



Mary Taylor, CPA
Auditor of State

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

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**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program		10.555		\$103,451		\$103,451
Cash Assistance:						
National School Breakfast Program		10.553	\$333,983		\$333,893	
National School Lunch Program		10.555	570,363		570,363	
Total Nutrition Cluster			904,346	103,451	904,256	103,451
Total Department of Agriculture			904,346	103,451	904,256	103,451
<u>U.S. DEPARTMENT OF DEFENSE (ARMY)</u>						
National Guard Civilian Youth Opportunities	N/A	12.404	56,904		56,904	
Total Department of Defense (Army)			56,904	0	56,904	0
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Grants to States (IDEA Part B)	2009	84.027	40,841		51,248	
Special Education Grants to States (IDEA Part B)	2010	84.027	468,564		462,206	
ARRA - Special Education Grants to States (IDEA Part B)	2010	84.391	303,465		307,879	
Total Special Education Cluster			812,870	0	821,333	0
Title I Grants to Local Educational Agencies	2009	84.010	91,088		101,785	
Title I Grants to Local Educational Agencies	2010	84.010	641,694		657,564	
ARRA - Title 1 School Improvement Subsidy A	2010	84.010	80,392		82,270	
Title I Grants to Local Educational Agencies, School Improvement	2010	84.010	0		29,092	
Title I Grants to Local Educational Agencies, Administration	2010	84.010	197		0	
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	2010	84.389	242,031		208,670	
Total Title I Part A Cluster			1,055,402	0	1,079,381	0
Safe and Drug-Free Schools and Communities - State Grants	2010	84.186	6,348		6,348	
Improving Teacher Quality	2009	84.367	22,125		23,144	
Improving Teacher Quality	2010	84.367	131,919		132,451	
			154,044	0	155,595	0
Education Technology State Grants	2010	84.318	6,173		6,226	
Education Technology State Grants, Recovery Act	2010	84.386	161,655		157,159	
Total Education Technology State Grant Cluster			167,828	0	163,385	0
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)	2010	84.394	1,241,543		1,162,194	
School Improvement Grant	2010	84.377	55,732		55,173	
Total Department of Education			3,493,767	0	3,443,409	0
Totals			<u>\$4,455,017</u>	<u>\$103,451</u>	<u>\$4,404,569</u>	<u>\$103,451</u>

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

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Western Brown Local School District (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Western Brown Local School District, Brown County, Ohio (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 16, 2010

We intend this report solely for the information and use of management, the audit committee, Board of Education and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 16, 2010



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the Board of Education:

Compliance

We have audited the compliance of Western Brown Local School District, Brown County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of District's major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the 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 included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Western Brown Local School District, Brown County, Ohio, complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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 over compliance that might be deficiencies, 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.

We noted matters involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated December 16, 2010.

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Western Brown Local School District, Brown County, Ohio (the District) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 16, 2010. Our audit was performed to form an opinion on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information required by the 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. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

December 16, 2010

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster CFDA #84.027, #84.391 Nutrition Cluster CFDA #10.553, #10.555 State Fiscal Stabilization CFDA #84.394 Title I CFDA #84.010, #84.389
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

WESTERN BROWN
LOCAL SCHOOL DISTRICT
MT. ORAB, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

*FOR THE FISCAL YEAR
ENDED JUNE 30, 2010*

WESTERN BROWN LOCAL SCHOOL DISTRICT

MT. ORAB, OHIO

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Issued by:
Treasurer's Office

Denny Dunlap, Treasurer

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INTRODUCTORY SECTION

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Western Brown Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010

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Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010

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WESTERN BROWN LOCAL SCHOOL DISTRICT

BOARD OF EDUCATION

Richard E. Pride II, President

JoAnn C. Hildebrandt, Vice-President

Shane W. Bishop

Lynette K. Garrett

Michael K. Kirk



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

ADMINISTRATION

Jeffrey Royalty, Superintendent
Denny Dunlap, CPA, Treasurer
Eva M. Lanter, Executive Secretary
Jina Bohl, Director of Curriculum and Instruction
Lola Royalty, PreSchool Special Education Director
Jennifer Bohrer, Special Education Director
Dan Colonel, Maintenance Supervisor
Joe Howser, Transportation Supervisor
Stella Schneider, Food Service Director

December 16, 2010

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Western Brown Local School District (the "School District") for the fiscal year ended June 30, 2010. This Comprehensive Annual Financial Report, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to government entities. The intent of this report is to provide the taxpayers of the Western Brown Local School District with comprehensive financial data in a format that enables them to gain a true understanding of the School District's financial affairs as well as provide management with better financial information for future decision making.

This report enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the school districts reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of fiscal year-end.

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

The Auditor of State of Ohio has issued an unqualified ("clean") opinion on the Western Brown Local School District's financial statements for the fiscal year ended June 30, 2010. The Independent Accountants' Report is located at the front of the Financial Section of this report.

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

PROFILE OF THE SCHOOL DISTRICT

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

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

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

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

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

The current Board members, their terms and years on the Board as of June 30, 2010, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Richard E. Pride II	Jan. 2008 - Dec. 2011	2 - 1/2
JoAnn Hilderbrandt	Jan. 2008 - Dec. 2011	6 - 1/2
Shane Bishop	Jan. 2010 - Dec. 2013	1/2
Lynette Garrett	Jan. 2010 - Dec. 2013	1/2
Mike Kirk	Jan. 2010 - Dec. 2013	1/2

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations, except financial operations, of the School District. Jeff Royalty was appointed Superintendent on January 11, 2004. Mr. Royalty's contract expired on July 31, 2008 and was renewed through July 31, 2011.

The Treasurer is the chief financial officer of the School District and is directly responsible to the Board for all financial operations, investments, and the custody of all School District funds and assets. The Treasurer also serves as Secretary to the Board. Denny Dunlap was initially appointed Treasurer on March 12, 1991. His current four year contract expires July 31, 2013.

The School District served 3,466 students during the 2010 fiscal year. School District facilities include one senior high school (9-12), and three buildings that serve K-8; one at Mt. Orab serving grades Pre K-4, one at Mt. Orab serving grades K-8 and one at Hamersville serving grades K-8. The Western Brown High School and Hamersville Middle and Elementary School were constructed in 2002. The Mt. Orab Middle School was constructed in 1957, with additions in 1971, 1984, 1992 and 1998. The Mt. Orab Elementary school was constructed in 1971 with additions in 1988 and 1998.

The School District employs 328 full-time, part-time and seasonal employees. These employees include certified, non-certified and administrative personnel.

The reporting entity consists of all funds, departments, boards and agencies that are not legally separate from the School District. This includes general operations, food service and student related activities of the School District.

The School District participates in three jointly governed organizations, one public entity shared risk and insurance purchasing pool and one insurance purchasing pool. These organizations are presented in Notes 19, 20 and 21 to the basic financial statements.

ECONOMIC CONDITION AND OUTLOOK

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

With Mt. Orab and Hamersville being rural communities in Southern Ohio, the county's unemployment rate of 11.90 percent continues to be higher than the State of Ohio rate of 9.70 percent. This is largely due to the area being a farming community. Mt. Orab continues to see more growth than Hamersville due to a major highway going through the community. The hospital built by Clermont Mercy Hospital has been in operation for one year. This has been positive for the Mt. Orab community with medical services being very close. The Kroger Marketplace store is in operation and providing the community with additional items besides food. This allows the community to shop locally instead of traveling to other areas. While housing continues to be slow in our School District, small businesses continue to pop up throughout the community. These businesses are mostly restaurants and small contracting companies.

During fiscal year 2010, the School District's enrollment increased by 44 students. The School District enrollment has increased the last three years. Still, the School District has not met capacity in the buildings and still has room for additional growth. We continue to see our growth come from the Mt. Orab side while Hamersville growth has stayed even.

Students enrolled through open enrollment continue to provide an additional revenue source for the School District.

During the fiscal year, there have been discussions at the State level that Ohio will be \$8 billion short for the fiscal years 2012 and 2013 budget. If this is correct, the School District will be looking at a 10 to 20 percent cut in State funding.

This will make for very challenging times at our School District if we see cuts like this in the next budget. As an educational entity, we provide a service. That service provides an education to the children of our School District. We do this with teachers, aides, bus drivers, principals, custodians and food service workers. To cut this much from our budget, we will need to reduce our staff in these areas in order to stay fiscally responsible.

FINANCIAL TRENDS

The School District student enrollment continues to increase. Many of these new students are special needs students which cost more to educate. While our revenues have slightly increased, our cost to educate our students is skyrocketing. General Fund expenditures continue to exceed revenues. The School District will continue to monitor its expenditures during this difficult economic time in order to keep the School District fiscally stable.

FINANCIAL PLANNING AND POLICIES

During fiscal year 2010, the School District continued to review all expenditures in order to save money and bring our expenditures in line with revenues.

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation resolution for that fiscal year. By Statute, permanent appropriations must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates. The School District adopts the permanent appropriation measure in September. The amended certificate of estimated resources and the final appropriation resolution serve as the foundation of the Western Brown Local School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriations resolution. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object within each fund.

MAJOR INITIATIVES

The School District completed the installation of artificial turf on the high school football field in time for the first home game. The project was financed through the Ohio Association of School Business Officials School Pool Financing program. Exclusive contracts with Larosa's Pizza and Coca-Cola will provide funds to pay back the loan for the artificial turf.

The School District installed a fuel tank for our buses during fiscal year 2010. This was done to save money by purchasing fuel through our purchasing cooperative, the Unified Purchasing Cooperative of the Ohio River Valley.

The School District started the installation of security fronts on our school buildings and card readers in order to add security to our buildings. The security fronts will allow employees in the front office to monitor entry into the buildings. The card readers will be used for employee entry to the buildings. This will allow the School District to track who enters our buildings. This project will be paid for with our share of the interest money from the Ohio School Facilities Commission Project.

The School District continues to see improvements in its academic performance as the School District was rated “Excellent” with Mt. Orab Elementary and Hamersville Elementary and Middle School achieving the rating of Excellent.

The School District continues to strive for improvement through the development of its District Improvement Plan which is summarized below.

- Implement a new reading/language arts curriculum K-5
- Implement a district wide short cycle assessment system
- Implement a high quality instructional practices for all students
- Establish a highly effective accountability model that impacts all staff and their work processes
- Implement a team based approach for work processes
- Establish and maintain a highly successful employment process

AWARDS AND ACKNOWLEDGEMENTS

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the Western Brown Local School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of State and local government financial reports.

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

ASBO CERTIFICATE OF EXCELLENCE

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2009 to the Western Brown Local School District. The award certifies that the CAFR for the fiscal year ended June 30, 2009, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after extensive review of the report by an expert panel of certified public accountants and practicing school business officials.

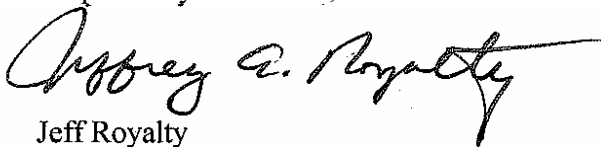
The Western Brown Local School District believes our current report conforms to the ASBO's principles and standards and we are submitting it to ABSO to determine its eligibility for an award.

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



Jeff Royalty
Superintendent



Denny Dunlap, CPA
Treasurer

*Western Brown Local School District
Principal Officials
June 30, 2010*

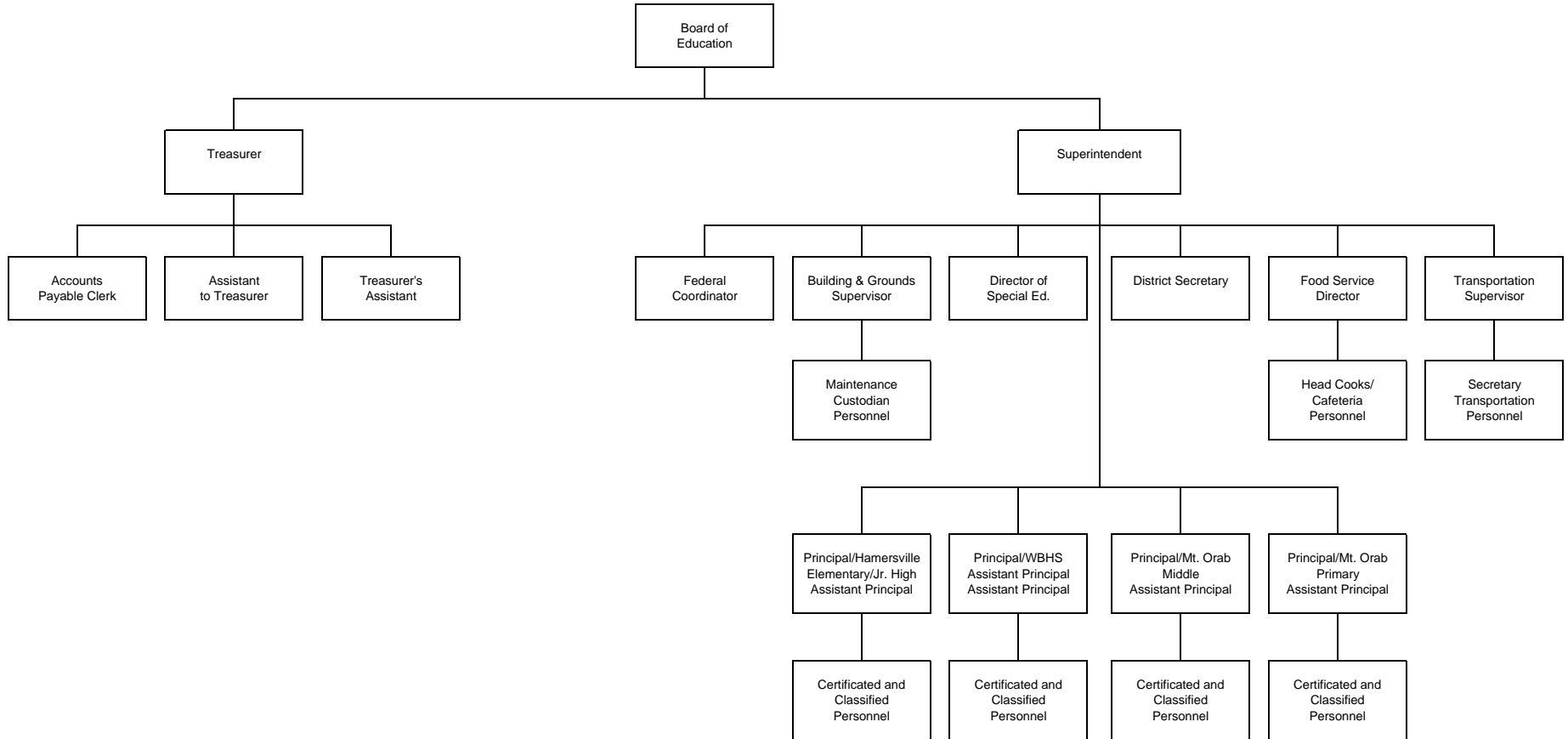
ELECTED OFFICIALS

President, Board of Education.....Richard E. Pride II
Vice President, Board of Education..... JoAnn Hildebrandt
Board Member.....Shane Bishop
Board Member.....Lynette Garrett
Board Member.....Mike Kirk

ADMINISTRATIVE OFFICIALS

Superintendent Jeff Royalty
Treasurer Denny Dunlap
Director of Special Education.....Jennifer Bohrer
Buildings and Grounds Supervisor..... Dan Colonel
Transportation Supervisor.....Joe Howser

**Western Brown Local School District
Organizational Chart
June 30, 2010**



Western Brown Local School District
Consultants and Advisors
June 30, 2010

Architects

SHP Leading Design
82 Williams Avenue
Hamilton, OH 45011

Bond Counsel

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

Independent Auditor

Mary Taylor, CPA, Auditor of State
Audit Division
88 East Broad Street
Columbus, OH 43215

CAFR Preparation Consultants

Mary Taylor, CPA, Auditor of State
Local Government Services Section
88 East Broad Street
Columbus, OH 43215

**Workers' Compensation/
Unemployment**

CompManagement, Inc.
PO Box 884
Dublin, OH 43017

Investment Advisor

RBC Capital Markets
414 Walnut Street
Cincinnati, OH 45202-3910

Legal Counsel

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

Roetzel & Andress
222 South Main Street
Akron, OH 44308-2098

Official Depositories

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

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

NCB, FSB
139 South High Street
Hillsboro, OH 45133

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Western Brown Local
School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

WESTERN BROWN LOCAL SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

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

Erin Green

President

John D. Munn

Executive Director

Western Brown Local Schools

Strategic Plan

Adopted by the Western Brown Board of Education
June 30, 2010

Beliefs

- We believe in high expectations for teachers, students and administrators and we should strive to meet them.
- We believe that all students and educators should be treated with respect and dignity and treat others the same way.
- We believe that every student is entitled to a quality education.
- We believe that the love of learning is fostered in a positive, supportive, safe and caring environment.
- We believe that it is important to recognize and utilize the strengths and talents of each person.
- We believe that learning has value and must be ongoing.

Mission Statement

In partnership with students, families, and the community, the Western Brown Local School District will educate the youth of our community so they may be capable of confidently adapting and competing in the ever-changing global society. We do this by providing a quality staff to deliver education in a safe, creative, relevant manner for the educational needs of our youth for now and into the future.

Strategic Parameters

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

- No new program will be accepted unless:
 - it is consistent with the strategic plan;
 - benefits clearly exceed costs; and
 - provisions are made for staff development and program evaluation.
- No program or service will be retained unless benefits justify costs and it contributes to the mission.
- We will not condone any behavior which diminishes the dignity or self worth of any student, staff or community member.

Goals

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

Vision

We are a community of learners joined together to cooperatively create an engaged and effective learning environment that maximizes the strengths and abilities of every student and staff member.

FINANCIAL SECTION

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Western Brown Local School District, Brown County, Ohio (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Western Brown Local School District, Brown County, Ohio, as of June 30, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provides additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Mary Taylor, CPA
Auditor of State

December 16, 2010

***Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited***

The discussion and analysis of Western Brown Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- In total, net assets decreased \$1,714,529. Net assets of governmental activities decreased \$1,686,486 and net assets of the business-type activity decreased \$28,043. Governmental expenses increased \$844,544, due primarily to increases in instruction and support services instructional staff, while governmental activities revenues increased \$1,159,222 due primarily to increases in operating grants and contributions offset by decreases in unrestricted grants and entitlements and interest. In addition, capital assets of governmental activities decreased \$1,117,105 and long-term liabilities of governmental activities increased \$173,608.
- Governmental activities general revenues accounted for \$24,208,004 or 80 percent of total revenues. Program specific revenues in the form of charges for services and sales, operating and capital grants and contributions accounted for \$6,005,489, or 20 percent of total governmental revenues of \$30,213,493.
- Total assets of governmental activities decreased \$816,603.
- The School District had \$31,899,979 in expenses related to governmental activities; only \$6,005,489 of these expenses were offset by program specific charges for services, operating and capital grants and contributions. General revenues (primarily grants, entitlements and property taxes) of \$24,208,004 were used to provide for these programs along with unrestricted net assets from prior fiscal years.

Using this Comprehensive Annual Financial Report (CAFR)

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

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

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 the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other nonmajor funds presented in total in one column. The major funds for the Western Brown Local School District are the General Fund and the Debt Service Fund.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2010?" The Statement of Net Assets and the Statement of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all *assets* and *liabilities* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

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

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

- Governmental Activities - Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The School District's food service program is reported as a business-type activity.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

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

The School District as a Whole

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

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Table 1 provides a summary of the School District's net assets for fiscal years 2010 and 2009:

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activity		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Current and other						
Assets	\$12,139,557	\$11,839,055	\$419,254	\$320,569	\$12,558,811	\$12,159,624
Capital Assets, Net	48,419,058	49,536,163	1,444,079	1,554,351	49,863,137	51,090,514
Total Assets	60,558,615	61,375,218	1,863,333	1,874,920	62,421,948	63,250,138
Liabilities						
Other Liabilities	7,436,667	6,740,392	158,661	151,921	7,595,328	6,892,313
Long-Term Liabilities	7,292,725	7,119,117	33,580	23,864	7,326,305	7,142,981
Total Liabilities	14,729,392	13,859,509	192,241	175,785	14,921,633	14,035,294
Net Assets						
Invested in Capital Assets, Net of Related Debt	42,686,618	44,066,679	1,444,079	1,554,351	44,130,697	45,621,030
Restricted	5,422,444	4,993,982	0	0	5,422,444	4,993,982
Unrestricted (Deficit)	(2,279,839)	(1,544,952)	227,013	144,784	(2,052,826)	(1,400,168)
Total Net Assets	\$45,829,223	\$47,515,709	\$1,671,092	\$1,699,135	\$47,500,315	\$49,214,844

Restricted net assets increased \$428,462 during fiscal year 2010. This was due primarily to increases in the set-aside for textbooks and bus purchases and amounts restricted for other purposes. Governmental activities unrestricted net assets decreased \$734,887 during fiscal year 2010. This was due to increases in the set-aside for textbooks and bus purchases. Also, equity in pooled cash and cash equivalents decreased as the School District's expenditures continue to exceed revenues.

