22,653,879

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
 Reconciliation of Total Governmental Fund Balances
 to Net Assets of Governmental Activities
 June 30, 2007

Total Governmental Fund Balances \$6,509,987

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

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds. 24,102,631

Other long-term assets are not available to pay for current
 period expenditures and, therefore, are deferred in the funds:

Accounts Receivable	6,768	
Intergovernmental Receivable	31,397	
Income Taxes Receivable	224,718	
Property Taxes Receivable	316,284	
		579,167

Unamortized issuance costs are deferred charges which do
 not provide current financial resources and, therefore, are
 not reported in the funds. 278,214

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

Accrued Interest Payable	(60,368)	
General Obligation Bonds Payable	(20,915,691)	
Compensated Absences Payable	(1,353,249)	
		(22,329,308)

Net Assets of Governmental Activities \$9,140,691

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2007

	General	Bond Retirement	Building	Other Governmental	Total
<u>Revenues</u>					
Property Taxes	\$10,055,802	\$1,874,788	\$0	\$0	\$11,930,590
Income Taxes	4,327,411	0	0	0	4,327,411
Payment in Lieu of Taxes	18,000	0	0	0	18,000
Intergovernmental	6,631,266	259,440	0	960,568	7,851,274
Interest	413,453	0	122,539	0	535,992
Tuition and Fees	301,629	0	0	0	301,629
Extracurricular Activities	37,846	0	0	169,385	207,231
Charges for Services	0	0	0	656,422	656,422
Gifts and Donations	2,982	0	0	7,946	10,928
Miscellaneous	69,278	0	0	27,684	96,962
Total Revenues	21,857,667	2,134,228	122,539	1,822,005	25,936,439
<u>Expenditures</u>					
Current:					
Instruction					
Regular	10,473,419	0	0	44,611	10,518,030
Special	2,460,806	0	0	464,104	2,924,910
Vocational	372,096	0	0	0	372,096
Support Services					
Pupils	939,540	0	0	295,110	1,234,650
Instructional Staff	751,154	0	2,819	88,540	842,513
Board of Education	184,257	0	0	0	184,257
Administration	1,881,765	0	0	30,561	1,912,326
Fiscal	699,304	32,292	0	8,409	740,005
Business	229,266	0	0	0	229,266
Operation and Maintenance of Plant	1,854,535	0	0	2,399	1,856,934
Pupil Transportation	1,791,030	0	0	0	1,791,030
Central	61,921	0	142,669	0	204,590
Non-Instructional Services	0	0	0	948,697	948,697
Extracurricular Activities	445,110	0	0	156,534	601,644
Capital Outlay	183,048	0	5,562,149	5,374	5,750,571
Debt Service					
Principal Retirement	0	995,973	0	0	995,973
Interest on Capital Appreciation Bonds	0	664,027	0	0	664,027
Interest and Fiscal Charges	0	741,649	0	0	741,649
Total Expenditures	22,327,251	2,433,941	5,707,637	2,044,339	32,513,168
Changes in Fund Balances	(469,584)	(299,713)	(5,585,098)	(222,334)	(6,576,729)
Fund Balances Beginning of Year	3,734,990	1,198,688	7,972,229	180,809	13,086,716
Fund Balances (Deficit) End of Year	<u>\$3,265,406</u>	<u>\$898,975</u>	<u>\$2,387,131</u>	<u>(\$41,525)</u>	<u>\$6,509,987</u>

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to Statement of Activities
 For the Fiscal Year Ended June 30, 2007

Changes in Fund Balances - Total Governmental Funds (\$6,576,729)

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

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

Capital Outlay - Nondepreciable Capital Assets	5,715,593	
Capital Outlay - Depreciable Capital Assets	221,281	
Depreciation	<u>(391,897)</u>	5,544,977

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

Property Taxes	99,496	
Income Taxes	31,055	
Intergovernmental	6,473	
Tuition and Fees	(59,203)	
Extracurricular Activities	<u>(268)</u>	77,553

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 995,973

Interest is reported as an expenditure when due in governmental funds, but is accrued on outstanding debt on the statement of net assets. Premiums are reported as revenues when the debt is first issued; however, these amounts are deferred and amortized on the statement of net assets.

Accrued Interest Payable	58,208	
Annual Accretion	(171,519)	
Payment on Accretion of Capital Appreciation Bonds	664,027	
Amortization of Premium	<u>8,734</u>	559,450

Issuance costs are reported as an expenditure when paid in the governmental funds, but are amortized over the life of the debt on the statement of activities. (7,074)

Compensated absences do not require the use of current financial resources and, therefore, are not reported as an expenditure in the governmental funds. (88,809)

Change in Net Assets of Governmental Activities \$505,341

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final		(Under)
<u>Revenues</u>				
Property Taxes	\$10,982,618	\$12,061,609	\$11,572,065	(\$489,544)
Income Taxes	4,036,057	4,068,821	4,050,676	(18,145)
Payment in Lieu of Taxes	17,935	36,081	18,000	(18,081)
Intergovernmental	6,582,493	6,640,402	6,631,266	(9,136)
Interest	321,370	323,683	322,402	(1,281)
Tuition and Fees	246,805	264,044	268,128	4,084
Extracurricular Activities	36,954	38,005	37,846	(159)
Gifts and Donations	0	3,007	2,982	(25)
Miscellaneous	32,844	33,112	32,964	(148)
Total Revenues	22,257,076	23,468,764	22,936,329	(532,435)
<u>Expenditures</u>				
Current:				
Instruction				
Regular	10,265,385	10,503,047	10,503,047	0
Special	2,264,066	2,431,133	2,431,133	0
Vocational	353,805	368,934	368,934	0
Support Services				
Pupils	671,112	936,867	936,867	0
Instructional Staff	697,353	752,843	752,843	0
Board of Education	141,175	178,456	178,456	0
Administration	1,823,579	1,836,526	1,836,526	0
Fiscal	713,735	700,789	700,789	0
Business	229,145	231,888	231,888	0
Operation and Maintenance of Plant	2,016,795	2,040,994	2,040,994	0
Pupil Transportation	1,691,101	1,832,356	1,832,356	0
Central	71,844	59,641	59,641	0
Extracurricular Activities	441,880	441,822	441,822	0
Capital Outlay	292,000	297,573	297,573	0
Total Expenditures	21,672,975	22,612,869	22,612,869	0
Excess of Revenues Over Expenditures	584,101	855,895	323,460	(532,435)
<u>Other Financing Sources (Uses)</u>				
Refund of Prior Year Expenditures	32,361	32,625	32,479	(146)
Advances In	77,318	81,293	77,600	(3,693)
Advances Out	(9,238)	0	(120,938)	(120,938)
Transfers Out	(44,352)	0	0	0
Total Other Financing Sources (Uses)	56,089	113,918	(10,859)	(124,777)
Changes in Fund Balance	640,190	969,813	312,601	(657,212)
Fund Balance Beginning of Year	809,870	809,870	809,870	0
Prior Year Encumbrances Appropriated	129,051	129,051	129,051	0
Fund Balance End of Year	\$1,579,111	\$1,908,734	\$1,251,522	(\$657,212)

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2007

Assets

Equity in Pooled Cash and Cash Equivalents	<u><u>\$162,467</u></u>
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Liabilities

Undistributed Assets	\$10,987
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Due to Students	<u>151,480</u>
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Total Liabilities	<u><u>\$162,467</u></u>
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See Accompanying Notes to the Basic Financial Statements

Note 1 - Description of the School District and Reporting Entity

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

The School District was established in 1951. The School District serves an area of approximately one hundred ten square miles and is located in Delaware County. The School District is the 187th largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by one hundred twenty-nine classified employees, one hundred eighty-three certified employees, and fourteen administrative employees who provide services to 2,779 students and other community members. The School District currently operates three elementary schools, a middle school, and a high school.

Reporting Entity

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

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

The School District participates in seven jointly governed organizations and an insurance pool, and is associated with a related organization. These organizations are the Tri-Rivers Educational Computer Association, Delaware Area Career Center, Central Ohio Special Education Regional Resource Center, Central Ohio Regional Professional Development Center, Village of Sunbury Community Park Joint Recreation Board, Eastern Delaware County Joint Recreation District, Metropolitan Educational Council, Ohio Association of School Business Officials Workers’ Compensation Group Rating Plan, and the Sunbury Community Library. These organizations are presented in Notes 19, 20, and 21 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The basic financial statements of Big Walnut Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the School District's accounting policies.

A. Basis of Presentation

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

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

Fund Financial Statements

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

B. Fund Accounting

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

Note 2 - Summary of Significant Accounting Policies (continued)

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 School District's three major funds are the General Fund, the Bond Retirement debt service fund, and the Building capital projects fund.

General Fund - The General Fund 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.

Bond Retirement Fund - The Bond Retirement Fund is used to account for the accumulation of resources for and the payment of principal and interest on general obligation bonds.

Building Fund - The Building Fund is used to account for improvements to the three elementary schools, the middle school, and a portion of the high school addition.

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

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 not available to support the School District's own programs. The School District did not have any trust funds in fiscal year 2007. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds account for various staff-related and student-managed activities and payroll withholdings and deductions.

C. Measurement Focus

Government-Wide Financial Statements

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

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Financial Statements

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; fiduciary funds use the full accrual basis of accounting. Differences in the accrual and 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 Nonexchange Transactions

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the fiscal year in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Note 2 - Summary of Significant Accounting Policies (continued)

Deferred Revenues

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

Property taxes for which there was an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, are 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 are reported as deferred revenue.

Expenses/Expenditures

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

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

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternative tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternative tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of budgetary control is at the fund, function, and object level for all funds.

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

The appropriations resolution is subject to amendment throughout the fiscal year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year. The Board adopts its final budgeted amounts at the end of the fiscal year to match actual expenditures plus year end encumbrances; therefore, minimal variances are reflected on the Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget (Non-GAAP Basis) and Actual.

Note 2 - Summary of Significant Accounting Policies (continued)

F. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Cash and cash equivalents held for the School District by The Delaware County Bank and Trust, who services the School District’s bond/coupon account, are included on the financial statements as “Cash and Cash Equivalents with Fiscal Agent”.

During fiscal year 2007, the School District invested in federal agency securities, mutual funds, and STAR Ohio. Investments are reported at fair value, which is based on quoted market price or current share price. STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on June 30, 2007.

The Board of Education has allocated interest earnings according to State statutes. Interest revenue credited to the General Fund during fiscal year 2007 was \$413,453, which includes \$143,836 assigned from other School District funds.

Investments of the School District’s cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

G. Inventory

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

H. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund include amounts required by State statute to be set aside to create a reserve for the acquisition and construction of capital improvements.

I. Capital Assets

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

Note 2 - Summary of Significant Accounting Policies (continued)

All capital assets are capitalized at cost and updated for additions and reductions during the fiscal year. Donated capital assets are recorded at their fair market value on the date donated. The School District maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Description	Useful Lives
Land Improvements	15 - 40 years
Buildings and Building Improvements	20 - 100 years
Furniture, Fixtures, and Equipment	5 - 40 years
Vehicles	10 - 12 years

J. Interfund Assets/Liabilities

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

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

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Unamortized Issuance Costs and Premiums

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

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period.

N. 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 balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for food service operations, music and athletic programs, and federal and state grants restricted to expenditure for specified purposes.

The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. As of June 30, 2007, there were no net assets restricted by enabling legislation.

O. Fund Balance Reserves

The School District reserves those portions of fund balance 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 which is available for appropriation in future periods. Fund balance reserves have been established for property taxes, capital improvements, and encumbrances. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 2 - Summary of Significant Accounting Policies (continued)

P. Interfund Transactions

Transfers within governmental activities are eliminated on the government-wide financial statements.

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

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

Q. Estimates

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

Note 3 - Accountability and Compliance

A. Accountability

At June 30, 2007, the following funds had deficit fund balances:

<u>Fund Type/Fund</u>	<u>Deficit</u>
Special Revenue Funds	
Title VI-B	\$164,403
Title I	20,082
Early Childhood Special Education	5,494
Title II-A	298

The deficit fund balances resulted from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 3 - Accountability and Compliance (continued)

B. Compliance

The following funds had final appropriations in excess of estimated resources plus available balances for the fiscal year ended June 30, 2007.

Fund Type/Fund	Estimated Resources Plus Available Balances	Appropriations	Excess
Special Revenue Funds			
Food Service	\$792,685	\$935,779	\$143,094
Network Connectivity	21,880	22,876	996
SchoolNet Professional Development	6,565	7,080	515
School Improvement	5,841	5,891	50
Miscellaneous State Grants	13,359	19,204	5,845
Title VI-B	542,376	611,891	69,515
Title I	94,920	121,971	27,051
Title V	4,178	7,814	3,636
Title IV-A	5,455	7,254	1,799
Title II-A	57,275	110,313	53,038
Title II-D	974	1,135	161

The Treasurer will review budgeted resources to ensure they are sufficient for amounts appropriated.

The following accounts had expenditures plus encumbrances in excess of appropriations for the fiscal year ended June 30, 2007.

