



Dave Yost • 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, 2011**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program		10.555	\$0	\$162,187	\$0	\$162,187
Cash Assistance:						
National School Breakfast Program		10.553	340,469		340,469	
National School Lunch Program		10.555	605,794		605,794	
Total Nutrition Cluster			<u>946,263</u>	<u>162,187</u>	<u>946,263</u>	<u>162,187</u>
Total Department of Agriculture			<b>946,263</b>	<b>162,187</b>	<b>946,263</b>	<b>162,187</b>
<b><u>U.S. DEPARTMENT OF DEFENSE (ARMY)</u></b>						
National Guard Civilian Youth Opportunities	N/A	12.404	59,809	0	59,809	0
Total Department of Defense (Army)			<b>59,809</b>	<b>0</b>	<b>59,809</b>	<b>0</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Grants to States - (IDEA Part B)	2010 2011	84.027 84.027	46,050 734,059		47,672 737,162	
ARRA - Special Education Grants to States - (IDEA B) Stimulus Fund	2010 2011	84.391 84.391	29,242 371,895		24,827 333,948	
			<u>1,181,246</u>	<u>0</u>	<u>1,143,609</u>	<u>0</u>
Title I Grants to Local Educational Agencies - Admin	2011	84.010	350		0	
Title I Grants to Local Educational Agencies	2010	84.010	129,213		113,033	
Title I Grants to Local Educational Agencies	2011	84.010	702,313		697,139	
Title I School Improvement	2011	84.010	2,103		2,103	
ARRA - Title I School Improvement Stimulus A	2011	84.010	16,268		16,527	
ARRA - Title I Part A	2011	84.389	133,098		159,166	
ARRA - Title I Part A	2010	84.389	0		6,662	
			<u>983,345</u>	<u>0</u>	<u>994,630</u>	<u>0</u>
Safe and Drug-Free Schools and Communities - State Grants	2011 2010	84.186 84.186	7,113 5,769		7,113 5,769	
			<u>12,882</u>	<u>0</u>	<u>12,882</u>	<u>0</u>
Race to the Top	2011	84.395	23,368		0	
Title IIA - Improving Teacher Quality	2011	84.367	137,624		137,346	
Title IIA - Improving Teacher Quality	2010	84.367	23,913		23,408	
			<u>161,537</u>	<u>0</u>	<u>160,754</u>	<u>0</u>
Title I School Improvement Grant Sub G	2010	84.377	1,826		1,826	
Title I School Improvement Plan Grant	2011	84.377	6,879		7,438	
			<u>8,705</u>	<u>0</u>	<u>9,264</u>	<u>0</u>
Education Technology State Grants	2010 2011	84.318 84.318	552 8,404		499 3,049	
ARRA - Education Technology State Grants, Recovery Act	2010 2011	84.386 84.386	12,014 309,066		16,510 303,999	
			<u>330,036</u>	<u>0</u>	<u>324,057</u>	<u>0</u>
ARRA - State Fiscal Stabilization Fund (SFSF) - Education Technology State Grants Stabilization Fund)	2010 2011	84.394 84.394	0 1,550,347		79,349 1,550,347	
			<u>1,550,347</u>	<u>0</u>	<u>1,629,696</u>	<u>0</u>
Total Department of Education			<b>4,251,466</b>	<b>0</b>	<b>4,274,892</b>	<b>0</b>
<b>Totals</b>			<b><u>\$5,257,538</u></b>	<b><u>\$162,187</u></b>	<b><u>\$5,280,964</u></b>	<b><u>\$162,187</u></b>

*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 RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports Western Brown Local School District's (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 that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



# Dave Yost • 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, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 22, 2011. 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 opinion 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*.

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

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 22, 2011

We intend this report solely for the information and use of management, the audit committee, board of education, and federal awarding agencies, and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

December 22, 2011





# Dave Yost • 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 the District's major federal programs for the fiscal year ended June 30, 2011. 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 District 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, 2011.

### 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 22, 2011.

#### **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, 2011, and have issued our report thereon dated December 22, 2011. 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, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Dave Yost**  
Auditor of State

December 22, 2011

**WESTERN BROWN LOCAL SCHOOL DISTRICT  
BROWN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2011**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	SFSF – 84.394 Education Technology State Grants Cluster – 84.318; 84.386 IDEA Part B – 84.027; 84.391
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	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.

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

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

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Western Brown Local School District (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board did not amend its anti-harassment policy to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

Ohio Rev. Code Section 3313.666 required the Board to amend its definition by September 28, 2010.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost".

**Dave Yost**  
Auditor of State

December 22, 2011

Corporate Centre of Blue Ash, 11117 Kenwood Road, Blue Ash, Ohio 45242  
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**WESTERN BROWN**  
*LOCAL SCHOOL DISTRICT*  
MT. ORAB, OHIO

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

*FOR THE FISCAL YEAR  
ENDED JUNE 30, 2011*

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*WESTERN BROWN LOCAL SCHOOL DISTRICT*

*MT. ORAB, OHIO*

*COMPREHENSIVE ANNUAL  
FINANCIAL REPORT*

*FOR THE FISCAL YEAR ENDED JUNE 30, 2011*

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, 2011**

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**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2011**

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**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2011**

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# WESTERN BROWN LOCAL SCHOOL DISTRICT

## BOARD OF EDUCATION

Richard E. Pride II, President  
Shane W. Bishop, Vice-President  
Lynette K. Garrett  
JoAnn C. Hildebrandt  
Michael K. Kirk



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

## ADMINISTRATION

Christopher J. Burrows, Superintendent  
Denny Dunlap, CPA, Treasurer  
Eva M. Lantar, Executive Secretary  
Jina Bohl, Director of Curriculum and Instruction  
Jennifer Bohrer, Special Education Director  
Dan Colonel, Maintenance Supervisor  
Joe Howser, Transportation Supervisor  
Stelle Schneider, Food Service Director

December 22, 2011

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, 2011. 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, 2011. 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, 2011, are:

<b><u>Board Member</u></b>	<b><u>Current Term</u></b>	<b><u>Total Years</u></b>
Richard E. Pride II	Jan. 2008 - Dec. 2011	3 - 1/2
JoAnn Hilderbrandt	Jan. 2008 - Dec. 2011	7 - 1/2
Shane Bishop	Jan. 2010 - Dec. 2013	1 - 1/2
Lynette Garrett	Jan. 2010 - Dec. 2013	1 - 1/2
Mike Kirk	Jan. 2010 - Dec. 2013	1 - 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 retired on January 1, 2011. On February 17, 2011, the Western Brown Board of Education appointed Christopher J. Burrows as Superintendent. Mr. Burrow's contract expires on July 31, 2014.