Table 2 shows the changes in net assets for fiscal years 2010 and 2009.

**Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited**

(Table 2)
Changes in Net Assets

	Governmental Activities		Business-Type Activity		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,770,928	\$1,442,221	\$603,869	\$635,435	\$2,374,797	\$2,077,656
Operating Grants and Contributions	4,155,561	3,056,239	1,023,119	868,996	5,178,680	3,925,235
Capital Grants and Contributions	79,000	0	0	0	79,000	0
Total Program Revenues	6,005,489	4,498,460	1,626,988	1,504,431	7,632,477	6,002,891
General Revenues:						
Property Taxes	4,621,747	4,913,099	0	0	4,621,747	4,913,099
Grants and Entitlements not Restricted to Specific Programs	19,187,402	19,244,661	0	0	19,187,402	19,244,661
Contributions and Donations	2,366	0	0	0	2,366	0
Interest	19,643	142,432	368	2,737	20,011	145,169
Gain on Sale of Capital Assets	35,360	0	0	0	35,360	0
Revenue in Lieu of Taxes	88,076	42,964	0	0	88,076	42,964
Miscellaneous	253,410	212,655	33,944	29,460	287,354	242,115
Total General Revenues	24,208,004	24,555,811	34,312	32,197	24,242,316	24,588,008
Total Revenues	30,213,493	29,054,271	1,661,300	1,536,628	31,874,793	30,590,899
Program Expenses						
Instruction:						
Regular	15,767,971	15,372,518	0	0	15,767,971	15,372,518
Special	3,946,902	3,698,014	0	0	3,946,902	3,698,014
Vocational	417,110	328,952	0	0	417,110	328,952
Student Intervention Services	3,274	146,996	0	0	3,274	146,996
Support Services:						
Pupils	746,707	928,674	0	0	746,707	928,674
Instructional Staff	1,432,569	1,076,896	0	0	1,432,569	1,076,896
Board of Education	19,962	20,524	0	0	19,962	20,524
Administration	2,268,018	2,254,135	0	0	2,268,018	2,254,135
Fiscal	556,440	585,596	0	0	556,440	585,596
Operation and Maintenance of Plant	3,083,917	3,158,807	0	0	3,083,917	3,158,807
Pupil Transportation	2,160,710	2,188,838	0	0	2,160,710	2,188,838
Central	325,781	266,667	0	0	325,781	266,667
Operation of Non-Instructional Services	16,760	16,395	0	0	16,760	16,395
Extracurricular Activities	877,682	737,047	0	0	877,682	737,047
Interest and Fiscal Charges	276,176	275,376	0	0	276,176	275,376
Food Service	0	0	1,689,343	1,642,631	1,689,343	1,642,631
Total Expenses	31,899,979	31,055,435	1,689,343	1,642,631	33,589,322	32,698,066
Decrease in Net Assets	(1,686,486)	(2,001,164)	(28,043)	(106,003)	(1,714,529)	(2,107,167)
Net Assets at Beginning of Year	47,515,709	49,516,873	1,699,135	1,805,138	49,214,844	51,322,011
Net Assets at End of Year	\$45,829,223	\$47,515,709	\$1,671,092	\$1,699,135	\$47,500,315	\$49,214,844

Governmental Activities

Operating grants and contributions increased \$1,099,322. This is due primarily to the receipt of American Recovery and Reinvestment Act monies.

Interest decreased \$122,789 due to a decrease in interest rates.

Regular instruction increased \$395,453. This is due to the spending of State Fiscal Stabilization funds and an increase in accrued liabilities.

Special instruction increased \$248,888. In fiscal year 2010, the School District hired new teachers to help with the increase in special education enrollment.

Support services pupils decreased \$181,967. Employees who retired and were paid out in fiscal year 2009 were replaced in fiscal year 2010 by employees with lower wage and fringe benefits.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Support services instructional staff increased \$355,673. This is due to the spending of additional Title I and Title II-D funds received in fiscal year 2010.

Extracurricular activities increased \$140,635. This is due to cost cutting measures that will allow the School District to save additional funds for coaches, concessions, and future turf replacement.

The School District remains heavily reliant on State funding. Grants and Entitlements made up 64 percent of revenues for governmental activities of the Western Brown Local School District for fiscal year 2010.

Instruction comprises 63 percent of governmental activities program expenses. Support services expenses make up 33 percent of governmental activities expenses.

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

(Table 3)
Governmental Activities

	Total Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2010	Net Cost of Services 2009
Instruction	\$20,135,257	\$19,546,480	\$15,375,952	\$15,790,029
Support Services	10,594,104	10,480,137	9,797,288	9,885,940
Operation of Non-Instructional Services	16,760	16,395	2,368	15,266
Extracurricular Activities	877,682	737,047	442,706	590,364
Interest and Fiscal Charges	276,176	275,376	276,176	275,376
Total Expenses	\$31,899,979	\$31,055,435	\$25,894,490	\$26,556,975

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Business-Type Activity

The School District's only business-type activity is the food service operation. This program had revenues of \$1,661,300 and expenses of \$1,689,343 for fiscal year 2010. Of the revenues, \$603,869 was charges for services and sales and \$1,023,119 was from State and Federal grants. Business activities receive no support from tax revenues. The School District will continue to monitor the charges and costs of this activity. If it becomes necessary, the School District will increase the charges for this activity.

Operating grants and contributions increased \$154,123 in the business-type activity. This is due to increases in Federal and State subsidies.

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$30,147,324 and expenditures of \$31,220,485. The net change in fund balance for the fiscal year was most significant in the General Fund, a decrease of \$453,279. This was due primarily to decreases in taxes and intergovernmental revenues. Tangible personal property was completely phased out in fiscal year 2010 and unrestricted State aid decreased. In addition to these changes, overall expenditures decreased slightly due to the School District closely monitoring their budget. The unreserved General Fund deficit of \$2,009,853 was due primarily to accruals for accrued wages which will be paid from future resources.

The Bond Retirement Fund saw a decrease of \$6,171 during the fiscal year. This was due primarily to a decrease in taxes caused by the phaseout of tangible personal property.

General Fund - Budget Highlights

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

During the course of fiscal year 2010 the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A summary of the General Fund's original and final budgeted amounts is listed on page 20, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

For the General Fund, the original budget basis revenue was \$24,699,555 with a final budget estimate of \$25,218,621. The difference of \$519,066 was primarily due to increases in intergovernmental revenues offset by decreases in taxes. The School District's actual revenues were \$25,323,829 at fiscal year-end, which represented a less than one percent increase over final budgeted revenues.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Original budget basis appropriations of \$27,451,734 were equal to final budget estimates. The School District's actual expenditures and encumbrances were \$26,562,884 at fiscal year-end, which represented a three percent decrease under final budgeted appropriations.

The School District's ending unobligated cash balance was \$790,232 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2010, the School District had \$49,863,137 invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2010 balances compared to fiscal year 2009:

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

	Governmental Activities		Business-Type Activity		Total	
	2010	2009	2010	2009	2010	2009
Land	\$2,524,314	\$2,515,954	\$0	\$0	\$2,524,314	\$2,515,954
Construction in Progress	112,029	103,426	0	0	112,029	103,426
Buildings and Improvements	43,367,017	44,978,348	973,356	1,005,381	44,340,373	45,983,729
Furniture and Equipment	2,114,217	1,562,782	470,723	548,970	2,584,940	2,111,752
Vehicles	301,481	375,653	0	0	301,481	375,653
Totals	\$48,419,058	\$49,536,163	\$1,444,079	\$1,554,351	\$49,863,137	\$51,090,514

Net capital assets decreased from the prior fiscal year. The amount of depreciation was greater than the additions to capital assets, resulting in a net decrease for the fiscal year. The School District purchased new classroom and administration equipment and a new fuel tank. Also, field turf was installed on the football field.

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

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Debt

At June 30, 2010, the School District had \$4,795,000 in bonds outstanding, \$300,000 of which is due within one year. Table 5 summarizes bonds outstanding at fiscal year-end 2010 and 2009:

(Table 5)

Outstanding Debt, at Fiscal Year-End

	2010	2009
General Obligation Bonds:		
1998 School Improvement Bonds	\$4,795,000	\$5,065,000

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

At June 30, 2010 the School District's overall legal debt margin was \$19,151,826 with an unvoted debt margin of \$245,580. The School District had a AA- bond rating by Standard and Poor's Rating Service on the 1998 School Improvement Bonds.

For more information about debt, refer to note 16 to the basic financial statements

District Challenges for the Future

The economy continues to cause problems at the State and national level. While many department budgets were cut at the State level, education was not. We were very fortunate to not receive cuts in fiscal year 2010.

For fiscal year 2010, the Governor recommended a new form of funding for schools to the legislatures. This new funding is called the Ohio Evidence-Based Model. Instead of funding the old way by per pupil amounts, the Ohio Evidence-Based Model establishes an adequate amount for each district based on what is needed to operate a school district.

This new funding method is being phased in over time due to the State budget constraints. For fiscal year 2010, we received a .75 percent increase over fiscal year 2009 funding.

The State of Ohio also received Federal Stimulus money to fill the gap for school funding. This new funding for schools is called State Fiscal Stabilization. This funding will only be available for fiscal years 2010 and 2011.

*Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited*

Contacting the School District's Financial Management

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

Western Brown Local School District
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business-Type Activity	Total
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$6,255,980	\$405,625	\$6,661,605
Prepaid Items	10,026	0	10,026
Inventory Held for Resale	0	10,868	10,868
Materials and Supplies Inventory	0	2,761	2,761
Intergovernmental Receivable	376,874	0	376,874
Taxes Receivable	5,372,435	0	5,372,435
Revenue in Lieu of Taxes Receivable	90,224	0	90,224
Accounts Receivable	19,458	0	19,458
Cash and Cash Equivalents with Fiscal Agents	5,000	0	5,000
Deferred Charges	9,560	0	9,560
Capital Assets:			
Land	2,524,314	0	2,524,314
Construction in Progress	112,029	0	112,029
Depreciable Capital Assets, Net	45,782,715	1,444,079	47,226,794
Total Assets	60,558,615	1,863,333	62,421,948
<u>Liabilities:</u>			
Accounts Payable	46,479	0	46,479
Contracts Payable	77,163	0	77,163
Accrued Wages and Benefits Payable	2,370,778	98,225	2,469,003
Matured Compensated Absences Payable	15,560	0	15,560
Intergovernmental Payable	663,477	60,436	723,913
Deferred Revenue	4,237,741	0	4,237,741
Matured Bonds Payable	5,000	0	5,000
Accrued Interest Payable	20,469	0	20,469
Long-Term Liabilities:			
Due Within One Year	591,617	0	591,617
Due in More Than One Year	6,701,108	33,580	6,734,688
Total Liabilities	14,729,392	192,241	14,921,633
<u>Net Assets:</u>			
Invested in Capital Assets, Net of Related Debt	42,686,618	1,444,079	44,130,697
Restricted for:			
Debt Service	1,848,836	0	1,848,836
Capital Projects	1,123,922	0	1,123,922
Classroom Facilities	862,681	0	862,681
Other Purposes	502,243	0	502,243
Set-Asides	1,084,762	0	1,084,762
Unrestricted (Deficit)	(2,279,839)	227,013	(2,052,826)
Total Net Assets	\$45,829,223	\$1,671,092	\$47,500,315

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2010

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$15,767,971	\$1,190,898	\$323,214	\$0
Special	3,946,902	201,941	2,882,536	0
Vocational	417,110	26,925	133,791	0
Student Intervention Services	3,274	0	0	0
Support Services:				
Pupils	746,707	0	39,704	0
Instructional Staff	1,432,569	0	463,710	0
Board of Education	19,962	0	0	0
Administration	2,268,018	0	193,649	0
Fiscal	556,440	0	0	0
Operation and				
Maintenance of Plant	3,083,917	15,568	0	0
Pupil Transportation	2,160,710	0	75,040	0
Central	325,781	0	9,145	0
Operation of Non-Instructional				
Services	16,760	0	14,392	0
Extracurricular Activities	877,682	335,596	20,380	79,000
Interest and Fiscal Charges	276,176	0	0	0
Total Governmental Activities	31,899,979	1,770,928	4,155,561	79,000
<u>Business-Type Activity:</u>				
Food Service	1,689,343	603,869	1,023,119	0
Totals	\$33,589,322	\$2,374,797	\$5,178,680	\$79,000

General Revenues:

Property Taxes Levied for:
 General Purposes
 Debt Service
 Classroom Facilities Maintenance
Grants and Entitlements
 not Restricted to Specific Programs
Contributions and Donations
Interest
Gain on Sale of Capital Assets
Revenue in Lieu of Taxes
Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets at Beginning of Year
(Restated - See Note 3)

Net Assets at End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activity	Total
(\$14,253,859)	\$0	(\$14,253,859)
(862,425)	0	(862,425)
(256,394)	0	(256,394)
(3,274)	0	(3,274)
(707,003)	0	(707,003)
(968,859)	0	(968,859)
(19,962)	0	(19,962)
(2,074,369)	0	(2,074,369)
(556,440)	0	(556,440)
(3,068,349)	0	(3,068,349)
(2,085,670)	0	(2,085,670)
(316,636)	0	(316,636)
(2,368)	0	(2,368)
(442,706)	0	(442,706)
(276,176)	0	(276,176)
(25,894,490)	0	(25,894,490)
<u>0</u>	<u>(62,355)</u>	<u>(62,355)</u>
<u>(25,894,490)</u>	<u>(62,355)</u>	<u>(25,956,845)</u>
4,082,309	0	4,082,309
459,556	0	459,556
79,882	0	79,882
19,187,402	0	19,187,402
2,366	0	2,366
19,643	368	20,011
35,360	0	35,360
88,076	0	88,076
<u>253,410</u>	<u>33,944</u>	<u>287,354</u>
<u>24,208,004</u>	<u>34,312</u>	<u>24,242,316</u>
(1,686,486)	(28,043)	(1,714,529)
<u>47,515,709</u>	<u>1,699,135</u>	<u>49,214,844</u>
<u>\$45,829,223</u>	<u>\$1,671,092</u>	<u>\$47,500,315</u>

Western Brown Local School District
Balance Sheet
Governmental Funds
June 30, 2010

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,004,048	\$1,747,550	\$2,419,620	\$5,171,218
Cash and Cash Equivalents with Fiscal Agents	0	5,000	0	5,000
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	1,084,762	0	0	1,084,762
Receivables:				
Taxes	4,782,629	496,943	92,863	5,372,435
Revenue in Lieu of Taxes	90,224	0	0	90,224
Accounts	6,410	0	13,048	19,458
Intergovernmental	8,330	0	368,544	376,874
Interfund	21,344	0	0	21,344
Prepaid Items	10,026	0	0	10,026
Total Assets	\$7,007,773	\$2,249,493	\$2,894,075	\$12,151,341
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$34,365	\$0	\$12,114	\$46,479
Contracts Payable	0	0	77,163	77,163
Accrued Wages and Benefits Payable	2,174,289	0	196,489	2,370,778
Matured Compensated Absences Payable	15,560	0	0	15,560
Interfund Payable	0	0	21,344	21,344
Intergovernmental Payable	629,704	0	33,773	663,477
Deferred Revenue	4,010,060	399,879	210,981	4,620,920
Matured Bonds Payable	0	5,000	0	5,000
Total Liabilities	6,863,978	404,879	551,864	7,820,721
<u>Fund Balances:</u>				
Reserved for Encumbrances	206,093	0	163,741	369,834
Reserved for Property Taxes	862,793	97,064	16,632	976,489
Reserved for Textbooks	1,032,540	0	0	1,032,540
Reserved for Bus Purchases	52,222	0	0	52,222
Unreserved, Undesignated (Deficit), Reported in:				
General Fund	(2,009,853)	0	0	(2,009,853)
Special Revenue Funds	0	0	1,152,322	1,152,322
Debt Service Fund	0	1,747,550	0	1,747,550
Capital Projects Fund	0	0	1,009,516	1,009,516
Total Fund Balances	143,795	1,844,614	2,342,211	4,330,620
Total Liabilities and Fund Balances	\$7,007,773	\$2,249,493	\$2,894,075	\$12,151,341

See accompanying notes to the basic financial statements

Western Brown Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities*
 June 30, 2010

Total Governmental Fund Balances \$4,330,620

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

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

Land	2,524,314	
Construction in progress	112,029	
Depreciable capital assets	73,205,514	
Accumulated depreciation	<u>(27,422,799)</u>	
Total capital assets		48,419,058

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

Taxes	248,429	
Intergovernmental	<u>134,750</u>	
		383,179

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

9,560

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

(20,469)

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

Bonds payable	(4,795,000)	
Capital leases payable	(947,000)	
Compensated absences payable	(1,544,725)	
Early retirement incentive payable	<u>(6,000)</u>	
Total liabilities		<u>(7,292,725)</u>

Net Assets of Governmental Activities

\$45,829,223

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Taxes	\$4,084,548	\$459,510	\$80,379	\$4,624,437
Intergovernmental	19,377,295	71,652	3,825,745	23,274,692
Interest	17,979	0	1,664	19,643
Tuition and Fees	1,346,270	0	73,494	1,419,764
Extracurricular Activities	20,656	0	314,940	335,596
Rent	15,568	0	0	15,568
Contributions and Donations	81,366	0	34,772	116,138
Revenue in Lieu of Taxes	88,076	0	0	88,076
Miscellaneous	147,192	0	106,218	253,410
<i>Total Revenues</i>	<u>25,178,950</u>	<u>531,162</u>	<u>4,437,212</u>	<u>30,147,324</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	13,845,918	0	735,408	14,581,326
Special	2,431,178	0	1,421,107	3,852,285
Vocational	379,213	0	5,400	384,613
Student Intervention Services	212	0	3,062	3,274
Support Services:				
Pupils	638,388	0	46,650	685,038
Instructional Staff	871,788	0	549,081	1,420,869
Board of Education	19,962	0	0	19,962
Administration	1,836,342	0	205,366	2,041,708
Fiscal	536,168	15,493	9,220	560,881
Operation and Maintenance of Plant	2,278,096	0	837,541	3,115,637
Pupil Transportation	1,945,115	0	142,162	2,087,277
Central	306,790	0	23,143	329,933
Operation of Non-Instructional Services	240	0	16,520	16,760
Extracurricular Activities	480,436	0	293,530	773,966
Capital Outlay	606,468	0	116,233	722,701
Debt Service:				
Principal Retirement	78,000	270,000	0	348,000
Interest and Fiscal Charges	24,415	251,840	0	276,255
<i>Total Expenditures</i>	<u>26,278,729</u>	<u>537,333</u>	<u>4,404,423</u>	<u>31,220,485</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,099,779)</u>	<u>(6,171)</u>	<u>32,789</u>	<u>(1,073,161)</u>
<u>Other Financing Sources:</u>				
Proceeds from Sale of Capital Assets	36,500	0	0	36,500
Inception of Capital Lease	610,000	0	0	610,000
<i>Total Other Financing Sources</i>	<u>646,500</u>	<u>0</u>	<u>0</u>	<u>646,500</u>
<i>Net Change in Fund Balances</i>	<u>(453,279)</u>	<u>(6,171)</u>	<u>32,789</u>	<u>(426,661)</u>
<i>Fund Balances at Beginning of Year</i> <i>(Restated - See Note 3)</i>	<u>597,074</u>	<u>1,850,785</u>	<u>2,309,422</u>	<u>4,757,281</u>
<i>Fund Balances at End of Year</i>	<u>\$143,795</u>	<u>\$1,844,614</u>	<u>\$2,342,211</u>	<u>\$4,330,620</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
*Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities*
For the Fiscal Year Ended June 30, 2010

Net Change in Fund Balances - Total Governmental Funds (\$426,661)

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

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

Capital assets additions	976,591	
Depreciation expense	<u>(2,092,556)</u>	
Excess of depreciation expense over capital outlay		(1,115,965)

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

Proceeds from sale of capital assets	(36,500)	
Gain on disposal of capital assets	<u>35,360</u>	
		(1,140)

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

Delinquent property taxes	(2,690)	
Intergovernmental	<u>33,499</u>	
		30,809

Some capital assets were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Assets the lease obligation is reported as a liability.

