

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

**SUPPLEMENTAL REPORTS
*(Audited)***

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2008**

JAMES SZABO, TREASURER



Mary Taylor, CPA
Auditor of State

Board of Education
Big Walnut Local School District
70 N. Walnut Street
P.O. Box 218
Galena, Ohio 43021

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, 2007 through June 30, 2008. 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

February 20, 2009

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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 N. 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, 2008, and have issued our report thereof dated December 19, 2008. 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.

Julian & Grube, Inc.
December 19, 2008

**BIG WALNUT LOCAL SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL RECEIPTS	(B) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
(C) Food Donation	10.550	2008	\$ 50,595	\$ 50,595
Total Food Donation			<u>50,595</u>	<u>50,595</u>
Nutrition Cluster:				
(D) (E) School Breakfast Program	10.553	2008	22,116	22,116
Total School Breakfast Program			<u>22,116</u>	<u>22,116</u>
(D) (E) National School Lunch Program	10.555	2007	21,528	21,528
(D) (E) National School Lunch Program	10.555	2008	137,188	137,188
Total National School Lunch Program			<u>158,716</u>	<u>158,716</u>
(D) (E) Special Milk Program for Childrer	10.556	2007	105	105
(D) (E) Special Milk Program for Childrer	10.556	2008	773	773
Total Special Milk Program for Children			<u>878</u>	<u>878</u>
Total Nutrition Cluster			<u>181,710</u>	<u>181,710</u>
Total U.S. Department of Agriculture			<u>232,305</u>	<u>232,305</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
Title I Grants to Local Educational Agencies	84.010	2007	9,075	9,075
Title I Grants to Local Educational Agencies	84.010	2008	114,913	108,683
Total Title I Grants to Local Educational Agencies			<u>123,988</u>	<u>117,758</u>
Special Education Cluster:				
(F) Special Education_Grants to States	84.027	2008	546,259	539,892
Total Special Education _Grants to States			<u>546,259</u>	<u>539,892</u>
(F) Special Education_Preschool Grants	84.173	2007	207	207
(F) Special Education_Preschool Grants	84.173	2008	13,289	13,289
Total Special Education_Preschool Grants			<u>13,496</u>	<u>13,496</u>
Total Special Education Cluster			<u>559,755</u>	<u>553,388</u>
(G) Safe and Drug-Free Schools and Communities_State Grant:	84.186	2007	(301)	-
(G) Safe and Drug-Free Schools and Communities_State Grant:	84.186	2008	7,464	7,361
Total Safe and Drug-Free Schools and Communities_State Grants			<u>7,163</u>	<u>7,361</u>
(G) State Grants for Innovative Programs	84.298	2007	(96)	-
(G) State Grants for Innovative Programs	84.298	2008	8,722	8,722
Total State Grants for Innovative Programs			<u>8,626</u>	<u>8,722</u>
(G) Education Technology State Grants	84.318	2007	(105)	-
(G) Education Technology State Grants	84.318	2008	1,423	1,423
Total Education Technology State Grants			<u>1,318</u>	<u>1,423</u>
Improving Teacher Quality State Grants	84.367	2007	2,018	2,741
Improving Teacher Quality State Grants	84.367	2008	76,078	78,695
Total Improving Teacher Quality State Grants			<u>78,096</u>	<u>81,436</u>
Total U.S. Department of Education			<u>778,946</u>	<u>770,088</u>

-continued

**BIG WALNUT LOCAL SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL RECEIPTS	(B) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF HOMELAND SECURITY PASSED THROUGH N/A				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	\$ -	\$ 4,798
Total Disaster Grants - Public Assistance			-	4,798
Total U.S. Department of Homeland Security			-	4,798
Total Federal Financial Assistance			<u>\$ 1,011,251</u>	<u>\$ 1,007,191</u>

- (A) OAKS did not assign pass-through numbers for fiscal year 2008
- (B) This schedule was prepared on the cash basis of accounting.
- (C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value
- (D) Included as part of "Nutrition Grant Cluster" in determining major programs
- (E) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (F) Included as part of "Special Education Grant Cluster" in determining major programs
- (G) The District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30th and spent by September 30th). However, with Ohio Department of Education ("ODE")'s approval, a District can transfer unspent Federal assistance to the succeeding year, thus allowing the District a total of 27 months to spend the assistance. Schools can document this by using special cost centers for each year's activity, and transferring the amounts ODE approves between the cost centers. During fiscal year 2008, the ODE authorized the following transfers

<u>Program Title</u>	<u>Number</u>	<u>Grant Year</u>	<u>Transfers Out</u>	<u>Transfers In</u>
Safe and Drug-Free Schools and Communities_State Grant:	84.186	2007	\$ 301	
Safe and Drug-Free Schools and Communities_State Grant:	84.186	2008		\$ 301
State Grants for Innovative Programs	84.298	2007	96	
State Grants for Innovative Programs	84.298	2008		96
Education Technology State Grants	84.318	2007	105	
Education Technology State Grants	84.318	2008		105
Totals			<u>\$ 502</u>	<u>\$ 502</u>



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 N. 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, 2008, which collectively comprise Big Walnut Local School District's basic financial statements and have issued our report thereon dated December 19, 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.

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.

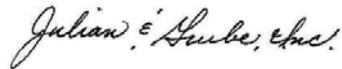
Board of Education
Big Walnut Local School District

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Big Walnut Local School District in a separate letter dated December 19, 2008.

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.
December 19, 2008



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 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 N. 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, 2008. 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. 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 of 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, 2008.

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.

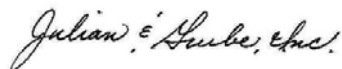
Board of Education
Big Walnut Local School District

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 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.
December 19, 2008

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2008**

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>	No
<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 Program's 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 Program (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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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

**STATUS OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; Finding no Longer Valid
2007-BWLSD-001	Ohio Revised Code Section 5705.41(B) in part requires that expenditures shall not exceed appropriations.	No	Partially corrected - moved to Management Letter
2007-BWLSD-002	Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations.	No	Partially corrected - moved to Management Letter
2007-BWLSD-003	Ohio Revised Code Section 5705.39 in part requires that total appropriations from each fund should not exceed total estimated resources.	No	Partially corrected - moved to Management Letter
2007-BWLSD-004	Ohio Revised Code Section 5705.36 in part, requires subdivisions to request increased or reduced amended certificates of estimated resources upon determination by the District Treasurer that revenue to be collected will be greater or less than the amount in the last certified amended certificate.	No	Partially corrected - moved to Management Letter

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

Comprehensive Annual Financial Report

**For the Fiscal Year Ended
June 30, 2008**

**INTRODUCTORY
SECTION**

BIG WALNUT LOCAL SCHOOL DISTRICT DELAWARE COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2008

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, 2008

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December 19, 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, 2008. This Comprehensive Annual Financial Report contains financial statements, supplemental statements, and statistical information conforming with generally accepted accounting principles as applicable to governmental entities. It provides complete and full disclosure of all material financial aspects of the School District.

This report enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires preparing financial statements in accordance with generally accepted accounting principles and Ohio Revised Code Section 117.38, which requires the School District to file an unaudited annual report with the Auditor of State within one hundred fifty 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, 2008. 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 173rd largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by one hundred nineteen classified employees, one hundred eighty-five certified employees, and eighteen administrative employees who provide services to 2,739 students and other community members. The School District currently operates three elementary schools, a middle school, and a high school.

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.

Annually, the School District approves a temporary budget prior to the start of the fiscal year and a permanent budget before October 1st. 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 October 2008 of 5 percent was the lowest in Ohio. The estimated population of Delaware County according to the 2004 U.S. Census was 142,747. Delaware County remains the fastest growing county in Ohio and the 18th fastest growing county in the United States.

Long-Term Financial Planning

Negotiations with all three of the School District's bargaining units, the Big Walnut Education Association, the Big Walnut Professional Support Staff, and the OAPSE Local 524 have resulted in negotiated salary increases for the next three fiscal years, beginning with fiscal year 2009, of 3.25 percent, 3 percent, and 3 percent. The administrative staff received similar increases.

During fiscal year 2009, 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 2009 or beyond.

At least semi-annually, the Board of Education approves a five-year financial forecast. The current five-year forecast illustrates that expenses are predicted to outpace revenues for all five years without the addition of revenue.

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. Expenditure levels are still monitored on a per pupil basis to achieve equity among buildings.

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 3rd 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.

The Development Committee studied student enrollment and current facilities during fiscal year 2008. Based on recommendations of the Development Committee, the Board of Education placed a 2.9 mill, \$30 million bond levy on the November 2008 ballot which was approved by the voters. The successful passage means the School District will open a 4th elementary in the fall 2010 and new middle school in the fall of 2011. The School District's current middle school will then be used to house grades 5 and 6. This initiative will allow the School District to deal with growth projected in the next five years.

Awards and Acknowledgements

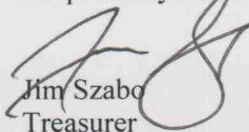
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Big Walnut Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

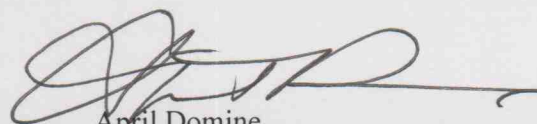
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal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

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement requirements and we are submitting it to the GFOA for consideration.

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Big Walnut Local School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

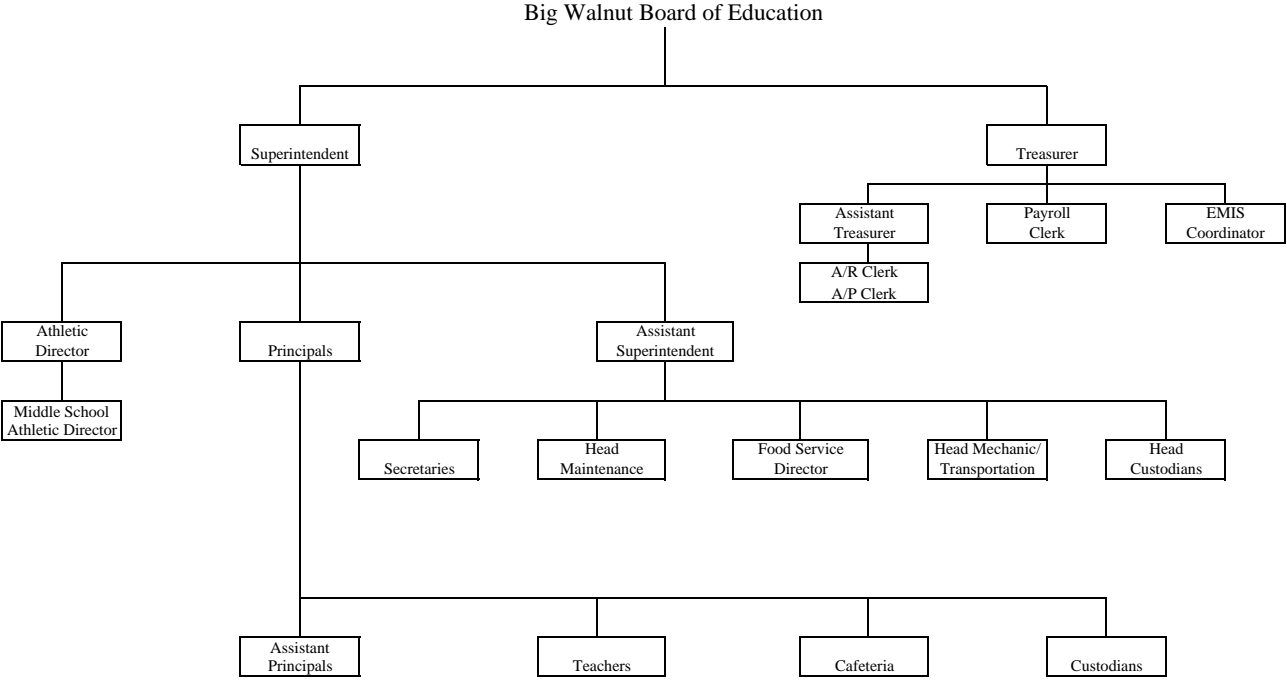
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

BIG WALNUT LOCAL SCHOOL DISTRICT ORGANIZATIONAL CHART



BIG WALNUT LOCAL SCHOOL DISTRICT

PRINCIPAL OFFICIALS

JUNE 30, 2008

ELECTED OFFICIALS

President, Board of Education Diana Butts
Vice President, Board of Education..... Lisa Grunewald
Board Member Ron Hobelman
Board Member James Hildreth
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 Gary Barber
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, Hylan Souders Elementary Steve Butler
Athletic Director Steve Glesenkamp
Special Education Director Steve Moore
Curriculum Director..... Patricia Martell
Technology Coordinator Wayne Thompson

**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 N. 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, 2008, 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, 2008, 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 December 19, 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.
December 19, 2008

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
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, 2008. 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 2008 are as follows:

In total, net assets increased by \$178,300, or less than 2 percent, not a significant change from the prior fiscal year. Although the increase in expenses was greater than the increase in revenues (12 percent increase in expenses and 10 percent increase in revenues), revenues continued to exceed expenses for the fiscal year providing for the moderate increase in net assets overall.

General revenues were \$26,297,351, 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 expenses are predicted to outpace revenues for all five years.