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 three year contract expires July 31, 2014.

The School District served 3,481 students during the 2011 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 20, 21 and 22 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 10.40 percent continues to be higher than the State of Ohio rate of 9.00 percent. This is largely due to the area being a farming community. Due to the economy, we have not seen the business growth as in the past. Businesses have put their plans for capital growth on hold until they can see the economy improving. This also includes hiring of employees. We continue to see foreclosures increase in Brown County. Property values are also decreasing and we expect this to affect our property tax collections in the future.

During fiscal year 2011, the School District's enrollment increased by 15 students. The School District enrollment has increased the last four 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.

The economy in Ohio continues to be slow. With the School District receiving the majority of our revenue from the State, we expect our revenue to remain consistent for the next five years.

## **FINANCIAL TRENDS**

The School District's 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. 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 2011, 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 Statue, 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 finished the installation of security fronts on our school buildings and card readers in order to add security. 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 started and finished the renovation of the Mt. Orab Elementary driveway. The driveway was revised to separate buses from students who are being dropped off. This was done in order to provide safety for the students and for a more efficient drop off area. 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 Mt. Orab Elementary and Hamersville Elementary achieve the rating of Excellent for the second time in a row.

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
- Provide Intervention to Students with Federal Funds

## **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, 2010. 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, 2010 to the Western Brown Local School District. The award certifies that the CAFR for the fiscal year ended June 30, 2010, 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.

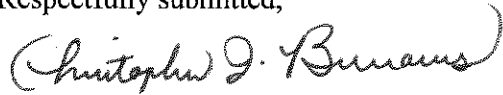
The Western Brown Local School District believes our current report conforms to the ASBO's principles and standards and we are submitting it to ABSO to determine its eligibility for an award.

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,



Christopher J. Burrows  
Superintendent



Denny Dunlap, CPA  
Treasurer

*Western Brown Local School District  
Principal Officials  
June 30, 2011*

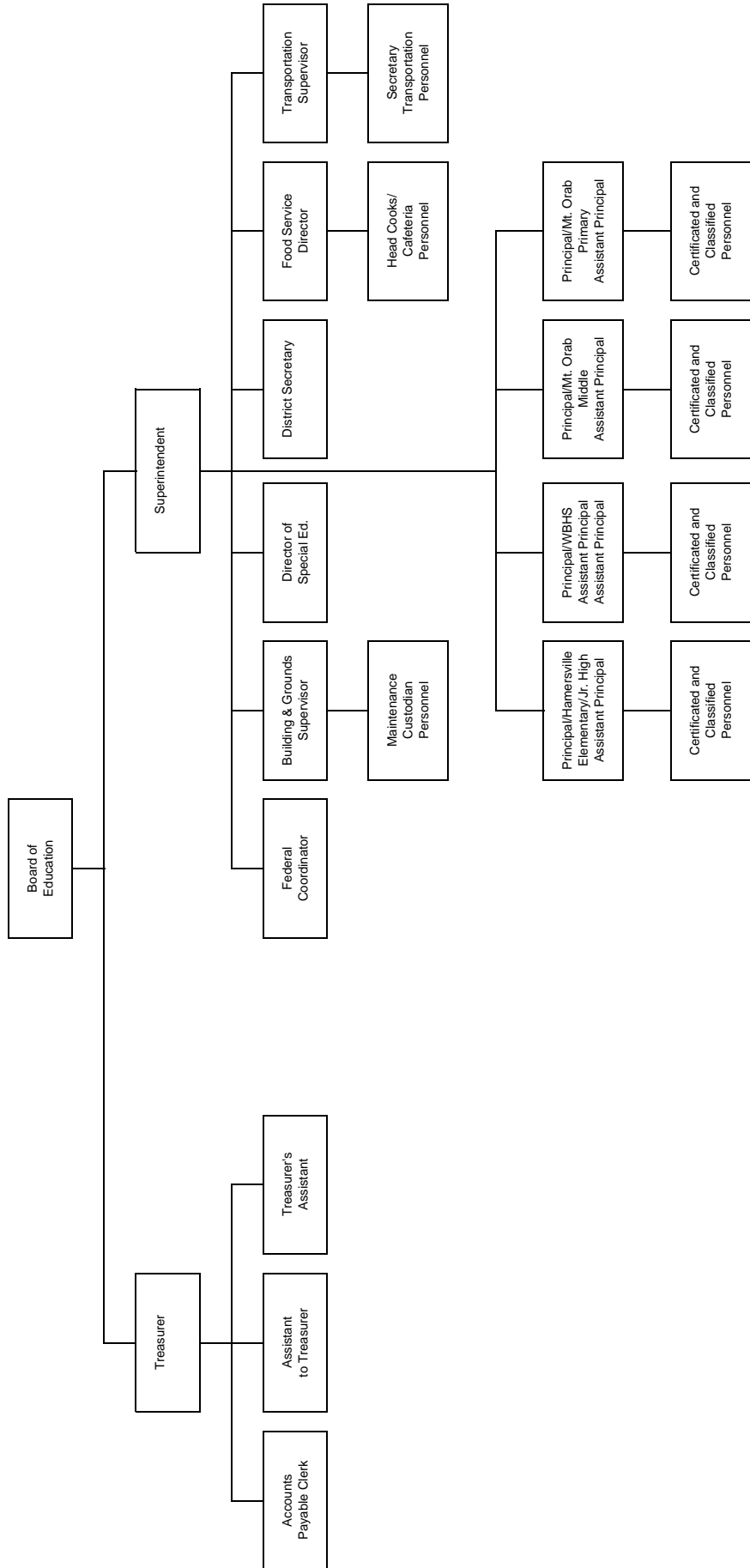
ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

Superintendent ..... Christopher J. Burrows  
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, 2011**



***Western Brown Local School District  
Consultants and Advisors  
June 30, 2011***

**Architects**

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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**

---

Dave Yost, Auditor of State  
Audit Division  
88 East Broad Street  
Columbus, OH 43215

**CAFR Preparation Consultants**

---

Dave Yost, 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, 2010

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**WESTERN BROWN LOCAL SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2010

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

President

Executive Director

# *Western Brown Local Schools*

## Strategic Plan

Adopted by the Western Brown Board of Education  
June 30, 2011

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### 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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# Dave Yost • 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, 2011, 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, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund and the Classroom Facility Maintenance special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2011, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2011, 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 provide 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 relate 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.