(610,000)

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

Bond principal retirement	270,000	
Capital lease payments	<u>78,000</u>	
Total long-term debt repayment		348,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The difference in the amount of interest on the Statement of Activities is the result of the following:

Decrease in accrued interest	1,035	
Amortization of issuance costs	<u>(956)</u>	
		79

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

Decrease in compensated absences	86,392	
Decrease in early retirement incentive	<u>2,000</u>	
Total additional expenditures		<u>88,392</u>

Change in Net Assets of Governmental Activities (\$1,686,486)

Western Brown Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
<u>Revenues:</u>				
Taxes	\$4,898,413	\$4,215,361	\$4,241,786	\$26,425
Intergovernmental	18,193,046	19,376,760	19,369,922	(6,838)
Interest	17,707	31,000	18,852	(12,148)
Tuition and Fees	1,264,473	1,342,290	1,346,270	3,980
Extracurricular Activities	19,401	20,400	20,656	256
Rent	14,622	13,000	15,568	2,568
Contributions and Donations	76,422	49,000	81,366	32,366
Revenue in Lieu of Taxes	82,725	88,076	88,076	0
Miscellaneous	132,746	82,734	141,333	58,599
Total Revenues	24,699,555	25,218,621	25,323,829	105,208
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	12,302,183	12,302,183	11,755,592	546,591
Special	2,370,778	2,370,778	2,418,394	(47,616)
Vocational	379,026	379,026	386,891	(7,865)
Student Intervention Services	75	15,075	212	14,863
Other	1,787,420	1,772,420	2,126,971	(354,551)
Support Services:				
Pupils	598,340	598,340	640,142	(41,802)
Instructional Staff	924,046	924,046	871,540	52,506
Board of Education	22,248	22,248	20,084	2,164
Administration	1,775,322	1,775,322	1,853,817	(78,495)
Fiscal	547,917	547,917	551,986	(4,069)
Operation and Maintenance of Plant	3,043,117	3,043,117	2,358,511	684,606
Pupil Transportation	2,229,997	2,229,997	1,988,133	241,864
Central	290,142	290,142	308,049	(17,907)
Operation of Non-Instructional Services	0	0	240	(240)
Extracurricular Activities	510,691	510,691	483,624	27,067
Capital Outlay	553,432	553,432	696,283	(142,851)
Debt Service:				
Principal Retirement	84,000	84,000	78,000	6,000
Interest and Fiscal Charges	33,000	33,000	24,415	8,585
Total Expenditures	27,451,734	27,451,734	26,562,884	888,850
Excess of Revenues Over (Under) Expenditures	(2,752,179)	(2,233,113)	(1,239,055)	994,058
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	33,000	33,000	36,500	3,500
Proceeds from Capital Lease	610,000	610,000	610,000	0
Refund of Prior Year Expenditures	20,200	20,200	20,218	18
Advances In	186,000	186,000	186,100	100
Advances Out	0	0	(207,444)	(207,444)
Total Other Financing Sources (Uses)	849,200	849,200	645,374	(203,826)
Net Change in Fund Balance	(1,902,979)	(1,383,913)	(593,681)	790,232
Fund Balance at Beginning of Year	2,119,501	2,119,501	2,119,501	0
Prior Year Encumbrances Appropriated	329,282	329,282	329,282	0
Fund Balance at End of Year	\$545,804	\$1,064,870	\$1,855,102	\$790,232

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Fund Net Assets
Proprietary Fund
June 30, 2010

	<u>Food Service</u>
<u>Assets:</u>	
<u>Current Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$405,625
Inventory Held for Resale	10,868
Materials and Supplies Inventory	<u>2,761</u>
<i>Total Current Assets</i>	419,254
 <u>Noncurrent Assets:</u>	
Capital Assets, Net	<u>1,444,079</u>
<i>Total Assets</i>	<u>1,863,333</u>
 <u>Liabilities:</u>	
<u>Current Liabilities:</u>	
Accrued Wages and Benefits Payable	98,225
Intergovernmental Payable	<u>60,436</u>
<i>Total Current Liabilities</i>	158,661
 <u>Long-term Liabilities:</u>	
Compensated Absences Payable	<u>33,580</u>
<i>Total Liabilities</i>	<u>192,241</u>
 <u>Net Assets:</u>	
Invested in Capital Assets	1,444,079
Unrestricted	<u>227,013</u>
<i>Total Net Assets</i>	<u><u>\$1,671,092</u></u>

See accompanying notes to the basic financial statements

Western Brown Local School District
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2010*

	Food Service
<u>Operating Revenues:</u>	
Sales	\$603,869
Miscellaneous	33,944
	637,813
 <u>Operating Expenses:</u>	
Salaries	448,519
Fringe Benefits	336,304
Purchased Services	13,080
Materials and Supplies	79,167
Cost of Sales	692,550
Depreciation	119,723
	1,689,343
<i>Total Operating Expenses</i>	<i>1,689,343</i>
 <i>Operating Loss</i>	 <i>(1,051,530)</i>
 <u>Non-Operating Revenues:</u>	
Donated Commodities	103,792
Operating Grants	919,327
Interest	368
	1,023,487
<i>Total Non-Operating Revenues</i>	<i>1,023,487</i>
 <i>Change in Net Assets</i>	 <i>(28,043)</i>
 <i>Net Assets at Beginning of Year</i>	 <i>1,699,135</i>
 <i>Net Assets at End of Year</i>	 <i>\$1,671,092</i>

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2010

	Food Service
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$603,869
Cash Received from Others	37,397
Cash Payments for Employee Benefits	(332,898)
Cash Payments to Employees for Services	(435,469)
Cash Payments to Suppliers for Goods and Services	(681,543)
<i>Net Cash Used for Operating Activities</i>	(808,644)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Operating Grants Received	920,378
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Payments for Capital Acquisitions	(9,451)
<u>Cash Flows from Investing Activities:</u>	
Interest	368
<i>Net Increase in Cash and Cash Equivalents</i>	102,651
<i>Cash and Cash Equivalents at Beginning of Year</i>	302,974
<i>Cash and Cash Equivalents at End of Year</i>	\$405,625
<u>Reconciliation of Operating Loss to Net</u>	
<u>Cash Used for Operating Activities:</u>	
Operating Loss	(\$1,051,530)
<u>Adjustments to Reconcile Operating Loss to</u>	
<u>Net Cash Used for Operating Activities:</u>	
Depreciation	119,723
Donated Commodities Received During Year	103,792
(Increase) Decrease in Assets:	
Inventory Held for Resale	(341)
Materials and Supplies Inventory	(197)
Accounts Receivable	3,453
Increase in Liabilities:	
Accrued Wages and Benefits	3,288
Compensated Absences Payable	9,716
Intergovernmental Payable	3,452
Total Adjustments	242,886
<i>Net Cash Used for Operating Activities</i>	(\$808,644)

Non-Cash Transactions:

During fiscal year 2010, the Food Service Enterprise Fund received \$103,792 in donated commodities.

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Private Purpose Trust	Agency
	Scholarship	
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$19,910	\$104,310
<u>Liabilities:</u>		
Undistributed Monies	0	\$104,310
<u>Net Assets:</u>		
Held in Trust for Scholarships	\$19,910	

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2010

	Private Purpose Trust
	Scholarship
<u>Additions:</u>	
Contributions and Donations	\$4,839
Interest	10
	4,849
<i>Total Additions</i>	4,849
<u>Deductions:</u>	
Scholarships Awarded	6,759
	(1,910)
<i>Change in Net Assets</i>	(1,910)
<i>Net Assets at Beginning of Year</i>	21,820
	\$19,910
<i>Net Assets at End of Year</i>	\$19,910

See accompanying notes to the basic financial statements

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District operates under a locally elected Board of Education (five members) and is responsible for the education of the residents of the School District. The Board controls the School District's four instructional support facilities staffed by 114 non-certificated, 184 teaching and 30 administrative employees providing education to 3,466 students.

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

Reporting Entity

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

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

The School District participates in three jointly governed organizations, one public entity shared risk and insurance purchasing pool and one insurance purchasing pool. These organizations are the South Central Ohio Computer Association, the Unified Purchasing Cooperative of the Ohio River Valley, the Southern Hills Joint Vocational School District, the Brown County Schools Benefits Consortium, and the Ohio School Boards Association Workers’ Compensation Group Rating Plan. These organizations are presented in Notes 19, 20 and 21 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Western Brown Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The School District has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its business-type activity and enterprise fund. The more significant of the School District's accounting policies are described below.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The government-wide statements normally distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting by type. 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. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

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

General Fund - The General Fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

Proprietary Fund

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only fiduciary funds are a private purpose trust fund and an agency fund. The private purpose trust fund accounts for college scholarship programs for students. The School District's agency fund accounts for those student activities which consist of a student body, student president, student treasurer and faculty advisor.

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined, and “available” means that the resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, revenue in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes and revenue in lieu of taxes is recognized in the fiscal year for which the taxes are levied (see Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Revenue

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes for which there is an enforceable legal claim as of June 30, 2010 but which were levied to finance fiscal year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including the proprietary fund, are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the financial statements as "Cash and Cash Equivalents with Fiscal Agents" and represents deposits.

During fiscal year 2010, the School District's investments were limited to a money market mutual fund and funds invested in the State Treasury Asset Reserve of Ohio (STAROhio). Investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2010.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2010 amounted to \$17,979, which includes \$10,121 assigned from other School District funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent amounts required by Statute to be set aside by the School District to purchase textbooks and unexpended grants restricted for the purchase of buses (see Note 17).

G. Fund Balance Reserves

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute for fiscal year 2010.

H. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories consist of purchased and donated food held for resale and consumable supplies.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

J. Capital Assets

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

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

K. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivable” and “Interfund Payable”. These amounts are eliminated in the governmental activities column of the Statement of Net Assets.

L. Compensated Absences

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund from which the employees are paid. The remaining portion of the liability is not reported.

M. Accrued Liabilities and Long-term Obligations

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

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

N. Issuance Costs

In the government-wide financial statements, issuance costs are deferred and amortized over the term of the capital lease using the straight-line method since the results are not significantly different from the effective interest method. Issuance costs are reported as deferred charges.

On the governmental fund financial statements, issuance costs are recognized in the period when the debt is issued.

As permitted by State statute, the School District paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

O. Net Assets

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

P. Operating Revenues and Expenses

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

Q. Internal Activity

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

R. 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.

S. Budgetary Process

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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

NOTE 3 - RESTATEMENT OF FUND BALANCE/NET ASSETS AND CHANGES IN ACCOUNTING PRINCIPLES

A. Restatement of Fund Balance/Net Assets

During fiscal year 2010, the School District changed the accounting treatment applied to Revenue in Lieu of Taxes Receivable transactions related to the tax increment financing districts and tax increment financing agreements. The School District, based on additional guidance from GASB, views these transactions as non-exchange transactions and has recognized a one year Revenue in Lieu of Taxes Receivable and Deferred Revenue. In previous fiscal years, the School District viewed these transactions as exchange transactions.

This restatement had the following effect on fund balance and net assets at June 30, 2009, as previously reported.

	General Fund	Governmental Activities
Fund Balance/Net Assets, June 30, 2009, as previously reported	\$615,579	\$48,761,145
Revenue in Lieu of Taxes Receivable	(18,505)	(1,245,436)
Fund Balance/Net Assets, June 30, 2009, as restated	\$597,074	\$47,515,709

B. Changes in Accounting Principles

For fiscal year 2010, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, “Accounting and Financial Reporting for Intangible Assets”, Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments”, Statement No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, and Statement No. 58, “Accounting and Financial Reporting for Chapter 9 Bankruptcies”.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 3 - RESTATEMENT OF FUND BALANCE/NET ASSETS AND CHANGES IN ACCOUNTING PRINCIPLES (Continued)

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the School District's financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the School District's financial statements.

NOTE 4 - ACCOUNTABILITY

At June 30, 2010, the Title II-D ARRA and Title I nonmajor special revenue funds had deficit fund balances of \$9,729 and \$24,524, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to Balance Sheet transactions (GAAP basis).
5. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statement.

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	(\$453,279)
Adjustments:	
Revenue Accruals	166,315
Expenditure Accruals	(51,665)
Encumbrances	(232,490)
Advances	(21,344)
Unrecorded Cash	<u>(1,218)</u>
Budget Basis	<u><u>(\$593,681)</u></u>

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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

Interim monies held by the School District can 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;
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) above;
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

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

Investments

As of June 30, 2010, the School District had the following investments, which are in an internal investment pool:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>
STAROhio	\$1,986,545	Average 56 Days
Goldman Sachs Financial Square Government Mutual Fund	3,609,586	Average 51 Days
Total Investments	<u><u>\$5,596,131</u></u>	

Interest Rate Risk

The School District has no investment policy that addresses interest rate risk beyond the requirements of State statute. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk

STAROhio and the Goldman Sachs Financial Square Government Mutual Fund carry ratings of AAAM and AAA, respectively, by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

NOTE 7 - 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 collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 7 - PROPERTY TAXES (Continued)

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2008, were levied after April 1, 2009 and are collected in calendar year 2010 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2010 (other than public utility property tax) represents the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Brown County. The Brown 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, 2010, are available to finance fiscal year 2010 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2010 and for which there is 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 reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2010, was \$862,793 in the General Fund, \$97,064 in the Debt Service Fund and \$16,632 in the Nonmajor Governmental Funds. The amount available as an advance at June 30, 2009, was \$1,020,031 in the General Fund, \$114,754 in the Debt Service Fund and \$20,386 in the Nonmajor Governmental Funds.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 7 - PROPERTY TAXES (Continued)

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

The assessed values upon which fiscal year 2010 taxes were collected are:

	<u>2009 Second- Half Collections</u>		<u>2010 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Real Estate	\$230,092,600	96.67%	\$237,840,890	96.71%
Public Utility Personal	7,384,120	3.10%	7,823,360	3.18%
General Business Personal	551,880	0.23%	275,940	0.11%
Total Assessed Value	<u>\$238,028,600</u>	<u>100.00%</u>	<u>\$245,940,190</u>	<u>100.00%</u>
 Tax rate per \$1,000 of assessed valuation	 \$22.75		 \$22.75	

NOTE 8 - RECEIVABLES

Receivables at June 30, 2010, consisted of property taxes, revenue in lieu of taxes, accounts, intergovernmental grants, and interfund. 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 fiscal year guarantee of federal funds. All receivable amounts are expected to be received within one year with the exception of revenue in lieu of taxes and delinquent property taxes. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. The intergovernmental receivables are as follows:

	<u>Amounts</u>
<u>Governmental Activities:</u>	
High Schools That Work	\$6,855
Title VI-B - Special Education IDEA Grant	226,783
Title II-D ARRA	6,573
Title I - Targeted Assistance Grant	113,636
Drug Free Schools Grant	12,882
Reducing Class Size Grant	1,815
Medicaid Reimbursements	7,330
E-Rate	1,000
Total Intergovernmental Receivables	<u>\$376,874</u>

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 9 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2010, was as follows:

	Balance 6/30/09	Additions	Deductions	Balance 6/30/10
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$2,515,954	\$9,500	(\$1,140)	\$2,524,314
Construction in Progress	103,426	112,029	(103,426)	112,029
Total Capital Assets, Not Being Depreciated	<u>2,619,380</u>	<u>121,529</u>	<u>(104,566)</u>	<u>2,636,343</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	62,643,211	30,533	0	62,673,744
Furniture and Equipment	7,146,838	878,527	0	8,025,365
Vehicles	2,456,977	49,428	0	2,506,405
Total Capital Assets, Being Depreciated	<u>72,247,026</u>	<u>958,488</u>	<u>0</u>	<u>73,205,514</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(17,664,863)	(1,641,864)	0	(19,306,727)
Furniture and Equipment	(5,584,056)	(327,092)	0	(5,911,148)
Vehicles	(2,081,324)	(123,600)	0	(2,204,924)
Total Accumulated Depreciation	<u>(25,330,243)</u>	<u>(2,092,556) *</u>	<u>0</u>	<u>(27,422,799)</u>
Total Capital Assets, Being Depreciated, Net	<u>46,916,783</u>	<u>(1,134,068)</u>	<u>0</u>	<u>45,782,715</u>
Governmental Activities Capital Assets, Net	<u>\$49,536,163</u>	<u>(\$1,012,539)</u>	<u>(\$104,566)</u>	<u>\$48,419,058</u>
	Balance 6/30/09	Additions	Deductions	Balance 6/30/10
<u>Business-Type Activity:</u>				
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$1,422,497	\$5,607	\$0	\$1,428,104
Furniture and Equipment	1,254,994	3,844	0	1,258,838
Total Capital Assets, Being Depreciated	<u>2,677,491</u>	<u>9,451</u>	<u>0</u>	<u>2,686,942</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(417,116)	(37,632)	0	(454,748)
Furniture and Equipment	(706,024)	(82,091)	0	(788,115)
Total Accumulated Depreciation	<u>(1,123,140)</u>	<u>(119,723)</u>	<u>0</u>	<u>(1,242,863)</u>
Business-Type Activity Capital Assets, Net	<u>\$1,554,351</u>	<u>(\$110,272)</u>	<u>\$0</u>	<u>\$1,444,079</u>

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 9 - CAPITAL ASSETS (Continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,300,810
Special	95,008
Vocational	32,378
Support Services:	
Pupils	60,895
Instructional Staff	11,267
Administration	245,497
Fiscal	9,401
Operation and Maintenance of Plant	27,547
Pupil Transportation	137,634
Central	12,122
Extracurricular Activities	159,997
Total Depreciation Expense	<u><u>\$2,092,556</u></u>

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2010, the School District contracted with Netherlands Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and a \$2,000,000 aggregate. The School District contracts with Midwestern Indemnity Company for commercial umbrella liability insurance with a \$3,000,000 single occurrence and aggregate limit. Property is protected by the Netherlands Insurance Company and holds a \$5,000 deductible. The School District's vehicles are covered by the Consolidated Insurance Company under a business policy and hold a \$100 deductible for comprehensive and a \$500 deductible for collision with a \$1,000,000 limit on any accident. School Board errors and omissions coverage is provided by Netherlands Insurance Company and has a \$1,000,000 limit. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in coverage from the prior fiscal year.

NOTE 10 - RISK MANAGEMENT (Continued)

B. Workers' Compensation

For fiscal year 2010, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 21). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

C. Employee Medical

The School District participates in the Brown County Schools Benefits Consortium (the Consortium), a public entity shared risk and insurance purchasing pool (Note 20) consisting of nine districts. The Consortium has elected to have United Healthcare provide medical coverage purchased as a group through the Consortium. Dental coverage is being provided through a shared risk pool based on member districts' number of employees. The School District is responsible for providing a current listing of enrolled employees and for providing timely pro-rata payments of premiums to the Consortium for employee health coverage and dental benefits. The Consortium is responsible for the management and operations of the program. Upon termination from the Consortium, for any reason, the terminated member assumes and is responsible for the payment of any delinquent contributions relating to the medical insurance and all claims related to dental of its employees from the date of termination, regardless of the date such claims were incurred.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District’s contribution is used to fund pension and death benefit obligations with the remainder being used to fund health care benefits; for fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension and death benefit 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 contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009, and 2008 were \$558,570, \$325,304, and \$295,151, respectively; 53.20 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

B. State Teachers Retirement System of Ohio

Plan Description – The School District participates in 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 STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member’s lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy – For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2009, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008 were \$1,569,632, \$1,518,268, and \$1,473,444, respectively; 83.58 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$53,638 made by the School District and \$38,313 made by the plan members.

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for non-certificated 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 SERS at 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 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 2010, 0.46 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 2010, this amount was \$35,800.