Fund Type/ Fund/Function/Object	Appropriations	Expenditures Plus Encumbrances	Excess
Special Revenue Funds			
Educational Management			
Information Systems			
Fiscal			
Salaries	\$0	\$7,842	\$7,842
Fringe Benefits	2,221	3,861	1,640
Ohio Reads			
Regular Instruction			
Fringe Benefits	316	585	269

(continued)

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 3 - Accountability and Compliance (continued)

Fund Type/ Fund/Function/Object	Appropriations	Expenditures Plus Encumbrances	Excess
Special Revenue Funds			
Title VI-B			
Special Instruction			
Fringe Benefits	\$49,754	\$109,187	\$59,433
Pupils			
Purchased Services	206,517	290,903	84,386
Title I			
Special Instruction			
Fringe Benefits	31,847	36,133	4,286
Pupils			
Salaries	150	200	50
Fringe Benefits	21	28	7
Title V			
Regular Instruction			
Fringe Benefits	155	260	105
Early Childhood Special Education			
Instructional Staff			
Salaries	14,850	17,025	2,175
Fringe Benefits	311	964	653
Purchased Services	0	3,506	3,506

The Treasurer will monitor budgetary transactions to ensure appropriations are accurate and recorded appropriately.

Note 4 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 4 - Budgetary Basis of Accounting (continued)

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).

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

Changes in Fund Balance

GAAP Basis	(\$469,584)
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 2006, Received in Cash FY 2007	5,068,186
Accrued FY 2007, Not Yet Received in Cash	(3,869,468)
Expenditure Accruals:	
Accrued FY 2006, Paid in Cash FY 2007	(2,464,207)
Accrued FY 2007, Not Yet Paid in Cash	2,697,628
Cash Adjustments:	
Unrecorded Cash Activity FY 2006	94,166
Unrecorded Cash Activity FY 2007	(181,743)
Advances In	77,600
Advances Out	(120,938)
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(519,039)
Budget Basis	\$312,601

Note 5 - Deposits and Investments

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

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 5 - Deposits and Investments (continued)

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

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

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

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

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 5 - Deposits and Investments (continued)

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, \$3,183,936 of the School District's bank balance of \$3,300,607 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

Investments

As of June 30, 2007, the School District had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>
Federal Home Loan Bank Bonds	\$998,440	11/23/07
Mutual Funds	2,018,357	average 7 days
STAR Ohio	5,862	average 38.56 days
	<u>\$3,022,659</u>	

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the School District. The School District's policy indicates that it will attempt to minimize the effect of market value fluctuations by (1) maintaining adequate liquidity so that current obligations can be met without a sale of securities; (2) diversification of maturities; and (3) diversification of assets.

The Federal Home Loan Bank Bonds and mutual funds carry a rating of AAA by Moody's. STAR Ohio carries a rating of AAA by Standard and Poor's. The School District's policy indicates that credit risk will be minimized by (1) diversifying assets by issuer; (2) ensuring that required minimum credit quality ratings exist prior to the purchase of commercial paper, bankers' acceptances, and corporate medium term notes; and (3) maintaining adequate collateralization of certificates of deposit. Ohio law requires that mutual funds must consist of obligations listed in item (1) or (2) on page 32 and must be rated, at the time of purchase, in the highest category by at least one nationally recognized standard rating service. STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 5 - Deposits and Investments (continued)

The School District places no limit on the amount of its interim monies it may invest in a particular security. The following table indicates the percentage of each investment to the School District's total portfolio.

	Fair Value	Percentage of Portfolio
Federal Home Loan Bank Bonds	\$998,440	33.03%

Note 6 - Receivables

Receivables at June 30, 2007, consisted of accounts (student fees and billings for user charged services), accrued interest, interfund, intergovernmental, income taxes, and property taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
General Fund	
Tuition	\$40,532
State of Ohio	559
Delaware Joint Vocational School	4,106
Delaware/Union ESC	833
Total General Fund	46,030
Other Governmental Funds	
Food Service	21,633
Athletic and Music	120
Miscellaneous State Grants	7,613
Title I	9,075
Title V	2,626
Title IV-A	876
Early Childhood Special Education	207
Title II-A	11,000
Total Other Governmental Funds	53,150
Total Intergovernmental Receivables	\$99,180

Note 7 - Income Taxes

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

Note 8 - Property Taxes

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

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the School District. Real property tax revenues received in calendar year 2007 represent the collection of calendar year 2006 taxes. Real property taxes received in calendar year 2007 were levied after April 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2007 represent the collection of calendar year 2006 taxes. Public utility real and tangible personal property taxes received in calendar year 2007 became a lien on December 31, 2005, were levied after April 1, 2006, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2007 (other than public utility property) represent the collection of calendar year 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of December 31, 2006. In prior years, tangible personal property was assessed at 25 percent of true value for capital assets and 23 percent for inventory. The tangible personal property tax is being phased out. The assessment percentage for all property, including inventory, for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, 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.

The School District receives property taxes from Delaware County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2007, are available to finance fiscal year 2007 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 8 - Property Taxes (continued)

Accrued property taxes receivable represents real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2007, and for which there was an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2007, was \$1,840,626 in the General Fund and \$345,053 in the Bond Retirement debt service fund. The amount available as an advance at June 30, 2006, was \$3,356,889 in the General Fund and \$624,638 in the Bond Retirement debt service fund.

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

The assessed values upon which fiscal year 2007 taxes were collected are:

	2006 Second- Half Collections		2007 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$567,534,810	93.64%	\$589,348,800	94.57%
Public Utility Personal	14,765,900	2.44	14,127,090	2.27
Tangible Personal	23,781,497	3.92	19,711,620	3.16
Total Assessed Value	<u>\$606,082,207</u>	<u>100.00%</u>	<u>\$623,187,510</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$32.39		\$33.72	

Note 9 - Payment in Lieu of Taxes

According to State law, the School District has entered into an agreement with a property owner under which the School District has granted a property tax abatement to the property owner. The property owner has agreed to make payments to the School District which reflect all or a portion of the property taxes which the property owner would have paid if the taxes had not been abated. The payment is received annually as an agreed upon flat amount per year. The agreement is for a ten year period. The property owner contractually promises to make these payments in lieu of taxes until the agreement expires.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

	Balance at 6/30/06	Additions	Reductions	Balance at 6/30/07
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$568,026	\$0	\$0	\$568,026
Construction in Progress	2,567,899	5,715,593	(3,247,056)	5,036,436
Total Nondepreciable Capital Assets	<u>3,135,925</u>	<u>5,715,593</u>	<u>(3,247,056)</u>	<u>5,604,462</u>
Depreciable Capital Assets				
Land Improvements	474,544	0	0	474,544
Buildings and Building Improvements	17,900,947	3,247,056	0	21,148,003
Furniture, Fixtures, and Equipment	249,148	15,192	0	264,340
Vehicles	2,005,592	206,089	(15,708)	2,195,973
Total Depreciable Capital Assets	<u>20,630,231</u>	<u>3,468,337</u>	<u>(15,708)</u>	<u>24,082,860</u>
Less Accumulated Depreciation				
Land Improvements	(34,960)	(18,183)	0	(53,143)
Buildings and Building Improvements	(3,997,471)	(205,183)	0	(4,202,654)
Furniture, Fixtures, and Equipment	(148,707)	(8,927)	0	(157,634)
Vehicles	(1,027,364)	(159,604)	15,708	(1,171,260)
Total Accumulated Depreciation	<u>(5,208,502)</u>	<u>(391,897)</u>	<u>15,708</u>	<u>(5,584,691)</u>
Depreciable Capital Assets, Net	<u>15,421,729</u>	<u>3,076,440</u>	<u>0</u>	<u>18,498,169</u>
Governmental Activities, Capital Assets, Net	<u>\$18,557,654</u>	<u>\$8,792,033</u>	<u>(\$3,247,056)</u>	<u>\$24,102,631</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$119,606
Special	16,157
Vocational	7,315
Support Services:	
Pupils	2,132
Instructional Staff	697
Administration	8,458
Fiscal	89
Operation and Maintenance of Plant	24,459
Pupil Transportation	157,604
Non-Instructional Services	25,190
Extracurricular Activities	30,190
Total Depreciation Expense	<u>\$391,897</u>

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 11 - Interfund Assets/Liabilities

Interfund balances at June 30, 2007, consisted of the following individual fund receivables and payables:

Due to General Fund from:

Other Governmental Funds

Athletic and Music	\$19,040
Educational Management Information Systems	11,702
Ohio Reads	1,906
Title VI-B	105,732
Title I	2,650
Early Childhood Special Education	232

Total General Fund	<u>\$141,262</u>
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Due to Other Governmental Funds from:

Other Governmental Funds

Network Connectivity	<u>\$1,799</u>
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The balance due to the General Fund was to provide cash flow resources until sufficient revenues were received by the other governmental funds. The balance due to other governmental funds was a short-term loan for acquiring technology materials.

Note 12 - Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2007, the School District contracted for the following insurance coverage.

Coverage provided by Federal Insurance Company:

Buildings and Contents	\$50,000,000
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Coverage provided by Selective Insurance Company:

Auto Liability	1,000,000
General Liability	
Each Occurrence	1,000,000
Aggregate	3,000,000

Coverage provided by American Alternative Insurance Company:

Excess Liability	3,000,000
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Coverage provided by Travelers Insurance Company

Excess Property	250,000,000
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Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in insurance coverage from the prior fiscal year.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 12 - Risk Management (continued)

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

Note 13 - Significant Contractual Commitments

The School District has several outstanding contracts for professional services. The following amounts remain on these contracts as of June 30, 2007:

Vendor	Contract Amount	Amount Paid as of 6/30/07	Outstanding Balance
Converse Electric	\$517,671	\$10,291	\$507,380
Gutridge Plumbing, Inc.	68,200	0	68,200
Holdridge Mechanical	147,720	105,317	42,403
Robertson Construction Service	3,161,260	3,032,599	128,661
Universal Enterprises, Inc.	837,014	802,740	34,274

Note 14 - Defined Benefit Pension Plans

A. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Note 14 - Defined Benefit Pension Plans (continued)

New members have a choice of three retirement plans, a Defined Benefit Plan (DBP), a Defined Contribution Plan (DCP), and a Combined Plan (CP). The DBP offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service or on an allowance based on member contributions and earned interest matched by STRS funds multiplied by an actuarially determined annuity factor. The DCP allows members to place all of 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 fifty and termination of employment. The CP offers features of both the DBP and DCP. In the CP, 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 DBP. DCP and CP members will transfer to the DBP during their fifth year of membership unless they permanently select the DCP or CP. 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 balance from the existing DBP into the DCP or CP. This option expired on December 31, 2001.

A DBP or CP 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 DCP 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, 2007, plan members were required to contribute 10 percent of their annual covered salary and the School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers.

The School District's required contribution for pension obligations for the DBP for the fiscal years ended June 30, 2007, 2006, and 2005 was \$1,361,708, \$1,295,158, and \$1,372,259, respectively; 83 percent has been contributed for fiscal year 2007 and 100 percent has been contributed for fiscal years 2006 and 2005. Contributions for the DCP and CP for the fiscal year ended June 30, 2007, were \$30,397 made by the School District and \$59,466 made by plan members.

B. School Employees Retirement System

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

For the fiscal year ended June 30, 2007, plan members were required to contribute 10 percent of their annual covered salary and the School District was required to contribute an actuarially determined rate. The rate for fiscal year 2007 was 14 percent of annual covered payroll; 10.68 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board.

Note 14 - Defined Benefit Pension Plans (continued)

The School District's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006, and 2005 was \$336,548, \$285,544, and \$360,870, respectively; 48 percent has been contributed for the fiscal year 2007 and 100 percent has been contributed for fiscal years 2006 and 2005.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 2007, all of the Board of Education members have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 15 - Postemployment Benefits

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

STRS retirees who participated in the Defined Benefit Plan or the Combined Plan and their dependents are eligible for health care coverage. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. 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 funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 2007, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount was \$107,085.

STRS pays health care benefits from the Health Care Stabilization Fund. The balance in the Fund was \$4.1 billion at June 30, 2007. For the fiscal year ended June 30, 2007, net health care costs paid by STRS were \$265,558,000, and STRS had 122,934 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 members must pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status.

For the fiscal year ended June 30, 2007, employer contributions to fund health care benefits were 3.32 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay was established at \$35,800. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the School District, the amount to fund health care benefits, including the surcharge, was \$152,140 for fiscal year 2007.

Note 15 - Postemployment Benefits (continued)

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 annual health care expenses. Expenses for health care at June 30, 2006 (the latest information available), were \$158,751,207. At June 30, 2006, SERS had net assets available for payment of health care benefits of \$295.6 million. SERS has 59,492 participants currently receiving health care benefits.