**Dave Yost**  
Auditor of State

December 22, 2011



**Western Brown Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*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, 2011. 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 \$912,531. Net assets of governmental activities decreased \$903,409.
- The School District completed construction on a new parking lot for the Mount Orab Elementary. Also, monies were spent on improving door security on buildings throughout the School District.
- The School District refunded \$3,075,000 in School Improvement Bonds resulting in an economic gain of \$291,285.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

The Statement of Net Assets and 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, Debt Service Fund and Classroom Facility Maintenance 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 2011?" 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.

**Western Brown Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

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.

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

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

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

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

**Western Brown Local School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**Unaudited**

**The School District as a Whole**

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

Table 1 provides a summary of the School District's net assets for fiscal years 2011 and 2010:

(Table 1)  
**Net Assets**

	Governmental Activities		Business-Type Activity		Total	
	2011	2010	2011	2010	2011	2010
<b>Assets</b>						
Current and other Assets	\$11,728,360	\$12,139,557	\$522,586	\$419,254	\$12,250,946	\$12,558,811
Capital Assets, Net	47,074,396	48,419,058	1,329,033	1,444,079	48,403,429	49,863,137
<b>Total Assets</b>	<b>58,802,756</b>	<b>60,558,615</b>	<b>1,851,619</b>	<b>1,863,333</b>	<b>60,654,375</b>	<b>62,421,948</b>
<b>Liabilities</b>						
Other Liabilities	6,887,496	7,436,667	154,862	158,661	7,042,358	7,595,328
Long-Term Liabilities	6,989,446	7,292,725	34,787	33,580	7,024,233	7,326,305
<b>Total Liabilities</b>	<b>13,876,942</b>	<b>14,729,392</b>	<b>189,649</b>	<b>192,241</b>	<b>14,066,591</b>	<b>14,921,633</b>
<b>Net Assets</b>						
Assets,						
Net of Related Debt	41,732,010	42,686,618	1,329,033	1,444,079	43,061,043	44,130,697
Restricted	5,156,782	5,422,444	0	0	5,156,782	5,422,444
Unrestricted (Deficit)	(1,962,978)	(2,279,839)	332,937	227,013	(1,630,041)	(2,052,826)
<b>Total Net Assets</b>	<b>\$44,925,814</b>	<b>\$45,829,223</b>	<b>\$1,661,970</b>	<b>\$1,671,092</b>	<b>\$46,587,784</b>	<b>\$47,500,315</b>

Invested in capital assets, net of related debt decreased \$1,069,654 during fiscal year 2011 due to depreciation exceeding additions. Restricted net assets decreased \$265,662 during fiscal year 2011. This was due primarily to expenses related to the Mount Orab Elementary parking lot and door security. Governmental activities unrestricted net assets increased \$316,861 during fiscal year 2011. This was due to a decrease in deferred revenue as a result of increases in real estate taxes available for advance at June 30.

Table 2 shows the changes in net assets for fiscal years 2011 and 2010.

**Western Brown Local School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**Unaudited**

(Table 2)  
**Changes in Net Assets**

	Governmental Activities		Business-Type Activity		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales	\$1,717,810	\$1,770,928	\$571,093	\$603,869	\$2,288,903	\$2,374,797
Operating Grants and Contributions	4,278,859	4,155,561	1,133,010	1,023,119	5,411,869	5,178,680
Capital Grants and Contributions	0	79,000	0	0	0	79,000
<b>Total Program Revenues</b>	<b>5,996,669</b>	<b>6,005,489</b>	<b>1,704,103</b>	<b>1,626,988</b>	<b>7,700,772</b>	<b>7,632,477</b>
General Revenues:						
Property Taxes	5,182,109	4,621,747	0	0	5,182,109	4,621,747
Grants and Entitlements not Restricted to Specific Programs	19,513,313	19,187,402	0	0	19,513,313	19,187,402
Contributions and Donations	7,773	2,366	0	0	7,773	2,366
Interest	19,362	19,643	275	368	19,637	20,011
Gain on Sale of Capital Assets	0	35,360	0	0	0	35,360
Revenue in Lieu of Taxes	97,575	88,076	0	0	97,575	88,076
Miscellaneous	105,632	253,410	34,305	33,944	139,937	287,354
<b>Total General Revenues</b>	<b>24,925,764</b>	<b>24,208,004</b>	<b>34,580</b>	<b>34,312</b>	<b>24,960,344</b>	<b>24,242,316</b>
<b>Total Revenues</b>	<b>30,922,433</b>	<b>30,213,493</b>	<b>1,738,683</b>	<b>1,661,300</b>	<b>32,661,116</b>	<b>31,874,793</b>
<b>Program Expenses</b>						
Instruction:						
Regular	15,933,550	15,767,971	0	0	15,933,550	15,767,971
Special	4,139,227	3,946,902	0	0	4,139,227	3,946,902
Vocational	293,826	417,110	0	0	293,826	417,110
Student Intervention Services	930	3,274	0	0	930	3,274
Support Services:						
Pupils	678,606	746,707	0	0	678,606	746,707
Instructional Staff	1,324,285	1,432,569	0	0	1,324,285	1,432,569
Board of Education	25,568	19,962	0	0	25,568	19,962
Administration	2,135,651	2,268,018	0	0	2,135,651	2,268,018
Fiscal	575,912	556,440	0	0	575,912	556,440
Operation and Maintenance of Plant	3,066,553	3,083,917	0	0	3,066,553	3,083,917
Pupil Transportation	2,184,223	2,160,710	0	0	2,184,223	2,160,710
Central	329,013	325,781	0	0	329,013	325,781
Operation of Non-Instructional Services	11,155	16,760	0	0	11,155	16,760
Extracurricular Activities	933,119	877,682	0	0	933,119	877,682
Interest and Fiscal Charges	194,224	276,176	0	0	194,224	276,176
Food Service	0	0	1,747,805	1,689,343	1,747,805	1,689,343
<b>Total Expenses</b>	<b>31,825,842</b>	<b>31,899,979</b>	<b>1,747,805</b>	<b>1,689,343</b>	<b>33,573,647</b>	<b>33,589,322</b>
Decrease in Net Assets	(903,409)	(1,686,486)	(9,122)	(28,043)	(912,531)	(1,714,529)
Net Assets at Beginning of Year	45,829,223	47,515,709	1,671,092	1,699,135	47,500,315	49,214,844
<b>Net Assets at End of Year</b>	<b>\$44,925,814</b>	<b>\$45,829,223</b>	<b>\$1,661,970</b>	<b>\$1,671,092</b>	<b>\$46,587,784</b>	<b>\$47,500,315</b>

## Governmental Activities

Property taxes increased \$560,362 due to an increase in the amount of taxes available for advance.