As part of the most 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, 2008
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 2008. 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, 2008
Unaudited

The School District as a Whole

Table 1 provides a summary of the School District's net assets for fiscal year 2008 and fiscal year 2007:

Table 1
Net Assets

	Governmental Activities		
	2008	2007	Change
<u>Assets</u>			
Current and Other Assets	\$22,093,040	\$22,964,022	(\$870,982)
Capital Assets, Net	24,336,989	24,102,631	234,358
Total Assets	<u>46,430,029</u>	<u>47,066,653</u>	<u>(636,624)</u>
<u>Liabilities</u>			
Current and Other Liabilities	15,512,116	15,482,032	(30,084)
Long-Term Liabilities	21,423,932	22,268,940	845,008
Total Liabilities	<u>36,936,048</u>	<u>37,750,972</u>	<u>814,924</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	7,054,170	7,865,501	(811,331)
Restricted	3,245,291	1,419,439	1,825,852
Unrestricted (Deficit)	(805,480)	30,741	(836,221)
Total Net Assets	<u>\$9,493,981</u>	<u>\$9,315,681</u>	<u>\$178,300</u>

Although the change in total assets was not significant (less than 2 percent), there was a decrease in current and other assets, primarily cash and cash equivalents, that also resulted in a decrease in unrestricted net assets. Due to the need to spend these resources for instruction purposes (added thirteen teachers), unrestricted net assets ended the fiscal year with a deficit.

Table 2 reflects the change in net assets for fiscal year 2008 and fiscal year 2007.

Table 2
Change in Net Assets

	Governmental Activities		
	2008	2007	Change
<u>Revenues</u>			
Program Revenues			
Charges for Services	\$1,205,149	\$1,100,273	\$104,876
Operating Grants and Contributions	1,279,558	1,300,892	(21,334)
Capital Grants and Contributions	44,731	22,841	21,890
Total Program Revenues	<u>2,529,438</u>	<u>2,424,006</u>	<u>105,432</u>

(continued)

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Table 2
Change in Net Assets
(continued)

	Governmental Activities		
	2008	2007	Change
<u>Revenues</u> (continued)			
General Revenues			
Property Taxes Levied for General Purposes	\$12,336,291	\$10,140,434	\$2,195,857
Property Taxes Levied for Debt Service Purposes	2,018,917	1,889,652	129,265
Income Taxes Levied for General Purposes	4,430,022	4,358,466	71,556
Payment in Lieu of Taxes	0	192,990	(192,990)
Grants and Entitlements	6,968,875	6,548,534	420,341
Interest	347,757	535,992	(188,235)
Gifts and Donations	5,553	2,446	3,107
Miscellaneous	189,936	96,462	93,474
Total General Revenues	<u>26,297,351</u>	<u>23,764,976</u>	<u>2,532,375</u>
Total Revenues	<u>28,826,789</u>	<u>26,188,982</u>	<u>2,637,807</u>
<u>Expenses</u>			
Instruction			
Regular	12,151,170	10,766,134	(1,385,036)
Special	3,293,665	2,952,259	(341,406)
Vocational	402,201	380,318	(21,883)
Support Services			
Pupils	1,330,211	1,240,150	(90,061)
Instructional Staff	1,075,658	886,296	(189,362)
Board of Education	203,318	184,257	(19,061)
Administration	2,390,141	1,943,266	(446,875)
Fiscal	884,013	748,515	(135,498)
Business	221,413	251,600	30,187
Operation and Maintenance of Plant	2,193,705	1,891,168	(302,537)
Pupil Transportation	1,944,429	1,763,719	(180,710)
Central	7,283	57,179	49,896
Non-Instructional Services	990,184	958,656	(31,528)
Extracurricular Activities	711,089	631,834	(79,255)
Interest and Fiscal Charges	850,009	853,300	3,291
Total Expenses	<u>28,648,489</u>	<u>25,508,651</u>	<u>(3,139,838)</u>
Increase in Net Assets	178,300	680,331	(502,031)
Net Assets Beginning of Year	<u>9,315,681</u>	<u>8,635,350</u>	<u>680,331</u>
Net Assets End of Year	<u>\$9,493,981</u>	<u>\$9,315,681</u>	<u>\$178,300</u>

Program revenues, which are primarily represented by tuition and fees, charges for extracurricular activities, food service sales, and restricted intergovernmental revenues, represented approximately 9 percent of total revenues for fiscal year 2008, the same as the prior fiscal year.

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

The primary sources of general revenues are property taxes, income taxes, and unrestricted State resources (generally State foundation monies). Property taxes increased 19 percent overall from the prior fiscal year due, in part, to the 1.25 mill operating levy which began collection in January 2007. Fiscal year 2008 realized a full year collection of this levy. In addition, property tax revenues increased from new development within the School District. Other general revenue sources did not change significantly from fiscal year 2007, with the exception of the decrease in interest revenue due declining interest rates.

Expenses increased 12 percent overall, the largest increase is reflected in the instruction programs as the School District added to the teaching staff during the fiscal year. As expected, the School District's major program expense continues to be 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	
	2008	2007	2008	2007
Instruction				
Regular	\$12,151,170	\$10,766,134	\$11,804,564	\$10,472,295
Special	3,293,665	2,952,259	2,361,783	1,921,790
Vocational	402,201	380,318	393,130	360,310
Support Services				
Pupils	1,330,211	1,240,150	1,314,391	1,222,875
Instructional Staff	1,075,658	886,296	1,075,658	886,296
Board of Education	203,318	184,257	203,318	184,257
Administration	2,390,141	1,943,266	2,386,721	1,943,266
Fiscal	884,013	748,515	884,013	748,515
Business	221,413	251,600	221,413	251,600
Operation and Maintenance of Plant	2,193,705	1,891,168	2,188,907	1,891,168
Pupil Transportation	1,944,429	1,763,719	1,923,214	1,740,878
Central	7,283	57,179	7,283	57,179
Non-Instructional Services	990,184	958,656	24,915	129,527
Extracurricular Activities	711,089	631,834	479,732	421,389
Interest and Fiscal Charges	850,009	853,300	850,009	853,300
Total Expenses	<u>\$28,648,489</u>	<u>\$25,508,651</u>	<u>\$26,119,051</u>	<u>\$23,084,645</u>

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
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 2008, as in fiscal year 2007, general revenues provided for over 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 28 percent of program costs through program revenues, much of this in the form of operating grants restricted for special instruction purposes. Over 97 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 two of the three major funds. The 35 percent decrease in fund balance in the General Fund is primarily due to increased instructional expenditures (teachers and support staff). In addition, the General Fund provided almost \$190,000 in subsidies to other funds in fiscal year 2008, none in fiscal year 2007. Fund balance increased 59 percent in the Bond Retirement debt service fund as the amount of taxes collected exceeded current fiscal year principal and interest requirements. The Building capital projects fund reflects a 22 percent decrease in fund balance as resources were spent for construction.

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 2008, the School District amended its General Fund budget as needed. For revenues, changes from the original budget to the final budget were not significant. There was no change from the final budget to actual revenues received as the School District amended the certificate of estimated resources at fiscal year end to match revenues collected and from the final budget to actual revenues were not significant. For expenditures, there were modest changes from the original budget to the final budget and from the final budget to actual expenditures.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2008, the School District had \$24,336,989 invested in capital assets (net of accumulated depreciation). This change was less than 1 percent. For further information regarding the School District's capital assets, refer to Note 11 to the basic financial statements.

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Debt

The School District's outstanding debt at June 30, 2008, consisted of general obligation bonds, in the amount of \$20,043,659, and capital leases, in the amount of \$104,718. 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

The School District has completed 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.

Negotiations with all three of the School District's bargaining units, the Big Walnut Education Association, the Big Walnut Professional Support Staff, and the OAPSE Local 524 have resulted in negotiated salary increases for the next three fiscal years, beginning with fiscal year 2009, of 3.25 percent, 3 percent, and 3 percent. The administrative staff received similar increases.

The Board of Education placed a 2.9 mill, \$30 million bond levy on the November 2008 ballot which was approved by the voters. The successful passage means the School District will open a 4th elementary in the fall 2010 and new middle school in the fall of 2011. The School District's current middle school will then be used to house grades 5 and 6. This initiative will allow the School District to deal with growth projected in the next five years.

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, 2008

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$4,838,344
Cash and Cash Equivalents with Fiscal Agent	9,922
Accounts Receivable	4,477
Accrued Interest Receivable	13,024
Intergovernmental Receivable	113,422
Income Taxes Receivable	2,032,500
Inventory Held for Resale	9,843
Materials and Supplies Inventory	2,304
Property Taxes Receivable	14,644,479
Payment in Lieu of Taxes Receivable	153,891
Unamortized Issuance Costs	270,834
Nondepreciable Capital Assets	568,026
Depreciable Capital Assets, Net	23,768,963
 Total Assets	 46,430,029
<u>Liabilities</u>	
Accounts Payable	178,512
Contracts Payable	126,117
Accrued Wages and Benefits Payable	2,212,680
Matured Compensated Absences Payable	91,091
Intergovernmental Payable	833,465
Retainage Payable	156,812
Matured Bonds and Interest Payable	9,922
Accrued Interest Payable	57,330
Deferred Revenue	11,846,187
Long-Term Liabilities	
Due Within One Year	993,880
Due in More Than One Year	20,430,052
 Total Liabilities	 36,936,048
<u>Net Assets</u>	
Invested in Capital Assets, Net of Related Debt	7,054,170
Restricted For	
Debt Service	1,245,230
Capital Projects	1,870,203
Other Purposes	129,858
Unrestricted (Deficit)	(805,480)
 Total Net Assets	 \$9,493,981

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2008

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<u>Governmental Activities</u>				
Instruction				
Regular	\$12,151,170	\$211,854	\$116,794	\$17,958
Special	3,293,665	51,117	880,765	0
Vocational	402,201	0	9,071	0
Support Services				
Pupils	1,330,211	0	15,820	0
Instructional Staff	1,075,658	0	0	0
Board of Education	203,318	0	0	0
Administration	2,390,141	3,420	0	0
Fiscal	884,013	0	0	0
Business	221,413	0	0	0
Operation and Maintenance of Plant	2,193,705	0	4,798	0
Pupil Transportation	1,944,429	0	0	21,215
Central	7,283	0	0	0
Non-Instructional Services	990,184	718,600	241,111	5,558
Extracurricular Activities	711,089	220,158	11,199	0
Interest and Fiscal Charges	850,009	0	0	0
Total Governmental Activities	\$28,648,489	\$1,205,149	\$1,279,558	\$44,731

General Revenues

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

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year - Restated (Note 3)

Net Assets End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in Net Assets

Governmental
Activities

(\$11,804,564)
(2,361,783)
(393,130)

(1,314,391)
(1,075,658)
(203,318)
(2,386,721)
(884,013)
(221,413)
(2,188,907)
(1,923,214)
(7,283)
(24,915)
(479,732)
(850,009)

(26,119,051)

12,336,291
2,018,917
4,430,022
6,968,875
347,757
5,553
189,936

26,297,351

178,300

9,315,681

\$9,493,981

Big Walnut Local School District
Balance Sheet
Governmental Funds
June 30, 2008

	General	Bond Retirement	Building	Other Governmental	Total
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$1,346,579	\$1,107,110	\$2,155,401	\$229,254	\$4,838,344
Cash and Cash Equivalents with Fiscal Agent	0	9,922	0	0	9,922
Accounts Receivable	1,499	0	0	2,978	4,477
Accrued Interest Receivable	13,024	0	0	0	13,024
Interfund Receivable	9,846	0	0	252	10,098
Intergovernmental Receivable	53,924	0	0	59,498	113,422
Income Taxes Receivable	2,032,500	0	0	0	2,032,500
Inventory Held for Resale	0	0	0	9,843	9,843
Materials and Supplies Inventory	0	0	0	2,304	2,304
Property Taxes Receivable	12,676,727	1,967,752	0	0	14,644,479
Payment in Lieu of Taxes Receivable	153,891	0	0	0	153,891
Total Assets	\$16,287,990	\$3,084,784	\$2,155,401	\$304,129	\$21,832,304
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Accounts Payable	\$166,830	\$0	\$2,269	\$9,413	\$178,512
Contracts Payable	0	0	126,117	0	126,117
Accrued Wages and Benefits Payable	2,101,536	0	0	111,144	2,212,680
Matured Compensated Absences Payable	91,091	0	0	0	91,091
Interfund Payable	0	0	0	10,098	10,098
Intergovernmental Payable	775,222	0	0	58,243	833,465
Retainage Payable	0	0	156,812	0	156,812
Matured Bonds and Interest Payable	0	9,922	0	0	9,922
Deferred Revenue	11,019,705	1,644,619	0	29,674	12,693,998
Total Liabilities	14,154,384	1,654,541	285,198	218,572	16,312,695
<u>Fund Balances</u>					
Reserved for Property Taxes	2,057,198	323,133	0	0	2,380,331
Reserved for Encumbrances	155,547	0	47,801	21,316	224,664
Unreserved, Reported in					
General Fund (Deficit)	(79,139)	0	0	0	(79,139)
Special Revenue Funds	0	0	0	64,241	64,241
Debt Service Fund	0	1,107,110	0	0	1,107,110
Capital Projects Fund	0	0	1,822,402	0	1,822,402
Total Fund Balances	2,133,606	1,430,243	1,870,203	85,557	5,519,609
Total Liabilities and Fund Balances	\$16,287,990	\$3,084,784	\$2,155,401	\$304,129	\$21,832,304

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, 2008

Total Governmental Fund Balances \$5,519,609

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. 24,336,989

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

Accounts Receivable	1,062	
Intergovernmental Receivable	74,264	
Income Taxes Receivable	200,633	
Property Taxes Receivable	417,961	
Payment in Lieu of Taxes Receivable	153,891	
		847,811

Unamortized issuance costs are deferred charges which do not provide current financial resources and, therefore, are not reported in the funds. 270,834