Note 16 - Other Employee Benefits

A. Compensated Absences

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

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

B. Health Care Benefits

The School District offers employee medical benefits through Medical Mutual of Ohio. Depending upon the plan chosen, the employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract. The School District offers life insurance to all employees through Jefferson Pilot Financial. Dental insurance is offered to all employees through Delta Dental.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 17 - Long-Term Obligations

Changes in the School District's long-term obligations during fiscal year 2007 were as follows:

	Balance at 6/30/06	Additions	Reductions	Balance at 6/30/07	Amounts Due Within One Year
Governmental Activities					
General Long-Term Obligations					
Refunding School Improvement Bonds FY 1993					
Capital Appreciation Bonds 22.25%	\$35,973	\$	\$35,973	\$0	\$0
Accretion on Capital Appreciation Bonds	628,312	35,715	664,027	0	0
Refunding School Improvement Bonds FY 1998					
Term Bonds 5.1%	1,055,000	0	0	1,055,000	0
Serial Bonds 3.85-4.6%	1,085,000	0	530,000	555,000	555,000
Capital Appreciation Bonds 19.5-23%	183,809	0	0	183,809	0
Accretion on Capital Appreciation Bonds	1,874,454	103,974	0	1,978,428	0
Refunding School Improvement Bonds FY 2004					
Serial Bonds 2-3.7%	3,820,000	0	80,000	3,740,000	80,000
Capital Appreciation Bonds 10.3%	434,981	0	0	434,981	0
Accretion of Capital Appreciation Bonds	237,750	19,175	0	256,925	0
Premium	176,801	0	3,325	173,476	0
School Facilities Construction and Improvement Bonds FY 2005					
Term Bonds 4.5-5%	9,305,000	0	0	9,305,000	0
Serial Bonds 2.5-3.65%	2,975,000	0	350,000	2,625,000	370,000
Capital Appreciation Bonds 3.19%	384,993	0	0	384,993	0
Accretion on Capital Appreciation Bonds	20,115	12,655	0	32,770	0
Premium	195,718	0	5,409	190,309	0
Total General Long-Term Obligations	22,412,906	171,519	1,668,734	20,915,691	1,005,000
Compensated Absences	1,264,440	208,501	119,692	1,353,249	169,610
Total Governmental Activities Long-Term Obligations	<u>\$23,677,346</u>	<u>\$380,020</u>	<u>\$1,788,426</u>	<u>\$22,268,940</u>	<u>\$1,174,610</u>

As of June 30, 2007, the School District had unspent bond proceeds, in the amount of \$1,941,915.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 17 - Long-Term Obligations (continued)

FY 1993 Refunding School Improvement Bonds - On April 23, 1993, the School District issued bonds, in the amount of \$11,479,903, to refund bonds previously issued for improving and constructing school buildings and facilities. These bonds were refunded in fiscal year 2004, except for the capital appreciation bonds, in the amount of \$224,903. The capital appreciation bonds matured and were fully retired in fiscal year 2007.

FY 1998 Refunding School Improvement Bonds - On December 4, 1997, the School District issued bonds, in the amount of \$4,993,809, to refund bonds previously issued for improving and constructing school buildings and facilities and constructing a library for the community. The refunding bond issue includes serial, term, and capital appreciation bonds, in the original amount of \$3,755,000, \$1,055,000, and \$183,809, respectively. The bonds were issued for an eighteen fiscal year period, with final maturity in fiscal year 2016. The bonds are being retired through the Bond Retirement debt service fund.

The bonds maturing on December 1, 2015, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2013	\$445,000
2014	465,000

The remaining principal, in the amount of \$145,000, will be paid at stated maturity on December 1, 2015.

The bonds maturing after December 1, 2007, are subject to redemption at the option of the School District, either in whole or in part, in such order as the School District shall determine, on any interest payment date on or after December 1, 2007, at a redemption price equal to the following percentages of the principal amount redeemed plus accrued interest to the date fixed for redemption:

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2007 through November 30, 2009	101 %
December 1, 2009 and thereafter	100

The capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2009 through 2013. The maturity amount of the bonds is \$2,535,000. For fiscal year 2007, \$103,974 was accreted on the capital appreciation bonds for a total value of \$2,162,237 at fiscal year end.

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 17 - Long-Term Obligations (continued)

The serial bonds are subject to prior redemption on or after December 1, 2013, by and at the sole option of the School District, either in whole on any date or in part on any interest payment date, and in integral multiples of \$5,000, at 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

The capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds will mature in fiscal year 2009. The maturity amount of the bonds is \$720,000. For fiscal year 2007, \$19,175 was accreted on the capital appreciation bonds for a total value of \$691,906 at fiscal year end.

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

The bonds maturing on December 1, 2019, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2017	\$395,000
2018	415,000

The remaining principal, in the amount of \$440,000, will be paid at stated maturity on December 1, 2019.

The bonds maturing on December 1, 2022, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2020	\$460,000
2021	485,000

The remaining principal, in the amount of \$505,000, will be paid at stated maturity on December 1, 2022.

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

Year	Amount
2023	\$530,000
2024	560,000

The remaining principal, in the amount of \$585,000, will be paid at stated maturity on December 1, 2025.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 17 - Long-Term Obligations (continued)

The bonds maturing on December 1, 2029, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2026	\$615,000
2027	645,000
2028	670,000

The remaining principal, in the amount of \$700,000, will be paid at stated maturity on December 1, 2029.

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

Year	Amount
2030	\$735,000
2031	765,000

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

The capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds will mature in fiscal year 2009. The maturity amount of the bonds is \$450,000. For fiscal year 2007, \$12,655 was accreted on the capital appreciation bonds for a total value of \$417,763 at fiscal year end.

Compensated absences will be paid from the General Fund, and the Food Service, Education Management Information Systems, and Title VI-B special revenue funds.

The School District's overall debt margin was \$34,757,609 with an unvoted debt margin of \$589,349 at June 30, 2007.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 17 - Long-Term Obligations (continued)

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2007, were as follows:

Fiscal Year Ending June 30,	General Obligation Bonds				
	Serial	Term	Capital Appreciation	Interest	Total
2008	\$1,005,000	\$0	\$0	\$706,188	\$1,711,188
2009	385,000	0	488,842	1,499,304	2,373,146
2010	680,000	0	427,207	1,196,598	2,303,805
2011	695,000	0	32,796	1,106,041	1,833,837
2012	780,000	0	28,957	1,066,749	1,875,706
2013-2017	3,375,000	1,055,000	25,981	2,958,892	7,414,873
2018-2022	0	2,195,000	0	1,939,875	4,134,875
2023-2027	0	2,795,000	0	1,320,163	4,115,163
2028-2032	0	3,515,000	0	589,162	4,104,162
2033	0	800,000	0	18,000	818,000
	<u>\$6,920,000</u>	<u>\$10,360,000</u>	<u>\$1,003,783</u>	<u>\$12,400,972</u>	<u>\$30,684,755</u>

Note 18 - Set Asides

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

The following cash basis information identifies the changes in the fund balance reserves for textbooks and capital improvements during fiscal year 2007.

	Textbooks	Capital Improvements
Balance June 30, 2006	(\$636)	\$69,164
Current Year Set Aside Requirement	393,073	393,073
Qualifying Expenditures	(396,233)	(334,038)
Balance June 30, 2007	(\$3,796)	\$128,199
Amount Carried Forward to Fiscal Year 2008	(\$3,796)	\$128,199

Note 19 - Jointly Governed Organizations

A. Tri-Rivers Educational Computer Association

The School District is a participant in the Tri-Rivers Educational Computer Association (TRECA), which is a computer consortium. TRECA is an association of public school districts within the boundaries of Delaware, Knox, Marion, Morrow, Muskingum, and Wyandot Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of TRECA consists of one representative from each county elected by majority vote of all charter member school districts within each county, one representative from the city school districts, and the superintendent from the Tri-Rivers Joint Vocational School. During fiscal year 2007, the School District paid \$48,272 to TRECA for various services. Financial information can be obtained from TRECA, 2222 Marion Mt. Gilead Road, Marion, Ohio 43302.

B. Delaware Area Career Center

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

C. Central Ohio Special Education Regional Resource Center

The Central Ohio Special Education Regional Resource Center (SERRC) is a jointly governed organization formed to initiate, expand, and improve special education programs and services for children with disabilities and their parents. The SERRC is governed by a one hundred five member board including the superintendent from the eighty-nine participating School Districts, two representatives from a non-public school, six representatives from participating educational service centers, two representatives from the Department of Youth Services, five representatives from special education facilities, and one parent of children with disabilities. The degree of control exercised by any participating educational entity is limited to its representative on the Board. Financial information can be obtained from the Central Ohio Special Education Regional Resource Center, 470 Glenmont Avenue, Columbus, Ohio 43214.

D. Central Ohio Regional Professional Development Center

The Central Ohio Regional Professional Development Center (Center) is a jointly governed organization among the school districts in Delaware, Licking, Franklin, Madison, Pickaway, and Union Counties. The Center was formed to advance the State Board of Education's mission that all students can learn by creating a high performance system of education. The Center's purpose is to provide long-term ongoing meaningful professional development for all educators and school support personnel. The Center is governed by a twenty-two member Board made up of representatives from the participating school districts, the business community, and three institutions of higher learning. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained from the Southwestern City School District, 2975 Kingston Avenue, Grove City, Ohio 43123.

Note 19 - Jointly Governed Organizations (continued)

E. Village of Sunbury Community Park Joint Recreation Board

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

F. Eastern Delaware County Joint Recreation District

The School District, the villages of Galena and Sunbury, and the townships of Berkshire, Genoa, Harlem, Kingston, Porter, and Trenton participate in a Joint Recreation Board created under the provisions of Ohio Revised Code Sections 755.12 to 755.18. The Joint Recreation Board consists of one representative from each of the participants. The degree of control exercised by the School District is limited to its representation on the Board. Financial information can be obtained from the Eastern Delaware County Joint Recreation Board, P.O. Box 23, Sunbury, Ohio 43074.

G. Metropolitan Educational Council

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

Note 20 - Insurance Pool

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

Note 21 - Related Organization

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

Note 22 - 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, 2007.

B. Litigation

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

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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Nonmajor Special Revenue Funds

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. Following is a description of the School District's nonmajor special revenue funds:

Food Service

To account for the School District's food service operations.

High School Navigator Technology

To account for registration fees for a training conference hosted by Big Walnut Middle School math teachers. Monies were used to purchase materials for the conference.

Public School Support

To account for donations and miscellaneous revenues. Expenditures include costs for field trips, assemblies, and other activities.

Local Grants

To account for local resources to provide for staff development and for extracurricular activities for students.

High School Multi-Handicapped

To account for donations to provide for a multi-handicapped unit room.

Athletic and Music

To account for gate receipts and other revenues from athletic events and all costs (except for supplemental coaching contracts) of the School District's athletic program.

Education Management Information Systems

To account for resources provided for hardware and software development or for other costs associated with the management information system.

Network Connectivity

To account for resources which provide for the installation and ongoing support of data communication links connecting public school buildings to the Statewide Network and to the Internet.

SchoolNet Professional Development

To account for resources used for training teachers and the administration on different levels of computer programs.

Ohio Reads

To account for State resources used to improve reading outcomes, especially on the fourth grade reading proficiency test, and for volunteer coordinators in public school buildings.

(continued)

**Nonmajor Special Revenue Funds
(continued)**

School Improvement

To account for State resources used for professional development and for materials and supplies to improve the classroom.

Poverty Based Assistance

To account for resources which are provided for the improvement of the educational and cultural status of disadvantaged students.

Miscellaneous State Grants

To account for resources from various State grants to be used for purposes outlined by the grant.

Title VI-B

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

Title I

To account for Federal resources used to assist the School District in meeting the special needs of educationally deprived children.

Title V

To account for Federal resources which support the implementation of a variety of programs including computer education, gifted and talented programs, inservice trainings, and staff development.

Title IV-A

To account for Federal resources which provide education on a safe and drug free school.

Early Childhood Special Education

To account for Federal resources which support the improvement and expansion of services for handicapped children ages three to five.

Title II-A

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

Title II-D

To account for Federal resources used to provide programs of professional development and to purchase equipment to enhance the technology of the School District.

(continued)

**Nonmajor Special Revenue Funds
(continued)**

Miscellaneous Federal Grants

To account for resources from various federal grants not classified elsewhere to be used for purposes outlined by the grant.

Nonmajor Capital Projects Fund

Capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities.

SchoolNet Plus

To account for Federal resources used to provide wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low wealth school districts.