Miscellaneous revenues decreased \$147,778 due to a reduction in sponsorship and athletic booster monies.

Special instruction increased \$192,325 due to an increase in the number of students needing one on one services and the purchase of supplies for special students.

Vocational instruction decreased \$123,284 due mainly to a vocational instructor retiring and a reduction in vocational supplies.

Support services instructional staff decreased \$108,284. This is due to a decrease in available Title I and Title II-D funds to be spent in fiscal year 2011.

**Western Brown Local School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**Unaudited**

Support services administration decreased \$132,367 due to the Superintendent retiring January 1, 2011. An Interim Superintendent was hired and filled in until a replacement was employed which reduced our cost.

The School District remains heavily reliant on State funding. Grants and Entitlements made up 63 percent of revenues for governmental activities of the Western Brown Local School District for fiscal year 2011.

Instruction comprises 64 percent of governmental activities program expenses. Support services expenses make up 32 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 2011	Total Cost of Services 2010	Net Cost of Services 2011	Net Cost of Services 2010
Instruction	\$20,367,533	\$20,135,257	\$15,561,390	\$15,375,952
Support Services	10,319,811	10,594,104	9,546,697	9,797,288
Operation of Non-Instructional Services	11,155	16,760	(3,616)	2,368
Extracurricular Activities	933,119	877,682	530,478	442,706
Interest and Fiscal Charges	194,224	276,176	194,224	276,176
<b>Total Expenses</b>	<b>\$31,825,842</b>	<b>\$31,899,979</b>	<b>\$25,829,173</b>	<b>\$25,894,490</b>

**Business-Type Activity**

The School District's only business-type activity is the food service operation. This program had revenues of \$1,738,683 and expenses of \$1,747,805 for fiscal year 2011. Of the revenues, \$571,093 was charges for services and sales and \$1,133,010 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.

***Western Brown Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
Unaudited***

**The School District's Funds**

Information about the School District's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$30,961,535 and expenditures of \$30,920,960. The net change in fund balance for the fiscal year was most significant in the Classroom Facility Maintenance Fund, an increase of \$876,295. This was due primarily to a transfer from the Western Brown Construction Project nonmajor capital projects fund for the School District's share of interest.

The General Fund saw an increase in fund balance of \$555,573. This was due to an increase in taxes and tuition and fees along with a decrease in overall expenditures. The unassigned General Fund deficit of \$653,767 was due primarily to accruals for accrued wages which will be paid from future resources.

The Bond Retirement Fund saw an increase of \$2,013 during the fiscal year.

**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 2011 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 18, 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 \$25,840,611 with a final budget estimate of \$25,319,355. The difference of \$521,256 was primarily due to decreases in taxes offset by increases in intergovernmental. The School District's actual revenues were \$25,378,221 at fiscal year-end, which represented a less than one percent increase over final budgeted revenues.

Original budget basis appropriations were \$26,727,357 with final budgeted expenditures of \$25,789,477. The difference of \$937,880 was due mainly to a decrease in anticipated instruction and administration expenditures. The School District's actual expenditures and encumbrances were \$25,306,232 at fiscal year-end, which represented a two percent decrease under final budgeted appropriations.

The School District's ending unobligated cash balance was \$501,786 above the final budgeted amount.

**Western Brown Local School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**Unaudited**

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2011, the School District had \$48,403,429 invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2011 balances compared to fiscal year 2010:

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

	Governmental Activities		Business-Type Activity		Total	
	2011	2010	2011	2010	2011	2010
Land	\$2,524,314	\$2,524,314	\$0	\$0	\$2,524,314	\$2,524,314
Construction in Progress	13,000	112,029	0	0	13,000	112,029
Buildings and Improvements	42,276,717	43,367,017	936,338	973,356	43,213,055	44,340,373
Furniture and Equipment	2,024,452	2,114,217	392,695	470,723	2,417,147	2,584,940
Vehicles	235,913	301,481	0	0	235,913	301,481
<b>Totals</b>	<b>\$47,074,396</b>	<b>\$48,419,058</b>	<b>\$1,329,033</b>	<b>\$1,444,079</b>	<b>\$48,403,429</b>	<b>\$49,863,137</b>

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 completed the new Mount Orab Elementary parking lot and also increased door security on buildings throughout the District.

For more information on capital assets, refer to note 10 to the basic financial statements.

**Debt**

At June 30, 2011, the School District had \$4,560,511 in bonds outstanding, \$400,000 of which is due within one year. Table 5 summarizes bonds outstanding at fiscal year-end 2011 and 2010:

**Western Brown Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

(Table 5)

**Outstanding Debt, at Fiscal Year-End**

	2011	2010
1998 School Improvement Bonds	\$1,420,000	\$4,795,000
2011 School Improvement Refunding Bonds	3,075,000	0
Premium on Debt Issue	127,240	0
Deferred Gain on Refunding	(63,560)	0
Accretion on Capital Appreciation Bonds	1,831	0
<b>Total</b>	<b>\$4,560,511</b>	<b>\$4,795,000</b>

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.

In February 2011, the School District issued \$3,075,000 in school improvement bonds for the purpose of refunding a portion of the 1998 School Improvement Bonds. The final payment is due in fiscal year 2021.

At June 30, 2011 the School District's overall legal debt margin was \$19,423,800 with an unvoted debt margin of \$245,246. The School District had a AA- bond rating by Standard and Poor's Rating Service on the 1998 School Improvement Bonds and the 2011 School Improvement Refunding Bonds.

For more information about debt, refer to note 18 to the basic financial statements

**District Challenges for the Future**

The economy continues to be a problem at the State and national level. Even though the School District did not receive budget cuts in fiscal year 2011, we are very concerned about cuts for the future. State revenue continues to be slow, which can affect our School District since the majority of funding is from the State.