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

Accrued Interest Payable	(57,330)	
General Obligation Bonds Payable	(20,043,659)	
Compensated Absences Payable	(1,275,555)	
Capital Leases Payable	(104,718)	
		(21,481,262)

Net Assets of Governmental Activities \$9,493,981

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, 2008

	General	Bond Retirement	Building	Other Governmental	Total
<u>Revenues</u>					
Property Taxes	\$12,241,359	\$2,012,172	\$0	\$0	\$14,253,531
Income Taxes	4,454,107	0	0	0	4,454,107
Payment in Lieu of Taxes	21,099	0	0	0	21,099
Intergovernmental	6,920,368	262,300	0	1,095,690	8,278,358
Interest	84,923	0	262,834	0	347,757
Tuition and Fees	224,087	0	0	0	224,087
Extracurricular Activities	1,166	0	0	218,764	219,930
Charges for Services	3,420	0	0	718,600	722,020
Gifts and Donations	4,050	0	0	12,702	16,752
Miscellaneous	77,625	0	0	112,311	189,936
Total Revenues	24,032,204	2,274,472	262,834	2,158,067	28,727,577
<u>Expenditures</u>					
Current:					
Instruction					
Regular	11,193,894	0	0	75,923	11,269,817
Special	2,693,426	0	0	580,388	3,273,814
Vocational	416,015	0	0	0	416,015
Support Services					
Pupils	1,195,777	0	0	128,241	1,324,018
Instructional Staff	841,560	0	0	115,712	957,272
Board of Education	203,318	0	0	0	203,318
Administration	2,412,858	0	0	33,789	2,446,647
Fiscal	767,316	32,014	0	96,323	895,653
Business	219,046	0	0	0	219,046
Operation and Maintenance of Plant	2,151,577	0	0	0	2,151,577
Pupil Transportation	1,970,238	0	0	0	1,970,238
Central	0	0	10,425	0	10,425
Non-Instructional Services	0	0	0	958,385	958,385
Extracurricular Activities	466,062	0	0	213,679	679,741
Capital Outlay	541,713	0	769,337	17,958	1,329,008
Debt Service					
Principal Retirement	24,372	1,005,000	0	0	1,029,372
Interest and Fiscal Charges	6,509	706,190	0	0	712,699
Total Expenditures	25,103,681	1,743,204	779,762	2,220,398	29,847,045
Excess of Revenues Over (Under) Expenditures	(1,071,477)	531,268	(516,928)	(62,331)	(1,119,468)
<u>Other Financing Sources (Uses)</u>					
Inception of Capital Lease	129,090	0	0	0	129,090
Transfers In	274	0	0	189,687	189,961
Transfers Out	(189,687)	0	0	(274)	(189,961)
Total Other Financing Sources (Uses)	(60,323)	0	0	189,413	129,090
Changes in Fund Balances	(1,131,800)	531,268	(516,928)	127,082	(990,378)
Fund Balances (Deficit) Beginning of Year	3,265,406	898,975	2,387,131	(41,525)	6,509,987
Fund Balances End of Year	\$2,133,606	\$1,430,243	\$1,870,203	\$85,557	\$5,519,609

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, 2008

Changes in Fund Balances - Total Governmental Funds (\$990,378)

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	327,354	
Capital Outlay - Depreciable Capital Assets	396,068	
Capital Contributions	5,558	
Depreciation	<u>(490,340)</u>	238,640

The book value of capital assets is removed from the capital asset account on the statement of net assets when disposed of resulting in a loss on disposal of capital assets on the statement of activities. (4,282)

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

Property Taxes	101,677	
Income Taxes	(24,085)	
Payment in Lieu of Taxes	(21,099)	
Intergovernmental	(1,951)	
Tuition and Fees	38,884	
Extracurricular Activities	<u>228</u>	93,654

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

General Obligation Bonds	1,005,000	
Capital Leases Payable	<u>24,372</u>	1,029,372

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 activities.

Accrued Interest Payable	3,038	
Annual Accretion	(142,009)	
Amortization of Premium	<u>9,041</u>	(129,930)

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. (7,380)
(continued)

Big Walnut Local School District
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to Statement of Activities
For the Fiscal Year Ended June 30, 2008
(continued)

The inception of a capital lease is reported as an other financing source in governmental funds but increases long-term liabilities on the statement of net assets. (\$129,090)

Compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 77,694

Change in Net Assets of Governmental Activities \$178,300

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$11,988,449	\$12,024,787	\$12,024,787	\$0
Income Taxes	5,107,718	4,598,579	4,598,579	0
Payment in Lieu of Taxes	0	21,099	21,099	0
Intergovernmental	7,525,176	6,912,597	6,912,597	0
Interest	287,014	290,961	290,961	0
Tuition and Fees	192,142	257,835	257,835	0
Extracurricular Activities	0	1,166	1,166	0
Charges for Services	3,420	3,420	3,420	0
Gifts and Donations	0	4,050	4,050	0
Miscellaneous	35,605	39,984	39,984	0
Total Revenues	25,139,524	24,154,478	24,154,478	0
<u>Expenditures</u>				
Current:				
Instruction				
Regular	10,994,728	11,270,133	11,103,982	166,151
Special	2,789,131	2,998,191	2,603,652	394,539
Vocational	398,910	403,911	386,224	17,687
Support Services				
Pupils	853,277	1,225,458	1,184,179	41,279
Instructional Staff	792,528	881,290	852,039	29,251
Board of Education	220,124	274,171	236,673	37,498
Administration	1,994,032	2,338,449	2,335,726	2,723
Fiscal	625,885	812,378	768,557	43,821
Business	162,644	219,328	219,183	145
Operation and Maintenance of Plant	2,053,284	2,295,062	2,157,277	137,785
Pupil Transportation	1,776,246	2,407,077	1,942,704	464,373
Central	58,172	678	0	678
Extracurricular Activities	378,246	473,953	467,175	6,778
Capital Outlay	325,000	518,038	507,827	10,211
Total Expenditures	23,422,207	26,118,117	24,765,198	1,352,919
Excess of Revenues Over (Under) Expenditures	1,717,317	(1,963,639)	(610,720)	1,352,919
<u>Other Financing Sources (Uses)</u>				
Refund of Prior Year Expenditures	0	278,704	40,590	(238,114)
Advances In	0	134,033	14,808	(119,225)
Advances Out	0	(2,617)	(2,617)	0
Transfers In	0	274	274	0
Transfers Out	0	(70,462)	(70,462)	0
Total Other Financing Sources (Uses)	0	339,932	(17,407)	(357,339)
Changes in Fund Balance	1,717,317	(1,623,707)	(628,127)	995,580
Fund Balance Beginning of Year	1,251,522	1,251,522	1,251,522	0
Prior Year Encumbrances Appropriated	519,039	519,039	519,039	0
Fund Balance End of Year	\$3,487,878	\$146,854	\$1,142,434	\$995,580

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2008

Assets

Equity in Pooled Cash and Cash Equivalents	<u><u>\$145,418</u></u>
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Liabilities

Undistributed Assets	\$13,378
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Due to Students	<u>132,040</u>
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Total Liabilities	<u><u>\$145,418</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 173rd largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by one hundred nineteen classified employees, one hundred eighty-five certified employees, and eighteen administrative employees who provide services to 2,739 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 five 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, 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 21, 22, and 23 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The basic financial statements of Big Walnut Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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 2008. 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 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, 2008, but which were levied to finance fiscal year 2009 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 School District's estimated resources at the time final appropriations were passed by the Board. At fiscal year end, the Board adjusted estimated revenues to match actual revenues. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources requested by the School District prior to fiscal year end.

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.

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 2008, 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, 2008.

The Board of Education has allocated interest earnings according to State statutes. Interest revenue credited to the General Fund during fiscal year 2008 was \$84,923, which includes \$19,824 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 expensed/expensed when used. Inventory consists of administrative supplies and donated and purchased food.

H. 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.

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.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 2 - Summary of Significant Accounting Policies (continued)

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

I. 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.

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable 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.

K. Accrued Liabilities and Long-Term Obligations

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

Note 2 - Summary of Significant Accounting Policies (continued)

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 and capital leases are recognized as a liability on the fund financial statements when due.

L. 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 and are generally paid from debt proceeds. 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 period in which the debt is issued.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding 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.

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.

N. 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 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.

O. Capital Contributions

Capital contributions arise from outside contributions of capital assets.

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 - Changes in Accounting Principles, Correction of an Error, and Restatement of Net Assets

A. Changes in Accounting Principles

For fiscal year 2008, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this statement for both the State Teachers Retirement System and the School Employees Retirement System postemployment healthcare plans, in the amount of \$18,996 and \$83,918, respectively, which are the same as the previously reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 3 - Changes in Accounting Principles, Correction of an Error, and Restatement of Net Assets
(continued)

B. Correction of an Error and Restatement of Net Assets

In the prior fiscal year, the School District incorrectly recorded payment in lieu of taxes receivable.

	Governmental Activities
Net Assets at June 30, 2007	\$9,140,691
Payment in Lieu of Taxes Receivable	174,990
Restated Net Assets at June 30, 2007	\$9,315,681

Note 4 - Accountability

At June 30, 2008, the following funds had deficit fund balances:

Fund Type/Fund	Deficit
Special Revenue Funds	
Education Management	
Information Systems	\$4,557
Title VI-B	34,066
Title I	12,428
Title II-A	2,697

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.

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 5 - Budgetary Basis of Accounting (continued)

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

Changes in Fund Balance	
GAAP Basis	(\$1,131,800)
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 2007, Received in Cash FY 2008	3,869,468
Accrued FY 2008, Not Yet Received in Cash	(3,911,860)
Expenditure Accruals:	
Accrued FY 2007, Paid in Cash FY 2008	(2,697,628)
Accrued FY 2008, Not Yet Paid in Cash	3,134,679
Cash Adjustments:	
Unrecorded Cash Activity FY 2007	181,743
Unrecorded Cash Activity FY 2008	23,513
Advances In	14,808
Advances Out	(2,617)
Transfers Out	119,225
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(227,658)
Budget Basis	(\$628,127)

Note 6 - Deposits and Investments

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

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

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

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 6 - Deposits and Investments (continued)

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.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$1,116,402 of the School District's bank balance of \$1,232,269 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.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 6 - Deposits and Investments (continued)

Investments

As of June 30, 2008, the School District had the following investments:

	Fair Value	Maturity
Federal Home Loan Mortgage Corporation Notes	\$2,008,600	3/2/12
Mutual Funds	2,317,333	average 7 days
STAR Ohio	6,098	average 53.8 days
	\$4,332,031	

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

The Federal Home Loan Mortgage Corporation Notes 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 be rated, at the time of purchase, in the highest category by at least one nationally recognized standard rating service. STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service.

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

	Fair Value	Percentage of Portfolio
Federal Home Loan Mortgage Corporation Notes	\$2,008,600	46.37%

Note 7 - Receivables

Receivables at June 30, 2008, consisted of accounts (student fees and billings for user charged services), accrued interest, interfund, intergovernmental, income taxes, property taxes, and payment in lieu of 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 and payment in lieu of 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. Payment in lieu of taxes, in the amount of \$132,792, will not be received within one year.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 7 - Receivables (continued)

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
General Fund	
Tuition	\$44,818
State of Ohio	8,546
Delaware Joint Vocational School	560
Total General Fund	<u>53,924</u>
Other Governmental Funds	
Food Service	25,054
Athletic and Music	200
Title I	16,250
Title II-A	13,196
Miscellaneous Federal Grants	4,798
Total Other Governmental Funds	<u>59,498</u>
Total Intergovernmental Receivables	<u><u>\$113,422</u></u>

Note 8 - Income Taxes

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

Note 9 - Property Taxes

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

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the School District. Real property tax revenues received in calendar year 2008 represent the collection of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed values as of January 1, 2007, 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.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 9 - Property Taxes (continued)

Public utility property tax revenues received in calendar year 2008 represent the collection of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien on December 31, 2006, were levied after April 1, 2007, 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 2008 (other than public utility property) represent the collection of calendar year 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after October 1, 2007, on the value as of December 31, 2007. 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 2008 is 6.25 percent and will be 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, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2008, 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, 2008, was \$2,057,198 in the General Fund and \$323,133 in the Bond Retirement debt service fund. 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.

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 2008 taxes were collected are:

	2007 Second- Half Collections		2008 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$589,348,800	95.33%	\$611,949,903	96.42%
Public Utility Personal	14,127,090	2.29	15,407,230	2.43
Tangible Personal	14,756,290	2.38	7,288,281	1.15
Total Assessed Value	<u>\$618,232,180</u>	<u>100.00%</u>	<u>\$634,645,414</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$33.72		\$33.03	

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 10 - Payment in Lieu of Taxes

According to State law, Delaware County has entered into agreements with a property owner under which the County has granted property tax abatements to the property owner. The property owner has agreed to make payments to the County 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 agreements require a portion of these payments to be made to the School District. The payments are received annually as an agreed upon flat amount per year. The agreements are for a ten year period. The property owner contractually promises to make these payments in lieu of taxes until the agreements expire.

Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Balance at 6/30/07	Additions	Reductions	Balance at 6/30/08
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$568,026	\$0	\$0	\$568,026
Construction in Progress	5,036,436	327,354	(5,363,790)	0
Total Nondepreciable Capital Assets	<u>5,604,462</u>	<u>327,354</u>	<u>(5,363,790)</u>	<u>568,026</u>
Depreciable Capital Assets				
Land Improvements	474,544	63,586	0	538,130
Buildings and Building Improvements	21,148,003	5,363,790	0	26,511,793
Furniture, Fixtures, and Equipment	264,340	141,090	0	405,430
Vehicles	2,195,973	196,950	(139,364)	2,253,559
Total Depreciable Capital Assets	<u>24,082,860</u>	<u>5,765,416</u>	<u>(139,364)</u>	<u>29,708,912</u>
Less Accumulated Depreciation				
Land Improvements	(53,143)	(20,212)	0	(73,355)
Buildings and Building Improvements	(4,202,654)	(261,690)	0	(4,464,344)
Furniture, Fixtures, and Equipment	(157,634)	(32,818)	0	(190,452)
Vehicles	(1,171,260)	(175,620)	135,082	(1,211,798)
Total Accumulated Depreciation	<u>(5,584,691)</u>	<u>(490,340)</u>	<u>135,082</u>	<u>(5,939,949)</u>
Depreciable Capital Assets, Net	<u>18,498,169</u>	<u>5,275,076</u>	<u>(4,282)</u>	<u>23,768,963</u>
Governmental Activities, Capital Assets, Net	<u>\$24,102,631</u>	<u>\$5,602,430</u>	<u>(\$5,368,072)</u>	<u>\$24,336,989</u>

During fiscal year 2008, the School District accepted contributions of depreciable capital assets with a fair value of \$5,558.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 11 - Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$172,381
Special	24,914
Vocational	7,766
Support Services:	
Pupils	2,818
Instructional Staff	697
Administration	12,201
Fiscal	88
Operation and Maintenance of Plant	33,905
Pupil Transportation	173,481
Non-Instructional Services	30,741
Extracurricular Activities	31,348
Total Depreciation Expense	\$490,340

Note 12 - Interfund Assets/Liabilities

Interfund balances at June 30, 2008, consisted of the following individual fund receivables and payables:

Due to General Fund from:

Other Governmental Funds

Athletic and Music \$7,229

Title II-A 2,617

Total General Fund \$9,846

Due to Other Governmental Funds from:

Other Governmental Funds

Public School Support \$252

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 13 - 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.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 13 - Risk Management (continued)

During fiscal year 2008, the School District contracted for the following insurance coverage.

Coverage provided by Indiana Insurance Company:

Buildings and Contents	\$58,666,795
Auto Liability	1,000,000
General Liability	
Each Occurrence	1,000,000
Aggregate	2,000,000
Builders Risk	8,710,000
Umbrella	3,000,000

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.

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 14 - Defined Benefit Pension Plans

Plan Description - The School District contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to the State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

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 a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DCP allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age fifty and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The CP offers features of both the DBP and the 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. The DBP portion of the CP payment is payable to a member on or after age sixty; the DCP portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy - For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the STRS Ohio Board upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contribution for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 was \$1,451,066, \$1,361,708, and \$1,295,158 respectively; 83 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DCP and CP for fiscal year 2008 were \$38,565 made by the School District and \$65,117 made by the plan members.

B. School Employees Retirement System

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer public employee retirement plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a stand-alone financial report that may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Note 14 - Defined Benefit Pension Plans (continued)

Funding Policy - For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salary and the School District was required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007, and 2006 was \$320,975, \$315,120, and \$264,502 respectively; 43 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

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, 2008, three of the Board of Education members have selected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 15 - Postemployment Benefits

A. State Teachers Retirement System

Plan Description - The School District contributes to a cost-sharing multiple-employer defined benefit Health Care Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the Defined Benefit or Combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. The Plan is included in STRS Ohio's financial report which may be obtained by calling (888) 227-7877 or by visiting the STRS Ohio Web site at www.strsoh.org.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Health Care Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions. For fiscal year 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contribution for health care for the fiscal years ended June 30, 2008, 2007, and 2006 was \$114,587, \$107,085, and \$102,641, respectively; 83 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

Note 15 - Postemployment Benefits (continued)

B. School Employees Retirement System

Plan Description - The School District contributes to two cost-sharing multiple-employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for classified retirees and their beneficiaries, a Health Care Plan, and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians fees through several types of plans including HMO's, PPO's, and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each fiscal year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For fiscal year 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount. For fiscal year 2008, this amount was \$199,325.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility, and retirement status.

The School District's contribution for health care for the fiscal years ended June 30, 2008, 2007, and 2006 was \$146,471, \$104,620, and \$92,306 respectively; 43 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For fiscal year 2008, this actuarially required allocation was .66 percent of covered payroll. The School District's contribution for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 was \$23,127, \$21,428, and \$21,052 respectively; 43 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

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.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 16 - Other Employee Benefits (continued)

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 Met Life. Dental insurance is offered to all employees through Delta Dental.

Note 17 - Long-Term Obligations

Changes in the School District's long-term obligations during fiscal year 2008 were as follows:

	Balance at 6/30/07	Additions	Reductions	Balance at 6/30/08	Amounts Due Within One Year
Governmental Activities					
General Long-Term Obligations					
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%	555,000	0	555,000	0	0
Capital Appreciation Bonds 19.5-23%	183,809	0	0	183,809	53,861
Accretion on Capital Appreciation Bonds	1,978,428	109,239	0	2,087,667	0
Refunding School Improvement Bonds FY 2004					
Serial Bonds 2-3.7%	3,740,000	0	80,000	3,660,000	0
Capital Appreciation Bonds 10.3%	434,981	0	0	434,981	434,981
Accretion on Capital Appreciation Bonds	256,925	19,718	0	276,643	0
Premium	173,476	0	3,324	170,152	0

(continued)

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 17 - Long-Term Obligations (continued)

	Balance at 6/30/07	Additions	Reductions	Balance at 6/30/08	Amounts Due Within One Year
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%	2,625,000	0	370,000	2,255,000	385,000
Capital Appreciation Bonds 3.19%	384,993	0	0	384,993	0
Accretion on Capital Appreciation Bonds	32,770	13,052	0	45,822	0
Premium	190,309	0	5,717	184,592	0
Total General Long-Term Obligations	20,915,691	142,009	1,014,041	20,043,659	873,842
Compensated Absences	1,353,249	98,149	175,843	1,275,555	99,814
Capital Leases	0	129,090	24,372	104,718	20,224
Total Governmental Activities Long-Term Obligations	\$22,268,940	\$369,248	\$1,214,256	\$21,423,932	\$993,880

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 17 - Long-Term Obligations (continued)

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 2008, \$109,239 was accreted on the capital appreciation bonds for a total value of \$2,271,476 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.

As of June 30, 2008, \$244,583 of the refunded bonds was outstanding.

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 2008, \$19,718 was accreted on the capital appreciation bonds for a total value of \$711,624 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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 17 - Long-Term Obligations (continued)

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.

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 2008, \$13,052 was accreted on the capital appreciation bonds for a total value of \$430,815 at fiscal year end.

As of June 30, 2008, \$3,750,000 of the refunded bonds was outstanding.

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

The School District's overall debt margin was \$39,226,951 with an unvoted debt margin of \$611,950 at June 30, 2008.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 17 - Long-Term Obligations (continued)

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2008, were as follows:

Fiscal Year Ending June 30,	General Obligation Bonds				
	Serial	Term	Capital Appreciation	Interest	Total
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	915,000	0	25,981	991,400	1,932,381
2014-2018	2,460,000	1,450,000	0	2,398,217	6,308,217
2019-2023	0	2,305,000	0	1,827,375	4,132,375
2024-2028	0	2,935,000	0	1,181,600	4,116,600
2029-2033	0	3,670,000	0	427,500	4,097,500
	<u>\$5,915,000</u>	<u>\$10,360,000</u>	<u>\$1,003,783</u>	<u>\$11,694,784</u>	<u>\$28,973,567</u>

Note 18 - Capital Leases - Lessee Disclosure

The School District has entered into capitalized leases for equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. New capital leases are reflected in the accounts "Regular Instruction", "Administration" and "Inception of Capital Lease" in the funds which will be making the lease payments. Capital lease payments are reflected as debt service expenditures on the statement of revenues, expenditures, and changes in fund balances for the governmental funds. Principal payments in 2008 were \$24,372.

	Governmental Activities
Equipment	\$129,090
Less Accumulated Depreciation	(23,022)
Total June 30, 2008	<u>\$106,068</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2008.

Fiscal Year	Principal	Interest
2009	\$20,224	\$4,448
2010	25,508	4,099
2011	26,942	2,665
2012	28,467	1,140
2013	3,577	41
	<u>\$104,718</u>	<u>\$12,393</u>

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 19 - 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 2008.

	Textbooks	Capital Improvements
Balance June 30, 2007	(\$3,796)	\$128,199
Current Year Set Aside Requirement	409,613	409,613
Qualifying Expenditures	(461,410)	(537,812)
Balance June 30, 2008	(\$55,593)	\$0
Amount Carried Forward to Fiscal Year 2008	(\$55,593)	\$0

The School District had qualifying expenditures during the fiscal year that reduced the textbooks set aside amount below zero. This amount may be used to reduce the set aside requirement in future fiscal years.

Note 20 - Interfund Transfers

During fiscal year 2008, the General Fund made transfers to other governmental funds, in the amount of \$189,687, to subsidize operations in other funds. The General Fund received transfers from other governmental funds, in the amount of \$274, to close out a fund.

Note 21 - 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 2008, the School District paid \$51,517 to TRECA for various services. Financial information can be obtained from TRECA, 100 Executive Drive, Marion, Ohio 43302.

Note 21 - Jointly Governed Organizations (continued)

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. Village of Sunbury Community Park Joint Recreation Board

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

D. 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.

E. 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 the participants. The governing board of the MEC consists of one representative from each member. All members must pay all fees, charges, or other assessments as established by the MEC. Financial information can be obtained from the Metropolitan Educational Council, 2100 Citygate Drive, Columbus, Ohio 43219.

Note 22 - Insurance 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 23 - Related Organization

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

Note 24 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2008.

B. Litigation

The School District is party to a legal proceeding seeking damages or injunctive relief generally incidental to its operations and pending projects. The School District management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

Note 25 - Subsequent Events

On November 4, 2008, the voters approved a bond levy of 2.9 mills for the construction and renovation of School District buildings. The levy is for a twenty-eight year period.

On December 16, 2008, the School District issued School Facilities Construction and Improvement Bond Anticipation Notes, in the amount of \$10,000,000, for construction and renovation of School District buildings. The notes have an interest rate of 2.5 percent and mature on June 18, 2009.

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**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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Nonmajor Special Revenue Funds

Special revenue funds are used to account for 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, 2008

	Food Service	High School Navigator Technology	Public School Support	High School Multi- Handicapped
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$98,861	\$583	\$26,005	\$5,000
Accounts Receivable	0	0	2,750	0
Interfund Receivable	252	0	0	0
Intergovernmental Receivable	25,054	0	0	0
Inventory Held for Resale	9,843	0	0	0
Materials and Supplies Inventory	2,304	0	0	0
Total Assets	\$136,314	\$583	\$28,755	\$5,000
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Accounts Payable	\$0	\$0	\$454	\$0
Accrued Wages and Benefits Payable	55,156	0	0	0
Interfund Payable	0	0	252	0
Intergovernmental Payable	47,865	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	103,021	0	706	0
<u>Fund Balances</u>				
Reserved for Encumbrances	5,009	0	1,696	0
Unreserved (Deficit)	28,284	583	26,353	5,000
Total Fund Balances (Deficit)	33,293	583	28,049	5,000
Total Liabilities and Fund Balances	\$136,314	\$583	\$28,755	\$5,000

Athletic and Music	Education Management Information Systems	SchoolNet Professional Development	Miscellaneous State Grants	Title VI-B	Title I
\$76,136	\$1,011	\$2,602	\$6,356	\$6,367	\$6,230
228	0	0	0	0	0
0	0	0	0	0	0
200	0	0	0	0	16,250
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$76,564</u>	<u>\$1,011</u>	<u>\$2,602</u>	<u>\$6,356</u>	<u>\$6,367</u>	<u>\$22,480</u>
\$7,984	\$0	\$0	\$0	\$975	\$0
0	0	0	0	37,535	18,453
7,229	0	0	0	0	0
0	5,568	2,602	0	1,923	205
228	0	0	0	0	16,250
<u>15,441</u>	<u>5,568</u>	<u>2,602</u>	<u>0</u>	<u>40,433</u>	<u>34,908</u>
4,603	1,011	0	0	0	2,144
56,520	(5,568)	0	6,356	(34,066)	(14,572)
<u>61,123</u>	<u>(4,557)</u>	<u>0</u>	<u>6,356</u>	<u>(34,066)</u>	<u>(12,428)</u>
<u>\$76,564</u>	<u>\$1,011</u>	<u>\$2,602</u>	<u>\$6,356</u>	<u>\$6,367</u>	<u>\$22,480</u>

(continued)

Big Walnut Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008
(continued)

	Title IV-A	Title II-A	Miscellaneous Federal Grants	Total
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$103	\$0	\$0	\$229,254
Accounts Receivable	0	0	0	2,978
Interfund Receivable	0	0	0	252
Intergovernmental Receivable	0	13,196	4,798	59,498
Inventory Held for Resale	0	0	0	9,843
Materials and Supplies Inventory	0	0	0	2,304
Total Assets	\$103	\$13,196	\$4,798	\$304,129
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Accounts Payable	\$0	\$0	\$0	\$9,413
Accrued Wages and Benefits Payable	0	0	0	111,144
Interfund Payable	0	2,617	0	10,098
Intergovernmental Payable	0	80	0	58,243
Deferred Revenue	0	13,196	0	29,674
Total Liabilities	0	15,893	0	218,572
<u>Fund Balances</u>				
Reserved for Encumbrances	59	6,794	0	21,316
Unreserved (Deficit)	44	(9,491)	4,798	64,241
Total Fund Balances (Deficit)	103	(2,697)	4,798	85,557
Total Liabilities and Fund Balances	\$103	\$13,196	\$4,798	\$304,129