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 contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$93,840, \$220,682, and \$134,687, respectively; 53.20 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$33,217, \$26,840, and \$21,266, respectively; 53.20 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

B. State Teachers Retirement System of Ohio

Plan Description – The School District contributes to the cost-sharing multiple employer defined benefit Health 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 the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the 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 Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$120,741, \$116,790, and \$113,342, respectively; 83.58 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

NOTE 13 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements, Board resolutions and State laws. Eligible classified employees and administrators earn 10 to 25 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators who are not on a 12 month contract do not earn vacation time.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month for a total of 15 days of sick leave for each fiscal year under contract. Only 225 days of sick leave may be accumulated during regular employment. Upon severance from the School District, payment is made for one-half of administrators' accumulated, but unused sick leave credit and one-fourth of teachers' and classified employees' accumulated, but unused sick leave credit.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

NOTE 13 - EMPLOYEE BENEFITS (Continued)

B. Insurance Benefits

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

NOTE 14 - CAPITALIZED LEASE - LESSEE DISCLOSURE

In fiscal year 2003, the School District entered into a lease-purchase agreement for the construction of a new School District administration building. The School District is leasing the project from Columbus Regional Airport Authority (formerly known as Rickenbacker Port Authority). Columbus Regional Airport Authority will retain title to the project during the lease term. Columbus Regional Airport Authority has assigned PNC Bank as trustee. The School District makes semi-annual lease payments to PNC Bank. Interest rates are based on a calculation of the TBMA Index. The lease is renewable annually and expires in fiscal year 2018. The intention of the School District is to renew the lease annually. In fiscal year 2010, the School District made the sixth scheduled principal payment of \$35,000.

The capital lease proceeds reported in the General Fund relate to the installation of football field turf. The School District is leasing the project from Columbus Regional Airport Authority. Columbus Regional Airport Authority will retain title to the project during the lease term. Columbus Regional Airport Authority has assigned U.S. Bank as trustee. U.S. Bank deposited \$610,000 with the School District. Amounts were then paid to contractors by the School District as the work progressed. The School District makes semi-annual lease payments to U.S. Bank. Interest rates are based on a calculation of the SIFMA Index and the School District also pays an additional participant cost component. The lease is renewable annually and expires in fiscal year 2019. The intention of the School District is to renew the lease annually.

At fiscal year-end, the project was complete. During the fiscal year, the School District made the first scheduled principal payment of \$43,000.

The assets acquired through the capital leases are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Buildings and Improvements	\$991,436	\$277,602	\$713,834
Furniture and Equipment	610,000	30,500	579,500
Total	\$1,601,436	\$308,102	\$1,293,334

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, 2010.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 14 - CAPITALIZED LEASE - LESSEE DISCLOSURE (Continued)

Fiscal Year Ending June 30,	Total Payments
2011	\$121,011
2012	121,063
2013	122,001
2014	122,815
2015	122,516
2016-2019	491,773
Total	1,101,179
Less: Amount Representing Interest	(154,179)
Present Value of Minimum Lease Payments	<u>\$947,000</u>

NOTE 15 - EARLY RETIREMENT INCENTIVE

For certified and classified employees, the School District is offering a retirement incentive during the first year that an employee becomes eligible to retire. The benefit is a \$10,000 bonus. During fiscal year 2010, two employees accepted the retirement incentive and \$22,000 in early retirement incentives were paid. The outstanding balance at June 30, 2010 was \$6,000. Of this balance, \$2,000 will be paid in fiscal year 2011.

NOTE 16 - LONG-TERM LIABILITIES

The changes in the School District's long-term liabilities during fiscal year 2010 were as follows:

	Amount Outstanding 6/30/09	Additions	Deductions	Amount Outstanding 6/30/10	Amounts Due in One Year
<u>Governmental Activities:</u>					
School Improvement					
Bonds 1998 5.01%	\$5,065,000	\$0	\$270,000	\$4,795,000	\$300,000
Compensated Absences	1,631,117	204,056	290,448	1,544,725	198,617
Early Retirement Incentive	8,000	20,000	22,000	6,000	2,000
Capital Leases	415,000	610,000	78,000	947,000	91,000
Total General					
Long-Term Liabilities	<u>\$7,119,117</u>	<u>\$834,056</u>	<u>\$660,448</u>	<u>\$7,292,725</u>	<u>\$591,617</u>
<u>Business-Type Activities:</u>					
Compensated Absences	<u>\$23,864</u>	<u>\$9,716</u>	<u>\$0</u>	<u>\$33,580</u>	<u>\$0</u>

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

NOTE 16 - LONG-TERM LIABILITIES (Continued)

School Improvement Bonds 1998

On June 15, 1998, the School District issued \$7,164,600 in voted general obligation bonds for the purpose of acquiring land, constructing new classroom facilities, and making renovations to existing classrooms. These bonds are being paid from property tax revenues. The Ohio Department of Education, School Finance, announced that the School District was eligible for State school building assistance funding on June 2, 1997. The bond issue satisfied the local match required to receive State assistance for the construction project. The bonds were issued for a 23 year period with final maturity in December 2020. These bonds are being paid from the Debt Service Fund.

Compensated absences will be paid from the General, Classroom Facilities Maintenance, Ohio Reads, Alternative School, Title VI-B, Title I, Reducing Class Size and Food Service funds. The early retirement incentive and capital lease obligations will be paid from the General Fund.

The School District's overall legal debt margin was \$19,151,826 with an unvoted debt margin of \$245,580 at June 30, 2010.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2010 are as follows:

School Improvement Bonds 1998

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	\$300,000	\$238,655	\$538,655
2012	315,000	223,333	538,333
2013	335,000	206,108	541,108
2014	375,000	187,293	562,293
2015	395,000	166,888	561,888
2016-2020	2,475,000	479,355	2,954,355
2021	600,000	15,000	615,000
Total	<u>\$4,795,000</u>	<u>\$1,516,632</u>	<u>\$6,311,632</u>

NOTE 17 - SET-ASIDE CALCULATIONS

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

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 17 - SET-ASIDE CALCULATIONS (Continued)

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

	Textbooks	Capital Acquisition
Set-aside Reserve Balance as of June 30, 2009	\$774,357	\$0
Current Fiscal Year Set-aside Requirement	540,274	540,274
Qualifying Disbursements	(282,091)	(1,042,224)
Totals	\$1,032,540	(\$501,950)
Set-aside Reserve Balance as of June 30, 2010	\$1,032,540	\$0
Required Set-aside Balances Carried Forward to FY 2011	\$1,032,540	\$0

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

NOTE 18 - INTERFUND ACTIVITY

As of June 30, 2010, receivables and payables that resulted from various interfund transactions were as follows:

	Receivable
Payable	General Fund
Nonmajor Governmental Funds	\$21,344

The amounts due to the General Fund are the result of the School District moving unrestricted balances to support programs and projects accounted for in other funds. The General Fund will be reimbursed when funds become available in the Nonmajor Governmental Funds. All amounts are expected to be repaid in one year.

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS

A. South Central Ohio Computer Association

The School District is a participant in the South Central Ohio Computer Association (SCOCA), which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Adams, Brown, Gallia, Highland, Pickaway, Pike, Ross, Scioto, Vinton, Jackson and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, plus a representative of the fiscal agent. The School District paid SCOCA \$185,186 for services provided during the fiscal year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper, who serves as Treasurer, at P.O. Box 577, 175 Beaver Creek Rd., Piketon, Ohio, 45661.

B. Unified Purchasing Cooperative of the Ohio River Valley

The Unified Purchasing Cooperative of the Ohio River Valley (UPC) is a purchasing cooperative made up of 44 public school districts and three joint vocational school districts in Brown, Butler, Clermont and Hamilton Counties in Ohio, as well as districts in Kentucky and Indiana. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the UPC.

The Board of Directors is elected from among the active members and consists of one representative each from Brown, Butler, Clermont and Hamilton Counties, as well as one representative from Kentucky, one from Indiana, and one at-large representative from a public school district with an enrollment greater than 5,000 students. In addition, the superintendents of the Hamilton County Educational Service Center and the Clermont County Educational Service Center also serve on the Board of Directors. The Hamilton County Educational Service Center serves as fiscal agent. Sixty days prior notice is necessary for withdrawal from the UPC.

Financial information can be obtained from Don Rabe, Treasurer, Hamilton County Educational Service Center, at 11083 Hamilton Avenue, Cincinnati, Ohio, 45231.

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

C. Southern Hills Joint Vocational School District

The Southern Hills Joint Vocational School District is a distinct political subdivision of the State of Ohio, operated under the direction of a seven-member Board of Education. The Board of Education is not directly elected. It is comprised of elected board members of participating school districts who, by charter, also serve as board members of the Southern Hills Joint Vocational School District. A board member is appointed by each local Board of Education within the Southern Hills Joint Vocational School District, including Western Brown Local School District. To obtain financial information, write to the Southern Hills Joint Vocational School District, Michael Boyd, who serves as Treasurer, at 9193 Hamer Road, Georgetown, Ohio 45121.

NOTE 20 - PUBLIC ENTITY SHARED RISK AND INSURANCE PURCHASING POOL

Brown County Schools Benefits Consortium

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

NOTE 21 - INSURANCE PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan

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

NOTE 22 - CONTINGENCIES

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, 2010.

Western Brown Local School District

Nonmajor Fund Descriptions

Special Revenue Funds

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

Nonmajor Special Revenue Funds

MEMORIAL - This fund accounts for donations received by the School District to be used for the purchase of new signs and a bench to be placed on the grounds of the new school buildings.

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

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

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

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

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

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

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

(continued)

Western Brown Local School District

Nonmajor Fund Descriptions

Nonmajor Special Revenue Funds (Continued)

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

HIGH SCHOOLS THAT WORK - This fund accounts for State monies. This is the first large-scale national effort to engage states, districts and schools in improving student success for the world of work and for further education. High Schools That Work is a framework that provides direction for schools to improve academic and career-technical instruction.

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

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

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

STATE FISCAL STABILIZATION - This fund accounts for the School District's allocation from the State Fiscal Stabilization Fund. These funds are intended to help stabilize State and local budgets in order to minimize and avoid reductions in education and other essential services.

TITLE II-D ARRA - This fund accounts for federal funds used to create technology-enabled learning environments in which students will meet or exceed the State academic content standards and develop 21st century skills.

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

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

IMPROVING TEACHER QUALITY - This fund accounts for federal funds used to hire additional classroom teachers in grades one through three, so that the number of students per teacher will be reduced.

(continued)

Western Brown Local School District

Nonmajor Fund Descriptions

Capital Projects Fund

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

Nonmajor Capital Projects Fund

WESTERN BROWN CONSTRUCTION PROJECT - This fund accounts for all debt proceeds and interest received and expended in connection with the contracts entered into by the School District and the Ohio School Facilities Commission for the building and equipping of the new and remodeled classroom facilities.

Western Brown Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$1,218,535	\$1,201,085	\$2,419,620
Receivables:			
Taxes	92,863	0	92,863
Accounts	13,048	0	13,048
Intergovernmental	368,544	0	368,544
Total Assets	\$1,692,990	\$1,201,085	\$2,894,075
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$12,114	\$0	\$12,114
Contracts Payable	0	77,163	77,163
Accrued Wages and Benefits Payable	196,489	0	196,489
Interfund Payable	21,344	0	21,344
Intergovernmental Payable	33,773	0	33,773
Deferred Revenue	210,981	0	210,981
Total Liabilities	474,701	77,163	551,864
<u>Fund Balances:</u>			
Reserved for Encumbrances	49,335	114,406	163,741
Reserved for Property Taxes	16,632	0	16,632
Unreserved, Undesignated	1,152,322	1,009,516	2,161,838
Total Fund Balances	1,218,289	1,123,922	2,342,211
Total Liabilities and Fund Balances	\$1,692,990	\$1,201,085	\$2,894,075

Western Brown Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Memorial	Uniform School Supplies	Public School Support	Other Grant
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,302	\$61,768	\$51,437	\$15,715
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
<i>Total Assets</i>	<u>\$1,302</u>	<u>\$61,768</u>	<u>\$51,437</u>	<u>\$15,715</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$0	\$2,091	\$188	\$243
Accrued Wages and Benefits Payable	0	0	0	1,065
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>2,091</u>	<u>188</u>	<u>1,308</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	6,171	8,444	2,723
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	1,302	53,506	42,805	11,684
<i>Total Fund Balances (Deficit)</i>	<u>1,302</u>	<u>59,677</u>	<u>51,249</u>	<u>14,407</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,302</u>	<u>\$61,768</u>	<u>\$51,437</u>	<u>\$15,715</u>

Classroom Facility Maintenance	District Managed Activity	Educational Management Information Systems	High Schools That Work	Title VI-B
\$853,549	\$103,613	\$6,078	\$0	\$6,358
92,863	0	0	0	0
0	13,048	0	0	0
0	0	0	6,855	226,783
<u>\$946,412</u>	<u>\$116,661</u>	<u>\$6,078</u>	<u>\$6,855</u>	<u>\$233,141</u>
\$0	\$8,418	\$0	\$0	\$0
0	0	0	0	62,610
0	0	0	0	4,415
5,203	0	0	0	13,592
76,231	0	0	5,755	92,768
<u>81,434</u>	<u>8,418</u>	<u>0</u>	<u>5,755</u>	<u>173,385</u>
0	24,844	0	0	0
16,632	0	0	0	0
848,346	83,399	6,078	1,100	59,756
<u>864,978</u>	<u>108,243</u>	<u>6,078</u>	<u>1,100</u>	<u>59,756</u>
<u>\$946,412</u>	<u>\$116,661</u>	<u>\$6,078</u>	<u>\$6,855</u>	<u>\$233,141</u>

(continued)

Western Brown Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010
(continued)

	State Fiscal Stabilization	Title II-D ARRA	Title I	Drug Free Grant
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$79,349	\$4,996	\$34,370	\$0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	6,573	113,636	12,882
<i>Total Assets</i>	<u>\$79,349</u>	<u>\$11,569</u>	<u>\$148,006</u>	<u>\$12,882</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$675	\$499	\$0	\$0
Accrued Wages and Benefits Payable	0	12,608	120,206	0
Interfund Payable	0	553	15,870	0
Intergovernmental Payable	0	1,864	13,114	0
Deferred Revenue	0	5,774	23,340	7,113
<i>Total Liabilities</i>	<u>675</u>	<u>21,298</u>	<u>172,530</u>	<u>7,113</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	1,462	2,480	3,211	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	77,212	(12,209)	(27,735)	5,769
<i>Total Fund Balances (Deficit)</i>	<u>78,674</u>	<u>(9,729)</u>	<u>(24,524)</u>	<u>5,769</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$79,349</u>	<u>\$11,569</u>	<u>\$148,006</u>	<u>\$12,882</u>

Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$0	\$1,218,535
0	92,863
0	13,048
<u>1,815</u>	<u>368,544</u>
<u>\$1,815</u>	<u>\$1,692,990</u>

\$0	\$12,114
0	196,489
506	21,344
0	33,773
<u>0</u>	<u>210,981</u>
<u>506</u>	<u>474,701</u>

0	49,335
0	16,632
<u>1,309</u>	<u>1,152,322</u>
<u>1,309</u>	<u>1,218,289</u>
<u>\$1,815</u>	<u>\$1,692,990</u>

Western Brown Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Taxes	\$80,379	\$0	\$80,379
Intergovernmental	3,825,745	0	3,825,745
Interest	0	1,664	1,664
Tuition and Fees	73,494	0	73,494
Extracurricular Activities	314,940	0	314,940
Contributions and Donations	34,772	0	34,772
Miscellaneous	106,218	0	106,218
<i>Total Revenues</i>	<u>4,435,548</u>	<u>1,664</u>	<u>4,437,212</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	728,417	6,991	735,408
Special	1,421,107	0	1,421,107
Vocational	5,400	0	5,400
Student Intervention Services	3,062	0	3,062
Support Services:			
Pupils	46,650	0	46,650
Instructional Staff	549,081	0	549,081
Administration	205,366	0	205,366
Fiscal	9,220	0	9,220
Operation and Maintenance of Plant	837,541	0	837,541
Pupil Transportation	142,162	0	142,162
Central	23,143	0	23,143
Operation of Non-Instructional Services	16,520	0	16,520
Extracurricular Activities	293,530	0	293,530
Capital Outlay	4,204	112,029	116,233
<i>Total Expenditures</i>	<u>4,285,403</u>	<u>119,020</u>	<u>4,404,423</u>
<i>Net Change in Fund Balances</i>	150,145	(117,356)	32,789
<i>Fund Balances at Beginning of Year</i>	<u>1,068,144</u>	<u>1,241,278</u>	<u>2,309,422</u>
<i>Fund Balances at End of Year</i>	<u><u>\$1,218,289</u></u>	<u><u>\$1,123,922</u></u>	<u><u>\$2,342,211</u></u>

Western Brown Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2010

	Memorial	Uniform School Supplies	Public School Support	Other Grant
<u>Revenues:</u>				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	5,789
Tuition and Fees	0	73,494	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	14,392
Miscellaneous	0	0	106,218	0
<i>Total Revenues</i>	<u>0</u>	<u>73,494</u>	<u>106,218</u>	<u>20,181</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	60,207	52,491	4,688
Special	0	0	0	0
Vocational	0	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	0	0	1,910	0
Instructional Staff	0	0	48,988	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	50	16,470
Extracurricular Activities	0	0	22,956	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>60,207</u>	<u>126,395</u>	<u>21,158</u>
<i>Net Change in Fund Balances</i>	0	13,287	(20,177)	(977)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>1,302</u>	<u>46,390</u>	<u>71,426</u>	<u>15,384</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,302</u>	<u>\$59,677</u>	<u>\$51,249</u>	<u>\$14,407</u>

(continued)

Western Brown Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2010
(continued)

	Classroom Facility Maintenance	District Managed Activity	Educational Management Information Systems	OneNet
<u>Revenues:</u>				
Taxes	\$80,379	\$0	\$0	\$0
Intergovernmental	144,738	0	6,100	9,145
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	314,940	0	0
Contributions and Donations	0	20,380	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>225,117</u>	<u>335,320</u>	<u>6,100</u>	<u>9,145</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	5,056	0	0	0
Special	0	0	0	0
Vocational	0	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	116	0
Fiscal	2,880	0	0	0
Operation and Maintenance of Plant	250,873	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	9,145
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	270,574	0	0
Capital Outlay	4,204	0	0	0
<i>Total Expenditures</i>	<u>263,013</u>	<u>270,574</u>	<u>116</u>	<u>9,145</u>
<i>Net Change in Fund Balances</i>	(37,896)	64,746	5,984	0
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>902,874</u>	<u>43,497</u>	<u>94</u>	<u>0</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$864,978</u></u>	<u><u>\$108,243</u></u>	<u><u>\$6,078</u></u>	<u><u>\$0</u></u>

Ohio Reads	High Schools That Work	Alternative School	Poverty Based Assistance	Title VI-B
\$0	\$0	\$0	\$0	\$0
1,500	5,245	38,247	0	907,447
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
1,500	5,245	38,247	0	907,447
0	5,671	28,138	772	50,860
0	0	0	0	648,335
0	0	0	0	0
0	0	0	137	0
0	0	0	0	30,420
2,383	0	0	0	1,967
0	0	382	0	112,900
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
2,383	5,671	28,520	909	844,482
(883)	(426)	9,727	(909)	62,965
883	1,526	(9,727)	909	(3,209)
\$0	\$1,100	\$0	\$0	\$59,756

(continued)

Western Brown Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2010
(continued)

	State Fiscal Stabilization	Title II-D ARRA	Title I	Drug Free Grant
<u>Revenues:</u>				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental	1,241,543	168,627	1,132,372	12,117
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>1,241,543</u>	<u>168,627</u>	<u>1,132,372</u>	<u>12,117</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	317,540	4,378	67,267	0
Special	0	0	772,772	0
Vocational	5,400	0	0	0
Student Intervention Services	0	0	2,925	0
Support Services:				
Pupils	14,320	0	0	0
Instructional Staff	40,730	173,978	276,610	4,425
Administration	35,711	0	54,114	1,923
Fiscal	6,340	0	0	0
Operation and Maintenance of Plant	586,668	0	0	0
Pupil Transportation	142,162	0	0	0
Central	13,998	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>1,162,869</u>	<u>178,356</u>	<u>1,173,688</u>	<u>6,348</u>
<i>Net Change in Fund Balances</i>	78,674	(9,729)	(41,316)	5,769
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>16,792</u>	<u>0</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$78,674</u></u>	<u><u>(\$9,729)</u></u>	<u><u>(\$24,524)</u></u>	<u><u>\$5,769</u></u>

Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$0	\$80,379
152,875	3,825,745
0	73,494
0	314,940
0	34,772
0	106,218
<u>152,875</u>	<u>4,435,548</u>
131,349	728,417
0	1,421,107
0	5,400
0	3,062
0	46,650
0	549,081
220	205,366
0	9,220
0	837,541
0	142,162
0	23,143
0	16,520
0	293,530
0	4,204
<u>131,569</u>	<u>4,285,403</u>
21,306	150,145
<u>(19,997)</u>	<u>1,068,144</u>
<u>\$1,309</u>	<u>\$1,218,289</u>

Western Brown Local School District

Agency Fund Description

Agency Fund

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governmental units, and/or other funds. The following is the description of the School District's Agency Fund:

STUDENT MANAGED ACTIVITY - This fund accounts for student activity programs which have student participation in the activity and have students involved in the management of the program.