For fiscal year 2011, the School District is still funded by the Ohio Evidence-Based Model. The Ohio Evidence-Based Model establishes an adequate amount for each district based on what is needed to operate a school district but is being funded over time due to State budget constraints. For fiscal year 2011, we received a 0.75 percent increase over fiscal year 2010 funding.

The School District received State Fiscal Stabilization funds from the State of Ohio. This is Federal Stimulus money the State received to help school district budgets. Fiscal year 2011 is the last year for these funds.



***Western Brown Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
Unaudited***

With the economy not improving, no state budget approved for the future and the loss of State Fiscal Stabilization funds, the School District will put a cost reduction plan together to use in the future.

This cost reduction plan, will have students in mind so we can make reductions that least affect them. We will continue to monitor our revenues and expenses and if need be we will implement our cost reduction plan to keep the School District financially stable.

**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](mailto:Denny.Dunlap@wb.k12.oh.us).

**Western Brown Local School District**  
**Statement of Net Assets**  
**June 30, 2011**

	Governmental Activities	Business-Type Activity	Total
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$6,208,576	\$504,146	\$6,712,722
Accrued Interest Receivable	1,454	0	1,454
Prepaid Items	10,911	0	10,911
Inventory Held for Resale	0	14,368	14,368
Materials and Supplies Inventory	0	1,772	1,772
Intergovernmental Receivable	161,544	0	161,544
Taxes Receivable	5,139,709	0	5,139,709
Revenue in Lieu of Taxes Receivable	110,218	0	110,218
Accounts Receivable	18,654	2,300	20,954
Cash and Cash Equivalents with Fiscal Agents	5,000	0	5,000
Deferred Charges	72,294	0	72,294
Capital Assets:			
Land	2,524,314	0	2,524,314
Construction in Progress	13,000	0	13,000
Depreciable Capital Assets, Net	44,537,082	1,329,033	45,866,115
<b>Total Assets</b>	<b>58,802,756</b>	<b>1,851,619</b>	<b>60,654,375</b>
<b><u>Liabilities:</u></b>			
Accounts Payable	68,003	0	68,003
Contracts Payable	13,000	0	13,000
Accrued Wages and Benefits Payable	2,401,663	100,230	2,501,893
Matured Compensated Absences Payable	13,378	0	13,378
Intergovernmental Payable	624,894	54,632	679,526
Deferred Revenue	3,749,111	0	3,749,111
Matured Bonds Payable	5,000	0	5,000
Accrued Interest Payable	12,447	0	12,447
Long-Term Liabilities:			
Due Within One Year	713,981	0	713,981
Due in More Than One Year	6,275,465	34,787	6,310,252
<b>Total Liabilities</b>	<b>13,876,942</b>	<b>189,649</b>	<b>14,066,591</b>
<b><u>Net Assets:</u></b>			
Invested in Capital Assets, Net of Related Debt	41,732,010	1,329,033	43,061,043
Restricted for:			
Debt Service	1,858,861	0	1,858,861
Classroom Facilities	1,739,648	0	1,739,648
Other Purposes	236,936	0	236,936
Set-Asides	1,321,337	0	1,321,337
Unrestricted (Deficit)	(1,962,978)	332,937	(1,630,041)
<b>Total Net Assets</b>	<b>\$44,925,814</b>	<b>\$1,661,970</b>	<b>\$46,587,784</b>

See accompanying notes to the basic financial statements

**Western Brown Local School District**  
**Statement of Activities**  
For the Fiscal Year Ended June 30, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activity	Total
<b><u>Governmental Activities:</u></b>						
Instruction:						
Regular	\$15,933,550	\$1,101,017	\$263,482	(\$14,569,051)	\$0	(\$14,569,051)
Special	4,139,227	178,086	3,107,966	(853,175)	0	(853,175)
Vocational	293,826	20,798	134,794	(138,234)	0	(138,234)
Student Intervention Services	930	0	0	(930)	0	(930)
Support Services:						
Pupils	678,606	0	2,910	(675,696)	0	(675,696)
Instructional Staff	1,324,285	0	511,392	(812,893)	0	(812,893)
Board of Education	25,568	0	0	(25,568)	0	(25,568)
Administration	2,135,651	0	156,807	(1,978,844)	0	(1,978,844)
Fiscal	575,912	0	0	(575,912)	0	(575,912)
Operation and						
Maintenance of Plant	3,066,553	16,168	0	(3,050,385)	0	(3,050,385)
Pupil Transportation	2,184,223	0	76,737	(2,107,486)	0	(2,107,486)
Central	329,013	0	9,100	(319,913)	0	(319,913)
Operation of Non-Instructional						
Services	11,155	0	14,771	3,616	0	3,616
Extracurricular Activities	933,119	401,741	900	(530,478)	0	(530,478)
Interest and Fiscal Charges	194,224	0	0	(194,224)	0	(194,224)
<b>Total Governmental Activities</b>	<b>31,825,842</b>	<b>1,717,810</b>	<b>4,278,859</b>	<b>(25,829,173)</b>	<b>0</b>	<b>(25,829,173)</b>
<b><u>Business-Type Activity:</u></b>						
Food Service	1,747,805	571,093	1,133,010	0	(43,702)	(43,702)
<b>Totals</b>	<b>\$33,573,647</b>	<b>\$2,288,903</b>	<b>\$5,411,869</b>	<b>(25,829,173)</b>	<b>(43,702)</b>	<b>(25,872,875)</b>
<b><u>General Revenues:</u></b>						
Property Taxes Levied for:						
General Purposes				4,676,874	0	4,676,874
Debt Service				413,833	0	413,833
Classroom Facilities Maintenance				91,402	0	91,402
Grants and Entitlements						
not Restricted to Specific Programs				19,513,313	0	19,513,313
Contributions and Donations				7,773	0	7,773
Interest				19,362	275	19,637
Revenue in Lieu of Taxes				97,575	0	97,575
Miscellaneous				105,632	34,305	139,937
<b>Total General Revenues</b>				<b>24,925,764</b>	<b>34,580</b>	<b>24,960,344</b>
Change in Net Assets				(903,409)	(9,122)	(912,531)
<b>Net Assets at Beginning of Year</b>				<b>45,829,223</b>	<b>1,671,092</b>	<b>47,500,315</b>
<b>Net Assets at End of Year</b>				<b>\$44,925,814</b>	<b>\$1,661,970</b>	<b>\$46,587,784</b>