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, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Intergovernmental	\$1,077,732	\$17,958	\$1,095,690
Extracurricular Activities	218,764	0	218,764
Charges for Services	718,600	0	718,600
Gifts and Donations	12,702	0	12,702
Miscellaneous	112,311	0	112,311
Total Revenues	2,140,109	17,958	2,158,067
<u>Expenditures</u>			
Current:			
Instruction			
Regular	75,923	0	75,923
Special	580,388	0	580,388
Support Services			
Pupils	128,241	0	128,241
Instructional Staff	115,712	0	115,712
Administration	33,789	0	33,789
Fiscal	96,323	0	96,323
Non-Instructional Services	958,385	0	958,385
Extracurricular Activities	213,679	0	213,679
Capital Outlay		17,958	17,958
Total Expenditures	2,202,440	17,958	2,220,398
Excess of Revenues Over (Under) Expenditures	(62,331)	0	(62,331)
<u>Other Financing Sources (Uses)</u>			
Transfers In	189,687	0	189,687
Transfers Out	(274)	0	(274)
Total Other Financing Sources (Uses)	189,413	0	189,413
Changes in Fund Balances	127,082	0	127,082
Fund Balances (Deficit) Beginning of Year	(41,525)	0	(41,525)
Fund Balances End of Year	\$85,557	\$0	\$85,557

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, 2008

	Food Service	High School Navigator Technology	Public School Support	Local Grants
<u>Revenues</u>				
Intergovernmental	\$241,111	\$0	\$0	\$0
Extracurricular Activities	0	0	0	0
Charges for Services	718,600	0	0	0
Gifts and Donations	0	0	5,553	0
Miscellaneous	305	0	30,639	1,367
Total Revenues	960,016	0	36,192	1,367
<u>Expenditures</u>				
Current:				
Instruction				
Regular	0	0	0	1,481
Special	0	0	0	0
Support Services				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	33,789	0
Fiscal	0	0	0	0
Non-Instructional Services	958,385	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	958,385	0	33,789	1,481
Excess of Revenues Over (Under) Expenditures	1,631	0	2,403	(114)
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	(274)
Total Other Financing Sources (Uses)	0	0	0	(274)
Changes in Fund Balances	1,631	0	2,403	(388)
Fund Balances (Deficit) Beginning of Year	31,662	583	25,646	388
Fund Balances (Deficit) End of Year	\$33,293	\$583	\$28,049	\$0

High School Multi-Handicapped	Athletic and Music	Education Management Information Systems	Network Connectivity	SchoolNet Professional Deveelopment	Ohio Reads
\$0	\$0	\$9,533	\$15,000	\$2,970	\$0
0	218,764	0	0	0	0
0	0	0	0	0	0
0	7,149	0	0	0	0
0	882	0	0	0	224
<u>0</u>	<u>226,795</u>	<u>9,533</u>	<u>15,000</u>	<u>2,970</u>	<u>224</u>
0	0	0	0	0	5,625
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	21,239	10,050	0
0	0	0	0	0	0
0	0	96,323	0	0	0
0	0	0	0	0	0
0	213,679	0	0	0	0
<u>0</u>	<u>213,679</u>	<u>96,323</u>	<u>21,239</u>	<u>10,050</u>	<u>5,625</u>
<u>0</u>	<u>13,116</u>	<u>(86,790)</u>	<u>(6,239)</u>	<u>(7,080)</u>	<u>(5,401)</u>
0	0	82,164	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>82,164</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	13,116	(4,626)	(6,239)	(7,080)	(5,401)
5,000	48,007	69	6,239	7,080	5,401
<u>\$5,000</u>	<u>\$61,123</u>	<u>(\$4,557)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</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, 2008
(continued)

	School Improvement	Poverty Based Assistance	Miscellaneous State Grants	Title VI-B
<u>Revenues</u>				
Intergovernmental	\$0	\$0	\$25,374	\$546,259
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0	0	0	62,850
Total Revenues	0	0	25,374	609,109
<u>Expenditures</u>				
Current:				
Instruction				
Regular	0	8,216	16,536	6,608
Special	0	0	0	450,632
Support Services				
Pupils	2,068	0	0	126,173
Instructional Staff	0	0	10,464	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	2,068	8,216	27,000	583,413
Excess of Revenues Over (Under) Expenditures	(2,068)	(8,216)	(1,626)	25,696
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	0	0	104,641
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	104,641
Changes in Fund Balances	(2,068)	(8,216)	(1,626)	130,337
Fund Balances (Deficit) Beginning of Year	2,068	8,216	7,982	(164,403)
Fund Balances (Deficit) End of Year	\$0	\$0	\$6,356	(\$34,066)

<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>
\$123,988	\$8,625	\$7,163	\$13,496	\$78,097	\$1,318
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
3,963	91	0	1,977	10,013	0
<u>127,951</u>	<u>8,716</u>	<u>7,163</u>	<u>15,473</u>	<u>88,110</u>	<u>1,318</u>
0	8,722	0	0	27,668	1,067
119,545	0	0	10,211	0	0
0	0	0	0	0	0
3,402	0	7,360	0	62,841	356
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>122,947</u>	<u>8,722</u>	<u>7,360</u>	<u>10,211</u>	<u>90,509</u>	<u>1,423</u>
<u>5,004</u>	<u>(6)</u>	<u>(197)</u>	<u>5,262</u>	<u>(2,399)</u>	<u>(105)</u>
2,650	0	0	232	0	0
0	0	0	0	0	0
<u>2,650</u>	<u>0</u>	<u>0</u>	<u>232</u>	<u>0</u>	<u>0</u>
7,654	(6)	(197)	5,494	(2,399)	(105)
<u>(20,082)</u>	<u>6</u>	<u>300</u>	<u>(5,494)</u>	<u>(298)</u>	<u>105</u>
<u>(\$12,428)</u>	<u>\$0</u>	<u>\$103</u>	<u>\$0</u>	<u>(\$2,697)</u>	<u>\$0</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, 2008
(continued)

	Miscellaneous Federal Grants	Total
<u>Revenues</u>		
Intergovernmental	\$4,798	\$1,077,732
Extracurricular Activities	0	218,764
Charges for Services	0	718,600
Gifts and Donations	0	12,702
Miscellaneous	0	112,311
	<u>4,798</u>	<u>2,140,109</u>
<u>Expenditures</u>		
Current:		
Instruction		
Regular	0	75,923
Special	0	580,388
Support Services		
Pupils	0	128,241
Instructional Staff	0	115,712
Administration	0	33,789
Fiscal	0	96,323
Non-Instructional Services	0	958,385
Extracurricular Activities	0	213,679
	<u>0</u>	<u>2,202,440</u>
Excess of Revenues Over (Under) Expenditures	<u>4,798</u>	<u>(62,331)</u>
<u>Other Financing Sources (Uses)</u>		
Transfers In	0	189,687
Transfers Out	0	(274)
Total Other Financing Sources (Uses)	<u>0</u>	<u>189,413</u>
Changes in Fund Balances	4,798	127,082
Fund Balances (Deficit) Beginning of Year	<u>0</u>	<u>(41,525)</u>
Fund Balances (Deficit) End of Year	<u>\$4,798</u>	<u>\$85,557</u>

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, 2008

	<u>Teachers</u>	<u>Student Activities</u>	<u>LPDC</u>	<u>Payroll</u>	<u>Total</u>
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$7,531	\$132,040	\$605	\$5,242	\$145,418
<u>Liabilities</u>					
Undistributed Assets	\$7,531	\$0	\$605	\$5,242	\$13,378
Due to Students	0	132,040	0	0	132,040
	<u>\$7,531</u>	<u>\$132,040</u>	<u>\$605</u>	<u>\$5,242</u>	<u>\$145,418</u>

Big Walnut Local School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2008

	Balance at 6/30/07	Additions	Reductions	Balance at 6/30/08
<u>High School Advanced Placement</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$398	\$0	\$398	\$0
<u>Liabilities</u>				
Undistributed Assets	\$398	\$0	\$398	\$0
<u>Teachers</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$4,762	\$2,769	\$0	\$7,531
<u>Liabilities</u>				
Undistributed Assets	\$4,762	\$2,769	\$0	\$7,531
<u>Student Activities</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$151,480	\$0	\$19,440	\$132,040
<u>Liabilities</u>				
Due to Students	\$151,480	\$0	\$19,440	\$132,040
<u>LPDC</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$235	\$370	\$0	\$605
<u>Liabilities</u>				
Undistributed Assets	\$235	\$370	\$0	\$605
<u>Payroll</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$5,592	\$5,242	\$5,592	\$5,242
<u>Liabilities</u>				
Undistributed Assets	\$5,592	\$5,242	\$5,592	\$5,242
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$162,467	\$8,381	\$25,430	\$145,418
<u>Liabilities</u>				
Undistributed Assets	\$10,987	\$8,381	\$5,990	\$13,378
Due to Students	151,480	0	19,440	132,040
	\$162,467	\$8,381	\$25,430	\$145,418

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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, 2008

	Original Budget	Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$11,988,449	\$12,024,787	\$12,024,787	\$0
Income Taxes	5,107,718	4,598,579	4,598,579	0
Payment in Lieu of Taxes	0	21,099	21,099	0
Intergovernmental	7,525,176	6,912,597	6,912,597	0
Interest	287,014	290,961	290,961	0
Tuition and Fees	192,142	257,835	257,835	0
Extracurricular Activities	0	1,166	1,166	0
Charges for Services	3,420	3,420	3,420	0
Gifts and Donations	0	4,050	4,050	0
Miscellaneous	35,605	39,984	39,984	0
Total Revenues	25,139,524	24,154,478	24,154,478	0
<u>Expenditures</u>				
Current:				
Instruction				
Regular				
Salaries	7,459,906	7,459,906	7,403,187	56,719
Fringe Benefits	2,443,694	2,481,600	2,454,806	26,794
Purchased Services	557,814	732,651	684,432	48,219
Materials and Supplies	446,293	486,009	466,940	19,069
Other	1,021	1,021	1,021	0
Capital Outlay	86,000	108,946	93,596	15,350
Total Regular	10,994,728	11,270,133	11,103,982	166,151
Special				
Salaries	1,799,899	1,802,011	1,698,572	103,439
Fringe Benefits	633,076	789,490	708,792	80,698
Purchased Services	326,956	370,425	164,864	205,561
Materials and Supplies	26,200	33,265	30,767	2,498
Capital Outlay	3,000	3,000	657	2,343
Total Special	2,789,131	2,998,191	2,603,652	394,539
Vocational				
Salaries	300,380	300,380	299,490	890
Fringe Benefits	76,143	76,144	73,967	2,177
Purchased Services	19,852	24,952	10,332	14,620
Capital Outlay	2,535	2,435	2,435	0
Total Vocational	398,910	403,911	386,224	17,687
Total Instruction	14,182,769	14,672,235	14,093,858	578,377

(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, 2008
(continued)

	Original Budget	Budget	Actual	Variance Over (Under)
Support Services				
Pupils				
Salaries	\$526,060	\$526,060	\$522,438	\$3,622
Fringe Benefits	171,016	171,016	167,051	3,965
Purchased Services	143,016	513,247	482,667	30,580
Materials and Supplies	13,185	15,135	12,023	3,112
Total Pupils	853,277	1,225,458	1,184,179	41,279
Instructional Staff				
Salaries	240,211	265,898	265,898	0
Fringe Benefits	129,109	156,624	156,392	232
Purchased Services	312,373	338,641	310,542	28,099
Materials and Supplies	29,835	30,719	29,814	905
Capital Outlay	81,000	89,408	89,393	15
Total Instructional Staff	792,528	881,290	852,039	29,251
Board of Education				
Salaries	8,000	8,000	7,920	80
Fringe Benefits	33,495	38,464	35,356	3,108
Purchased Services	137,900	180,728	146,418	34,310
Other	40,729	46,662	46,662	0
Capital Outlay	0	317	317	0
Total Board of Education	220,124	274,171	236,673	37,498
Administration				
Salaries	1,333,326	1,484,486	1,484,486	0
Fringe Benefits	435,755	574,715	574,715	0
Purchased Services	206,501	258,289	256,598	1,691
Materials and Supplies	11,450	13,959	13,959	0
Other	2,000	2,000	968	1,032
Capital Outlay	5,000	5,000	5,000	0
Total Administration	1,994,032	2,338,449	2,335,726	2,723
Fiscal				
Salaries	279,352	309,898	302,056	7,842
Fringe Benefits	93,644	124,852	120,992	3,860
Purchased Services	7,200	8,071	7,639	432
Materials and Supplies	2,500	4,722	4,226	496
Other	243,189	364,835	333,644	31,191
Total Fiscal	625,885	812,378	768,557	43,821

(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, 2008
(continued)