Big Walnut Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007

	Food Service	High School Navigator Technology	Public School Support	Local Grants
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$92,334	\$583	\$26,225	\$388
Accounts Receivable	422	0	0	0
Interfund Receivable	0	0	0	0
Intergovernmental Receivable	21,633	0	0	0
Inventory Held for Resale	10,788	0	0	0
Materials and Supplies Inventory	2,772	0	0	0
Total Assets	<u>\$127,949</u>	<u>\$583</u>	<u>\$26,225</u>	<u>\$388</u>
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Accounts Payable	\$0	\$0	\$579	\$0
Accrued Wages and Benefits Payable	51,783	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	44,504	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>96,287</u>	<u>0</u>	<u>579</u>	<u>0</u>
<u>Fund Balance</u>				
Reserved for Encumbrances	29,902	0	2,170	219
Unreserved (Deficit)	1,760	583	23,476	169
Total Fund Balances (Deficit)	<u>31,662</u>	<u>583</u>	<u>25,646</u>	<u>388</u>
Total Liabilities and Fund Balance	<u>\$127,949</u>	<u>\$583</u>	<u>\$26,225</u>	<u>\$388</u>

High School Multi-Handicapped	Athletic and Music	Education Management Information Systems	Network Connectivity	SchoolNet Professional Development	Ohio Reads
\$5,000	\$67,602	\$9,972	\$8,038	\$7,080	\$7,995
0	248	0	0	0	0
0	0	1,799	0	0	0
0	120	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$5,000</u>	<u>\$67,970</u>	<u>\$11,771</u>	<u>\$8,038</u>	<u>\$7,080</u>	<u>\$7,995</u>
\$0	\$923	\$0	\$0	\$0	\$0
0	0	0	0	0	536
0	19,040	11,702	1,799	0	1,906
0	0	0	0	0	152
0	0	0	0	0	0
<u>0</u>	<u>19,963</u>	<u>11,702</u>	<u>1,799</u>	<u>0</u>	<u>2,594</u>
0	13,709	0	0	1,755	0
5,000	34,298	69	6,239	5,325	5,401
<u>5,000</u>	<u>48,007</u>	<u>69</u>	<u>6,239</u>	<u>7,080</u>	<u>5,401</u>
<u>\$5,000</u>	<u>\$67,970</u>	<u>\$11,771</u>	<u>\$8,038</u>	<u>\$7,080</u>	<u>\$7,995</u>

(continued)

Big Walnut Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(continued)

	School Improvement	Poverty Based Assistance	Miscellaneous State Grants	Title VI-B
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$2,068	\$8,216	\$14,641	\$0
Accounts Receivable	0	0	0	0
Interfund Receivable	0	0	0	0
Intergovernmental Receivable	0	0	7,613	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Total Assets	\$2,068	\$8,216	\$22,254	\$0
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Accounts Payable	\$0	\$0	\$6,659	\$0
Accrued Wages and Benefits Payable	0	0	0	42,809
Interfund Payable	0	0	0	105,732
Intergovernmental Payable	0	0	0	15,862
Deferred Revenue	0	0	7,613	0
Total Liabilities	0	0	14,272	164,403
<u>Fund Balance</u>				
Reserved for Encumbrances	0	0	789	0
Unreserved (Deficit)	2,068	8,216	7,193	(164,403)
Total Fund Balances (Deficit)	2,068	8,216	7,982	(164,403)
Total Liabilities and Fund Balance	\$2,068	\$8,216	\$22,254	\$0

Title I	Title V	Title IV-A	Early Childhood Special Education	Title II-A	Title II-D
\$0	\$6	\$300	\$0	\$723	\$105
0	0	0	0	0	0
0	0	0	0	0	0
9,075	2,626	876	207	11,000	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$9,075</u>	<u>\$2,632</u>	<u>\$1,176</u>	<u>\$207</u>	<u>\$11,723</u>	<u>\$105</u>
\$0	\$0	\$0	\$0	\$0	\$0
14,965	0	0	3,713	735	0
2,650	0	0	232	0	0
2,467	0	0	1,549	286	0
9,075	2,626	876	207	11,000	0
<u>29,157</u>	<u>2,626</u>	<u>876</u>	<u>5,701</u>	<u>12,021</u>	<u>0</u>
0	0	0	0	0	0
(20,082)	6	300	(5,494)	(298)	105
<u>(20,082)</u>	<u>6</u>	<u>300</u>	<u>(5,494)</u>	<u>(298)</u>	<u>105</u>
<u>\$9,075</u>	<u>\$2,632</u>	<u>\$1,176</u>	<u>\$207</u>	<u>\$11,723</u>	<u>\$105</u>

(continued)

Big Walnut Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(continued)

	Total
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$251,276
Accounts Receivable	670
Interfund Receivable	1,799
Intergovernmental Receivable	53,150
Inventory Held for Resale	10,788
Materials and Supplies Inventory	2,772
Total Assets	\$320,455
<u>Liabilities and Fund Balance</u>	
<u>Liabilities</u>	
Accounts Payable	\$8,161
Accrued Wages and Benefits Payable	114,541
Interfund Payable	143,061
Intergovernmental Payable	64,820
Deferred Revenue	31,397
Total Liabilities	361,980
<u>Fund Balance</u>	
Reserved for Encumbrances	48,544
Unreserved (Deficit)	(90,069)
Total Fund Balances (Deficit)	(41,525)
Total Liabilities and Fund Balance	\$320,455

Big Walnut Local School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Fiscal Ended June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Intergovernmental	\$960,568	\$0	\$960,568
Extracurricular Activities	169,385	0	169,385
Charges for Services	656,422	0	656,422
Gifts and Donations	7,946	0	7,946
Miscellaneous	27,684	0	27,684
	<hr/>	<hr/>	<hr/>
Total Revenues	1,822,005	0	1,822,005
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	44,611	0	44,611
Special	464,104	0	464,104
Support Services:			
Pupils	295,110	0	295,110
Instructional Staff	88,540	0	88,540
Administration	30,561	0	30,561
Fiscal	8,409	0	8,409
Operation and Maintenance of Plant	2,399	0	2,399
Non-Instructional Services	948,697	0	948,697
Extracurricular Activities	156,534	0	156,534
Capital Outlay	3,000	2,374	5,374
	<hr/>	<hr/>	<hr/>
Total Expenditures	2,041,965	2,374	2,044,339
Changes in Fund Balances	(219,960)	(2,374)	(222,334)
Fund Balances Beginning of Year	178,435	2,374	180,809
	<hr/>	<hr/>	<hr/>
Fund Balances (Deficit) End of Year	(\$41,525)	\$0	(\$41,525)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Big Walnut Local School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007

	Food Service	High School Navigator Technology	Public School Support	Local Grants
<u>Revenues</u>				
Intergovernmental	\$172,707	\$0	\$0	\$0
Extracurricular Activities	0	0	0	0
Charges for Services	656,287	135	0	0
Gifts and Donations	0	0	2,446	0
Miscellaneous	0	0	27,184	500
Total Revenues	828,994	135	29,630	500
<u>Expenditures</u>				
Current:				
Instruction:				
Regular	0	0	0	2,010
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	30,561	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Non-Instructional Services	948,697	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	3,000
Total Expenditures	948,697	0	30,561	5,010
Changes in Fund Balances	(119,703)	135	(931)	(4,510)
Fund Balances (Deficit) Beginning of Year	151,365	448	26,577	4,898
Fund Balances (Deficit) End of Year	\$31,662	\$583	\$25,646	\$388

High School Multi-Handicapped	Athletic and Music	Education Management Information Systems	Network Connectivity	SchoolNet Professional Develepment	Ohio Reads
\$0	\$0	\$9,028	\$12,000	\$3,300	\$4,000
0	169,385	0	0	0	0
0	0	0	0	0	0
5,000	500	0	0	0	0
0	0	0	0	0	0
<u>5,000</u>	<u>169,885</u>	<u>9,028</u>	<u>12,000</u>	<u>3,300</u>	<u>4,000</u>
0	0	0	0	0	4,464
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	15,996	0	0
0	0	0	0	0	0
0	0	8,409	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	156,534	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>156,534</u>	<u>8,409</u>	<u>15,996</u>	<u>0</u>	<u>4,464</u>
5,000	13,351	619	(3,996)	3,300	(464)
0	34,656	(550)	10,235	3,780	5,865
<u>\$5,000</u>	<u>\$48,007</u>	<u>\$69</u>	<u>\$6,239</u>	<u>\$7,080</u>	<u>\$5,401</u>

(continued)

Big Walnut Local School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007
(continued)

	School Improvement	Poverty Based Assistance	Miscellaneous State Grants	Title VI-B
<u>Revenues</u>				
Intergovernmental	\$1,500	\$5,352	\$8,914	\$536,342
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	1,500	5,352	8,914	536,342
<u>Expenditures</u>				
Current:				
Instruction:				
Regular	0	0	6,768	11,998
Special	0	0	0	350,365
Support Services:				
Pupils	4,007	0	0	290,903
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	4,007	0	6,768	653,266
Changes in Fund Balances	(2,507)	5,352	2,146	(116,924)
Fund Balances (Deficit) Beginning of Year	4,575	2,864	5,836	(47,479)
Fund Balances (Deficit) End of Year	\$2,068	\$8,216	\$7,982	(\$164,403)

<u>Title I</u>	<u>Title V</u>	<u>Title IV-A</u>	<u>Early Childhood Special Education</u>	<u>Title II-A</u>	<u>Title II-D</u>
\$107,932	\$4,874	\$5,871	\$21,630	\$66,084	\$1,034
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>107,932</u>	<u>4,874</u>	<u>5,871</u>	<u>21,630</u>	<u>66,084</u>	<u>1,034</u>
0	5,126	0	0	13,497	730
113,739	0	0	0	0	0
200	0	0	0	0	0
0	57	6,079	21,207	44,901	300
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>113,939</u>	<u>5,183</u>	<u>6,079</u>	<u>21,207</u>	<u>58,398</u>	<u>1,030</u>
(6,007)	(309)	(208)	423	7,686	4
<u>(14,075)</u>	<u>315</u>	<u>508</u>	<u>(5,917)</u>	<u>(7,984)</u>	<u>101</u>
<u>(\$20,082)</u>	<u>\$6</u>	<u>\$300</u>	<u>(\$5,494)</u>	<u>(\$298)</u>	<u>\$105</u>

(continued)

Big Walnut Local School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007
(continued)

	Miscellaneous Federal Grants	Total
<u>Revenues</u>		
Intergovernmental	\$0	\$960,568
Extracurricular Activities	0	169,385
Charges for Services	0	656,422
Gifts and Donations	0	7,946
Miscellaneous	0	27,684
	0	1,822,005
<u>Expenditures</u>		
Current:		
Instruction:		
Regular	18	44,611
Special	0	464,104
Support Services:		
Pupils	0	295,110
Instructional Staff	0	88,540
Administration	0	30,561
Fiscal	0	8,409
Operation and Maintenance of Plant	2,399	2,399
Non-Instructional Services	0	948,697
Extracurricular Activities	0	156,534
Capital Outlay	0	3,000
	2,417	2,041,965
Total Expenditures	2,417	2,041,965
Changes in Fund Balances	(2,417)	(219,960)
Fund Balances (Deficit) Beginning of Year	2,417	178,435
Fund Balances (Deficit) End of Year	\$0	(\$41,525)

Big Walnut Local School District
Combining Statements - Agency Funds

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

Agency Funds

High School Advanced Placement

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

Teachers

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

Student Activities

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

Local Professional Development Committee (LPDC)

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

Payroll

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

Big Walnut Local School District
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2007

	High School Advanced Placement	Teachers	Student Activities	LPDC	Payroll	Total
<u>Assets</u>						
Equity in Pooled Cash and Cash Equivalents	\$398	\$4,762	\$151,480	\$235	\$5,592	\$162,467
<u>Liabilities</u>						
Undistributed Assets	\$398	\$4,762	\$0	\$235	\$5,592	\$10,987
Due to Students	0	0	151,480	0	0	151,480
	\$398	\$4,762	\$151,480	\$235	\$5,592	\$162,467

Big Walnut Local School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2007

	Balance at 6/30/06	Additions	Reductions	Balance at 6/30/07
<u>High School Advanced Placement</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$606	\$0	\$208	\$398
<u>Liabilities</u>				
Undistributed Assets	\$606	\$0	\$208	\$398
<u>Teachers</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$5,586	\$0	\$824	\$4,762
<u>Liabilities</u>				
Undistributed Assets	\$5,586	\$0	\$824	\$4,762
<u>Student Activities</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$147,374	\$4,106	\$0	\$151,480
<u>Liabilities</u>				
Due to Students	\$147,374	\$4,106	\$0	\$151,480
<u>LPDC</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$235	\$0	\$235
<u>Liabilities</u>				
Undistributed Assets	\$0	\$235	\$0	\$235
<u>Payroll</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$5,452	\$5,592	\$5,452	\$5,592
<u>Liabilities</u>				
Undistributed Assets	\$5,452	\$5,592	\$5,452	\$5,592
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$159,018	\$9,933	\$6,484	\$162,467
<u>Liabilities</u>				
Undistributed Assets	\$11,644	\$5,827	\$6,484	\$10,987
Due to Students	147,374	4,106	0	151,480
	\$159,018	\$9,933	\$6,484	\$162,467