See accompanying notes to the basic financial statements

**Western Brown Local School District**  
*Balance Sheet*  
**Governmental Funds**  
*June 30, 2011*

	General	Debt Service	Classroom Facility Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>					
Equity in Pooled Cash and Cash Equivalents	\$1,090,380	\$1,823,274	\$1,721,942	\$251,643	\$4,887,239
Cash and Cash Equivalents with Fiscal Agents	0	5,000	0	0	5,000
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	1,321,337	0	0	0	1,321,337
Receivables:					
Taxes	4,579,160	470,024	90,525	0	5,139,709
Revenue in Lieu of Taxes	110,218	0	0	0	110,218
Accounts	18,654	0	0	0	18,654
Intergovernmental	16,294	0	0	145,250	161,544
Interfund	143	0	0	0	143
Accrued Interest	1,454	0	0	0	1,454
Prepaid Items	10,911	0	0	0	10,911
<b>Total Assets</b>	<b>\$7,148,551</b>	<b>\$2,298,298</b>	<b>\$1,812,467</b>	<b>\$396,893</b>	<b>\$11,656,209</b>
<b><u>Liabilities and Fund Balances:</u></b>					
<b><u>Liabilities:</u></b>					
Accounts Payable	\$50,949	\$0	\$0	\$17,054	\$68,003
Contracts Payable	13,000	0	0	0	13,000
Accrued Wages and Benefits Payable	2,187,661	0	0	214,002	2,401,663
Matured Compensated Absences Payable	13,378	0	0	0	13,378
Interfund Payable	0	0	0	143	143
Intergovernmental Payable	589,665	0	4,022	31,207	624,894
Deferred Revenue	3,483,604	446,671	67,172	95,741	4,093,188
Matured Bonds Payable	0	5,000	0	0	5,000
<b>Total Liabilities</b>	<b>6,338,257</b>	<b>451,671</b>	<b>71,194</b>	<b>358,147</b>	<b>7,219,269</b>
<b><u>Fund Balances:</u></b>					
Nonspendable	10,911	0	0	0	10,911
Restricted	1,321,337	1,846,627	1,741,273	163,781	5,073,018
Assigned	131,813	0	0	0	131,813
Unassigned (Deficit)	(653,767)	0	0	(125,035)	(778,802)
<b>Total Fund Balances</b>	<b>810,294</b>	<b>1,846,627</b>	<b>1,741,273</b>	<b>38,746</b>	<b>4,436,940</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$7,148,551</b>	<b>\$2,298,298</b>	<b>\$1,812,467</b>	<b>\$396,893</b>	<b>\$11,656,209</b>

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, 2011*

**Total Governmental Fund Balances** \$4,436,940

***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	13,000	
Depreciable capital assets	74,004,362	
Accumulated depreciation	<u>(29,467,280)</u>	
Total capital assets		47,074,396

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	248,336	
Intergovernmental	<u>95,741</u>	
		344,077

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

72,294

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

(12,447)

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	(4,495,000)	
Premium on debt issue	(127,240)	
Deferred gain on refunding	63,560	
Accretion on capital appreciation bonds	(1,831)	
Capital leases payable	(856,000)	
Compensated absences payable	(1,568,935)	
Early retirement incentive payable	<u>(4,000)</u>	
Total liabilities		<u>(6,989,446)</u>

**Net Assets of Governmental Activities** \$44,925,814

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, 2011**

	General	Debt Service	Classroom Facility Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>					
Taxes	\$4,676,967	\$413,843	\$91,392	\$0	\$5,182,202
Intergovernmental	19,422,690	77,878	141,161	4,173,781	23,815,510
Interest	18,605	0	0	757	19,362
Tuition and Fees	1,299,901	0	0	918	1,300,819
Extracurricular Activities	97,561	0	0	303,262	400,823
Rent	16,168	0	0	0	16,168
Contributions and Donations	7,773	0	0	15,671	23,444
Revenue in Lieu of Taxes	97,575	0	0	0	97,575
Miscellaneous	105,632	0	0	0	105,632
<b>Total Revenues</b>	<b>25,742,872</b>	<b>491,721</b>	<b>232,553</b>	<b>4,494,389</b>	<b>30,961,535</b>
<b><u>Expenditures:</u></b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	13,744,673	0	0	895,213	14,639,886
Special	2,227,296	0	0	1,817,097	4,044,393
Vocational	267,186	0	0	6,169	273,355
Student Intervention Services	0	0	0	930	930
<b>Support Services:</b>					
Pupils	581,190	0	0	31,623	612,813
Instructional Staff	890,994	0	0	586,883	1,477,877
Board of Education	25,568	0	0	0	25,568
Administration	1,735,832	500	0	219,520	1,955,852
Fiscal	545,383	16,459	2,885	0	564,727
Operation and Maintenance of Plant	2,396,639	0	94,226	551,475	3,042,340
Pupil Transportation	1,862,898	0	0	265,039	2,127,937
Central	306,944	0	0	10,865	317,809
Operation of Non-Instructional Services	0	0	0	11,155	11,155
Extracurricular Activities	462,662	0	0	301,302	763,964
Capital Outlay	22,314	0	0	383,826	406,140
<b>Debt Service:</b>					
Principal Retirement	91,000	300,000	0	0	391,000
Interest and Fiscal Charges	26,720	172,749	0	0	199,469
Issuance Costs	0	65,745	0	0	65,745
<b>Total Expenditures</b>	<b>25,187,299</b>	<b>555,453</b>	<b>97,111</b>	<b>5,081,097</b>	<b>30,920,960</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>555,573</b>	<b>(63,732)</b>	<b>135,442</b>	<b>(586,708)</b>	<b>40,575</b>
<b><u>Other Financing Sources (Uses):</u></b>					
Transfers In	0	0	740,853	0	740,853
Refunding Bonds Issued	0	3,075,000	0	0	3,075,000
Premium on Refunding Bonds Issued	0	131,355	0	0	131,355
Payment to Refunded Bond Escrow Agent	0	(3,140,610)	0	0	(3,140,610)
Transfers Out	0	0	0	(740,853)	(740,853)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>65,745</b>	<b>740,853</b>	<b>(740,853)</b>	<b>65,745</b>
<b>Net Change in Fund Balances</b>	<b>555,573</b>	<b>2,013</b>	<b>876,295</b>	<b>(1,327,561)</b>	<b>106,320</b>
<b>Fund Balances at Beginning of Year</b> <i>(Restated - See Note 3)</i>	<b>254,721</b>	<b>1,844,614</b>	<b>864,978</b>	<b>1,366,307</b>	<b>4,330,620</b>
<b>Fund Balances at End of Year</b>	<b>\$810,294</b>	<b>\$1,846,627</b>	<b>\$1,741,273</b>	<b>\$38,746</b>	<b>\$4,436,940</b>

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, 2011*

**Net Change in Fund Balances - Total Governmental Funds** \$106,320

***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	699,819	
Depreciation expense	<u>(2,044,481)</u>	
Excess of depreciation expense over capital outlay		(1,344,662)

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	(93)	
Intergovernmental	<u>(39,009)</u>	
		(39,102)

Bond proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balances. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities.