	Original Budget	Budget	Actual	Variance Over (Under)
Business				
Salaries	\$107,653	\$143,586	\$143,586	\$0
Fringe Benefits	17,891	33,972	33,972	0
Purchased Services	7,700	10,573	10,428	145
Materials and Supplies	26,000	30,080	30,080	0
Other	1,000	50	50	0
Capital Outlay	2,400	1,067	1,067	0
Total Business	162,644	219,328	219,183	145
Operation and Maintenance of Plant				
Salaries	695,349	707,661	707,661	0
Fringe Benefits	250,685	299,856	299,823	33
Purchased Services	990,250	1,150,646	1,017,987	132,659
Materials and Supplies	94,000	117,297	114,008	3,289
Capital Outlay	23,000	19,602	17,798	1,804
Total Operation and Maintenance of Plant	2,053,284	2,295,062	2,157,277	137,785
Pupil Transportation				
Salaries	846,917	912,602	912,602	0
Fringe Benefits	430,279	472,366	472,366	0
Purchased Services	57,100	61,306	44,765	16,541
Materials and Supplies	244,000	327,589	316,021	11,568
Capital Outlay	197,950	633,214	196,950	436,264
Total Pupil Transportation	1,776,246	2,407,077	1,942,704	464,373
Central				
Salaries	50,154	0	0	0
Fringe Benefits	8,018	0	0	0
Purchased Services	0	678	0	678
Total Central	58,172	678	0	678
Total Support Services	8,536,192	10,453,891	9,696,338	757,553
Extracurricular Activities				
Academic and Subject Oriented Activities				
Salaries	48,850	58,882	58,882	0
Fringe Benefits	703	14,528	14,491	37
Purchased Services	0	3,400	3,070	330
Materials and Supplies	0	1,012	0	1,012
Total Academic and Subject Oriented Activities	49,553	77,822	76,443	1,379

(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, 2008
(continued)

	Original Budget	Budget	Actual	Variance Over (Under)
Sport Oriented Activities				
Salaries	\$294,200	\$296,541	\$296,541	\$0
Fringe Benefits	4,190	62,341	62,341	0
Purchased Services	3,500	3,960	3,120	840
Total Sport Oriented Activities	301,890	362,842	362,002	840
School and Public Service Co-Curricular Activities				
Salaries	26,100	26,100	21,541	4,559
Fringe Benefits	338	6,823	6,823	0
Purchased Services	0	341	341	0
Fringe Benefits	365	25	25	0
Total School and Public Service Co-Curricular Activities	26,803	33,289	28,730	4,559
Total Extracurricular Activities	378,246	473,953	467,175	6,778
Capital Outlay				
Building Improvement Services				
Other	0	11,582	4,132	7,450
Capital Outlay	325,000	506,456	503,695	2,761
Total Capital Outlay	325,000	518,038	507,827	10,211
Total Expenditures	23,422,207	26,118,117	24,765,198	1,352,919
Excess of Revenues Over (Under) Expenditures	1,717,317	(1,963,639)	(610,720)	1,352,919
<u>Other Financing Sources (Uses)</u>				
Refund of Prior Year Expenditures	0	278,704	40,590	(238,114)
Advances In	0	134,033	14,808	(119,225)
Advances Out	0	(2,617)	(2,617)	0
Transfers In	0	274	274	0
Transfers Out	0	(70,462)	(70,462)	0
Total Other Financing Sources (Uses)	0	339,932	(17,407)	(357,339)
Changes in Fund Balance	1,717,317	(1,623,707)	(628,127)	995,580
Fund Balance Beginning of Year	1,251,522	1,251,522	1,251,522	0
Prior Year Encumbrances Appropriated	519,039	519,039	519,039	0
Fund Balance End of Year	\$3,487,878	\$146,854	\$1,142,434	\$995,580

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, 2008

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$2,036,209	\$2,034,092	(\$2,117)
Intergovernmental	260,183	262,300	2,117
Total Revenues	2,296,392	2,296,392	0
<u>Expenditures</u>			
Current:			
Support Services			
Fiscal			
Miscellaneous	33,342	32,014	1,328
Debt Service			
Principal Retirement	1,005,000	1,005,000	0
Interest and Fiscal Charges	800,574	706,190	94,384
Total Debt Service	1,805,574	1,711,190	94,384
Total Expenditures	1,838,916	1,743,204	95,712
Excess of Revenues Over Expenditures	457,476	553,188	95,712
<u>Other Financing Sources</u>			
Refund of Prior Year Expenditures	14,384	0	(14,384)
Changes in Fund Balance	471,860	553,188	81,328
Fund Balance Beginning of Year	553,922	553,922	0
Fund Balance End of Year	\$1,025,782	\$1,107,110	\$81,328

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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Interest	\$262,914	\$262,914	\$0
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Capital Outlay	118,137	118,137	0
Central			
Purchased Services	18,505	18,505	0
Total Support Services	<u>136,642</u>	<u>136,642</u>	<u>0</u>
Capital Outlay			
Site Acquisition Services			
Capital Outlay	1,750,000	0	1,750,000
Building Improvement Services			
Capital Outlay	<u>1,169,887</u>	<u>1,038,319</u>	<u>131,568</u>
Total Capital Outlay	<u>2,919,887</u>	<u>1,038,319</u>	<u>1,881,568</u>
Total Expenditures	<u>3,056,529</u>	<u>1,174,961</u>	<u>1,881,568</u>
Changes in Fund Balance	(2,793,615)	(912,047)	1,881,568
Fund Balance Beginning of Year	1,929,154	1,929,154	0
Prior Year Encumbrances Appropriated	<u>868,101</u>	<u>868,101</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$3,640</u></u>	<u><u>\$1,885,208</u></u>	<u><u>\$1,881,568</u></u>

Big Walnut Local School District
Food Service Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2008

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$187,095	\$187,095	\$0
Charges for Services	718,842	719,022	180
Miscellaneous	53	53	0
	<hr/>	<hr/>	<hr/>
Total Revenues	905,990	906,170	180
<u>Expenditures</u>			
Current:			
Support Services			
Non-Instructional Services			
Salaries	325,010	325,010	0
Fringe Benefits	150,577	148,037	2,540
Purchased Services	38,600	16,255	22,345
Materials and Supplies	408,017	407,745	272
Other	1,320	1,320	0
Capital Outlay	56,187	6,285	49,902
	<hr/>	<hr/>	<hr/>
Total Expenditures	979,711	904,652	75,059
Changes in Fund Balance	(73,721)	1,518	75,239
Fund Balance Beginning of Year	62,432	62,432	0
Prior Year Encumbrances Appropriated	29,902	29,902	0
	<hr/>	<hr/>	<hr/>
Fund Balance End of Year	\$18,613	\$93,852	\$75,239
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2008

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	583	583	0
Fund Balance End of Year	\$583	\$583	\$0

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, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Gifts and Donations	\$5,553	\$5,553	\$0
Miscellaneous	27,889	27,889	0
Total Revenues	<u>33,442</u>	<u>33,442</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Support Services			
Administration			
Purchased Services	33,928	30,521	3,407
Materials and Supplies	11,314	3,619	7,695
Capital Outlay	5,550	1,924	3,626
Total Expenditures	<u>50,792</u>	<u>36,064</u>	<u>14,728</u>
Changes in Fund Balance	(17,350)	(2,622)	14,728
Fund Balance Beginning of Year	23,716	23,716	0
Prior Year Encumbrances Appropriated	<u>2,509</u>	<u>2,509</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$8,875</u></u>	<u><u>\$23,603</u></u>	<u><u>\$14,728</u></u>

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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Materials and Supplies	<u>1,481</u>	<u>1,481</u>	<u>0</u>
Excess of Revenues			
Under Expenditures	<u>(1,481)</u>	<u>(1,481)</u>	<u>0</u>
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Expenditures	1,367	1,367	0
Transfers Out	<u>(274)</u>	<u>(274)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,093</u>	<u>1,093</u>	<u>0</u>
Changes in Fund Balance	(388)	(388)	0
Fund Balance Beginning of Year	169	169	0
Prior Year Encumbrances Appropriated	<u>219</u>	<u>219</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Big Walnut Local School District
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, 2008

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Materials and Supplies	5,000	0	5,000
Changes in Fund Balance	(5,000)	0	5,000
Fund Balance Beginning of Year	5,000	5,000	0
Fund Balance End of Year	\$0	\$5,000	\$5,000

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, 2008

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Extracurricular Activities	\$219,915	\$219,915	\$0
Gifts and Donations	7,149	7,149	0
Miscellaneous	882	882	0
Total Revenues	227,946	227,946	0
<u>Expenditures</u>			
Current:			
Extracurricular Activities			
Academic and Subject Oriented Activities			
Purchased Services	1,090	986	104
Materials and Supplies	4,000	1,145	2,855
Total Academic and Subject Oriented Activities	5,090	2,131	2,959
Sport Oriented Activities			
Purchased Services	137,179	132,942	4,237
Materials and Supplies	60,491	58,713	1,778
Capital Outlay	25,181	24,981	200
Total Sport Oriented Activities	222,851	216,636	6,215
Total Expenditures	227,941	218,767	9,174
Excess of Revenues Over Expenditures	5	9,179	(9,174)
<u>Other Financing Uses</u>			
Advances Out	(11,811)	(11,811)	0
Changes in Fund Balance	(11,806)	(2,632)	9,174
Fund Balance Beginning of Year	47,602	47,602	0
Prior Year Encumbrances Appropriated	14,632	14,632	0
Fund Balance End of Year	\$50,428	\$59,602	\$9,174

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, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$11,332	\$11,332	\$0
<u>Expenditures</u>			
Current:			
Support Services			
Fiscal			
Salaries	61,926	61,926	0
Fringe Benefits	29,840	29,840	0
Total Expenditures	91,766	91,766	0
Excess of Revenues Under Expenditures	(80,434)	(80,434)	0
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Expenditures	11,702	0	(11,702)
Advances Out	(11,702)	0	11,702
Transfers In	70,462	70,462	0
Total Other Financing Sources (Uses)	70,462	70,462	0
Changes in Fund Balance	(9,972)	(9,972)	0
Fund Balance Beginning of Year	9,972	9,972	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$13,201	\$13,201	\$0
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Purchased Services	23,038	21,239	1,799
Excess of Revenues			
Under Expenditures	(9,837)	(8,038)	1,799
<u>Other Financing Sources</u>			
Refund of Prior Year Expenditures	1,799	0	1,799
Changes in Fund Balance	(8,038)	(8,038)	0
Fund Balance Beginning of Year	8,038	8,038	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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, 2008

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$2,970	\$2,970	\$0
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Salaries	1,220	1,220	0
Fringe Benefits	133	133	0
Purchased Services	8,697	8,697	0
Total Expenditures	10,050	10,050	0
Changes in Fund Balance	(7,080)	(7,080)	0
Fund Balance Beginning of Year	5,325	5,325	0
Prior Year Encumbrances Appropriated	1,755	1,755	0
Fund Balance End of Year	\$0	\$0	\$0

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, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Salaries	<u>6,313</u>	<u>6,313</u>	<u>0</u>
Excess of Revenues			
Under Expenditures	<u>(6,313)</u>	<u>(6,313)</u>	<u>0</u>
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Expenditures	224	224	0
Advances Out	<u>(1,906)</u>	<u>(1,906)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,682)</u>	<u>(1,682)</u>	<u>0</u>
Changes in Fund Balance	(7,995)	(7,995)	0
Fund Balance Beginning of Year	<u>7,995</u>	<u>7,995</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Big Walnut Local School District
 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, 2008

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Support Services			
Pupils			
Materials and Supplies	2,068	2,068	0
Changes in Fund Balance	(2,068)	(2,068)	0
Fund Balance Beginning of Year	2,068	2,068	0
Fund Balance End of Year	\$0	\$0	\$0

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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Salaries	<u>8,216</u>	<u>8,216</u>	<u>0</u>
Changes in Fund Balance	(8,216)	(8,216)	0
Fund Balance Beginning of Year	<u>8,216</u>	<u>8,216</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Big Walnut Local School District
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, 2008

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$25,374	\$25,374	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Salaries	7,326	7,326	0
Fringe Benefits	1,026	1,026	0
Purchased Services	13,400	13,400	0
Materials and Supplies	1,443	1,443	0
Total Instruction	23,195	23,195	0
Support Services			
Instructional Staff			
Salaries	9,599	9,599	0
Fringe Benefits	45	45	0
Purchased Services	820	820	0
Total Support Services	10,464	10,464	0
Total Expenditures	33,659	33,659	0
Changes in Fund Balance	(8,285)	(8,285)	0
Fund Balance Beginning of Year	7,193	7,193	0
Prior Year Encumbrances Appropriated	7,448	7,448	0
Fund Balance End of Year	\$6,356	\$6,356	\$0

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

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2008

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$546,259	\$546,259	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Materials and Supplies	12,000	6,722	5,278
Special			
Salaries	393,679	393,679	0
Fringe Benefits	76,166	76,166	0
Total Special	469,845	469,845	0
Total Instruction	481,845	476,567	5,278
Support Services			
Pupils			
Purchased Services	126,173	117,861	8,312
Total Expenditures	608,018	594,428	13,590
Excess of Revenues Under Expenditures	(61,759)	(48,169)	13,590
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Expenditures	167,491	62,850	(104,641)
Advances Out	(105,732)	(1,091)	104,641
Total Other Financing Sources (Uses)	61,759	61,759	0
Changes in Fund Balance	0	13,590	13,590
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$13,590	\$13,590

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, 2008

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$140,238	\$123,988	(\$16,250)
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Salaries	104,090	85,215	18,875
Fringe Benefits	35,248	35,248	0
Total Instruction	139,338	120,463	18,875
Support Services			
Instructional Staff			
Purchased Services	3,000	2,710	290
Materials and Supplies	1,863	692	1,171
Total Support Services	4,863	3,402	1,461
Total Expenditures	144,201	123,865	20,336
Excess of Revenues Over (Under) Expenditures	(3,963)	123	4,086
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Expenditures	6,613	3,963	(2,650)
Advances Out	(2,650)	0	2,650
Total Other Financing Sources (Uses)	3,963	3,963	0
Changes in Fund Balance	0	4,086	4,086
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$4,086	\$4,086