Western Brown Local School District
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2010

	<u>Balance at</u> <u>6/30/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>6/30/10</u>
<u>STUDENT MANAGED ACTIVITY</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	<u>\$96,652</u>	<u>\$197,654</u>	<u>\$189,996</u>	<u>\$104,310</u>
<u>Liabilities:</u>				
Undistributed Monies	<u>\$96,652</u>	<u>\$197,654</u>	<u>\$189,996</u>	<u>\$104,310</u>

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Western Brown Local School District

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

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Taxes	\$4,898,413	\$4,215,361	\$4,241,786	\$26,425
Intergovernmental	18,193,046	19,376,760	19,369,922	(6,838)
Interest	17,707	31,000	18,852	(12,148)
Tuition and Fees	1,264,473	1,342,290	1,346,270	3,980
Extracurricular Activities	19,401	20,400	20,656	256
Rent	14,622	13,000	15,568	2,568
Contributions and Donations	76,422	49,000	81,366	32,366
Revenue in Lieu of Taxes	82,725	88,076	88,076	0
Miscellaneous	132,746	82,734	141,333	58,599
Total Revenues	24,699,555	25,218,621	25,323,829	105,208
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	8,488,229	8,488,229	8,273,605	214,624
Fringe Benefits	3,225,824	3,225,824	2,884,920	340,904
Purchased Services	153,977	153,977	140,048	13,929
Materials and Supplies	409,153	409,153	332,305	76,848
Capital Outlay - New	25,000	25,000	21,548	3,452
Other	0	0	103,166	(103,166)
Total Regular	12,302,183	12,302,183	11,755,592	546,591
Special:				
Salaries and Wages	878,656	878,656	811,867	66,789
Fringe Benefits	322,281	322,281	316,158	6,123
Purchased Services	1,168,234	1,168,234	1,287,774	(119,540)
Materials and Supplies	1,607	1,607	2,595	(988)
Total Special	2,370,778	2,370,778	2,418,394	(47,616)
Vocational:				
Salaries and Wages	218,721	218,721	206,540	12,181
Fringe Benefits	88,096	88,096	95,329	(7,233)
Purchased Services	18,500	18,500	22,193	(3,693)
Materials and Supplies	46,689	46,689	56,500	(9,811)
Capital Outlay - New	0	0	2,501	(2,501)
Other	7,020	7,020	3,828	3,192
Total Vocational	379,026	379,026	386,891	(7,865)
Student Intervention Services:				
Fringe Benefits	75	75	37	38
Purchased Services	0	15,000	175	14,825
Total Student Intervention Services	75	15,075	212	14,863
Other:				
Purchased Services	1,787,420	1,772,420	2,126,971	(354,551)
Total Instruction	\$16,839,482	\$16,839,482	\$16,688,060	\$151,422

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2010
(continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support Services:				
Pupils:				
Salaries and Wages	\$429,894	\$429,894	\$424,773	\$5,121
Fringe Benefits	157,646	157,646	144,585	13,061
Purchased Services	2,300	2,300	61,398	(59,098)
Materials and Supplies	8,500	8,500	8,386	114
Other	0	0	1,000	(1,000)
Total Pupils	598,340	598,340	640,142	(41,802)
Instructional Staff:				
Salaries and Wages	561,806	561,806	523,552	38,254
Fringe Benefits	343,483	343,483	315,710	27,773
Purchased Services	1,200	1,200	140	1,060
Materials and Supplies	17,557	17,557	32,138	(14,581)
Total Instructional Staff	924,046	924,046	871,540	52,506
Board of Education:				
Salaries and Wages	10,000	10,000	12,000	(2,000)
Fringe Benefits	388	388	190	198
Purchased Services	5,250	5,250	7,719	(2,469)
Materials and Supplies	0	0	75	(75)
Other	6,610	6,610	100	6,510
Total Board of Education	22,248	22,248	20,084	2,164
Administration:				
Salaries and Wages	1,112,054	1,112,054	1,095,680	16,374
Fringe Benefits	456,988	456,988	449,875	7,113
Purchased Services	135,270	135,270	160,705	(25,435)
Materials and Supplies	13,910	13,910	14,748	(838)
Other	57,100	57,100	132,809	(75,709)
Total Administration	1,775,322	1,775,322	1,853,817	(78,495)
Fiscal:				
Salaries and Wages	241,514	241,514	241,716	(202)
Fringe Benefits	86,798	86,798	78,597	8,201
Purchased Services	26,102	26,102	27,869	(1,767)
Materials and Supplies	6,903	6,903	9,295	(2,392)
Other	186,600	186,600	194,509	(7,909)
Total Fiscal	547,917	547,917	551,986	(4,069)
Operation and Maintenance of Plant:				
Salaries and Wages	1,105,644	1,105,644	1,092,723	12,921
Fringe Benefits	559,105	559,105	561,761	(2,656)
Purchased Services	1,157,103	1,157,103	467,898	689,205
Materials and Supplies	219,394	219,394	224,519	(5,125)
Capital Outlay - New	0	0	11,571	(11,571)
Other	1,871	1,871	39	1,832
Total Operation and Maintenance of Plant	\$3,043,117	\$3,043,117	\$2,358,511	\$684,606

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2010
(continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Pupil Transportation:				
Salaries and Wages	\$922,103	\$922,103	\$911,364	\$10,739
Fringe Benefits	565,863	565,863	495,414	70,449
Purchased Services	177,195	177,195	175,438	1,757
Materials and Supplies	486,336	486,336	359,701	126,635
Capital Outlay - New	78,000	78,000	43,381	34,619
Capital Outlay - Replacement	0	0	1,770	(1,770)
Other	500	500	1,065	(565)
Total Pupil Transportation	2,229,997	2,229,997	1,988,133	241,864
Central:				
Salaries and Wages	59,259	59,259	64,862	(5,603)
Fringe Benefits	13,964	13,964	14,436	(472)
Purchased Services	21,919	21,919	64,380	(42,461)
Materials and Supplies	20,000	20,000	23,533	(3,533)
Capital Outlay - New	25,000	25,000	24,021	979
Other	150,000	150,000	116,817	33,183
Total Central	290,142	290,142	308,049	(17,907)
Total Support Services	9,431,129	9,431,129	8,592,262	838,867
Operation of Non-Instructional Services:				
Food Service Operations:				
Materials and Supplies	0	0	240	(240)
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	70,000	70,000	72,273	(2,273)
Fringe Benefits	11,825	11,825	7,230	4,595
Purchased Services	8,599	8,599	4,746	3,853
Materials and Supplies	2,155	2,155	634	1,521
Total Academic and Subject Oriented Activities	92,579	92,579	84,883	7,696
Sports Oriented Activities:				
Salaries and Wages	302,000	302,000	285,768	16,232
Fringe Benefits	52,787	52,787	43,262	9,525
Purchased Services	0	0	27,614	(27,614)
Materials and Supplies	50,329	50,329	13,077	37,252
Capital Outlay - New	12,996	12,996	22,535	(9,539)
Capital Outlay - Replacement	0	0	6,485	(6,485)
Total Sports Oriented Activities	418,112	418,112	398,741	19,371
Total Extracurricular Activities	510,691	510,691	483,624	27,067
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Building Acquisition and Construction Services:				
Capital Outlay - New	\$553,432	\$553,432	\$696,283	(\$142,851)

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2010
(continued)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Debt Service:				
Principal Retirement	\$84,000	\$84,000	\$78,000	\$6,000
Interest and Fiscal Charges	33,000	33,000	24,415	8,585
Total Debt Service	<u>117,000</u>	<u>117,000</u>	<u>102,415</u>	<u>14,585</u>
<i>Total Expenditures</i>	<u>27,451,734</u>	<u>27,451,734</u>	<u>26,562,884</u>	<u>888,850</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,752,179)</u>	<u>(2,233,113)</u>	<u>(1,239,055)</u>	<u>994,058</u>
<i>Other Financing Sources (Uses):</i>				
Proceeds from Sale of Capital Assets	33,000	33,000	36,500	3,500
Proceeds from Capital Lease	610,000	610,000	610,000	0
Refund of Prior Year Expenditures	20,200	20,200	20,218	18
Advances In	186,000	186,000	186,100	100
Advances Out	0	0	(207,444)	(207,444)
<i>Total Other Financing Sources (Uses)</i>	<u>849,200</u>	<u>849,200</u>	<u>645,374</u>	<u>(203,826)</u>
Net Change in Fund Balance	(1,902,979)	(1,383,913)	(593,681)	790,232
Fund Balance at Beginning of Year	2,119,501	2,119,501	2,119,501	0
Prior Year Encumbrances Appropriated	<u>329,282</u>	<u>329,282</u>	<u>329,282</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$545,804</u></u>	<u><u>\$1,064,870</u></u>	<u><u>\$1,855,102</u></u>	<u><u>\$790,232</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$530,500	\$490,000	\$477,200	(\$12,800)
Intergovernmental	0	40,500	71,652	31,152
<i>Total Revenues</i>	530,500	530,500	548,852	18,352
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	17,200	17,200	15,493	1,707
Debt Service:				
Principal Retirement	270,000	270,000	270,000	0
Interest and Fiscal Charges	251,840	251,840	251,840	0
Total Debt Service	521,840	521,840	521,840	0
<i>Total Expenditures</i>	539,040	539,040	537,333	1,707
Net Change in Fund Balance	(8,540)	(8,540)	11,519	20,059
Fund Balance at Beginning of Year	1,736,031	1,736,031	1,736,031	0
Fund Balance at End of Year	\$1,727,491	\$1,727,491	\$1,747,550	\$20,059

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Memorial
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Other	<u>1,302</u>	<u>516</u>	<u>0</u>	<u>516</u>
Net Change in Fund Balance	(1,302)	(516)	0	516
Fund Balance at Beginning of Year	<u>1,302</u>	<u>1,302</u>	<u>1,302</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$786</u></u>	<u><u>\$1,302</u></u>	<u><u>\$516</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Tuition and Fees	\$87,500	\$73,100	\$73,494	\$394
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	119,837	95,837	64,287	31,550
Net Change in Fund Balance	(32,337)	(22,737)	9,207	31,944
Fund Balance at Beginning of Year	46,390	46,390	46,390	0
Prior Year Encumbrances Appropriated	6	6	6	0
Fund Balance at End of Year	<u>\$14,059</u>	<u>\$23,659</u>	<u>\$55,603</u>	<u>\$31,944</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Extracurricular Activities	\$89,992	\$82,100	\$81,732	(\$368)
Contributions and Donations	21,006	18,219	19,078	859
Miscellaneous	8,202	6,900	7,449	549
<i>Total Revenues</i>	<u>119,200</u>	<u>107,219</u>	<u>108,259</u>	<u>1,040</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	16,030	16,030	12,877	3,153
Materials and Supplies	43,513	51,513	44,151	7,362
Capital Outlay - New	8,190	8,190	0	8,190
Other	2,254	2,254	2,694	(440)
Total Instruction	<u>69,987</u>	<u>77,987</u>	<u>59,722</u>	<u>18,265</u>
Support Services:				
Pupils:				
Purchased Services	0	0	1,910	(1,910)
Instructional Staff:				
Materials and Supplies	39,748	39,748	49,758	(10,010)
Administration:				
Capital Outlay - New	3,282	3,282	0	3,282
Total Support Services	<u>43,030</u>	<u>43,030</u>	<u>51,668</u>	<u>(8,638)</u>
Operation of Non-Instructional Services:				
Community Services:				
Other	0	0	50	(50)
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	206	206	0	206
Materials and Supplies	52	52	0	52
Other	18,834	18,834	23,236	(4,402)
Total Academic and Subject Oriented Activities	<u>19,092</u>	<u>19,092</u>	<u>23,236</u>	<u>(4,144)</u>
Sports Oriented Activities:				
Materials and Supplies	551	551	1,300	(749)
Total Extracurricular Activities	<u>19,643</u>	<u>19,643</u>	<u>24,536</u>	<u>(4,893)</u>
<i>Total Expenditures</i>	<u>132,660</u>	<u>140,660</u>	<u>135,976</u>	<u>4,684</u>
Net Change in Fund Balance	(13,460)	(33,441)	(27,717)	5,724
Fund Balance at Beginning of Year	57,932	57,932	57,932	0
Prior Year Encumbrances Appropriated	12,590	12,590	12,590	0
Fund Balance at End of Year	<u>\$57,062</u>	<u>\$37,081</u>	<u>\$42,805</u>	<u>\$5,724</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Grant
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$4,016	\$5,780	\$5,789	\$9
Contributions and Donations	9,984	14,100	14,392	292
<i>Total Revenues</i>	<u>14,000</u>	<u>19,880</u>	<u>20,181</u>	<u>301</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,000	3,000	0	3,000
Purchased Services	4,814	3,000	854	2,146
Materials and Supplies	15,173	9,559	3,834	5,725
Total Instruction	<u>22,987</u>	<u>15,559</u>	<u>4,688</u>	<u>10,871</u>
Operation of Non-Instructional Services:				
Community Services:				
Fringe Benefits	3,347	3,347	6,770	(3,423)
Purchased Services	0	0	2,713	(2,713)
Materials and Supplies	2,347	3,847	8,403	(4,556)
Total Operation of Non-Instructional Services	<u>5,694</u>	<u>7,194</u>	<u>17,886</u>	<u>(10,692)</u>
<i>Total Expenditures</i>	<u>28,681</u>	<u>22,753</u>	<u>22,574</u>	<u>179</u>
Net Change in Fund Balance	(14,681)	(2,873)	(2,393)	480
Fund Balance at Beginning of Year	<u>15,384</u>	<u>15,384</u>	<u>15,384</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$703</u></u>	<u><u>\$12,511</u></u>	<u><u>\$12,991</u></u>	<u><u>\$480</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facility Maintenance
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Taxes	\$100,500	\$84,100	\$84,133	\$33
Intergovernmental	125,000	143,775	144,738	963
<i>Total Revenues</i>	<u>225,500</u>	<u>227,875</u>	<u>228,871</u>	<u>996</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	3,075	3,075	2,880	195
Operation and Maintenance of Plant:				
Salaries and Wages	66,184	66,184	66,084	100
Fringe Benefits	25,384	25,384	22,992	2,392
Purchased Services	400,000	400,000	923	399,077
Total Operation and Maintenance of Plant	<u>491,568</u>	<u>491,568</u>	<u>89,999</u>	<u>401,569</u>
Total Support Services	<u>494,643</u>	<u>494,643</u>	<u>92,879</u>	<u>401,764</u>
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Building Acquisition and Construction Services:				
Purchased Services	0	0	150,150	(150,150)
Capital Outlay - New	70,926	70,926	15,555	55,371
Total Capital Outlay	<u>70,926</u>	<u>70,926</u>	<u>165,705</u>	<u>(94,779)</u>
<i>Total Expenditures</i>	<u>565,569</u>	<u>565,569</u>	<u>258,584</u>	<u>306,985</u>
Net Change in Fund Balance	(340,069)	(337,694)	(29,713)	307,981
Fund Balance at Beginning of Year	872,336	872,336	872,336	0
Prior Year Encumbrances Appropriated	10,926	10,926	10,926	0
Fund Balance at End of Year	<u>\$543,193</u>	<u>\$545,568</u>	<u>\$853,549</u>	<u>\$307,981</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Activity
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
<u>Revenues:</u>				
Tuition and Fees	\$1,950	\$3,980	\$3,921	(\$59)
Extracurricular Activities	138,725	283,050	297,971	14,921
Contributions and Donations	9,975	20,352	20,380	28
<i>Total Revenues</i>	150,650	307,382	322,272	14,890
<u>Expenditures:</u>				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	0	5,500	4,164	1,336
Purchased Services	64,193	80,993	96,659	(15,666)
Materials and Supplies	89,636	172,636	155,002	17,634
Capital Outlay - New	0	37,500	32,428	5,072
Other	0	0	8,043	(8,043)
<i>Total Expenditures</i>	153,829	296,629	296,296	333
Net Change in Fund Balance	(3,179)	10,753	25,976	15,223
Fund Balance at Beginning of Year	21,731	21,731	21,731	0
Prior Year Encumbrances Appropriated	22,762	22,762	22,762	0
Fund Balance at End of Year	\$41,314	\$55,246	\$70,469	\$15,223

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$9,834	\$6,100	\$6,100	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Administration:				
Salaries and Wages	8,634	7,544	2,447	5,097
Fringe Benefits	1,200	1,200	219	981
<i>Total Expenditures</i>	<u>9,834</u>	<u>8,744</u>	<u>2,666</u>	<u>6,078</u>
Net Change in Fund Balance	0	(2,644)	3,434	6,078
Fund Balance at Beginning of Year	<u>2,644</u>	<u>2,644</u>	<u>2,644</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,644</u></u>	<u><u>\$0</u></u>	<u><u>\$6,078</u></u>	<u><u>\$6,078</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OneNet
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$12,000	\$9,145	\$9,145	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Central:				
Purchased Services	12,000	9,145	9,145	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$22,917	\$22,142	\$22,142	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	9,443	9,442	9,442	0
Fringe Benefits	14,680	14,680	13,906	774
<i>Total Expenditures</i>	24,123	24,122	23,348	774
Excess of Revenues Over (Under) Expenditures	(1,206)	(1,980)	(1,206)	774
<u>Other Financing Sources (Uses):</u>				
Advances In	0	1,500	1,500	0
Advances Out	0	(726)	(1,500)	(774)
<i>Total Other Financing Sources (Uses)</i>	0	774	0	(774)
Net Change in Fund Balance	(1,206)	(1,206)	(1,206)	0
Fund Balance at Beginning of Year	1,206	1,206	1,206	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
High Schools That Work
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$14,000	\$4,145	\$4,145	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	15,425	5,671	5,473	198
Materials and Supplies	0	0	198	(198)
<i>Total Expenditures</i>	<u>15,425</u>	<u>5,671</u>	<u>5,671</u>	<u>0</u>
Net Change in Fund Balance	(1,425)	(1,526)	(1,526)	0
Fund Balance at Beginning of Year	1,101	1,101	1,101	0
Prior Year Encumbrances Appropriated	<u>425</u>	<u>425</u>	<u>425</u>	<u>0</u>
Fund Balance at End of Year	<u>\$101</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Alternative School
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$58,000	\$38,247	\$38,247	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	52,150	37,030	37,030	0
Fringe Benefits	0	1,912	1,912	0
Total Instruction	52,150	38,942	38,942	0
Support Services:				
Administration:				
Salaries and Wages	210	468	468	0
Purchased Services	4,000	0	0	0
Total Support Services	4,210	468	468	0
<i>Total Expenditures</i>	56,360	39,410	39,410	0
Net Change in Fund Balance	1,640	(1,163)	(1,163)	0
Fund Balance at Beginning of Year	1,163	1,163	1,163	0
Fund Balance at End of Year	<u>\$2,803</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Poverty Based Assistance
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$37,718	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	0	1,138	1,138	0
Student Intervention Services:				
Salaries and Wages	37,500	0	0	0
Fringe Benefits	0	137	137	0
Total Student Intervention Services	37,500	137	137	0
<i>Total Expenditures</i>	37,500	1,275	1,275	0
Net Change in Fund Balance	218	(1,275)	(1,275)	0
Fund Balance at Beginning of Year	1,275	1,275	1,275	0
Fund Balance at End of Year	<u>\$1,493</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$772,459	\$812,870	\$812,870	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	0	50,860	50,860	0
Special:				
Salaries and Wages	241,597	270,169	270,169	0
Fringe Benefits	89,517	95,851	95,851	0
Purchased Services	50,000	231,653	231,653	0
Materials and Supplies	0	33,541	33,541	0
Total Special	381,114	631,214	631,214	0
Total Instruction	381,114	682,074	682,074	0
Support Services:				
Pupils:				
Salaries and Wages	0	23,019	23,019	0
Fringe Benefits	0	3,217	3,217	0
Purchased Services	260,313	0	0	0
Total Pupils	260,313	26,236	26,236	0
Instructional Staff:				
Salaries and Wages	980	0	0	0
Administration:				
Salaries and Wages	79,375	80,331	80,331	0
Fringe Benefits	61,020	32,694	32,694	0
Total Administration	140,395	113,025	113,025	0
Total Support Services	401,688	139,261	139,261	0
<i>Total Expenditures</i>	782,802	821,335	821,335	0
Excess of Revenues Under Expenditures	(10,343)	(8,465)	(8,465)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	0	64,600	69,015	4,415
Advances Out	0	(64,600)	(64,600)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	4,415	4,415
Net Change in Fund Balance	(10,343)	(8,465)	(4,050)	4,415
Fund Balance at Beginning of Year	10,408	10,408	10,408	0
Fund Balance at End of Year	\$65	\$1,943	\$6,358	\$4,415