Refunding bonds issued	(3,075,000)	
Premium on refunding bonds	<u>(131,355)</u>	
		(3,206,355)

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

65,745

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:

Advance refunding	3,140,610	
Bond principal retirement	300,000	
Capital lease payments	<u>91,000</u>	
Total long-term debt repayment		3,531,610

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	8,022	
Amortization of issuance costs	(3,011)	
Amortization of gain on refunding	(2,050)	
Amortization of bond premium	4,115	
Accretion on capital appreciation bonds	<u>(1,831)</u>	
		5,245

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:

Increase in compensated absences	(24,210)	
Decrease in early retirement incentive	<u>2,000</u>	
Total additional expenditures		<u>(22,210)</u>

**Change in Net Assets of Governmental Activities** (\$903,409)

**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, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b><u>Revenues:</u></b>				
Taxes	\$5,273,528	\$4,336,179	\$4,333,986	(\$2,193)
Intergovernmental	18,974,521	19,368,232	19,414,726	46,494
Interest	16,754	17,700	17,143	(557)
Tuition and Fees	1,270,427	1,300,000	1,299,901	(99)
Extracurricular Activities	95,349	97,097	97,561	464
Rent	15,801	16,000	16,168	168
Contributions and Donations	7,597	7,680	7,773	93
Revenue in Lieu of Taxes	95,363	97,575	97,575	0
Miscellaneous	91,271	78,892	93,388	14,496
<b>Total Revenues</b>	<b>25,840,611</b>	<b>25,319,355</b>	<b>25,378,221</b>	<b>58,866</b>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	11,810,374	11,507,298	11,382,201	125,097
Special	2,426,056	2,241,056	2,221,966	19,090
Vocational	334,158	334,158	277,174	56,984
Other	2,533,000	2,353,000	2,324,705	28,295
Support Services:				
Pupils	602,736	602,736	578,495	24,241
Instructional Staff	968,290	918,290	910,305	7,985
Board of Education	23,130	23,130	25,650	(2,520)
Administration	1,941,394	1,816,394	1,744,266	72,128
Fiscal	586,696	586,696	549,562	37,134
Operation and Maintenance of Plant	2,358,526	2,358,526	2,455,628	(97,102)
Pupil Transportation	2,175,860	2,070,860	1,877,976	192,884
Central	296,761	296,761	311,508	(14,747)
Operation of Non-Instructional Services	52	52	0	52
Extracurricular Activities	543,695	501,695	476,498	25,197
Capital Outlay	5,599	56,599	52,578	4,021
Debt Service:				
Principal Retirement	91,000	92,196	90,575	1,621
Interest and Fiscal Charges	30,030	30,030	27,145	2,885
<b>Total Expenditures</b>	<b>26,727,357</b>	<b>25,789,477</b>	<b>25,306,232</b>	<b>483,245</b>
Excess of Revenues Over (Under) Expenditures	(886,746)	(470,122)	71,989	542,111
<b><u>Other Financing Sources (Uses):</u></b>				
Advances In	0	21,344	21,344	0
Refund of Prior Year Receipts	0	0	(40,325)	(40,325)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>21,344</b>	<b>(18,981)</b>	<b>(40,325)</b>
Net Change in Fund Balance	(886,746)	(448,778)	53,008	501,786
Fund Balance at Beginning of Year	1,953,519	1,953,519	1,953,519	0
Prior Year Encumbrances Appropriated	247,278	247,278	247,278	0
Fund Balance at End of Year	<u>\$1,314,051</u>	<u>\$1,752,019</u>	<u>\$2,253,805</u>	<u>\$501,786</u>

See accompanying notes to the basic financial statements



**Western Brown Local School District**  
**Statement of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Classroom Facility Maintenance**  
**For the Fiscal Year Ended June 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Taxes	\$105,000	\$83,600	\$84,671	\$1,071
Intergovernmental	123,897	141,097	141,161	64
<i>Total Revenues</i>	228,897	224,697	225,832	1,135
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Fiscal	0	0	2,885	(2,885)
Operation and Maintenance of Plant	95,802	95,802	93,117	2,685
Capital Outlay	150,000	150,000	26,272	123,728
<i>Total Expenditures</i>	245,802	245,802	122,274	123,528
Excess of Revenues Over (Under) Expenditures	(16,905)	(21,105)	103,558	124,663
<b><u>Other Financing Sources:</u></b>				
Transfers In	0	740,853	740,853	0
Net Change in Fund Balance	(16,905)	719,748	844,411	124,663
Fund Balance at Beginning of Year	853,549	853,549	853,549	0
Fund Balance at End of Year	\$836,644	\$1,573,297	\$1,697,960	\$124,663

See accompanying notes to the basic financial statements

**Western Brown Local School District**  
*Statement of Fund Net Assets*  
*Proprietary Fund*  
*June 30, 2011*

	Food Service
<b><u>Assets:</u></b>	
<b><u>Current Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$504,146
Accounts Receivable	2,300
Inventory Held for Resale	14,368
Materials and Supplies Inventory	1,772
<i>Total Current Assets</i>	522,586
 <b><u>Noncurrent Assets:</u></b>	
Capital Assets, Net	1,329,033
<i>Total Assets</i>	1,851,619
 <b><u>Liabilities:</u></b>	
<b><u>Current Liabilities:</u></b>	
Accrued Wages and Benefits Payable	100,230
Intergovernmental Payable	54,632
<i>Total Current Liabilities</i>	154,862
 <b><u>Long-term Liabilities:</u></b>	
Compensated Absences Payable	34,787
<i>Total Liabilities</i>	189,649
 <b><u>Net Assets:</u></b>	
Invested in Capital Assets	1,329,033
Unrestricted	332,937
<i>Total Net Assets</i>	\$1,661,970