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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$8,625	\$8,625	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Purchased Services	<u>8,722</u>	<u>8,722</u>	<u>0</u>
Excess Revenues			
Under Expenditures	(97)	(97)	0
<u>Other Financing Sources</u>			
Refund of Prior Year Expenditures	<u>91</u>	<u>91</u>	<u>0</u>
Changes in Fund Balance	(6)	(6)	0
Fund Balance Beginning of Year	<u>6</u>	<u>6</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Big Walnut Local School District
 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, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$7,163	\$7,163	\$0
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Salaries	6,476	6,476	0
Purchased Services	530	530	0
Materials and Supplies	457	413	44
Total Expenditures	7,463	7,419	44
Changes in Fund Balance	(300)	(256)	44
Fund Balance Beginning of Year	300	300	0
Fund Balance End of Year	<u>\$0</u>	<u>\$44</u>	<u>\$44</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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$13,496	\$13,496	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Purchased Services	13,289	13,289	0
Support Services			
Instructional Staff			
Salaries	2,184	2,184	0
Total Expenditures	15,473	15,473	0
Excess of Revenues Under Expenditures	(1,977)	(1,977)	0
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Expenditures	2,209	1,977	232
Advances Out	(232)	0	232
Total Other Financing Sources (Uses)	1,977	1,977	464
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Fiscal Year Ended June 30, 2008

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$91,292	\$78,097	(\$13,195)
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Salaries	24,745	24,726	19
Fringe Benefits	2,945	2,945	0
Total Instruction	27,690	27,671	19
Support Services			
Instructional Staff			
Salaries	22,255	19,868	2,387
Fringe Benefits	2,463	2,463	0
Purchased Services	49,620	48,322	1,298
Total Support Services	74,338	70,653	3,685
Total Expenditures	102,028	98,324	3,704
Excess of Revenues Over (Under) Expenditures	(10,736)	(20,227)	(9,491)
<u>Other Financing Sources</u>			
Refund of Prior Year Expenditures	10,013	10,013	0
Advances In	2,617	2,617	0
Total Other Financing Sources	12,630	12,630	0
Changes in Fund Balance	1,894	(7,597)	(9,491)
Fund Balance Beginning of Year	723	723	0
Fund Balance (Deficit) End of Year	\$2,617	(\$6,874)	(\$9,491)

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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$1,318	\$1,318	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Materials and Supplies	1,067	1,067	0
Support Services			
Instructional Staff			
Salaries	356	356	0
Total Expenditures	1,423	1,423	0
Changes in Fund Balance	(105)	(105)	0
Fund Balance Beginning of Year	105	105	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$17,958	\$17,958	\$0
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Capital Outlay	17,958	17,958	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**STATISTICAL
SECTION**

**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 Three Fiscal Years
(Accrual Basis of Accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Invested in Capital Assets, Net of Related Debt	\$7,054,170	\$7,865,501	\$7,377,670
Restricted for			
Debt Service	1,245,230	698,462	919,694
Capital Projects	1,870,203	445,216	0
Set Asides	0	128,199	69,164
Other Purposes	129,858	147,562	233,850
Unrestricted (Deficit)	<u>(805,480)</u>	<u>30,741</u>	<u>34,972</u>
Total Net Assets	<u>\$9,493,981</u>	<u>\$9,315,681</u>	<u>\$8,635,350</u>

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

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

	2008	2007	2006
<u>Expenses</u>			
Instruction			
Regular	\$12,151,170	\$10,766,134	\$10,640,482
Special	3,293,665	2,952,259	2,310,234
Vocational	402,201	380,318	361,900
Support Services			
Pupils	1,330,211	1,240,150	1,217,465
Instructional Staff	1,075,658	886,296	1,112,190
Board of Education	203,318	184,257	159,106
Administration	2,390,141	1,943,266	1,644,074
Fiscal	884,013	748,515	708,063
Business	221,413	251,600	229,590
Operation and Maintenance of Plant	2,193,705	1,891,168	1,859,258
Pupil Transportation	1,944,429	1,763,719	1,809,895
Central	7,283	57,179	41,406
Non-Instructional Services	990,184	958,656	810,128
Extracurricular Activities	711,089	631,834	658,180
Interest and Fiscal Charges	850,009	853,300	1,005,545
Total Expenses	<u>28,648,489</u>	<u>25,508,651</u>	<u>24,567,516</u>
<u>Program Revenues</u>			
Charges for Services			
Regular	211,854	188,569	245,254
Special	51,117	53,857	0
Administration	3,420	0	0
Non-Instructional Services	718,600	656,422	617,845
Extracurricular Activities	220,158	201,425	220,414
Total Charges for Services	<u>1,205,149</u>	<u>1,100,273</u>	<u>1,083,513</u>
Operating Grants and Contributions	1,279,558	1,300,892	1,373,899
Capital Grants and Contributions	44,731	22,841	21,659
Total Program Revenues	<u>2,529,438</u>	<u>2,424,006</u>	<u>2,479,071</u>
Net Expense	<u>(26,119,051)</u>	<u>(23,084,645)</u>	<u>(22,088,445)</u>
<u>General Revenues and Other Changes in Net Assets</u>			
Property Taxes Levied for General Purposes	12,336,291	10,140,434	11,310,488
Property Taxes Levied for Debt Service Purposes	2,018,917	1,889,652	2,258,006
Income Taxes Levied for General Purposes	4,430,022	4,358,466	4,545,105
Payment in Lieu of Taxes	0	192,990	18,000
Grants and Entitlements not Restricted to Specific Programs	6,968,875	6,548,534	6,191,456
Interest	347,757	535,992	664,609
Gifts and Donations	5,553	2,446	8,653
Miscellaneous	189,936	96,462	105,791
Total General Revenues	<u>26,297,351</u>	<u>23,764,976</u>	<u>25,102,108</u>
Changes in Net Assets	<u>\$178,300</u>	<u>\$680,331</u>	<u>\$3,013,663</u>

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund			
Reserved	\$2,212,745	\$2,446,701	\$3,545,417
Unreserved (Deficit)	<u>(79,139)</u>	<u>818,705</u>	<u>189,573</u>
Total General Fund	<u>2,133,606</u>	<u>3,265,406</u>	<u>3,734,990</u>
All Other Governmental Funds			
Reserved	392,250	1,031,406	6,145,307
Unreserved, Reported in			
Special Revenue Funds (Deficit)	64,241	(90,069)	155,890
Debt Service Fund	1,107,110	553,922	574,050
Capital Projects Fund	<u>1,822,402</u>	<u>1,749,322</u>	<u>2,476,479</u>
Total All Other Governmental Funds	<u>3,386,003</u>	<u>3,244,581</u>	<u>9,351,726</u>
Total Governmental Funds	<u><u>\$5,519,609</u></u>	<u><u>\$6,509,987</u></u>	<u><u>\$13,086,716</u></u>

Note: Information prior to fiscal year 2006 is not available

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

	2008	2007	2006
<u>Revenues</u>			
Property Taxes	\$14,253,531	\$11,930,590	\$13,704,069
Income Taxes	4,454,107	4,327,411	4,351,442
Payment in Lieu of Taxes	21,099	18,000	18,000
Intergovernmental	8,278,358	7,851,774	7,559,035
Interest	347,757	535,992	664,609
Tuition and Fees	224,087	301,629	179,283
Extracurricular Activities	219,930	207,366	221,494
Charges for Services	722,020	656,287	616,695
Gifts and Donations	16,752	10,928	11,510
Miscellaneous	189,936	96,462	105,791
Total Revenues	28,727,577	25,936,439	27,431,928
<u>Expenditures</u>			
Current:			
Instruction			
Regular	11,269,817	10,518,030	10,192,517
Special	3,273,814	2,924,910	2,337,477
Vocational	416,015	372,096	380,121
Support Services			
Pupils	1,324,018	1,234,650	1,236,937
Instructional Staff	957,272	842,513	862,615
Board of Education	203,318	184,257	159,106
Administration	2,446,647	1,912,326	1,733,322
Fiscal	895,653	740,005	703,051
Business	219,046	229,266	236,558
Operation and Maintenance of Plant	2,151,577	1,856,934	1,846,738
Pupil Transportation	1,970,238	1,791,030	1,862,780
Central	10,425	204,590	547,164
Non-Instructional Services	958,385	948,697	831,495
Extracurricular Activities	679,741	601,644	628,096
Capital Outlay	1,329,008	5,750,571	3,894,119
Debt Service			
Principal Retirement	1,029,372	995,973	967,234
Interest on Capital Appreciation Bonds	0	664,027	692,766
Interest and Fiscal Charges	712,699	741,649	775,295
Total Expenditures	29,847,045	32,513,168	29,887,391
Excess of Revenues Under Expenditures	(1,119,468)	(6,576,729)	(2,455,463)
<u>Other Financing Sources (Uses)</u>			
Inception of Capital Lease	129,090	0	0
Transfers In	189,961	0	8,790
Transfers Out	(189,961)	0	(8,790)
Total Other Financing Sources (Uses)	129,090	0	0
Changes in Fund Balances	(\$990,378)	(\$6,576,729)	(\$2,455,463)
Debt Service as a Percentage of Noncapital Expenditures	5.98%	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			
2008	\$567,913,753	\$44,036,150	\$1,748,428,294	\$15,407,230	\$17,508,216
2007	548,213,100	41,135,700	1,683,853,714	14,127,090	16,053,511
2006	526,122,170	41,412,640	1,621,528,029	14,765,900	16,779,432
2005	428,144,990	37,973,310	1,331,766,571	14,628,330	16,623,102
2004	410,933,990	37,893,770	1,282,365,029	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

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 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 was 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		
\$7,288,281	\$116,612,496	\$634,645,414	\$1,882,549,006	33.71%	\$24.83
14,756,290	118,050,320	618,232,180	1,817,957,545	34.01	25.62
19,711,620	105,128,640	602,012,330	1,743,436,101	34.53	24.38
23,781,497	108,097,714	504,528,127	1,456,487,387	34.64	26.02
27,128,658	117,950,687	490,756,318	1,417,133,784	34.63	24.39
27,818,949	115,912,288	463,799,729	1,336,824,686	34.69	24.67
33,000,222	132,000,888	400,206,322	1,161,477,008	34.46	24.44
29,833,823	119,335,292	385,454,083	1,109,491,803	34.74	24.87
28,822,019	115,288,076	372,757,069	1,073,402,735	34.73	28.77
28,931,578	115,726,312	308,253,368	886,483,640	34.77	28.62

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

Collection Year	2008	2007	2006	2005	2004
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	1.7800	2.2500	2.5000	3.3500	3.5000
1991 Bond/Library \$1,500,000	0.2900	0.4900	0.0500	0.3600	0.1600
1996 Emergency \$750,000	n/a	n/a	n/a	n/a	n/a
2004 Bond \$13,000,000	1.2700	1.2600	1.3400	1.6600	n/a
2006 Emergency \$750,000	1.1900	1.2200	n/a	n/a	n/a
Total Voted Millage					
Total Effective Voted Millage by Type of Property					
Residential/Agricultural Real	19.9300	20.6200	19.2900	20.7700	19.0600
Commercial/Industrial/Public Utility Real	19.9300	20.6200	19.2900	20.7700	19.0600
Tangible/Public Utility Personal	28.4300	29.1200	27.7900	29.2700	27.5600
Unvoted Millage					
General	4.6000	4.6000	4.6000	4.6000	4.6000
Total Millage					
Total Effective Millage by Type of Property					
Residential/Agricultural Real	24.5300	25.2200	23.8900	25.3700	23.6600
Commercial/Industrial/Public Utility Real	24.5300	25.2200	23.8900	25.3700	23.6600
Tangible/Public Utility Personal	33.0300	33.7200	32.3900	33.8700	32.1600
Delaware County	4.2500	4.2500	4.2700	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	0.8000	0.0800	0.0800	0.0800	0.0800
Genoa Township	9.4000	9.4000	9.4000	12.1000	12.1000
Harlem Township	10.0000	10.0000	7.1200	7.2600	7.3200
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	0.4500	0.3100	0.3100	0.3100

2003	2002	2001	2000	1999
\$8.9565	\$8.9565	\$8.9565	\$8.9565	\$8.9565
8.9565	8.9565	9.1334	8.9565	8.9565
13.9000	13.9000	13.9000	13.9000	13.9000
6.4435	6.4435	6.4435	6.4435	6.4435
6.4435	6.4435	6.5708	6.4435	6.4435
10.0000	10.0000	10.0000	10.0000	10.0000
3.5000	3.2100	3.0000	5.2900	4.7500
0.4000	0.2900	0.3400	0.4700	0.1800
n/a	n/a	1.9700	2.0300	2.4500
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
19.3000	18.9000	20.7100	23.1900	22.7800
19.3000	18.9000	21.0142	23.1900	22.7800
27.8000	27.4000	29.2100	31.6900	31.2800
4.6000	4.6000	4.6000	4.6000	4.6000
23.9000	23.5000	25.3100	27.7900	27.3800
23.9000	23.5000	25.6142	27.7900	27.3800
32.4000	32.0000	33.8100	36.2900	35.8800
3.9000	3.9000	3.9000	4.7000	4.5000
3.2000	3.2000	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	12.1000	10.1000	10.5000
6.3200	6.4000	6.4100	6.4700	6.6100
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	0.3100	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	2008	2007	2006	2005	2004
Delaware County Health Department	\$0.7000	\$0.7000	\$0.7000	\$1.0000	\$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	7.7000	7.7200	7.6900	7.7500	7.7200

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.

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</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	0.4000	n/a
2.0000	2.0000	2.0000	2.0000	2.0000
7.8200	6.3700	6.3000	6.3500	6.3900

Big Walnut Local School District
Real Property Tax Levies and Collections
Last Nine 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
2007	\$15,043,314	\$14,663,046	97.47%	\$332,649	\$14,995,695	99.68%
2006	14,002,586	13,668,807	97.62	287,046	13,955,853	99.67
2005	12,135,010	11,896,464	98.03	294,735	12,191,199	100.46
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 2008 information cannot be presented because all collections have not been made by June 30, 2008.