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Fiscal Stabilization
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$1,229,709	\$1,241,543	\$1,241,543	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Fringe Benefits	0	0	254,535	(254,535)
Purchased Services	0	0	63,005	(63,005)
Total Regular	0	0	317,540	(317,540)
Vocational:				
Fringe Benefits			5,400	(5,400)
Total Instruction	0	0	322,940	(322,940)
Support Services:				
Pupils:				
Fringe Benefits	0	0	14,320	(14,320)
Instructional Staff:				
Fringe Benefits	0	0	40,730	(40,730)
Administration:				
Fringe Benefits	0	0	26,410	(26,410)
Purchased Services	0	0	6,936	(6,936)
Other	0	0	2,365	(2,365)
Total Administration	0	0	35,711	(35,711)
Fiscal:				
Fringe Benefits	0	0	6,340	(6,340)
Operation and Maintenance of Plant:				
Purchased Services	1,229,709	1,229,709	586,668	643,041
Pupil Transportation:				
Fringe Benefits	0	0	62,840	(62,840)
Materials and Supplies	0	0	80,784	(80,784)
Total Pupil Transportation	0	0	143,624	(143,624)
Central:				
Fringe Benefits	0	0	940	(940)
Purchased Services	0	0	13,058	(13,058)
Total Central	0	0	13,998	(13,998)
Total Support Services:	1,229,709	1,229,709	841,391	388,318
Total Expenditures	1,229,709	1,229,709	1,164,331	65,378
Excess of Revenues Over Expenditures	0	11,834	77,212	65,378
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$0	\$11,834	\$77,212	\$65,378

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II-D ARRA
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$203,400	\$167,828	\$167,828	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Materials and Supplies	5,353	4,378	4,378	0
Support Services:				
Instructional Staff:				
Salaries and Wages	62,450	51,079	51,079	0
Fringe Benefits	18,014	14,734	14,734	0
Purchased Services	80,790	66,079	66,079	0
Capital Outlay - New	36,793	30,094	30,094	0
Total Support Services:	198,047	161,986	161,986	0
<i>Total Expenditures</i>	203,400	166,364	166,364	0
Excess of Revenues Over Expenditures	0	1,464	1,464	0
<u>Other Financing Sources:</u>				
Advances In	0	553	553	0
Net Change in Fund Balance	0	2,017	2,017	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$2,017</u>	<u>\$2,017</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<u>Revenues:</u>				
Intergovernmental	\$1,260,433	\$1,111,134	\$1,111,134	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	0	70,478	70,478	0
Capital Outlay - New	8,392	0	0	0
Total Regular	8,392	70,478	70,478	0
Special:				
Salaries and Wages	605,934	458,322	458,322	0
Fringe Benefits	178,249	192,672	192,672	0
Purchased Services	198,552	108,314	108,314	0
Total Special	982,735	759,308	759,308	0
Student Intervention Services:				
Purchased Services	5,577	2,925	2,925	0
Materials and Supplies	2,000	0	0	0
Total Student Intervention Services	7,577	2,925	2,925	0
Total Instruction	998,704	832,711	832,711	0
Support Services:				
Instructional Staff:				
Salaries and Wages	121,932	168,337	168,337	0
Fringe Benefits	45,605	38,604	38,604	0
Purchased Services	0	46,740	46,740	0
Total Instructional Staff	167,537	253,681	253,681	0
Administration:				
Salaries and Wages	34,451	51,375	51,375	0
Total Support Services	201,988	305,056	305,056	0
Total Expenditures	1,200,692	1,137,767	1,137,767	0
Excess of Revenues Over (Under) Expenditures	59,741	(26,633)	(26,633)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	0	113,120	117,870	4,750
Advances Out	(16,900)	(102,000)	(102,000)	0
Total Other Financing Sources (Uses)	(16,900)	11,120	15,870	4,750
Net Change in Fund Balance	42,841	(15,513)	(10,763)	4,750
Fund Balance at Beginning of Year	14,001	14,001	14,001	0
Prior Year Encumbrances Appropriated	27,922	27,922	27,922	0
Fund Balance at End of Year	<u>\$84,764</u>	<u>\$26,410</u>	<u>\$31,160</u>	<u>\$4,750</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Grant
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$19,276	\$6,348	\$6,348	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	11,132	0	0	0
Support Services:				
Instructional Staff:				
Purchased Services	3,314	4,425	4,425	0
Administration:				
Purchased Services	4,784	1,923	1,923	0
Total Support Services	8,098	6,348	6,348	0
<i>Total Expenditures</i>	19,230	6,348	6,348	0
Net Change in Fund Balance	46	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$46	\$0	\$0	\$0

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Improving Teacher Quality
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$178,873	\$154,044	\$154,044	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	143,507	116,785	116,785	0
Fringe Benefits	35,816	38,592	38,592	0
Total Instruction	179,323	155,377	155,377	0
Support Services:				
Administration:				
Salaries and Wages	550	220	220	0
<i>Total Expenditures</i>	179,873	155,597	155,597	0
Excess of Revenues Under Expenditures	(1,000)	(1,553)	(1,553)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	0	18,506	18,506	0
Advances Out	0	(18,000)	(18,000)	0
<i>Total Other Financing Sources (Uses)</i>	0	506	506	0
Net Change in Fund Balance	(1,000)	(1,047)	(1,047)	0
Fund Balance at Beginning of Year	1,047	1,047	1,047	0
Fund Balance at End of Year	\$47	\$0	\$0	\$0

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Western Brown Construction Project
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Interest	\$58,000	\$1,355	\$1,664	\$309
<u>Expenditures:</u>				
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Building Acquisition and Construction Services:				
Capital Outlay - New	2,250	2,250	233,426	(231,176)
Excess of Revenues Over (Under) Expenditures	55,750	(895)	(231,762)	(230,867)
<u>Other Financing Uses:</u>				
Transfers Out	(1,183,796)	(1,183,796)	0	1,183,796
Net Change in Fund Balance	(1,128,046)	(1,184,691)	(231,762)	952,929
Fund Balance at Beginning of Year	1,239,028	1,239,028	1,239,028	0
Prior Year Encumbrances Appropriated	2,250	2,250	2,250	0
Fund Balance at End of Year	\$113,232	\$56,587	\$1,009,516	\$952,929

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Sales	\$580,669	\$594,000	\$603,869	\$9,869
Interest	354	2,200	368	(1,832)
Federal and State Subsidies	885,017	806,200	920,378	114,178
Other Revenues	35,960	29,800	37,397	7,597
<i>Total Revenues</i>	<u>1,502,000</u>	<u>1,432,200</u>	<u>1,562,012</u>	<u>129,812</u>
<u>Expenses:</u>				
Salaries	403,387	438,387	435,469	2,918
Fringe Benefits	316,167	336,167	332,898	3,269
Purchased Services	15,015	15,015	13,885	1,130
Materials and Supplies	626,509	676,509	668,532	7,977
Capital Outlay - New	0	10,000	9,451	549
<i>Total Expenses</i>	<u>1,361,078</u>	<u>1,476,078</u>	<u>1,460,235</u>	<u>15,843</u>
<i>Net Change in Fund Equity</i>	140,922	(43,878)	101,777	145,655
Fund Equity at Beginning of Year	299,585	299,585	299,585	0
Prior Year Encumbrances Appropriated	3,389	3,389	3,389	0
Fund Equity at End of Year	<u><u>\$443,896</u></u>	<u><u>\$259,096</u></u>	<u><u>\$404,751</u></u>	<u><u>\$145,655</u></u>

STATISTICAL SECTION

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Statistical Section

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

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

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

Western Brown Local School District
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<u>Governmental Activities:</u>				
Invested in Capital Assets, Net of Related Debt	\$50,234,994	\$54,382,759	\$53,812,800	\$52,270,245
Restricted for:				
Debt Service	1,025,227	1,200,826	1,278,683	1,404,525
Capital Projects	8,071,299	2,383,815	3,407,766	2,337,331
Classroom Facilities	0	0	0	0
Other Purposes (1)	1,025,497	658,867	827,117	1,150,675
Set-Asides	0	0	0	0
Unrestricted (Deficit)	<u>1,852,180</u>	<u>2,191,495</u>	<u>(1,024,935)</u>	<u>(665,002)</u>
Total Governmental Activities Net Assets	<u>\$62,209,197</u>	<u>\$60,817,762</u>	<u>\$58,301,431</u>	<u>\$56,497,774</u>
<u>Business-Type Activity:</u>				
Invested in Capital Assets	\$2,175,985	\$2,344,334	\$2,232,744	\$2,111,448
Unrestricted	<u>151,622</u>	<u>188,005</u>	<u>171,498</u>	<u>97,274</u>
Total Business-Type Activity Net Assets	<u>\$2,327,607</u>	<u>\$2,532,339</u>	<u>\$2,404,242</u>	<u>\$2,208,722</u>
<u>Primary Government:</u>				
Invested in Capital Assets, Net of Related Debt	\$52,410,979	\$56,727,093	\$56,045,544	\$54,381,693
Restricted	10,122,023	4,243,508	5,513,566	4,892,531
Unrestricted (Deficit)	<u>2,003,802</u>	<u>2,379,500</u>	<u>(853,437)</u>	<u>(567,728)</u>
Total Primary Government Net Assets	<u>\$64,536,804</u>	<u>\$63,350,101</u>	<u>\$60,705,673</u>	<u>\$58,706,496</u>

(1) 2007 was the first year other purposes was further classified.

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$51,070,621	\$48,946,361	\$47,291,229	\$45,577,012	\$44,066,679	\$42,686,618
1,589,643	1,679,299	1,787,001	1,813,830	1,853,926	1,848,836
1,137,508	733,409	719,152	1,242,909	1,241,278	1,123,922
0	0	736,086	839,232	902,512	862,681
898,263	838,607	325,876	243,919	166,439	502,243
327,633	82,367	319,466	658,004	829,827	1,084,762
<u>(292,727)</u>	<u>(476,305)</u>	<u>(757,121)</u>	<u>430,367</u>	<u>(1,544,952)</u>	<u>(2,279,839)</u>
<u>\$54,730,941</u>	<u>\$51,803,738</u>	<u>\$50,421,689</u>	<u>\$50,805,273</u>	<u>\$47,515,709</u>	<u>\$45,829,223</u>
\$2,033,945	\$1,905,617	\$1,793,601	\$1,674,004	\$1,554,351	\$1,444,079
<u>73,733</u>	<u>87,315</u>	<u>123,828</u>	<u>131,134</u>	<u>144,784</u>	<u>227,013</u>
<u>\$2,107,678</u>	<u>\$1,992,932</u>	<u>\$1,917,429</u>	<u>\$1,805,138</u>	<u>\$1,699,135</u>	<u>\$1,671,092</u>
\$53,104,566	\$50,851,978	\$49,084,830	\$47,251,016	\$45,621,030	\$44,130,697
3,953,047	3,333,682	3,803,169	4,797,894	4,993,982	5,422,444
<u>(218,994)</u>	<u>(388,990)</u>	<u>(591,087)</u>	<u>561,501</u>	<u>(1,400,168)</u>	<u>(2,052,826)</u>
<u>\$56,838,619</u>	<u>\$53,796,670</u>	<u>\$52,296,912</u>	<u>\$52,610,411</u>	<u>\$49,214,844</u>	<u>\$47,500,315</u>

Western Brown Local School District

Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

	2001	2002	2003	2004
<u>Expenses:</u>				
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$10,067,185	\$12,180,875	\$12,465,772	\$13,157,172
Special	1,862,292	1,804,213	2,242,856	2,100,815
Vocational	\$247,993	265,181	273,998	269,774
Other	322,220	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	781,023	972,090	1,084,700	1,064,124
Instructional Staff	733,883	871,741	886,418	904,816
Board of Education	19,462	30,269	18,213	26,087
Administration	1,818,114	1,973,300	2,126,037	2,092,474
Fiscal	412,367	457,010	485,519	625,984
Business	15,950	115	0	294
Operation and Maintenance of Plant	1,441,306	2,164,658	2,534,729	3,098,831
Pupil Transportation	1,473,213	1,609,885	1,662,716	1,769,004
Central	61,637	70,364	97,847	179,493
Operation of Non-Instructional Services	3,093	73,801	1,916	1,887
Extracurricular Activities	291,069	401,793	521,942	568,400
Interest and Fiscal Charges	341,112	330,800	338,146	333,859
<i>Total Governmental Activities Expenses</i>	<u>19,891,919</u>	<u>23,206,095</u>	<u>24,740,809</u>	<u>26,193,014</u>
 <u>Business-Type Activity:</u>				
Food Service	<u>1,013,583</u>	<u>1,109,624</u>	<u>1,148,095</u>	<u>1,199,293</u>
 <i>Total Expenses</i>	 <u>20,905,502</u>	 <u>24,315,719</u>	 <u>25,888,904</u>	 <u>27,392,307</u>
 <u>Program Revenues:</u>				
<u>Governmental Activities:</u>				
Charges for Services and Sales:				
Instruction:				
Regular	95,952	136,802	149,335	369,450
Special	0	0	0	40,150
Vocational	0	0	0	5,736
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	0	315	1,901	23,399
Instructional Staff	0	18,100	29,823	28,267
Board of Education	0	0	0	0
Administration	0	3,394	0	45,886
Fiscal	0	0	0	17,207
Operation and Maintenance of Plant	0	0	0	74,564
Pupil Transportation	0	0	0	45,886
Central	0	0	0	0
Extracurricular Activities	153,313	102,895	105,427	197,859
Operating Grants and Contributions	1,029,607	1,828,883	1,801,397	2,253,283
Capital Grants and Contributions	164,651	187,682	67,045	78,650
<i>Total Governmental Activities Program Revenues</i>	<u>\$1,443,523</u>	<u>\$2,278,071</u>	<u>\$2,154,928</u>	<u>\$3,180,337</u>

2005	2006	2007	2008	2009	2010
\$13,628,477	\$14,703,897	\$14,051,085	\$14,208,369	\$15,372,518	\$15,767,971
2,596,384	2,751,167	3,028,459	3,382,298	3,698,014	3,946,902
288,623	319,570	254,430	297,494	328,952	417,110
0	0	0	0	0	0
0	101,933	87,630	203,039	146,996	3,274
1,095,373	1,083,805	1,042,719	986,900	928,674	746,707
878,219	1,029,535	833,832	998,888	1,076,896	1,432,569
23,317	25,214	17,796	17,970	20,524	19,962
2,178,806	2,323,665	2,252,897	2,104,497	2,254,135	2,268,018
534,234	487,405	526,057	584,051	585,596	556,440
31,641	23,666	168	0	0	0
2,821,977	2,866,079	2,824,911	2,959,634	3,158,807	3,083,917
1,920,582	2,107,161	2,235,642	2,246,022	2,188,838	2,160,710
211,797	181,968	225,768	274,331	266,667	325,781
46,862	3,578	2,865	3,565	16,395	16,760
640,459	692,746	648,268	714,507	737,047	877,682
321,848	317,740	309,796	294,509	275,376	276,176
27,218,599	29,019,129	28,342,323	29,276,074	31,055,435	31,899,979
1,266,525	1,383,302	1,485,512	1,566,497	1,642,631	1,689,343
28,485,124	30,402,431	29,827,835	30,842,571	32,698,066	33,589,322
503,348	567,375	1,016,663	1,062,083	1,069,057	1,190,898
75,845	79,065	161,032	189,825	192,087	201,941
8,427	11,349	16,658	21,463	21,464	26,925
0	0	3,332	0	5,305	0
25,281	29,129	0	0	0	0
33,709	32,912	0	0	0	0
0	1,050	0	0	0	0
67,417	71,026	0	0	0	0
16,854	18,253	0	0	0	0
109,553	115,193	11,230	14,444	12,995	15,568
67,417	83,321	0	0	0	0
0	6,896	0	0	0	0
104,415	110,867	105,919	147,101	141,313	335,596
2,484,693	2,573,020	2,745,174	3,228,610	3,056,239	4,155,561
0	71,992	0	0	0	79,000
\$3,496,959	\$3,771,448	\$4,060,008	\$4,663,526	\$4,498,460	\$6,005,489

(continued)

Western Brown Local School District
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)
(continued)

	2001	2002	2003	2004
<u>Business-Type Activity:</u>				
Food Service				
Charges for Services and Sales	\$623,757	\$631,462	\$609,331	\$584,299
Operating Grants and Contributions	348,812	388,620	381,847	400,574
<i>Total Business-Type Activity Program Revenues</i>	<u>972,569</u>	<u>1,020,082</u>	<u>991,178</u>	<u>984,873</u>
<i>Total Program Revenues</i>	<u>2,416,092</u>	<u>3,298,153</u>	<u>3,146,106</u>	<u>4,165,210</u>
<u>Net (Expense)/Revenue:</u>				
Governmental Activities	(18,448,396)	(20,928,024)	(22,585,881)	(23,012,677)
Business-Type Activity	(41,014)	(89,542)	(156,917)	(214,420)
<i>Total Net (Expense)/Revenue</i>	<u>(18,489,410)</u>	<u>(21,017,566)</u>	<u>(22,742,798)</u>	<u>(23,227,097)</u>
<u>General Revenues and Other Changes in Net Assets:</u>				
<u>Governmental Activities:</u>				
Property Taxes Levied for:				
General Purposes	3,012,419	3,283,024	3,304,693	3,396,506
Debt Service	0	0	528,751	552,220
Classroom Facilities Maintenance	783,205	672,444	82,614	135,571
Grants and Entitlements not				
Restricted to Specific Programs	13,715,161	15,421,480	15,899,676	16,729,287
Contributions and Donations	0	8,096	0	0
Interest	1,148,868	306,638	126,630	65,060
Gain on Sale of Capital Assets	0	0	53,143	276,088
Revenue in Lieu of Taxes	0	0	0	0
Miscellaneous	88,103	127,206	82,964	54,288
Transfers	(2,004,712)	(282,299)	(8,921)	0
<i>Total Governmental Activities</i>	<u>16,743,044</u>	<u>19,536,589</u>	<u>20,069,550</u>	<u>21,209,020</u>
<i>Extraordinary Item - Insurance Settlement</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Business-Type Activity:</u>				
Grants and Entitlements not				
Restricted to Specific Programs	8,955	0	2,720	0
Interest	0	4,581	0	1,592
Miscellaneous	0	7,394	17,179	17,308
Transfers	2,004,712	282,299	8,921	0
<i>Total Business-Type Activity</i>	<u>2,013,667</u>	<u>294,274</u>	<u>28,820</u>	<u>18,900</u>
<i>Total Primary Government</i>	<u>18,756,711</u>	<u>19,830,863</u>	<u>20,098,370</u>	<u>21,227,920</u>
<u>Change in Net Assets:</u>				
Governmental Activities	(1,705,352)	(1,391,435)	(2,516,331)	(1,803,657)
Business-Type Activity	1,972,653	204,732	(128,097)	(195,520)
<i>Total Change in Net Assets</i>	<u>\$267,301</u>	<u>(\$1,186,703)</u>	<u>(\$2,644,428)</u>	<u>(\$1,999,177)</u>