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

Big Walnut Local School District
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$10,982,618	\$12,061,609	\$11,572,065	(\$489,544)
Income Taxes	4,036,057	4,068,821	4,050,676	(18,145)
Payment in Lieu of Taxes	17,935	36,081	18,000	(18,081)
Intergovernmental	6,582,493	6,640,402	6,631,266	(9,136)
Interest	321,370	323,683	322,402	(1,281)
Tuition and Fees	246,805	264,044	268,128	4,084
Extracurricular Activities	36,954	38,005	37,846	(159)
Gifts and Donations	0	3,007	2,982	(25)
Miscellaneous	32,844	33,112	32,964	(148)
Total Revenues	22,257,076	23,468,764	22,936,329	(532,435)
<u>Expenditures</u>				
Current:				
Instruction				
Regular				
Salaries	7,079,983	7,054,686	7,054,686	0
Fringe Benefits	2,132,230	2,381,776	2,381,776	0
Purchased Services	519,587	565,095	565,095	0
Materials and Supplies	446,585	412,301	412,301	0
Other	0	875	875	0
Capital Outlay	87,000	88,314	88,314	0
Total Regular	10,265,385	10,503,047	10,503,047	0
Special				
Salaries	1,453,209	1,604,457	1,604,457	0
Fringe Benefits	460,642	536,288	536,288	0
Purchased Services	328,515	272,006	272,006	0
Materials and Supplies	18,500	14,844	14,844	0
Capital Outlay	3,200	3,538	3,538	0
Total Special	2,264,066	2,431,133	2,431,133	0
Vocational				
Salaries	285,712	281,455	281,455	0
Fringe Benefits	65,364	73,162	73,162	0
Purchased Services	2,729	14,317	14,317	0
Total Vocational	353,805	368,934	368,934	0
Total Instruction	12,883,256	13,303,114	13,303,114	0
Support Services				
Pupils				
Salaries	429,519	457,098	457,098	0
Fringe Benefits	151,528	153,214	153,214	0
Purchased Services	76,045	313,706	313,706	0
Materials and Supplies	14,020	12,849	12,849	0
Total Pupils	671,112	936,867	936,867	0

Big Walnut Local School District
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Instructional Staff				
Salaries	\$237,196	\$235,077	\$235,077	\$0
Fringe Benefits	73,302	110,687	110,687	0
Purchased Services	292,833	326,933	326,933	0
Materials and Supplies	51,032	39,970	39,970	0
Capital Outlay	42,990	40,176	40,176	0
Total Instructional Staff	697,353	752,843	752,843	0
Board of Education				
Salaries	8,040	7,440	7,440	0
Fringe Benefits	33,960	30,371	30,371	0
Purchased Services	65,970	68,083	68,083	0
Other	33,205	72,562	72,562	0
Total Board of Education	141,175	178,456	178,456	0
Administration				
Salaries	1,199,739	1,207,913	1,207,913	0
Fringe Benefits	463,683	473,219	473,219	0
Purchased Services	143,994	138,395	138,395	0
Materials and Supplies	11,163	11,632	11,632	0
Other	1,500	1,753	1,753	0
Capital Outlay	3,500	3,614	3,614	0
Total Administration	1,823,579	1,836,526	1,836,526	0
Fiscal				
Salaries	309,039	284,647	284,647	0
Fringe Benefits	74,702	114,826	114,826	0
Purchased Services	12,400	13,969	13,969	0
Materials and Supplies	2,800	4,009	4,009	0
Other	298,294	277,903	277,903	0
Capital Outlay	16,500	5,435	5,435	0
Total Fiscal	713,735	700,789	700,789	0
Business				
Salaries	162,215	161,581	161,581	0
Fringe Benefits	33,790	36,737	36,737	0
Purchased Services	6,200	6,041	6,041	0
Materials and Supplies	25,440	25,049	25,049	0
Other	0	980	980	0
Capital Outlay	1,500	1,500	1,500	0
Total Business	229,145	231,888	231,888	0

(continued)

Big Walnut Local School District
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Operation and Maintenance of Plant				
Salaries	\$686,909	\$649,594	\$649,594	\$0
Fringe Benefits	262,869	264,148	264,148	0
Purchased Services	960,979	1,013,961	1,013,961	0
Materials and Supplies	78,038	92,065	92,065	0
Capital Outlay	28,000	21,226	21,226	0
Total Operation and Maintenance of Plant	2,016,795	2,040,994	2,040,994	0
Pupil Transportation				
Salaries	893,622	873,383	873,383	0
Fringe Benefits	455,512	464,798	464,798	0
Purchased Services	51,401	54,520	54,520	0
Materials and Supplies	243,427	249,542	249,542	0
Capital Outlay	47,139	190,113	190,113	0
Total Pupil Transportation	1,691,101	1,832,356	1,832,356	0
Central				
Salaries	57,004	39,208	39,208	0
Fringe Benefits	14,840	20,433	20,433	0
Total Central	71,844	59,641	59,641	0
Total Support Services	8,055,839	8,570,360	8,570,360	0
Extracurricular Activities				
Academic and Subject Oriented Activities				
Salaries	53,001	46,171	46,171	0
Fringe Benefits	10,370	9,103	9,103	0
Materials and Supplies	459	3,047	3,047	0
Total Academic and Subject Oriented Activities	63,830	58,321	58,321	0
Sport Oriented Activities				
Salaries	300,748	282,678	282,678	0
Fringe Benefits	47,681	52,735	52,735	0
Materials and Supplies	3,846	18,720	18,720	0
Total Sport Oriented Activities	352,275	354,133	354,133	0
School and Public Service				
Co-Curricular Activities				
Salaries	20,304	23,390	23,390	0
Fringe Benefits	5,471	5,978	5,978	0
Total School and Public Service Co-Curricular Activities	25,775	29,368	29,368	0
Total Extracurricular Activities	441,880	441,822	441,822	0

Big Walnut Local School District
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Capital Outlay				
Building Improvement Services				
Capital Outlay	\$292,000	\$297,573	\$297,573	\$0
Total Expenditures	21,672,975	22,612,869	22,612,869	0
Excess of Revenues Over Expenditures	584,101	855,895	323,460	(532,435)
<u>Other Financing Sources (Uses)</u>				
Refund of Prior Year Expenditures	32,361	32,625	32,479	(146)
Advances In	77,318	81,293	77,600	(3,693)
Advances Out	(9,238)	0	(120,938)	(120,938)
Transfers Out	(44,352)	0	0	0
Total Other Financing Sources (Uses)	56,089	113,918	(10,859)	(124,777)
Changes in Fund Balance	640,190	969,813	312,601	(657,212)
Fund Balance Beginning of Year	809,870	809,870	809,870	0
Prior Year Encumbrances Appropriated	129,051	129,051	129,051	0
Fund Balance End of Year	\$1,579,111	\$1,908,734	\$1,251,522	(\$657,212)

Big Walnut Local School District
Bond Retirement Debt Service Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$2,173,979	\$2,154,373	(\$19,606)
Intergovernmental	570,027	259,440	(310,587)
Total Revenues	2,744,006	2,413,813	(330,193)
<u>Expenditures</u>			
Current:			
Support Services			
Fiscal			
Miscellaneous	32,292	32,292	0
Debt Service			
Principal Retirement	995,973	995,973	0
Interest and Fiscal Charges	1,405,676	1,405,676	0
Total Debt Service	2,401,649	2,401,649	0
Total Expenditures	2,433,941	2,433,941	0
Excess of Revenues Under Expenditures	310,065	(20,128)	(330,193)
<u>Other Financing Uses</u>			
Advances Out	(57,878)	(57,878)	0
Changes in Fund Balance	252,187	(78,006)	(330,193)
Fund Balance Beginning of Year	631,928	631,928	0
Fund Balance End of Year	\$884,115	\$553,922	(\$330,193)

Big Walnut Local School District
 Building Capital Projects Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Fiscal Year Ended June 30, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$240,000	\$122,485	(\$117,515)
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Salaries	1,789	1,789	0
Fringe Benefits	626	626	0
Capital Outlay	151,567	151,567	0
Total Instructional Staff	153,982	153,982	0
Central			
Purchased Services	273,881	273,881	0
Total Support Services	427,863	427,863	0
Capital Outlay			
Building Improvement Services			
Capital Outlay	5,910,595	5,910,595	0
Total Expenditures	6,338,458	6,338,458	0
Changes in Fund Balance	(6,098,458)	(6,215,973)	(117,515)
Fund Balance Beginning of Year	2,610,309	2,610,309	0
Prior Year Encumbrances Appropriated	5,534,818	5,534,818	0
Fund Balance End of Year	\$2,046,669	\$1,929,154	(\$117,515)

Big Walnut Local School District
Food Service Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$112,614	\$151,097	\$38,483
Charges for Services	488,822	655,865	167,043
	<u>601,436</u>	<u>806,962</u>	<u>205,526</u>
<u>Expenditures</u>			
Current:			
Support Services			
Non-Instructional Services			
Salaries	303,001	303,001	0
Fringe Benefits	126,439	126,439	0
Purchased Services	37,191	37,191	0
Materials and Supplies	366,293	366,293	0
Other	1,195	1,195	0
Capital Outlay	101,660	101,660	0
	<u>935,779</u>	<u>935,779</u>	<u>0</u>
Changes in Fund Balance	(334,343)	(128,817)	205,526
Fund Balance Beginning of Year	180,232	180,232	0
Prior Year Encumbrances Appropriated	11,017	11,017	0
Fund Balance End of Year	<u>(\$143,094)</u>	<u>\$62,432</u>	<u>\$205,526</u>

Big Walnut Local School District
High School Navigator Technology Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$3,500	\$135	(\$3,365)
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	3,500	135	(3,365)
Fund Balance Beginning of Year	448	448	0
Fund Balance End of Year	\$3,948	\$583	(\$3,365)

Big Walnut Local School District
Public School Support Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Gifts and Donations	\$5,506	\$2,446	(\$3,060)
Miscellaneous	19,501	27,184	7,683
Total Revenues	25,007	29,630	4,623
<u>Expenditures</u>			
Current:			
Support Services			
Administration			
Salaries	500	500	0
Fringe Benefits	70	70	0
Purchased Services	18,983	18,983	0
Materials and Supplies	5,483	5,483	0
Capital Outlay	7,713	7,713	0
Total Expenditures	32,749	32,749	0
Changes in Fund Balance	(7,742)	(3,119)	4,623
Fund Balance Beginning of Year	26,073	26,073	0
Prior Year Encumbrances Appropriated	762	762	0
Fund Balance End of Year	\$19,093	\$23,716	\$4,623

Big Walnut Local School District
Local Grants Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Miscellaneous	\$412	\$500	\$88
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Purchased Services	99	99	0
Materials and Supplies	2,130	2,130	0
Total Instruction	2,229	2,229	0
Capital Outlay			
Building Improvement Services			
Capital Outlay	3,000	3,000	0
Total Expenditures	5,229	5,229	0
Changes in Fund Balance	(4,817)	(4,729)	88
Fund Balance Beginning of Year	4,972	4,972	0
Prior Year Encumbrances Appropriated	(74)	(74)	0
Fund Balance End of Year	<u>\$81</u>	<u>\$169</u>	<u>\$88</u>

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

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Gifts and Donations	\$4,220	\$5,000	\$780
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	4,220	5,000	780
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$4,220	\$5,000	\$780

Big Walnut Local School District
Athletic and Music Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Extracurricular Activities	\$140,816	\$167,435	\$26,619
Gifts and Donations	421	500	79
Total Revenues	141,237	167,935	26,698
<u>Expenditures</u>			
Current:			
Extracurricular Activities			
Academic and Subject			
Oriented Activities			
Purchased Services	2,238	2,238	0
Materials and Supplies	2,382	2,382	0
Total Academic and Subject	4,620	4,620	0
Sport Oriented Activities			
Purchased Services	91,786	91,786	0
Materials and Supplies	65,307	65,307	0
Capital Outlay	8,585	8,585	0
Total Sport Oriented Activities	165,678	165,678	0
Total Extracurricular Activities	170,298	170,298	0
Changes in Fund Balance	(29,061)	(2,363)	26,698
Fund Balance Beginning of Year	44,206	44,206	0
Prior Year Encumbrances Appropriated	5,759	5,759	0
Fund Balance End of Year	\$20,904	\$47,602	\$26,698

Big Walnut Local School District
Education Management Information Systems Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$6,101	\$7,229	\$1,128
<u>Expenditures</u>			
Current:			
Support Services			
Fiscal			
Salaries	0	7,842	(7,842)
Fringe Benefits	2,221	3,861	(1,640)
Total Expenditures	2,221	11,703	(9,482)
Excess of Revenues Over (Under) Expenditures	3,880	(4,474)	(8,354)
<u>Other Financing Sources</u>			
Advances In	11,702	11,702	0
Changes in Fund Balance	15,582	7,228	(8,354)
Fund Balance Beginning of Year	2,744	2,744	0
Fund Balance End of Year	<u>\$18,326</u>	<u>\$9,972</u>	<u>(\$8,354)</u>

Big Walnut Local School District
Network Connectivity Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$11,645	\$13,799	\$2,154
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Purchased Services	22,876	15,996	6,880
Changes in Fund Balance	(11,231)	(2,197)	9,034
Fund Balance Beginning of Year	10,235	10,235	0
Fund Balance End of Year	(\$996)	\$8,038	\$9,034

Big Walnut Local School District
 SchoolNet Professional Development Special Revenue Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Fiscal Year Ended June 30, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$2,785	\$3,300	\$515
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Purchased Services	7,080	1,755	5,325
Changes in Fund Balance	(4,295)	1,545	5,840
Fund Balance Beginning of Year	3,780	3,780	0
Fund Balance End of Year	(\$515)	\$5,325	\$5,840