(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 Nine 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
2007	\$464,702	\$478,805	103.03%	\$10,241	\$489,046	105.24%
2006	622,489	651,397	104.64	93,921	745,318	119.73
2005	777,583	789,443	101.53	26,686	816,129	104.96
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 2008 information cannot be presented because all collections have not been made by June 30, 2008.

(2) The \$10,000 personal property exemption is 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 Four Years Ago

2008				
Taxpayer	Real Property Assessed Valuation	Tangible Personal Property Assessed Valuation	Total Assessed Valuation	Percentage of Total School District Assessed Valuation (2008 Collection Year)
American Showa, Inc	\$3,203,610	\$2,881,790	\$6,085,400	0.98%
Northstar, LLC	4,907,890	0	4,907,890	0.79
Ohashi Technica USA, Inc	1,405,530	449,540	1,855,070	0.30
Eagle Bent Tree, LLC	1,674,160	0	1,674,160	0.28
Dominion Homes, Inc	1,652,390	0	1,652,390	0.27
EPEC, LLC	1,563,070	0	1,563,070	0.25
Eagle Royal American, LLC	1,469,690	0	1,469,690	0.24
Natures Haven Partners	1,323,110	0	1,323,110	0.21
Homewood Corporation	1,260,150	0	1,260,150	0.20
Siemer Land, LLC	1,256,780	0	1,256,780	0.20
Total	19,716,380	3,331,330	23,047,710	3.72
All Other Taxpayers	592,233,523	3,956,951	596,190,474	96.28
Total Assessed Valuation	<u>\$611,949,903</u>	<u>\$7,288,281</u>	<u>\$619,238,184</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	2.92%
Ohashi Technica USA, Inc	1,330,010	2,535,670	3,865,680	0.82
NGP Realty Sub, LP	3,054,330	0	3,054,330	0.64
Carter Jones Lumber Company	1,099,780	1,062,850	2,162,630	0.45
Metlife Capital, LP	0	2,095,260	2,095,260	0.44
EPEC, LLC	1,385,380	28,320	1,413,700	0.30
Northstar, LLC	1,352,410	0	1,352,410	0.28
Big Walnut Plaza Partnership	1,182,620	0	1,182,620	0.25
Continental Investments and Property Management	1,163,020	0	1,163,020	0.25
CFS Properties	1,151,890	0	1,151,890	0.24
Total	14,350,150	17,000,260	31,350,410	6.59
All Other Taxpayers	434,477,610	10,128,398	444,606,008	93.41
Total Assessed Valuation	<u>\$448,827,760</u>	<u>\$27,128,658</u>	<u>\$475,956,418</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 Four Years Ago

2008		
Taxpayer	Assessed Valuation	Percentage of Total School District Assessed Valuation (2008 Collection Year)
Columbus Southern Power Company	\$9,438,090	61.26%
Columbia Gas of Ohio	3,366,630	21.85
Consolidated Electric Cooperative	1,527,820	9.92
Ohio Power Compnay	753,980	4.89
Total	15,086,520	97.92
All Other Taxpayers	320,710	2.08
Total Assessed Valuation	\$15,407,230	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 Three Fiscal Years

Fiscal Year	General Obligation Bonds	Capital Leases	Total Debt	Per Capita (1)	Percentage of Personal Income (1)
2008	\$20,043,659	\$104,718	\$20,148,377	\$1,362	5.21%
2007	20,915,691	0	20,915,691	1,414	5.41
2006	22,412,906	0	22,412,906	1,515	5.79

Source: School District Records

(1) See Schedule on S-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 Three Fiscal Years

Fiscal Year	Population (1)	Estimated Actual Value	General Bonded Debt	General Bonded Debt to Estimated Actual Value	General Bonded Debt Per Capita
2008	14,790	\$1,882,549,006	\$20,043,659	1.06%	\$1,355
2007	14,790	1,817,957,545	20,915,691	1.15	1,414
2006	14,790	1,743,436,101	22,412,906	1.29	1,515

Source: School District Records

(1) National Center for Education Statistics - 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, 2008

Political Subdivision	Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Big Walnut Local School District	\$20,148,377	100.00%	\$20,148,377
Delaware County	46,075,600	10.23	4,713,534
Village of Galena	662,000	100.00	662,000
Village of Sunbury	3,609,049	100.00	3,609,049
Kingston-Porter Fire District	<u>40,000</u>	64.19	<u>25,676</u>
Total	<u><u>\$70,535,026</u></u>		<u><u>\$29,158,636</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 2008 collection year.

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Assessed Valuation	\$634,645,414	\$618,232,180	\$602,012,330
Less:			
Public Utility Tangible Personal Property	(15,407,230)	(14,127,090)	(14,765,900)
Tangible Personal Property	<u>(7,288,281)</u>	<u>(14,756,290)</u>	<u>(19,711,620)</u>
Total Assessed Valuation used to calculate Legal Debt Margin	611,949,903	589,348,800	567,534,810
Overall Debt Limitation - 9 Percent of Assessed Valuation	55,075,491	53,041,392	51,078,133
Gross Indebtedness	17,278,783	18,283,783	19,279,756
Less Debt Outside Limitation	<u>1,430,243</u>	<u>898,975</u>	<u>574,050</u>
Net Debt Within 9 Percent Limitation	<u>15,848,540</u>	<u>17,384,808</u>	<u>18,705,706</u>
Legal Debt Margin Within 9 Percent Limitation	<u>\$39,226,951</u>	<u>\$35,656,584</u>	<u>\$32,372,427</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	71.22%	67.22%	63.38%
Unvoted Debt Limitation - .10 Percent of Assessed Valuation	\$611,950	\$589,349	\$567,535
Gross Indebtedness	0	0	0
Less Debt Outside Limitation	<u>0</u>	<u>0</u>	<u>0</u>
Net Debt Within .10 Percent Limitation	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin Within .10 Percent Limitation	<u>\$611,950</u>	<u>\$589,349</u>	<u>\$567,535</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%

Source: School District Records

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

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)
2008	14,790	\$386,817,660	\$26,154	5.20%
2007	14,790	386,817,660	26,154	4.20
2006	14,790	386,817,660	26,154	3.90
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

Source: (1) National Center for Education Statistics
2000 - 2008 from 2000 U.S. Census Data
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 Nine Years Ago

Employer	2008			1999		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
JP Morgan Chase	7,601	1	11.71%	3,515	1	n/a
Delaware County	1,050	2	1.62	762	2	n/a
Olentangy Local School District	773	3	1.19	540	4	n/a
American Showa, Inc	769	4	1.18	500	7	n/a
Wal-Mart	718	5	1.11			
Kroger Great Lakes Distribution Center	700	6	1.08			
Grady Memorial Hospital	640	7	0.98	462	9	n/a
Delaware City School District	570	8	0.88	520	6	n/a
Ohio Wesleyan University	486	9	0.75	450	10	n/a
Liebert-Emerson Network	429	10	0.66			
CIGNA				500	8	n/a
Meijer				538	5	n/a
PPG Industries, Inc				550	3	n/a
Total	<u>13,736</u>		<u>21.16%</u>	<u>8,337</u>		<u>n/a</u>
Total Employment Within Delaware County	<u>\$64,900</u>			<u>n/a</u>		

Source: Delaware County Office of Economic Development

Note: Total Employment information for 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 Four Fiscal Years

Program	2008	2007	2006	2005
Instruction				
Regular				
Elementary School Classroom Teachers	59.0	51.0	56.0	57.0
Middle School Classroom Teachers	33.0	33.0	32.0	32.0
High School Classroom Teachers	42.0	41.0	41.0	41.0
Special				
Elementary School Classroom Teachers	18.0	17.0	15.0	13.0
Middle School Classroom Teachers	10.0	8.0	8.0	8.0
High School Classroom Teachers	8.0	7.0	8.0	8.0
Vocational				
High School Classroom Teachers	6.0	6.0	6.0	6.0
Support Services				
Pupils				
Guidance Counselors	8.0	6.0	6.0	6.0
Librarians	1.0	1.0	1.0	1.0
Administration				
Elementary School	3.0	3.0	3.0	3.0
Middle School	2.0	3.0	3.0	3.0
High School	3.0	3.0	3.0	3.0
Administration Office	5.0	4.0	5.0	5.0
Operation and Maintenance of Plant				
Custodians	16.0	13.0	14.0	12.5
Maintenance	2.0	2.0	2.0	2.0
Pupil Transportation				
Bus Drivers	30.0	31.0	30.0	30.0
Non-Instructional Services				
Elementary School Cooks	10.0	9.0	8.0	8.0
Middle School Cooks	6.0	6.0	6.0	6.0
High School Cooks	8.0	8.0	5.0	5.0

Source: School District Records

Method: Using 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 Three Fiscal Years
 (Accrual Basis of Accounting)

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Teaching Staff	Pupil/ Teacher Ratio
2008	\$28,648,489	2,739	\$10,459	176	15.56
2007	25,508,651	2,779	9,179	163	17.05
2006	24,567,516	2,732	8,993	166	16.46

Source: School District Records

Note: Information prior to 2006 is not available.

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

	2008	2007	2006	2005	2004	2003	2002
Big Walnut Elementary							
Total Square Footage	36,700	36,700	36,700	36,700	36,700	36,700	36,700
Enrollment	442	476	460	430	420	414	414
Student Capacity	575	575	575	575	575	575	575
Regular Instruction Classrooms	20	20	20	20	20	20	20
Regular Instruction Teachers	25	20	21	21	21	24	21
Special Instruction Classrooms	5	9	9	9	9	9	9
Special Instruction Teachers	5	5	5	4	4	2	3
Harrison Street Elementary							
Total Square Footage	36,200	36,200	36,200	36,200	36,200	36,200	36,200
Enrollment	307	318	280	284	281	278	287
Student Capacity	475	475	475	475	475	475	475
Regular Instruction Classrooms	16	16	16	16	16	16	16
Regular Instruction Teachers	16	13	15	15	16	17	17
Special Instruction Classrooms	3	3	3	3	3	3	3
Special Instruction Teachers	6	7	4	4	3	4	4
Hylen Souders Elementary							
Total Square Footage	42,493	42,493	42,493	42,493	42,493	42,493	42,493
Enrollment	420	424	425	413	433	441	433
Student Capacity	725	725	725	725	725	725	725
Regular Instruction Classrooms	20	20	20	20	20	20	20
Regular Instruction Teachers	20	18	20	21	21	23	22
Special Instruction Classrooms	7	7	7	7	7	7	7
Special Instruction Teachers	7	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	69,680
Enrollment	670	652	637	617	619	638	640
Student Capacity	660	660	660	660	660	660	660
Regular Instruction Classrooms	29	29	29	29	29	29	29
Regular Instruction Teachers	33	33	32	32	33	33	36
Special Instruction Classrooms	3	3	3	3	3	3	3
Special Instruction Teachers	10	8	8	8	7	7	7
Big Walnut High School							
Total Square Footage	180,000	148,000	148,000	148,000	148,000	148,000	148,000
Enrollment	900	909	930	877	880	897	869
Student Capacity	1,100	875	875	875	875	875	875
Regular Instruction Classrooms	46	38	38	38	38	38	38
Regular Instruction Teachers	46	47	47	47	47	46	45
Special Instruction Classrooms	8	5	5	5	5	5	5
Special Instruction Teachers	8	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 Six Fiscal Years

Degree	2008	2007	2006	2005	2004	2003
Bachelor's Degree	28	19	22	24	24	32
Bachelor + 15	25	31	33	32	38	43
Bachelor + 30	25	28	27	35	33	27
Master's Degree	56	46	47	41	40	40
Master's + 15	27	22	20	19	15	14
Master's + 30	15	17	17	14	14	12
Total	<u>176</u>	<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)
2008	\$31,072	\$73,330	\$52,167	\$53,410
2007	30,314	70,177	50,985	50,772
2006	29,647	67,299	49,801	49,438
2005	29,066	64,672	47,774	47,659
2004	28,151	62,636	45,038	45,645
2003	27,265	60,664	43,354	73,755
2002	26,091	58,052	n/a	42,995
2001	25,208	56,089	n/a	41,713
2000	24,008	51,377	n/a	40,746
1999	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 Seven Fiscal Years

Fiscal Year	Elementary Schools	Middle Schools	High Schools	Total
2008	1,169	670	900	2,739
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
 Percentage of Students who Receive Free and Reduced Lunches
 Last Ten Fiscal Years

District Buildings	2008	2007	2006	2005	2004
Big Walnut Elementary	15.00%	13.00%	16.00%	15.00%	15.00%
Harrison Street Elementary	16.00	16.00	18.00	21.00	18.00
Hylen Souders Elementary	14.00	24.00	31.00	16.00	21.00
Big Walnut Middle School	18.00	18.00	17.00	13.00	11.00
Big Walnut High School	14.00	11.00	10.00	8.00	6.00

Source: School District Records

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
18.00%	19.00%	14.00%	11.00%	8.00%
18.00	18.00	19.00	13.00	15.00
21.00	19.00	20.00	14.00	19.00
13.00	12.00	11.00	8.00	8.00
7.00	7.00	6.00	6.00	6.00

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

Fiscal Year	Attendance Rate	State Average	Graduation Rate	State Average
2008	95.40%	94.20%	95.10%	86.90%
2007	95.50	94.10	95.10	86.10
2006	95.50	94.10	98.00	86.10
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

Source: Ohio Department of Education, Local Report Cards



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
MARCH 5, 2009