2005	2006	2007	2008	2009	2010
\$596,124	\$637,513	\$625,630	\$642,333	\$635,435	\$603,869
506,964	613,495	758,600	781,692	868,996	1,023,119
<u>1,103,088</u>	<u>1,251,008</u>	<u>1,384,230</u>	<u>1,424,025</u>	<u>1,504,431</u>	<u>1,626,988</u>
4,600,047	5,022,456	5,444,238	6,087,551	6,002,891	7,632,477
(23,721,640)	(25,247,681)	(24,282,315)	(24,612,548)	(26,556,975)	(25,894,490)
(163,437)	(132,294)	(101,282)	(142,472)	(138,200)	(62,355)
<u>(23,885,077)</u>	<u>(25,379,975)</u>	<u>(24,383,597)</u>	<u>(24,755,020)</u>	<u>(26,695,175)</u>	<u>(25,956,845)</u>
3,954,688	4,050,425	4,251,580	4,132,956	4,328,426	4,082,309
623,941	535,614	533,573	514,460	496,617	459,556
89,958	93,574	88,306	83,722	88,056	79,882
17,078,312	17,302,267	17,584,596	18,173,233	19,244,661	19,187,402
5,841	18,265	9,672	10,198	0	2,366
103,622	182,083	261,884	234,172	142,432	19,643
0	0	0	0	0	35,360
0	0	0	0	0	88,076
142,060	138,250	128,449	162,666	212,655	253,410
(43,615)	0	0	0	0	0
<u>21,954,807</u>	<u>22,320,478</u>	<u>22,858,060</u>	<u>23,311,407</u>	<u>24,512,847</u>	<u>24,208,004</u>
0	0	0	500,000	0	0
0	0	0	0	0	0
0	0	0	8,116	2,737	368
18,778	17,548	25,779	22,065	29,460	33,944
43,615	0	0	0	0	0
<u>62,393</u>	<u>17,548</u>	<u>25,779</u>	<u>30,181</u>	<u>32,197</u>	<u>34,312</u>
22,017,200	22,338,026	22,883,839	23,841,588	24,545,044	24,242,316
(1,766,833)	(2,927,203)	(1,424,255)	(801,141)	(2,044,128)	(1,686,486)
(101,044)	(114,746)	(75,503)	(112,291)	(106,003)	(28,043)
<u>(\$1,867,877)</u>	<u>(\$3,041,949)</u>	<u>(\$1,499,758)</u>	<u>(\$913,432)</u>	<u>(\$2,150,131)</u>	<u>(\$1,714,529)</u>

Western Brown Local School District
Program Revenues by Function, Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)

	2001	2002	2003	2004
<u>Governmental Activities:</u>				
Function:				
Instruction:				
Regular	\$524,215	\$728,968	\$479,630	\$795,667
Special	297,467	895,369	1,030,478	1,330,330
Vocational	0	62,577	0	74,870
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	107,173	155,069	223,983	382,288
Instructional Staff	47,150	78,142	103,451	55,221
Board of Education	0	0	0	0
Administration	179,126	201,356	156,167	203,220
Fiscal	8,393	9,172	9,397	19,224
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	74,564
Pupil Transportation	101,480	0	0	45,886
Central	14,219	0	12,361	0
Operation of Non-Instructional Services	2,648	267	2,017	1,208
Extracurricular Activities	161,652	147,151	137,444	197,859
Total Program Revenues	<u>\$1,443,523</u>	<u>\$2,278,071</u>	<u>\$2,154,928</u>	<u>\$3,180,337</u>

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$846,693	\$906,390	\$1,277,396	\$1,345,399	\$1,322,534	\$1,514,112
1,425,496	1,623,649	1,902,715	2,291,226	2,274,353	3,084,477
80,040	88,986	95,796	140,838	154,259	160,716
0	0	3,332	8,233	5,305	0
410,951	249,948	335,209	259,923	157,957	39,704
71,814	179,508	38,578	148,568	135,256	463,710
0	1,050	0	0	0	0
248,155	240,241	145,956	175,565	184,420	193,649
16,854	18,253	0	0	0	0
25,750	18,046	66	0	0	0
109,553	115,193	11,230	14,444	23,647	15,568
142,194	161,575	86,255	115,813	80,917	75,040
12,000	18,896	54,205	12,000	12,000	9,145
3,044	3,846	3,191	4,416	1,129	14,392
<u>104,415</u>	<u>145,867</u>	<u>106,079</u>	<u>147,101</u>	<u>146,683</u>	<u>434,976</u>
<u>\$3,496,959</u>	<u>\$3,771,448</u>	<u>\$4,060,008</u>	<u>\$4,663,526</u>	<u>\$4,498,460</u>	<u>\$6,005,489</u>

Western Brown Local School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund				
Reserved	\$1,468,817	\$1,448,229	\$2,328,325	\$1,207,910
Unreserved (Deficit)	<u>1,400,369</u>	<u>1,894,687</u>	<u>51,614</u>	<u>280,613</u>
Total General Fund	<u>2,869,186</u>	<u>3,342,916</u>	<u>2,379,939</u>	<u>1,488,523</u>
All Other Governmental Funds				
Reserved	5,799,919	395,295	266,407	136,694
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	824,210	583,928	662,252	798,834
Debt Service Fund	891,993	1,086,384	1,171,367	1,325,663
Capital Projects Funds	<u>2,370,497</u>	<u>2,197,615</u>	<u>1,844,901</u>	<u>1,608,143</u>
Total All Other Governmental Funds	<u>9,886,619</u>	<u>4,263,222</u>	<u>3,944,927</u>	<u>3,869,334</u>
Total Governmental Funds	<u><u>\$12,755,805</u></u>	<u><u>\$7,606,138</u></u>	<u><u>\$6,324,866</u></u>	<u><u>\$5,357,857</u></u>

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$1,664,886 (417,369)	\$1,238,665 (470,171)	\$1,642,030 (856,912)	\$1,820,710 (853,070)	\$2,163,347 (1,566,273)	\$2,153,648 (2,009,853)
<u>1,247,517</u>	<u>768,494</u>	<u>785,118</u>	<u>967,640</u>	<u>597,074</u>	<u>143,795</u>
659,603	169,829	234,802	214,861	211,842	277,437
876,730	856,516	928,812	1,006,332	973,306	1,152,322
1,470,683	1,565,053	1,648,831	1,702,309	1,736,031	1,747,550
<u>619,028</u>	<u>702,802</u>	<u>719,152</u>	<u>1,242,909</u>	<u>1,239,028</u>	<u>1,009,516</u>
<u>3,626,044</u>	<u>3,294,200</u>	<u>3,531,597</u>	<u>4,166,411</u>	<u>4,160,207</u>	<u>4,186,825</u>
<u>\$4,873,561</u>	<u>\$4,062,694</u>	<u>\$4,316,715</u>	<u>\$5,134,051</u>	<u>\$4,757,281</u>	<u>\$4,330,620</u>

Western Brown Local School District
Changes in Fund Balances
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2001	2002	2003	2004
<u>Revenues:</u>				
Taxes	\$3,717,413	\$4,045,516	\$3,699,848	\$4,248,472
Intergovernmental	30,562,605	17,688,565	17,711,280	19,058,488
Interest	1,148,868	306,638	126,630	65,060
Tuition and Fees	95,952	\$81,376.00	73,402	635,271
Extracurricular Activities	153,313	177,630	197,649	197,859
Rent	46	0	0	0
Contributions and Donations	24,931	58,555	49,468	10,102
Revenue in Lieu of Taxes	0	0	0	0
Miscellaneous	88,057	134,706	98,399	69,562
Total Revenues	35,791,185	22,492,986	21,956,676	24,284,814
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	8,815,842	10,393,020	10,647,348	11,599,196
Special	1,798,908	1,723,141	2,129,407	2,023,942
Vocational	235,505	237,884	230,475	233,561
Other	322,220	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	737,671	916,806	1,001,563	995,329
Instructional Staff	715,753	856,387	861,362	882,559
Board of Education	19,691	30,438	18,208	26,104
Administration	1,696,706	1,740,695	1,796,803	1,845,501
Fiscal	394,236	443,539	453,750	603,353
Business	0	115	0	294
Operation and Maintenance of Plant	1,431,397	2,225,489	2,459,572	2,844,385
Pupil Transportation	1,625,326	1,733,213	1,838,405	1,666,455
Central	35,632	70,304	96,431	181,903
Operation of Non-Instructional Services	3,093	54,351	1,916	1,700
Extracurricular Activities	266,885	362,070	443,485	487,731
Capital Outlay	25,207,716	6,349,331	1,767,310	1,323,343
Debt Service:				
Principal Retirement	212,185	222,249	207,569	605,000
Interest and Fiscal Charges	342,182	331,935	355,546	333,681
Total Expenditures	43,860,948	27,690,967	24,309,150	25,654,037
Excess of Revenues Over (Under) Expenditures	(8,069,763)	(5,197,981)	(2,352,474)	(1,369,223)
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	213,628	48,314	54,202	402,214
Inception of Capital Lease	0	0	1,017,000	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	213,628	48,314	1,071,202	402,214
Extraordinary Item - Insurance Settlement	0	0	0	0
Net Change in Fund Balances	(\$7,856,135)	(\$5,149,667)	(\$1,281,272)	(\$967,009)
Debt Service as a Percentage of Noncapital Expenditures	3.0%	2.6%	2.5%	3.9%

2005	2006	2007	2008	2009	2010
\$4,661,605	\$4,680,792	\$4,875,707	\$4,661,669	\$4,883,793	\$4,624,437
19,407,256	20,044,154	20,306,460	21,335,869	22,288,451	23,274,692
103,622	182,083	261,884	234,172	142,432	19,643
907,851	1,015,569	1,197,685	1,273,371	1,287,913	1,419,764
104,415	110,867	105,919	147,101	141,313	335,596
0	0	11,230	14,444	12,995	15,568
8,885	57,111	14,223	14,614	6,499	116,138
0	0	0	0	0	88,076
142,060	140,250	128,449	162,666	212,655	253,410
<u>25,335,694</u>	<u>26,230,826</u>	<u>26,901,557</u>	<u>27,843,906</u>	<u>28,976,051</u>	<u>30,147,324</u>
11,918,062	12,710,950	12,668,464	12,915,717	14,026,999	14,581,326
2,426,572	2,673,191	2,925,480	3,286,834	3,615,310	3,852,285
251,460	293,065	220,087	268,917	292,940	384,613
0	0	0	0	0	0
0	101,933	87,630	203,039	146,996	3,274
1,025,420	995,537	973,060	919,811	888,765	685,038
858,842	1,063,031	823,038	1,004,078	1,059,607	1,420,869
23,317	25,214	17,796	17,970	20,524	19,962
1,861,765	1,922,762	1,980,783	1,833,720	1,956,104	2,041,708
510,261	457,776	502,126	574,482	542,751	560,881
31,641	23,666	168	0	0	0
2,754,605	2,822,968	2,800,624	2,957,372	3,069,098	3,115,637
1,797,817	2,033,526	2,251,693	2,097,419	2,055,205	2,087,277
212,270	192,540	236,577	280,721	273,575	329,933
46,862	3,578	2,865	3,565	16,395	16,760
533,401	577,560	522,518	592,662	611,076	773,966
1,004,905	599,884	61,688	3,975	195,584	722,701
241,000	230,000	273,000	272,000	288,000	348,000
321,790	317,619	309,737	294,288	275,387	276,255
<u>25,819,990</u>	<u>27,044,800</u>	<u>26,657,334</u>	<u>27,526,570</u>	<u>29,334,316</u>	<u>31,220,485</u>
(484,296)	(813,974)	244,223	317,336	(358,265)	(1,073,161)
0	3,107	9,798	0	0	36,500
0	0	0	0	0	610,000
0	41	0	78	0	0
0	(41)	0	(78)	0	0
<u>0</u>	<u>3,107</u>	<u>9,798</u>	<u>0</u>	<u>0</u>	<u>646,500</u>
0	0	0	500,000	0	0
<u>(484,296)</u>	<u>(\$810,867)</u>	<u>\$254,021</u>	<u>\$817,336</u>	<u>(\$358,265)</u>	<u>(\$426,661)</u>
2.3%	2.1%	2.2%	2.1%	1.9%	2.0%

Western Brown Local School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2001	\$128,159,730	\$10,019,580	\$394,798,029	\$15,303,270	\$19,129,088
2002	133,250,960	15,035,190	423,674,714	7,796,490	9,745,613
2003	139,999,030	16,001,850	445,716,800	8,089,690	10,112,113
2004	160,347,390	17,789,940	508,963,800	8,247,680	10,309,600
2005	167,878,040	16,149,780	525,793,771	8,307,630	10,384,538
2006	173,569,980	17,580,970	546,145,571	8,383,120	10,478,900
2007	202,644,720	22,892,470	644,391,971	8,252,990	10,316,238
2008	204,389,990	21,877,410	646,478,286	7,245,790	9,057,238
2009	207,785,260	22,307,340	657,407,429	7,384,120	9,230,150
2010	214,707,910	23,132,980	679,545,400	7,823,360	9,779,200

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and 23 percent for inventories. General business tangible personal property tax other than telephone property tax was phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Telephone property tax was phased out beginning in 2006. The listing percentage is 25 percent for 2006, 20 percent for 2007, 15 percent for 2008, 10 percent for 2009, 5 percent for 2010 and zero for 2011.

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 and 2 1/2 percent rollback and the homestead exemption before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Source: Western Brown Local School District records and Ohio Department of Taxation.

Tangible Personal Property		Total			Weighted Average Tax Rate
General Business		Assessed	Estimated	Ratio	
Assessed Value	Estimated Actual Value	Value	Value		
\$11,096,690	\$44,386,760	\$164,579,270	\$458,313,876	35.91%	25.20
11,338,708	45,354,832	167,421,348	478,775,159	34.97%	23.70
9,720,179	38,880,716	173,810,749	494,709,629	35.13%	23.70
9,837,558	39,350,232	196,222,568	558,623,632	35.13%	23.66
9,247,660	36,990,640	201,583,110	573,168,949	35.17%	23.66
6,645,838	35,444,469	206,179,908	592,068,941	34.82%	22.96
4,198,610	33,588,880	237,988,790	688,297,089	34.58%	22.91
2,655,650	42,490,400	236,168,840	698,025,923	33.83%	22.90
551,880	5,518,800	238,028,600	672,156,379	35.41%	22.66
275,940	5,518,800	245,940,190	694,843,400	35.40%	22.64

Western Brown Local School District
Property Tax Rates (Per \$1,000 of Assessed Valuation)
 Direct and Overlapping Governments
 Last Ten Collection (Calendar) Years

	2001	2002	2003	2004
UNVOTED MILLAGE:				
Operating	\$4.70	\$4.70	\$4.70	\$4.70
VOTED MILLAGE - BY LEVY:				
1976 Current Expense				
Residential/Agricultural Real	15.30	15.30	15.30	15.30
Commercial/Industrial and Public Utility Real	15.30	15.30	15.30	15.30
General Business and Public Utility Personal	15.30	15.30	15.30	15.30
1997 Bond (\$5,659,600)				
Residential/Agricultural Real	3.70	2.70	2.70	2.70
Commercial/Industrial and Public Utility Real	3.70	2.70	2.70	2.70
General Business and Public Utility Personal	3.70	2.70	2.70	2.70
1997 Bond (\$1,505,000)				
Residential/Agricultural Real	1.00	0.50	0.50	0.50
Commercial/Industrial and Public Utility Real	1.00	0.50	0.50	0.50
General Business and Public Utility Personal	1.00	0.50	0.50	0.50
2001 Capital Improvement				
Residential/Agricultural Real	0.00	0.50	0.50	0.45
Commercial/Industrial and Public Utility Real	0.00	0.50	0.50	0.47
General Business and Public Utility Personal	0.00	0.50	0.50	0.50
TOTAL VOTED MILLAGE BY TYPE OF PROPERTY				
Residential/Agricultural Real	20.00	19.00	19.00	18.95
Commercial/Industrial and Public Utility Real	20.00	19.00	19.00	18.97
General Business and Public Utility Personal	20.00	19.00	19.00	19.00
TOTAL SCHOOL DISTRICT MILLAGE				
	24.70	23.70	23.70	23.70
OVERLAPPING RATES BY TAXING DISTRICT				
TOWNSHIPS:				
Residential/Agricultural Real	0.10 - 2.08	0.10 - 2.08	0.10 - 1.84	0.10 - 4.10
Commercial/Industrial and Public Utility Real	0.10 - 2.45	0.10 - 2.45	0.10 - 2.15	0.10 - 4.10
General Business and Public Utility Personal	0.10 - 3.00	0.10 - 3.00	0.10 - 3.00	0.10 - 4.10
CORPORATIONS:				
Residential/Agricultural Real	0.60 - 3.31	0.60 - 3.31	0.60 - 3.31	0.60 - 2.97
Commercial/Industrial and Public Utility Real	0.60 - 3.52	0.60 - 3.52	0.60 - 3.52	0.60 - 3.32
General Business and Public Utility Personal	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00
SOUTHERN HILLS JOINT VOCATIONAL DISTRICT:				
Residential/Agricultural Real	2.91	2.91	2.91	2.64
Commercial/Industrial and Public Utility Real	3.56	3.57	3.60	3.41
General Business and Public Utility Personal	5.80	5.80	5.80	5.80
COUNTY AND OTHER UNITS:				
BROWN COUNTY				
Residential/Agricultural Real	4.88	4.88	4.88	4.77
Commercial/Industrial and Public Utility Real	4.93	4.93	4.94	4.88
General Business and Public Utility Personal	5.80	5.80	5.80	5.80
CLERMONT COUNTY				
Residential/Agricultural Real	6.37	7.28	6.41	7.16
Commercial/Industrial and Public Utility Real	7.14	7.80	6.83	7.63
General Business and Public Utility Personal	9.25	9.35	8.60	9.35
BROWN COUNTY PUBLIC LIBRARY				
Residential/Agricultural Real	1.00	1.00	0.75	0.75
Commercial/Industrial and Public Utility Real	1.00	1.00	0.75	0.75
General Business and Public Utility Personal	1.00	1.00	0.75	0.75
BETHEL-TATE JOINT AMBULANCE DISTRICT				
Residential/Agricultural Real	4.55	4.55	4.02	0.00
Commercial/Industrial and Public Utility Real	5.05	5.05	4.44	0.00
General Business and Public Utility Personal	6.60	6.60	6.60	0.00

Source: Ohio Department of Taxation

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

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

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

As real property values increase from inflation, voted levies that were approved at a specific rate (current operating levies and permanent improvement levies) are reduced so that the same property does not generate additional revenue. State law prohibits the reduction factors from reducing the effective millage of the sum of the current operating levies plus inside millage used for operating purposes below 20 mills.

2005	2006	2007	2008	2009	2010
\$4.70	\$4.70	\$4.70	\$4.70	\$4.70	\$4.70
15.30	15.30	15.30	15.30	15.30	15.30
15.30	15.30	15.30	15.30	15.30	15.30
15.30	15.30	15.30	15.30	15.30	15.30
2.70	2.00	2.00	2.00	1.75	1.75
2.70	2.00	2.00	2.00	1.75	1.75
2.70	2.00	2.00	2.00	1.75	1.75
0.50	0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50	0.50
0.45	0.45	0.40	0.40	0.40	0.38
0.50	0.50	0.40	0.40	0.40	0.40
0.50	0.50	0.50	0.50	0.50	0.50
18.95	18.25	18.20	18.20	17.95	17.93
19.00	18.30	18.20	18.20	17.95	17.95
19.00	18.30	18.30	18.30	18.05	18.05
23.70	23.00	23.00	23.00	22.75	22.75
0.10 - 4.10	0.10 - 4.10	0.10 - 3.67	0.10 - 3.69	0.10 - 3.46	0.10 - 3.46
0.10 - 4.10	0.10 - 4.10	0.10 - 3.74	0.10 - 3.77	0.10 - 3.60	0.10 - 3.59
0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10
0.60 - 2.97	0.60 - 2.97	0.60 - 2.61	0.60 - 4.51	0.60 - 2.61	0.60 - 5.00
0.60 - 3.58	0.60 - 3.58	0.60 - 2.91	0.60 - 4.66	0.60 - 2.91	0.60 - 5.00
0.60 - 4.00	0.60 - 4.00	0.60 - 4.00	0.60 - 5.00	0.60 - 4.00	0.60 - 5.00
2.43	3.43	3.06	3.06	3.06	2.92
3.16	4.16	3.59	3.61	3.62	3.63
5.40	6.40	6.40	6.40	6.40	6.40
4.77	4.78	4.67	4.67	5.47	7.15
4.90	4.90	4.75	4.75	5.55	7.34
5.80	5.80	5.80	5.80	6.60	7.60
7.16	6.79	7.42	7.41	7.80	7.82
7.63	7.37	7.90	7.90	8.49	8.52
9.35	9.35	9.55	9.55	9.95	9.95
0.75	0.75	0.50	0.35	0.35	0.35
0.75	0.75	0.50	0.35	0.35	0.35
0.75	0.75	0.50	0.35	0.35	0.35
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00

Western Brown Local School District
Property Tax Levies and Collections
Last Ten Collection (Calendar) Years

Collection Year (1)	Current Tax Levy	Current Tax Collections (2)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections (3)	Percent of Total Tax Collections to Current Tax Levy (3)
2001	\$3,996,074	\$2,784,616	69.68%	\$230,414	\$3,015,030	75.45%
2002	3,996,074	3,498,450	87.55%	230,908	3,729,358	93.33%
2003	4,153,755	3,620,965	87.17%	226,570	3,847,535	92.63%
2004	4,213,785	3,600,460	85.44%	322,475	3,922,935	93.10%
2005	4,043,336	3,770,901	93.26%	307,254	4,078,155	100.86%
2006	5,216,214	3,849,893	73.81%	145,651	3,995,544	76.60%
2007	5,261,215	4,481,289	85.18%	331,531	4,812,820	91.48%
2008	5,410,259	4,370,292	80.78%	343,175	4,713,467	87.12%
2009	5,429,057	4,230,507	77.92%	331,925	4,562,432	84.04%
2010	N/A	N/A	N/A	N/A	N/A	N/A

Source: Brown County Auditor

- (1) The 2010 collections cannot be presented because all collections have not been made by June 30, 2010.
- (2) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (3) The County does not identify delinquent tax collections by tax year, therefore, in years when delinquent collections include amounts from previous tax years, the total tax collections exceed the current tax levy.