Big Walnut Local School District
Ohio Reads Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$3,376	\$4,000	\$624
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Salaries	3,485	2,174	1,311
Fringe Benefits	316	585	(269)
Materials and Supplies	1,478	1,017	461
Total Expenditures	5,279	3,776	1,503
Excess of Revenues Over (Under) Expenditures	(1,903)	224	2,127
<u>Other Financing Sources</u>			
Advances In	1,332	1,579	247
Changes in Fund Balance	(571)	1,803	2,374
Fund Balance Beginning of Year	6,108	6,108	0
Prior Year Encumbrances Appropriated	84	84	0
Fund Balance End of Year	<u>\$5,621</u>	<u>\$7,995</u>	<u>\$2,374</u>

Big Walnut Local School District
School Improvement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$1,266	\$1,500	\$234
<u>Expenditures</u>			
Current:			
Support Services			
Pupils			
Purchased Services	4,520	4,007	513
Materials and Supplies	1,371	0	1,371
Total Expenditures	5,891	4,007	1,884
Changes in Fund Balance	(4,625)	(2,507)	2,118
Fund Balance Beginning of Year	1,555	1,555	0
Prior Year Encumbrances Appropriated	3,020	3,020	0
Fund Balance End of Year	(\$50)	\$2,068	\$2,118

Big Walnut Local School District
 Poverty Based Assistance Special Revenue Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$4,516	\$5,352	\$836
<u>Expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>
Changes in Fund Balance	4,516	5,352	836
Fund Balance Beginning of Year	<u>2,864</u>	<u>2,864</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$7,380</u></u>	<u><u>\$8,216</u></u>	<u><u>\$836</u></u>

Big Walnut Local School District
Miscellaneous State Grants Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$7,523	\$8,914	\$1,391
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Salaries	750	0	750
Fringe Benefits	120	0	120
Purchased Services	8,113	7,022	1,091
Materials and Supplies	300	0	300
Other	426	0	426
Total Instruction	9,709	7,022	2,687
Support Services			
Instructional Staff			
Salaries	752	0	752
Purchased Services	8,743	535	8,208
Total Support Services	9,495	535	8,960
Total Expenditures	19,204	7,557	11,647
Changes in Fund Balance	(11,681)	1,357	13,038
Fund Balance Beginning of Year	5,836	5,836	0
Fund Balance End of Year	(\$5,845)	\$7,193	\$13,038

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

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$450,768	\$536,342	\$85,574
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Materials and Supplies	5,501	48	5,453
Capital Outlay	12,344	11,950	394
Total Regular	17,845	11,998	5,847
Special			
Salaries	327,971	222,775	105,196
Fringe Benefits	49,754	109,187	(59,433)
Total Special	377,725	331,962	45,763
Total Instruction	395,570	343,960	51,610
Support Services			
Pupils			
Purchased Services	206,517	290,903	(84,386)
Total Expenditures	602,087	634,863	(32,776)
Excess of Revenues Under Expenditures	(151,319)	(98,521)	52,798
<u>Other Financing Sources (Uses)</u>			
Advances In	88,058	104,775	16,717
Advances Out	(9,804)	(9,804)	0
Total Other Financing Sources (Uses)	78,254	94,971	16,717
Changes in Fund Balance	(73,065)	(3,550)	69,515
Fund Balance Beginning of Year	1,900	1,900	0
Prior Year Encumbrances Appropriated	1,650	1,650	0
Fund Balance End of Year	(\$69,515)	\$0	\$69,515

Big Walnut Local School District
Title I Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$91,088	\$107,932	\$16,844
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Salaries	89,398	75,817	13,581
Fringe Benefits	31,847	36,133	(4,286)
Materials and Supplies	555	0	555
Total Instruction	<u>121,800</u>	<u>111,950</u>	<u>9,850</u>
Support Services			
Pupils			
Salaries	150	200	(50)
Fringe Benefits	21	28	(7)
Total Support Services	<u>171</u>	<u>228</u>	<u>(57)</u>
Total Expenditures	<u>121,971</u>	<u>112,178</u>	<u>9,793</u>
Excess of Revenues Under Expenditures	(30,883)	(4,246)	26,637
<u>Other Financing Sources</u>			
Advances In	<u>2,236</u>	<u>2,650</u>	<u>414</u>
Changes in Fund Balance	(28,647)	(1,596)	27,051
Fund Balance Beginning of Year	<u>1,596</u>	<u>1,596</u>	<u>0</u>
Fund Balance End of Year	<u>(\$27,051)</u>	<u>\$0</u>	<u>\$27,051</u>

Big Walnut Local School District
 Title V Special Revenue Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Fiscal Year Ended June 30, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$3,863	\$4,874	\$1,011
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Salaries	3,562	2,549	1,013
Fringe Benefits	155	260	(105)
Purchased Services	4,040	2,317	1,723
Total Instruction	7,757	5,126	2,631
Support Services			
Instructional Staff			
Salaries	50	50	0
Fringe Benefits	7	7	0
Total Support Services	57	57	0
Total Expenditures	7,814	5,183	2,631
Changes in Fund Balance	(3,951)	(309)	3,642
Fund Balance Beginning of Year	315	315	0
Fund Balance End of Year	(\$3,636)	\$6	\$3,642

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

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$4,947	\$5,871	\$924
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Salaries	4,500	4,500	0
Fringe Benefits	464	464	0
Purchased Services	1,818	1,105	713
Materials and Supplies	472	10	462
Total Expenditures	<u>7,254</u>	<u>6,079</u>	<u>1,175</u>
Changes in Fund Balance	(2,307)	(208)	2,099
Fund Balance Beginning of Year	<u>508</u>	<u>508</u>	<u>0</u>
Fund Balance End of Year	<u><u>(\$1,799)</u></u>	<u><u>\$300</u></u>	<u><u>\$2,099</u></u>

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

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$18,254	\$21,630	\$3,376
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Salaries	14,850	17,025	(2,175)
Fringe Benefits	311	964	(653)
Purchased Services	0	3,506	(3,506)
Total Expenditures	15,161	21,495	(6,334)
Excess of Revenues Over Expenditures	3,093	135	(2,958)
<u>Other Financing Sources (Uses)</u>			
Advances In	196	232	(36)
Advances Out	(367)	(367)	0
Total Other Financing Sources (Uses)	(171)	(135)	(36)
Changes in Fund Balance	2,922	0	(2,922)
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$2,922	\$0	(\$2,922)

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

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$55,427	\$66,084	\$10,657
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Salaries	41,093	13,394	27,699
Fringe Benefits	1,943	0	1,943
Purchased Services	100	100	0
Total Instruction	43,136	13,494	29,642
Support Services			
Instructional Staff			
Salaries	21,713	14,897	6,816
Fringe Benefits	3,338	2,965	373
Purchased Services	32,575	26,302	6,273
Total Support Services	57,626	44,164	13,462
Total Expenditures	100,762	57,658	43,104
Excess of Revenues Over (Under) Expenditures	(45,335)	8,426	53,761
<u>Other Financing Uses</u>			
Advances Out	(9,551)	(9,551)	0
Changes in Fund Balance	(54,886)	(1,125)	53,761
Fund Balance Beginning of Year	1,443	1,443	0
Prior Year Encumbrances Appropriated	405	405	0
Fund Balance End of Year	(\$53,038)	\$723	\$53,761

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

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$873	\$1,034	\$161
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Materials and Supplies	835	730	105
Support Services			
Instructional Staff			
Purchased Services	300	300	0
Total Expenditures	<u>1,135</u>	<u>1,030</u>	<u>105</u>
Changes in Fund Balance	(262)	4	266
Fund Balance Beginning of Year	<u>101</u>	<u>101</u>	<u>0</u>
Fund Balance End of Year	<u>(\$161)</u>	<u>\$105</u>	<u>\$266</u>

Big Walnut Local School District
Miscellaneous Federal Grants Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Purchased Services	18	18	0
Support Services			
Operation and Maintenance of Plant			
Purchased Services	2,399	2,399	0
Total Expenditures	2,417	2,417	0
Changes in Fund Balance	(2,417)	(2,417)	0
Fund Balance Beginning of Year	2,417	2,417	0
Fund Balance End of Year	\$0	\$0	\$0

Big Walnut Local School District
SchoolNet Plus Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Capital Outlay	109	109	0
Support Services			
Instructional Staff			
Capital Outlay	2,265	2,265	0
Total Expenditures	<u>2,374</u>	<u>2,374</u>	<u>0</u>
Changes in Fund Balance	(2,374)	(2,374)	0
Fund Balance Beginning of Year	<u>2,374</u>	<u>2,374</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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**STATISTICAL
SECTION**

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**Big Walnut Local School District
Statistical Section**

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

Contents	Page
Financial Trends.....	S-2
These schedules contain trend information to help the reader understand how the School District’s financial performance and well-being have changed over time.	
Revenue Capacity	S-6
These schedules contain information to help the reader assess the School District’s most significant local revenue source.	
Debt Capacity.....	S-16
These schedules present information to help the reader assess the affordability of the School District’s current levels of outstanding debt and the School District’s ability to issue additional debt in the future.	
Demographic and Economic Information.....	S-20
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District’s financial activities take place.	
Operating Information	S-22
These schedules contain service data to help the reader understand how the information in the School District’s financial report relates to the services the School District provides and the activities it performs.	

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

Big Walnut Local School District
 Net Assets
 Last Two Fiscal Years
 (Accrual Basis of Accounting)

	2007	2006
Invested in Capital Assets, Net of Related Debt	\$7,865,501	\$7,377,670
Restricted for		
Debt Service	698,462	919,694
Capital Projects	445,216	0
Set Asides	128,199	69,164
Other Purposes	147,562	233,850
Unrestricted (Deficit)	(144,249)	34,972
Total Net Assets	\$9,140,691	\$8,635,350

Note: Information prior to fiscal year 2006 is not available.

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

	2007	2006
<u>Expenses</u>		
Instruction		
Regular	\$10,766,134	\$10,640,482
Special	2,952,259	2,310,234
Vocational	380,318	361,900
Support Services		
Pupils	1,240,150	1,217,465
Instructional Staff	886,296	1,112,190
Board of Education	184,257	159,106
Administration	1,943,266	1,644,074
Fiscal	748,515	708,063
Business	251,600	229,590
Operation and Maintenance of Plant	1,891,168	1,859,258
Pupil Transportation	1,763,719	1,809,895
Central	57,179	41,406
Non-Instructional Services	958,656	810,128
Extracurricular Activities	631,834	658,180
Interest and Fiscal Charges	853,300	1,005,545
	25,508,651	24,567,516
<u>Program Revenues</u>		
Charges for Services		
Regular	188,569	245,254
Special	53,857	0
Non-Instructional Services	656,422	617,845
Extracurricular Activities	201,425	220,414
Total Charges for Services	1,100,273	1,083,513
Operating Grants and Contributions	1,300,892	1,373,899
Capital Grants and Contributions	22,841	21,659
	2,424,006	2,479,071
Net Expense	(23,084,645)	(22,088,445)
<u>General Revenues and Other Changes in Net Assets</u>		
Property Taxes Levied for General Purposes	10,140,434	11,310,488
Property Taxes Levied for Debt Service Purposes	1,889,652	2,258,006
Income Taxes Levied for General Purposes	4,358,466	4,545,105
Payment in Lieu of Taxes	18,000	18,000
Grants and Entitlements not Restricted to Specific Programs	6,548,534	6,191,456
Interest	535,992	664,609
Gifts and Donations	2,446	8,653
Miscellaneous	96,462	105,791
	23,589,986	25,102,108
Changes in Net Assets	\$505,341	\$3,013,663

Note: Information prior to fiscal year 2006 is not available.

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

	2007	2006
General Fund		
Reserved	\$2,446,701	\$3,545,417
Unreserved	818,705	189,573
Total General Fund	3,265,406	3,734,990
All Other Governmental Funds		
Reserved	1,031,406	6,145,307
Unreserved, Reported in		
Special Revenue Funds (Deficit)	(90,069)	155,890
Debt Service Fund	553,922	574,050
Capital Projects Fund	1,749,322	2,476,479
Total All Other Governmental Funds	3,244,581	9,351,726
Total Governmental Funds	\$6,509,987	\$13,086,716

Note: Information prior to fiscal year 2006 is not available

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

	2007	2006
<u>Revenues</u>		
Property Taxes	\$11,930,590	\$13,704,069
Income Taxes	4,327,411	4,351,442
Payment in Lieu of Taxes	18,000	18,000
Intergovernmental	7,851,774	7,559,035
Interest	535,992	664,609
Tuition and Fees	301,629	179,283
Extracurricular Activities	207,366	221,494
Charges for Services	656,287	616,695
Gifts and Donations	10,928	11,510
Miscellaneous	96,462	105,791
	<u>25,936,439</u>	<u>27,431,928</u>
<u>Expenditures</u>		
Current:		
Instruction		
Regular	10,518,030	10,192,517
Special	2,924,910	2,337,477
Vocational	372,096	380,121
Support Services		
Pupils	1,234,650	1,236,937
Instructional Staff	842,513	862,615
Board of Education	184,257	159,106
Administration	1,912,326	1,733,322
Fiscal	740,005	703,051
Business	229,266	236,558
Operation and Maintenance of Plant	1,856,934	1,846,738
Pupil Transportation	1,791,030	1,862,780
Central	204,590	547,164
Non-Instructional Services		
Extracurricular Activities	948,697	831,495
Capital Outlay	601,644	628,096
Debt Service		
Principal Retirement	5,750,571	3,894,119
Interest on Capital Appreciation Bonds	995,973	967,234
Interest and Fiscal Charges	664,027	692,766
	<u>741,649</u>	<u>775,295</u>
Total Expenditures	<u>32,513,168</u>	<u>29,887,391</u>
Excess of Revenues Under Expenditures	<u>(6,576,729)</u>	<u>(2,455,463)</u>
<u>Other Financing Sources (Uses)</u>		
Transfers In	0	8,790
Transfers Out	0	(8,790)
	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>
Changes in Fund Balances	<u>(\$6,576,729)</u>	<u>(\$2,455,463)</u>
Debt Service as a Percentage of Noncapital Expenditures	9.04%	9.35%

Note: Information prior to fiscal year 2006 is not available.

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

Collection Year	Real Property			Public Utility Personal Property	
	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial Public Utility			
2007	\$548,213,100	\$41,135,700	\$1,683,853,714	\$14,127,090	\$16,053,511
2006	526,122,170	41,412,640	1,621,528,029	14,765,900	16,779,432
2005	428,144,990	37,973,310	1,331,766,571	14,628,330	16,623,102
2004	440,933,990	37,893,770	1,368,079,314	14,799,900	16,818,068
2003	386,123,210	35,476,310	1,204,570,057	14,381,260	16,342,341
2002	325,677,740	30,089,260	1,016,477,143	11,439,100	12,998,977
2001	312,003,320	28,564,820	973,051,829	15,052,120	17,104,682
2000	301,111,870	28,552,370	941,897,829	14,270,810	16,216,830
1999	239,390,870	24,063,150	752,725,771	15,867,770	18,031,557
1998	229,071,740	22,991,220	720,179,886	15,701,790	17,842,943

Source: Delaware County Auditor

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

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. Personal property tax 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 actual value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent of actual value for machinery and equipment and 23 percent for inventory. The general business tangible personal property tax is being phased out. The percentage is 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 percent, 2 1/2 percent, and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Tangible Personal Property		Total		Percentage of Total Assessed Value to Total Estimated Actual Value	Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$19,711,620	\$157,692,960	\$623,187,510	\$1,857,600,185	33.55%	\$25.68
23,781,497	126,834,651	606,082,207	1,765,142,112	34.34	24.44
27,128,658	123,312,082	507,875,288	1,471,701,755	34.51	26.05
27,818,949	120,951,952	521,446,609	1,505,849,334	34.63	24.39
33,000,222	137,500,925	468,981,002	1,358,413,323	34.52	24.74
29,833,823	119,335,292	397,039,923	1,148,811,412	34.56	24.45
28,822,019	115,288,076	384,442,279	1,105,444,587	34.78	24.76
28,931,578	115,726,312	372,866,628	1,073,840,971	34.72	28.80
28,985,213	115,940,852	308,307,003	886,698,180	34.77	28.53
31,529,539	126,118,156	299,294,289	864,140,985	34.63	29.16

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

Collection Year	2007	2006	2005	2004	2003
Big Walnut Local School District					
Voted Millage					
1976 Current Expense					
Effective Millage Rates					
Residential/Agricultural Real	\$8.9565	\$8.9565	\$8.9565	\$8.9565	\$8.9565
Commercial/Industrial/Public Utility Real	8.9565	8.9565	8.9565	8.9565	8.9565
Tangible/Public Utility Personal	13.9000	13.9000	13.9000	13.9000	13.9000
1985 Current Expense					
Effective Millage Rates					
Residential/Agricultural Real	6.4435	6.4435	6.4435	6.4435	6.4435
Commercial/Industrial/Public Utility Real	6.4435	6.4435	6.4435	6.4435	6.4435
Tangible/Public Utility Personal	10.0000	10.0000	10.0000	10.0000	10.0000
1990 Bond \$16,500,000	2.2500	2.5000	3.3500	3.5000	3.5000
1991 Bond/Library \$1,500,000	0.4900	0.0500	0.3600	0.1600	0.4000
1996 Emergency \$750,000	n/a	n/a	n/a	n/a	n/a
2004 Bond \$13,000,000	1.2600	1.3400	1.6600	n/a	n/a
2006 Emergency \$750,000	1.2200	n/a	n/a	n/a	n/a
Total Voted Millage	29.1200	27.7900	29.2700	27.5600	27.8000
Total Effective Voted Millage by Type of Property					
Residential/Agricultural Real	20.6200	19.2900	20.7700	19.0600	19.3000
Commercial/Industrial/Public Utility Real	20.6200	19.2900	20.7700	19.0600	19.3000
Tangible/Public Utility Personal	29.1200	27.7900	29.2700	27.5600	27.8000
Unvoted Millage					
General					
General	4.6000	4.6000	4.6000	4.6000	4.6000
Total Millage	33.7200	32.3900	33.8700	32.1600	32.4000
Total Effective Millage by Type of Property					
Residential/Agricultural Real	25.2200	23.8900	25.3700	23.6600	23.9000
Commercial/Industrial/Public Utility Real	25.2200	23.8900	25.3700	23.6600	23.9000
Tangible/Public Utility Personal	33.7200	32.3900	33.8700	32.1600	32.4000
Delaware County	4.2500	4.2700	3.9000	3.9000	3.9000
Delaware Area Career Center	3.2000	3.2000	3.2000	3.2000	3.2000
Village of Galena	3.7000	3.7000	3.7000	3.7000	3.7000
Village of Sunbury	2.5000	2.5000	2.5000	2.5000	2.5000
Berkshire Township	0.0800	0.0800	0.0800	0.0800	0.0800
Genoa Township	9.4000	9.4000	12.1000	12.1000	12.1000
Harlem Township	10.0000	7.1200	7.2600	7.3200	6.3200
Kingston Township	2.3000	2.3000	2.3000	2.3000	2.3000
Porter Township	2.5000	2.5000	2.5000	2.5000	2.5000
Trenton Township	2.5000	2.5000	2.5000	2.5000	2.5000
Delaware County 911 District	0.4500	0.3100	0.3100	0.3100	0.3100

2002	2001	2000	1999	1998
\$8.9565	\$8.9565	\$8.9565	\$8.9565	\$8.9565
8.9565	9.1334	8.9565	8.9565	8.9754
13.9000	13.9000	13.9000	13.9000	13.9000
6.4435	6.4435	6.4435	6.4435	6.4435
6.4435	6.5708	6.4435	6.4435	6.4571
10.0000	10.0000	10.0000	10.0000	10.0000
3.2100	3.0000	5.2900	4.7500	5.0000
0.2900	0.3400	0.4700	0.1800	0.4500
n/a	1.9700	2.0300	2.4500	2.5500
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
27.4000	29.2100	31.6900	31.2800	31.9000
18.9000	20.7100	23.1900	22.7800	23.4000
18.9000	21.0142	23.1900	22.7800	23.4325
27.4000	29.2100	31.6900	31.2800	31.9000
4.6000	4.6000	4.6000	4.6000	4.6000
32.0000	33.8100	36.2900	35.8800	36.5000
23.5000	25.3100	27.7900	27.3800	28.0000
23.5000	25.6142	27.7900	27.3800	28.0325
32.0000	33.8100	36.2900	35.8800	36.5000
3.9000	3.9000	4.7000	4.5000	4.5000
3.2000	3.4000	3.4000	3.4000	3.4000
3.7000	3.7000	3.7000	3.7000	3.7000
2.5000	2.5000	2.5000	2.5000	2.5000
0.0800	0.0800	0.0800	0.0800	0.0800
12.1000	12.1000	10.1000	10.5000	10.5000
6.4000	6.4100	6.4700	6.6100	6.6000
2.3000	2.3000	2.3000	2.3000	2.3000
2.5000	2.5000	2.5000	2.5000	2.5000
2.5000	2.5000	2.5000	2.5000	2.5000
0.3100	0.6200	0.6200	0.6200	0.6200

(continued)

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

Collection Year	2007	2006	2005	2004	2003
Delaware County Health Department	\$0.7000	\$0.7000	\$1.0000	\$0.7000	\$0.7000
Delaware-Morrow Mental Health District	1.0000	1.0000	1.0000	1.0000	1.0000
Preservation Park District	0.4000	0.4000	0.4000	0.4000	0.4000
BST and G Fire Department	2.0000	2.0000	2.0000	2.0000	2.0000
Kingston-Porter Fire District	7.7200	7.6900	7.7500	7.7200	7.8200

Source: Ohio Department of Taxation

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The basic property rate can be increased only by a majority vote of the School District's residents.

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

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

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

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$0.7000	\$0.7000	\$0.7000	\$0.7000	\$0.7000
1.0000	1.0000	1.0000	1.0000	1.0000
0.4000	0.4000	0.4000	n/a	n/a
2.0000	2.0000	2.0000	2.0000	2.0000
6.3700	6.3000	6.3500	6.3900	4.2900

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

Collection Year (1)	Current Tax Levy (2)	Current Tax Collections	Percentage of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Total Tax Levy
2006	\$14,002,586	\$13,668,807	97.62%	\$287,046	\$13,955,853	99.67%
2005	12,135,010	11,896,464	98.03	294,735	12,191,199	100.46
2004	11,021,055	10,799,738	97.99	329,283	11,129,021	100.98
2003	10,363,611	10,110,676	97.56	469,714	10,580,390	102.09
2002	8,620,090	8,322,805	96.55	273,363	8,596,168	99.72
2001	9,016,060	8,855,444	98.22	259,000	9,114,444	101.09
2000	9,566,682	9,297,907	97.19	219,744	9,517,651	99.49
1999	7,732,389	7,585,423	98.10	163,958	7,749,381	100.22

Source: Delaware County Auditor

(1) The 2007 information cannot be presented because all collections have not been made by June 30, 2007.

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

Note: The County does not identify delinquency collections by tax year.

Information prior to 1999 is not available.

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

Collection Year (1)	Current Tax Levy (2)	Current Tax Collections	Percentage of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Total Tax Levy
2006	\$622,489	\$651,397	104.64%	\$93,921	\$745,318	119.73%
2005	777,583	789,443	101.53	26,686	816,129	104.96
2004	836,496	821,587	98.22	3,579	825,166	98.65
2003	894,351	809,324	90.49	3,550	812,874	90.89
2002	1,050,879	1,102,603	104.92	146,887	1,249,490	118.90
2001	1,001,347	908,970	90.77	23,234	932,204	93.10
2000	1,040,438	893,148	85.84	85,594	978,742	94.07
1999	1,034,772	961,931	92.96	13,145	975,076	94.23

Source: Delaware County Auditor

(1) The 2007 information cannot be presented because all collections have not been made by June 30, 2007.

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

Note: The County does not identify delinquency collections by tax year.

Information prior to 1999 is not available.

Big Walnut Local School District
Principal Taxpayers - Real and Tangible Personal Property
Current Year and Three Years Ago

2007				
Taxpayer	Real Property Assessed Valuation	Tangible Personal Property Assessed Valuation	Total Assessed Valuation	Percentage of Total School District Assessed Valuation (2007 Collection Year)
American Showa, Inc	\$2,961,720	\$5,687,550	\$8,649,270	1.42%
Northstar, LLC	3,709,910	0	3,709,910	0.61
NGP Realty Sub, LP	3,143,850	0	3,143,850	0.52
United Telephone Company of Ohio	1,677,250	1,374,040	3,051,290	0.50
Ohashi Technica USA, Inc	1,405,530	1,398,280	2,803,810	0.46
Dominion Homes, Inc	1,932,140	0	1,932,140	0.32
Cheshire Woods, LLC	1,708,390	0	1,708,390	0.28
EPEC, LLC	1,563,070	3,130	1,566,200	0.26
Carter Jones Lumber Company	866,430	666,260	1,532,690	0.25
Natures Haven Partners	1,323,110	0	1,323,110	0.21
Total	20,291,400	9,129,260	29,420,660	4.83
All Other Taxpayers	569,057,400	10,582,360	579,639,760	95.17
Total Assessed Valuation	<u>\$589,348,800</u>	<u>\$19,711,620</u>	<u>\$609,060,420</u>	<u>100.00%</u>

2004				
Taxpayer	Real Property Assessed Valuation	Tangible Personal Property Assessed Valuation	Total Assessed Valuation	Percentage of Total School District Assessed Valuation (2004 Collection Year)
American Showa, Inc	\$2,630,710	\$11,278,160	\$13,908,870	2.75%
Ohashi Technica USA, Inc	1,330,010	2,535,670	3,865,680	0.76
NGP Realty Sub, LP	3,054,330	0	3,054,330	0.60
Carter Jones Lumber Company	1,099,780	1,062,850	2,162,630	0.43
Metlife Capital, LP	0	2,095,260	2,095,260	0.41
EPEC, LLC	1,385,380	28,320	1,413,700	0.28
Northstar, LLC	1,352,410	0	1,352,410	0.27
Big Walnut Plaza Partnership	1,182,620	0	1,182,620	0.23
Continental Investments and Property Management	1,163,020	0	1,163,020	0.23
CFS Properties	1,151,890	0	1,151,890	0.23
Total	14,350,150	17,000,260	31,350,410	6.19
All Other Taxpayers	464,477,610	10,818,689	475,296,299	93.81
Total Assessed Valuation	<u>\$478,827,760</u>	<u>\$27,818,949</u>	<u>\$506,646,709</u>	<u>100.00%</u>

Source: Delaware County Auditor

Note: Information prior to 2004 is not available.