Western Brown Local School District
Principal Tax Payers
Real Property
2009 and 2002 (1)

Name of Taxpayer	2009	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$5,769,657	2.51%
Cincinnati Milacron	4,805,114	2.09%
Sterling Group	4,000,000	1.74%
Barry Burkenmeier	1,990,400	0.87%
Brown County Industrial Park	1,984,228	0.86%
Shriji Kripa LLC	1,741,400	0.76%
Locust Ridge Land Corporation	1,452,171	0.63%
Northpoint Center	1,327,314	0.58%
Alma Monk Trustee	1,319,142	0.57%
Scottwood Commons	1,303,800	0.57%
Totals	<u>\$25,693,226</u>	<u>11.18%</u>
Total Assessed Valuation	<u>\$230,092,600</u>	<u>100.00%</u>

Name of Taxpayer	2002	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$4,892,400	3.30%
Cincinnati Milacron	4,047,600	2.73%
Trinity Industries	3,974,114	2.68%
Ava Jo Bohl	1,537,857	1.04%
BHM Enterprises	1,423,342	0.96%
Howard Meeker L & F	1,254,742	0.85%
Countrytyme Lebanon	1,208,600	0.82%
Scottwood Commons	1,143,800	0.77%
Lake Grant Ltd	1,092,142	0.74%
N A L Company	1,072,171	0.72%
Totals	<u>\$21,646,768</u>	<u>14.60%</u>
Total Assessed Valuation	<u>\$148,286,150</u>	<u>100.00%</u>

(1) The amounts represent the assessed values upon which 2009 and 2002 collections were based. 2010 information was not provided by the Brown County Auditor.

Source: Brown County Auditor.
2001 information was not available.
Tangible Personal Property information was also not available.

Western Brown Local School District
*Ratio of Debt to Estimated Actual Value,
 Personal Income and Debt per Capita
 Last Ten Fiscal Years*

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property(2)	General Bonded Debt			
			General Bonded Debt Outstanding	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita	General Bonded Debt Outstanding
2001	15,717	\$458,313,876	\$6,676,000	1.46%	\$424.76	\$6,676,000
2002	15,717	478,775,159	6,508,000	1.36%	414.07	6,508,000
2003	15,717	494,709,629	6,330,000	1.28%	402.75	6,330,000
2004	15,717	558,623,632	6,165,000	1.10%	392.25	6,165,000
2005	15,717	573,168,949	5,975,000	1.04%	380.16	5,975,000
2006	15,717	592,068,941	5,775,000	0.98%	367.44	5,775,000
2007	15,717	688,297,089	5,560,000	0.81%	353.76	5,560,000
2008	15,717	698,025,923	5,320,000	0.76%	338.49	5,320,000
2009	15,717	672,156,379	5,065,000	0.75%	322.26	5,065,000
2010	15,717	694,843,400	4,795,000	0.69%	305.08	4,795,000

- Sources:**
- (1) National Center for Education Statistics
2001-2010 from 2000 U.S. Census Data
 - (2) Ohio Department of Taxation
 - (3) See S25 for personal income data. The ratios for 2001-2010 were calculated using data from the 2000 U.S. Census.

General Debt

Energy Conservation Notes	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	Percentage of Personal Income (3)	General Debt Per Capita
\$37,612	\$6,206	\$6,719,818	1.47%	2.50%	\$427.55
9,569	0	6,517,569	1.36%	2.43%	414.68
0	1,017,000	7,347,000	1.49%	2.74%	467.46
0	597,000	6,762,000	1.21%	2.52%	430.23
0	568,000	6,543,000	1.14%	2.44%	416.30
0	538,000	6,313,000	1.07%	2.35%	401.67
0	480,000	6,040,000	0.88%	2.25%	384.30
0	448,000	5,768,000	0.83%	2.15%	366.99
0	415,000	5,480,000	0.82%	2.04%	348.67
0	947,000	5,742,000	0.83%	2.14%	365.34

Western Brown Local School District
Legal Debt Margin
Last Ten Fiscal Years

	2001	2002	2003	2004
Assessed Valuation (1)	\$164,579,270	\$167,421,348	\$173,810,749	\$196,222,568
Less:				
General Business Personal Property	0	0	0	0
Railroad and Telephone Tangible Property	0	0	0	0
Total Assessed Valuation used to calculate Legal Debt Margin	164,579,270	167,421,348	173,810,749	196,222,568
Debt Limit - 9% of Assessed Value (2)	14,812,134	15,067,921	15,642,967	17,660,031
Amount of Debt Applicable to Debt Limit				
Gross Indebtedness	6,795,612	6,579,569	6,372,000	6,187,000
Less Exempt Debt	(119,612)	(71,569)	(42,000)	(22,000)
Less Amount Available in Debt Service	(990,387)	(1,187,762)	(1,263,046)	(1,410,236)
Amount of Debt Subject to Limit	5,685,613	5,320,238	5,066,954	4,754,764
Legal Debt Margin	\$9,126,521	\$9,747,683	\$10,576,013	\$12,905,267
Legal Debt Margin as a Percentage of the Debt Limit	61.62%	64.69%	67.61%	73.08%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$164,579	\$167,421	\$173,811	\$196,223
Amount of Debt Subject to Limit	0	0	0	0
Unvoted Legal Debt Margin	\$164,579	\$167,421	\$173,811	\$196,223
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Ohio Department of Taxation and School District Financial records

- (1) For fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.
- (2) Ohio Bond Law sets a limit of 9 percent for overall debt and 1/10 of 1 percent for unvoted debt.
- (3) Beginning in 2009, telephone tangible property is included as part of general business personal property.

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009 (3)</u>	<u>2010</u>
\$201,583,110	\$206,179,908	\$237,988,790	\$236,168,840	\$238,028,600	\$245,940,190
0	(9,164,247)	(4,198,610)	(2,655,650)	(551,880)	(275,940)
<u>0</u>	<u>(2,139,510)</u>	<u>(1,792,870)</u>	<u>(1,193,050)</u>	<u>(361,410)</u>	<u>(84,120)</u>
201,583,110	194,876,151	231,997,310	232,320,140	237,115,310	245,580,130
<u>18,142,480</u>	<u>17,538,854</u>	<u>20,879,758</u>	<u>20,908,813</u>	<u>21,340,378</u>	<u>22,102,212</u>
5,975,000	5,775,000	5,560,000	5,320,000	5,065,000	4,795,000
0	0	0	0	0	0
<u>(1,593,513)</u>	<u>(1,684,546)</u>	<u>(1,790,395)</u>	<u>(1,812,098)</u>	<u>(1,850,785)</u>	<u>(1,844,614)</u>
4,381,487	4,090,454	3,769,605	3,507,902	3,214,215	2,950,386
<u>\$13,760,993</u>	<u>\$13,448,400</u>	<u>\$17,110,153</u>	<u>\$17,400,911</u>	<u>\$18,126,163</u>	<u>\$19,151,826</u>
75.85%	76.68%	81.95%	83.22%	84.94%	86.65%
\$201,583	\$194,876	\$231,997	\$232,320	\$237,115	\$245,580
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$201,583</u>	<u>\$194,876</u>	<u>\$231,997</u>	<u>\$232,320</u>	<u>\$237,115</u>	<u>\$245,580</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Western Brown Local School District
Computation of Direct and Overlapping Debt
 Governmental Activities
 June 30, 2010

	General Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
General Obligation Bonds	\$4,795,000	100.00%	\$4,795,000
Capital Leases	947,000	100.00%	947,000
Total Direct	5,742,000		5,742,000
Overlapping:			
Brown County General Obligation Bonds (2)	N/A	N/A	N/A
Southern Hills Joint Vocational School District	3,462,794	30.97%	1,072,441
Village of Mt. Orab	1,000,045	100.00%	1,000,045
Total Overlapping	4,462,839		2,072,486
Total	\$10,204,839		\$7,814,486

Sources: Western Brown Local School District records
 Individual entity's financial records

- (1) Percentages were determined by dividing the total assessed valuation of the School District by each overlapping subdivision's assessed valuation within the School District.
- (2) 2010 information was not provided by the Brown County Auditor.

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

Western Brown Local School District
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Personal Income (2) (in thousands)	Per Capita Personal Income (1)	Median Household Income (1)	Brown County Unemployment Rate (3)
2001	15,717	\$268,477,794	\$17,082	\$41,045	5.50%
2002	15,717	268,477,794	17,082	41,045	7.20%
2003	15,717	268,477,794	17,082	41,045	6.20%
2004	15,717	268,477,794	17,082	41,045	6.20%
2005	15,717	268,477,794	17,082	41,045	6.50%
2006	15,717	268,477,794	17,082	41,045	6.20%
2007	15,717	268,477,794	17,082	41,045	6.60%
2008	15,717	268,477,794	17,082	41,045	7.30%
2009	15,717	268,477,794	17,082	41,045	13.70%
2010	15,717	268,477,794	17,082	41,045	11.90%

Sources: (1) National Center for Education Statistics
2001-2010 from 2000 U.S. Census Data

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

(3) Bureau of Labor Statistics

Western Brown Local School District
Principal Employers
2010 and 2006

		2010	
Employer	Nature of Business	Number of Employees	Rank
Western Brown Local School District	Education	328	1
Kroger	Retail Grocer	200	2
Cincinnati Milacron	Plastic Injection	175	3
McDonald's	Food Service	127	4
Hawline Nevada	Farm Implements	100	5
N A L Company	Paper Products	50	6
Kibler Lumber	Retail Lumber	45	7
Cincinnati Wood & Dowel	Wood Products	40	8
Liberty Sheet Metal	Manufacturing	30	9
Mt. Orab Ford	Auto Sales	30	10
Total		1,125	

		2006	
Employer	Nature of Business	Number of Employees	Rank
Western Brown Local School District	Education	340	1
Kroger	Retail Grocer	287	2
Cincinnati Milacron	Plastic Injection	263	3
McDonald's	Food Service	127	4
N A L Company	Paper Products	50	6
Kibler Lumber	Retail Lumber	45	7
Liberty Sheet Metal	Manufacturing	40	8
Cincinnati Wood & Dowel	Wood Products	40	9
Hawline Nevada	Farm Implements	40	5
Stevens Plumbing & Mechanical	Commercial Plumbing & Fabrication	37	10
Village of Mt. Orab	Government	32	11
Mt. Orab Ford	Auto Sales	30	12
Total		1,331	

Source: Brown County Department of Economic Development

(1) Historical data prior to 2006 and information on total employment within the School District is not available.

Western Brown Local School District
Per Pupil Cost
Last Ten Fiscal Years

Fiscal Year	Enrollment	General Government		Governmental Activities	
		Total Expenditures (1)	Per Pupil Cost	Total Expenses (2)	Per Pupil Cost
2001	3,287	\$43,306,581	\$13,175	\$19,550,807	\$5,948
2002	3,335	27,136,783	8,137	22,875,295	6,859
2003	3,356	23,746,035	7,076	24,899,220	7,419
2004	3,365	24,562,128	7,299	25,859,155	7,685
2005	3,383	25,257,200	7,466	26,896,751	7,951
2006	3,367	26,501,894	7,871	28,706,102	8,526
2007	3,314	26,074,597	7,868	28,032,527	8,459
2008	3,356	26,960,282	8,033	28,981,565	8,636
2009	3,422	28,770,929	8,408	30,780,059	8,995
2010	3,466	30,596,230	8,828	31,623,803	9,124

Source: Western Brown Local School District Records

(1) Excludes debt service expenditures

(2) The Total Expenses does not include interest and fiscal charges.

Western Brown Local School District
School District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004
Regular Instruction				
Elementary Classroom Teachers	89	132	130	130
High School Classroom Teachers	35	35	35	35
Special Instruction				
Elementary Classroom Teachers	11	11	11	11
High School Classroom Teachers	4	4	4	4
Vocational Instruction				
High School Classroom Teachers	3	3	3	3
Pupil Support Services				
Guidance Counselors	5	5	5	5
Librarians	3	3	3	3
Psychologists	0	0	0	0
Speech and Language Pathologists	0	0	0	0
Nurses	2	2	2	2
Aides	13	13	13	13
Administrators				
Elementary	6	6	6	6
High School	3	3	3	3
District	13	13	13	13
Secretaries	4	4	4	4
Secretaries' Assistants	4	4	4	4
Fiscal Services	4	4	4	4
Operation and Maintenance of Plant				
Custodians	16	23	27	27
Maintenance	2	2	2	2
Pupil Transportation				
Bus Drivers	38	38	39	39
Bus Aides	2	2	3	3
Van Drivers	0	0	0	0
Food Service Program				
Elementary Cooks	12	12	18	18
High School Cooks	6	6	6	6
Totals:	<u>275</u>	<u>325</u>	<u>335</u>	<u>335</u>

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

Source: Western Brown Local School District records.

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
129	129	125	125	122	122
36	36	36	36	36	36
13	14	14	14	14	16
5	5	6	6	6	6
3	3	3	3	3	4
5	5	5	5	5	5
3	3	3	3	3	3
0	1	1	1	1	1
0	0	0	0	0	0
2	2	1	1	1	1
13	13	13	13	13	13
6	6	6	6	6	6
3	3	3	3	3	3
13	13	13	13	9	9
4	4	4	4	4	4
4	4	4	4	4	4
4	4	4	4	4	4
26	26	26	26	25	25
3	3	3	3	3	3
39	39	38	38	34	34
3	3	3	3	3	3
0	0	0	0	0	0
18	18	18	18	18	20
<u>0</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
<u>332</u>	<u>340</u>	<u>335</u>	<u>335</u>	<u>323</u>	<u>328</u>

Western Brown Local School District
Building Statistics
Last Ten Fiscal Years

	2001	2002	2003	2004
<u>Mt. Orab Elementary/Middle School:</u>				
Constructed in 1971				
Additions in 1988 and 1998				
Total Building Square Footage	100,965	100,965	100,965	100,965
Enrollment Grades K-8 1997 - 2001	1,527	0	0	0
Enrollment Grades K-4 2002 - Present	N/A	855	853	871
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	54	44	44	44
Regular Instruction Teachers	54	38	38	37
Special Instruction Classrooms	7	4	4	4
Special Instruction Teachers	7	2	2	2
<u>Mt. Orab Middle School:</u>				
Converted from the old High School				
Constructed in 1957				
Additions in 1971, 1984, 1992 and 1998				
Total Building Square Footage	N/A	94,851	94,851	94,851
Enrollment Grades K-8	N/A	672	727	755
Student Capacity	N/A	1,000	1,000	1,000
Regular Instruction Classrooms	N/A	34	34	34
Regular Instruction Teachers	N/A	29	29	29
Special Instruction Classrooms	N/A	7	7	7
Special Instruction Teachers	N/A	5	5	5
<u>Hamersville Elementary School:</u>				
Constructed in 1922				
Additions in 1940, 1957, 1960 and 1968				
Total Building Square Footage	151,250	N/A	N/A	N/A
Enrollment Grades K-8	858	N/A	N/A	N/A
Student Capacity	675	N/A	N/A	N/A
Regular Instruction Classrooms	35	N/A	N/A	N/A
Regular Instruction Teachers	35	N/A	N/A	N/A
Special Instruction Classrooms	4	N/A	N/A	N/A
Special Instruction Teachers	4	N/A	N/A	N/A
<u>Hamersville Elementary & Middle School:</u>				
Constructed in 2002				
Total Building Square Footage	N/A	129,780	129,780	129,780
Enrollment Grades K-8	N/A	859	819	783
Student Capacity	N/A	1,100	1,100	1,100
Regular Instruction Classrooms	N/A	36	36	36
Regular Instruction Teachers	N/A	35	35	34
Special Instruction Classrooms	N/A	8	8	8
Special Instruction Teachers	N/A	4	4	4
<u>Western Brown High School:</u>				
Constructed in 1957				
Additions in 1971, 1984, 1992 and 1998				
Total Building Square Footage	64,085	N/A	N/A	N/A
Enrollment Grades 9-12	902	N/A	N/A	N/A
Student Capacity	564	N/A	N/A	N/A
Regular Instruction Classrooms	26	N/A	N/A	N/A
Regular Instruction Teachers	26	N/A	N/A	N/A
Special Instruction Classrooms	4	N/A	N/A	N/A
Special Instruction Teachers	4	N/A	N/A	N/A
<u>Western Brown High School:</u>				
Constructed in 2002				
Total Building Square Footage	N/A	189,729	189,729	189,729
Enrollment Grades 9-12	N/A	949	957	956
Student Capacity	N/A	1,200	1,200	1,200
Regular Instruction Classrooms	N/A	40	40	40
Regular Instruction Teachers	N/A	35	35	35
Special Instruction Classrooms	N/A	5	5	5
Special Instruction Teachers	N/A	4	4	4

Source: Western Brown Local School District records.

2005	2006	2007	2008	2009	2010
100,965	100,965	100,965	100,965	100,965	100,965
0	0	0	0	0	0
859	883	851	865	903	1,017
1,100	1,100	1,100	1,100	1,100	1,100
44	44	44	44	44	44
37	38	38	38	47	37
4	4	4	4	4	4
2	3	3	3	3	4
94,851	94,851	94,851	94,851	94,851	94,851
769	728	744	743	760	682
1,000	1,000	1,000	1,000	1,000	1,000
34	34	34	34	34	34
30	32	32	32	35	29
7	7	7	7	7	7
6	6	6	6	5	5
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
129,780	129,780	129,780	129,780	129,780	129,780
768	701	663	676	668	686
1,100	1,100	1,100	1,100	1,100	1,100
36	36	36	36	36	36
32	32	32	32	40	34
8	8	8	8	8	8
5	5	5	4	4	4
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
189,729	189,729	189,729	187,729	187,729	187,729
1,024	1,055	1,056	1,072	1,091	1,081
1,200	1,200	1,200	1,200	1,200	1,200
40	40	40	40	40	40
36	36	36	36	36	36
5	5	5	5	5	5
5	5	5	5	6	4

Western Brown Local School District
Student to Teacher Ratio
Last Ten Fiscal Years

Year	Average Number of Students per Teacher (1)	State Average (2)
2001	23.1	18.0
2002	18.0	16.9
2003	18.3	16.5
2004	18.4	18.5
2005	18.2	18.5
2006	18.0	18.6
2007	18.0	19.6
2008	18.2	18.6
2009	18.9	N/A
2010	18.8	N/A

Sources: (1) Western Brown Local School District records.

(2) Ohio Department of Education EMIS Data (Power User Reports).

Western Brown Local School District
Percentage of Students who Receive Free and Reduced Lunches
Last Nine Fiscal Years

District Buildings	2002	2003	2004	2005	2006	2007	2008	2009	2010
Hamersville Elementary	38.07%	36.25%	34.56%	37.60%	42.02%	39.23%	41.23%	49.70%	55.39%
Mt. Orab Elementary	32.37	32.05	32.26	38.94	37.66	40.31	41.33	46.11	53.79
Mt. Orab Middle School	27.83	26.85	35.99	37.23	36.91	37.94	38.37	43.50	48.60
Western Brown High School	16.89	14.69	15.17	18.12	24.45	27.73	27.09	34.51	42.58

Information prior to 2002 was not available.

Source: Ohio Department of Education

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Mary Taylor, CPA
Auditor of State

WESTERN BROWN LOCAL SCHOOL DISTRICT

BROWN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 6, 2011**