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

2007		
Taxpayer	Assessed Valuation	Percentage of Total School District Assessed Valuation (2007 Collection Year)
Columbus Southern Power Company	\$8,018,220	56.76%
United Telephone Company of Ohio	1,677,250	11.86
Consolidated Electric Cooperative	1,469,620	10.40
Ohio Power Compnay	713,180	5.05
Columbia Gas of Ohio	674,030	4.77
Total	12,552,300	88.85
All Other Taxpayers	1,574,790	11.15
Total Assessed Valuation	\$14,127,090	100.00%

2004		
Taxpayer	Total Assessed Valuation	Percentage of Total School District Assessed Valuation (2004 Collection Year)
Columbus Southern Power Company	\$7,947,820	53.70%
United Telephone Company of Ohio	2,714,760	18.34
Consolidated Electric Cooperative	1,392,840	9.41
Ohio Power Compnay	891,380	6.03
Total	12,946,800	87.48
All Other Taxpayers	1,853,100	12.52
Total Assessed Valuation	\$14,799,900	100.00%

Source: Delaware County Auditor

Note: Information prior to 2004 is not available.

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

Fiscal Year	General Obligation Bonds	Per Capita (1)	Percentage of Personal Income (1)
2007	\$20,915,691	\$1,414	5.41%
2006	22,412,906	1,515	5.79

Source: School District Records

(1) See Schedule on S-20 for population and personal income.

Note: Information prior to 2006 is not available.

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

Fiscal Year	Population (1)	Estimated Actual Value	Gross Bonded Debt	Bonded Debt to Estimated Actual Value	Bonded Debt Per Capita
2007	14,790	\$1,857,600,185	\$20,915,691	1.13%	\$1,414
2006	14,790	1,765,142,112	22,412,906	1.27	\$1,515

Source: School District Records

(1) National Center for Education Statistics - 2006 - 2007 from 2000 U.S. Census Data

Note: Information prior to 2006 is not available.

Big Walnut Local School District
 Computation of Direct and Overlapping Debt
 June 30, 2007

Political Subdivision	Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Big Walnut Local School District	\$20,915,691	100.00%	\$20,915,691
Delaware County	52,936,400	10.19	5,394,219
Village of Galena	689,000	100.00	689,000
Village of Sunbury	3,588,049	100.00	3,588,049
Kingston-Porter Fire District	<u>60,000</u>	64.00	<u>38,400</u>
Total	<u><u>\$78,189,140</u></u>		<u><u>\$30,625,359</u></u>

Source: Delaware County Auditor

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the political subdivision. The valuations used were for the 2007 collection year.

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

	<u>2007</u>	<u>2006</u>
Total Assessed Valuation	\$623,187,510	\$606,082,207
Less:		
Public Utility Tangible Personal Property	(14,127,090)	(14,765,900)
Tangible Personal Property	<u>(19,711,620)</u>	<u>(23,781,497)</u>
Total Assessed Valuation used to calculate Legal Debt Margin	589,348,800	567,534,810
Overall Debt Limitation - 9 Percent of Assessed Valuation	53,041,392	51,078,133
Gross Indebtedness	18,283,783	19,279,756
Less Debt Outside Limitation	<u>0</u>	<u>0</u>
Net Debt Within 9 Percent Limitation	<u>18,283,783</u>	<u>19,279,756</u>
Legal Debt Margin Within 9 Percent Limitation	<u>\$34,757,609</u>	<u>\$31,798,377</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	65.53%	62.25%
Unvoted Debt Limitation - .10 Percent of Assessed Valuation	\$589,349	\$567,535
Gross Indebtedness	0	35,973
Less Debt Outside Limitation	<u>0</u>	<u>35,973</u>
Net Debt Within .10 Percent Limitation	<u>0</u>	<u>0</u>
Legal Debt Margin Within .10 Percent Limitation	<u>\$589,349</u>	<u>\$567,535</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%

Source: School District Records

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

Information prior to 2006 is not available.

Big Walnut Local School District
Demographic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (2)	Personal Income Per Capita (1)	Delaware County Unemployment Rate (3)
2007	14,790	\$386,817,660	\$26,154	4.20%
2006	14,790	386,817,660	26,154	3.90
2005	14,790	386,817,660	26,154	3.80
2004	14,790	386,817,660	26,154	4.00
2003	14,790	386,817,660	26,154	3.60
2002	14,790	386,817,660	26,154	3.30
2001	14,790	386,817,660	26,154	2.20
2000	14,790	386,817,660	26,154	1.80
1999	11,942	174,998,068	14,654	2.10
1998	11,942	174,998,068	14,654	2.00

Source: (1) National Center for Education Statistics
2000 - 2007 from 2000 U.S. Census Data
1998 - 1999 from 1990 U.S. Census Data

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

(3) Ohio Department of Job and Family Services

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

Employer	2007		1999	
	Number of Employees	Rank	Number of Employees	Rank
JP Morgan Chase	8,000	1	3,515	1
Olentangy Local School District	1,252	2	540	4
Delaware County	1,048	3	762	2
American Showa, Inc	668	4	500	7
Grady Memorial Hospital	640	5	462	9
Kroger Great Lakes Distribution Center	600	6		
Mettler-Toledo, Inc	600	7		
Delaware City School District	518	8	520	6
Wal-Mart	514	9		
Ohio Wesleyan University	486	10	450	10
CIGNA			500	8
Meijer			538	5
PPG Industries, Inc			550	3

Source: Delaware County Office of Economic Development

Note: Information prior to 1999 is not available.

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

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

Program	2007	2006	2005
Instruction			
Regular			
Elementary School Classroom Teachers	51.0	56.0	57.0
Middle School Classroom Teachers	33.0	32.0	32.0
High School Classroom Teachers	41.0	41.0	41.0
Special			
Elementary School Classroom Teachers	17.0	15.0	13.0
Middle School Classroom Teachers	8.0	8.0	8.0
High School Classroom Teachers	7.0	8.0	8.0
Vocational			
High School Classroom Teachers	6.0	6.0	6.0
Support Services			
Pupils			
Guidance Counselors	6.0	6.0	6.0
Librarians	1.0	1.0	1.0
Administration			
Elementary School	3.0	3.0	3.0
Middle School	3.0	3.0	3.0
High School	3.0	3.0	3.0
Administration Office	4.0	5.0	5.0
Operation and Maintenance of Plant			
Custodians	12.5	14.0	13.0
Maintenance	2.0	2.0	2.0
Pupil Transportation			
Bus Drivers	30.0	30.0	31.0
Non-Instructional Services			
Elementary School Cooks	8.0	8.0	9.0
Middle School Cooks	6.0	6.0	6.0
High School Cooks	5.0	5.0	8.0

Source: School District Records

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

Note: Information prior to 2005 is not available.

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

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Teaching Staff	Pupil/ Teacher Ratio
2007	\$25,508,651	2,779	\$9,179	163	17.05
2006	24,567,516	2,732	8,993	166	16.46

Source: School District Records

Note: Information prior to 2006 is not available.

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

	2007	2006	2005	2004	2003	2002
Big Walnut Elementary						
Total Square Footage	36,700	36,700	36,700	36,700	36,700	36,700
Enrollment	476	460	430	420	414	414
Student Capacity	575	575	575	575	575	575
Regular Instruction Classrooms	20	20	20	20	20	20
Regular Instruction Teachers	20	21	21	21	24	21
Special Instruction Classrooms	9	9	9	9	9	9
Special Instruction Teachers	5	5	4	4	2	3
Harrison Street Elementary						
Total Square Footage	36,200	36,200	36,200	36,200	36,200	36,200
Enrollment	318	280	284	281	278	287
Student Capacity	475	475	475	475	475	475
Regular Instruction Classrooms	16	16	16	16	16	16
Regular Instruction Teachers	13	15	15	16	17	17
Special Instruction Classrooms	3	3	3	3	3	3
Special Instruction Teachers	7	4	4	3	4	4
Hylen Souders Elementary						
Total Square Footage	42,493	42,493	42,493	42,493	42,493	42,493
Enrollment	424	425	413	433	441	433
Student Capacity	725	725	725	725	725	725
Regular Instruction Classrooms	20	20	20	20	20	20
Regular Instruction Teachers	18	20	21	21	23	22
Special Instruction Classrooms	7	7	7	7	7	7
Special Instruction Teachers	5	6	5	5	4	5
Big Walnut Middle School						
Total Square Footage	69,680	69,680	69,680	69,680	69,680	69,680
Enrollment	652	637	617	619	638	640
Student Capacity	660	660	660	660	660	660
Regular Instruction Classrooms	29	29	29	29	29	29
Regular Instruction Teachers	33	32	32	33	33	36
Special Instruction Classrooms	3	3	3	3	3	3
Special Instruction Teachers	8	8	8	7	7	7
Big Walnut High School						
Total Square Footage	148,000	148,000	148,000	148,000	148,000	148,000
Enrollment	909	930	877	880	897	869
Student Capacity	875	875	875	875	875	875
Regular Instruction Classrooms	38	38	38	38	38	38
Regular Instruction Teachers	47	47	47	47	46	45
Special Instruction Classrooms	5	5	5	5	5	5
Special Instruction Teachers	7	8	8	7	8	7

Source: School District Records

Note: Information prior to 2002 is not available.

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

Degree	2007	2006	2005	2004	2003
Bachelor's Degree	19	22	24	24	32
Bachelor + 15	31	33	32	38	43
Bachelor + 30	28	27	35	33	27
Master's Degree	46	47	41	40	40
Master's + 15	22	20	19	15	14
Master's + 30	<u>17</u>	<u>17</u>	<u>14</u>	<u>14</u>	<u>12</u>
Total	<u>163</u>	<u>166</u>	<u>165</u>	<u>164</u>	<u>168</u>

Source: School District Records

Note: Information prior to 2003 is not available.

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

Fiscal Year	Minimum Salary (1)	Maximum Salary (2)	Average Salary Comparable Disticts (3)	Statewide Average Salary (3)
2007	\$31,072	\$73,330	\$52,167	\$53,536
2006	30,314	70,177	50,985	50,772
2005	29,647	67,299	49,801	49,438
2004	29,066	64,672	47,774	47,659
2003	28,151	62,636	45,038	45,645
2002	27,265	60,664	43,354	73,755
2001	26,091	58,052	n/a	42,995
2000	25,208	56,089	n/a	41,713
1999	24,008	51,377	n/a	40,746
1998	23,196	49,639	n/a	39,714

Source: School District Records

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

Note: n/a - not available

Big Walnut Local School District
Enrollment Statistics
Last Six Fiscal Years

Fiscal Year	Elementary Schools	Middle Schools	High Schools	Total
2007	1,218	652	909	2,779
2006	1,165	637	930	2,732
2005	1,127	617	877	2,621
2004	1,134	619	880	2,633
2003	1,133	638	897	2,668
2002	1,134	640	869	2,643

Source: School District Records

Note: Information prior to 2002 is not available.

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

Fiscal Year	Attendance Rate	State Average	Graduation Rate	State Average
2007	95.20%	94.10%	95.10%	86.10%
2006	95.50	94.10	98.00	86.10
2005	95.70	94.30	94.60	86.20
2004	95.50	94.50	93.30	85.90
2003	95.20	94.50	90.90	84.30
2002	95.20	94.30	93.20	82.70
2001	94.90	93.90	95.00	81.10
2000	95.10	93.60	96.60	80.60
1999	94.90	93.50	87.80	80.60
1998	95.40	93.60	91.80	80.20

Source: Ohio Department of Education, Local Report Cards

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

District Buildings	2007	2006	2005	2004	2003
Big Walnut Elementary	13.00%	16.00%	15.00%	15.00%	18.00%
Harrison Street Elementary	16.00	18.00	21.00	18.00	18.00
Hylen Souders Elementary	24.00	31.00	16.00	21.00	21.00
Big Walnut Middle School	18.00	17.00	13.00	11.00	13.00
Big Walnut High School	11.00	10.00	8.00	6.00	7.00

Source: School District Records

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
19.00%	14.00%	11.00%	8.00%	9.00%
18.00	19.00	13.00	15.00	18.00
19.00	20.00	14.00	19.00	20.00
12.00	11.00	8.00	8.00	19.00
7.00	6.00	6.00	6.00	5.00

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Mary Taylor, CPA
Auditor of State

BIG WALNUT LOCAL SCHOOL DISTRICT

DELAWARE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 24, 2008**