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, 2011*

	Food Service
<b><u>Operating Revenues:</u></b>	
Sales	\$571,093
Miscellaneous	34,305
	605,398
 <b><u>Operating Expenses:</u></b>	
Salaries	454,244
Fringe Benefits	329,930
Purchased Services	5,476
Materials and Supplies	61,104
Cost of Sales	777,909
Depreciation	119,142
	1,747,805
<i>Total Operating Revenues</i>	<i>605,398</i>
<i>Total Operating Expenses</i>	<i>1,747,805</i>
<i>Operating Loss</i>	<i>(1,142,407)</i>
 <b><u>Non-Operating Revenues:</u></b>	
Donated Commodities	165,687
Operating Grants	967,323
Interest	275
	1,133,285
<i>Total Non-Operating Revenues</i>	<i>1,133,285</i>
<i>Change in Net Assets</i>	<i>(9,122)</i>
<i>Net Assets at Beginning of Year</i>	<i>1,671,092</i>
<i>Net Assets at End of Year</i>	<i>\$1,661,970</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, 2011**

	Food Service
<b><u>Increase (Decrease) in Cash and Cash Equivalents:</u></b>	
<b><u>Cash Flows from Operating Activities:</u></b>	
Cash Received from Customers	\$571,093
Cash Received from Others	32,005
Cash Payments for Employee Benefits	(335,101)
Cash Payments to Employees for Services	(451,665)
Cash Payments to Suppliers for Goods and Services	(681,313)
<i>Net Cash Used for Operating Activities</i>	(864,981)
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>	
Operating Grants Received	967,323
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>	
Payments for Capital Acquisitions	(4,096)
<b><u>Cash Flows from Investing Activities:</u></b>	
Interest	275
<i>Net Increase in Cash and Cash Equivalents</i>	98,521
<i>Cash and Cash Equivalents at Beginning of Year</i>	405,625
<i>Cash and Cash Equivalents at End of Year</i>	\$504,146
<b><u>Reconciliation of Operating Loss to Net</u></b>	
<b><u>Cash Used for Operating Activities:</u></b>	
Operating Loss	(\$1,142,407)
<b><u>Adjustments to Reconcile Operating Loss to</u></b>	
<b><u>Net Cash Used for Operating Activities:</u></b>	
Depreciation	119,142
Donated Commodities Received During Year	165,687
(Increase) Decrease in Assets:	
Inventory Held for Resale	(3,500)
Materials and Supplies Inventory	989
Accounts Receivable	(2,300)
Increase (Decrease) in Liabilities:	
Accrued Wages and Benefits	2,005
Compensated Absences Payable	1,207
Intergovernmental Payable	(5,804)
Total Adjustments	277,426
<i>Net Cash Used for Operating Activities</i>	(\$864,981)

**Non-Cash Transactions:**

During fiscal year 2011, the Food Service Enterprise Fund received \$165,687 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, 2011*

	Private Purpose Trust	Agency
	Scholarship	
<b><u>Assets:</u></b>		
Equity in Pooled Cash and Cash Equivalents	\$20,378	\$103,751
<b><u>Liabilities:</u></b>		
Undistributed Monies	0	\$103,751
<b><u>Net Assets:</u></b>		
Held in Trust for Scholarships	\$20,378	

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, 2011*

	Private Purpose Trust
	Scholarship
<b><u>Additions:</u></b>	
Contributions and Donations	\$5,912
Interest	6
	6
<i>Total Additions</i>	5,918
<b><u>Deductions:</u></b>	
Scholarships Awarded	5,450
	5,450
<i>Change in Net Assets</i>	468
<i>Net Assets at Beginning of Year</i>	19,910
	19,910
<i>Net Assets at End of Year</i>	\$20,378
	\$20,378

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, 2011*

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**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 3,481 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 SchoolComp Workers’ Compensation Group Rating Plan. These organizations are presented in Notes 20, 21 and 22 to the basic financial statements.

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**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.



*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**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.

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.

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

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Proprietary Fund

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

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

Fiduciary Funds

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

**C. Measurement Focus**

Government-wide Financial Statements

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

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities 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.

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.

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 8). 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.

Property taxes for which there is an enforceable legal claim as of June 30, 2011 but which were levied to finance fiscal year 2012 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.

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**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 2011, 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, 2011.

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 2011 amounted to \$18,605, which includes \$11,836 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are 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 19).

**G. 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.

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2011, 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.

**I. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the 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:

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

**J. 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.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**K. Compensated Absences**

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

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

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

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.

**L. Accrued Liabilities and Long-term Obligations**

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



**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**M. Bond Premiums/Issuance Costs/Interest on Capital Appreciation Bonds/Accounting Gain/Loss on Refunded Bonds**

In the government-wide financial statements, bond premiums and issuance costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. The liability for capital appreciation bonds is increased each year for the compounded interest accrued during the fiscal year. Bond premiums and the compounded interest on the capital appreciation bonds are presented as an addition to the face amount of the bonds payable, whereas issuance costs are reported as deferred charges.

On the government-wide financial statements, an advance refunding resulting in the defeasance of debt generates an accounting gain calculated by comparing the reacquisition price and the net carrying amount of the old debt. This accounting gain is amortized as interest expense over the remaining useful life of the old debt or the life of the new debt, whichever is shorter, and is presented as a reduction of the face amount of the new debt.

On the governmental fund financial statements, bond premiums and issuance costs are recognized in the period when the debt is issued. Interest on capital appreciation bonds is recorded as an expenditure when the debt becomes due.

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 prevents one classification from being overstated while another is understated by the same amount.

**N. Net Assets**

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

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



**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**O. 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.

**P. 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.

**Q. Estimates**

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

**R. 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, 2011*

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**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.

**S. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

**Nonspendable** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

**Restricted** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

**Committed** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School District Board of Education.

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Unassigned** Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES**

The School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the following change to fund balances at June 30, 2010, as previously reported:

	General Fund	Classroom Facility Maintenance Fund	Nonmajor Governmental Funds
Fund Balance, June 30, 2010, as previously reported	\$143,795	\$864,978	\$1,477,233
Reclassification of Funds	110,926	0	(110,926)
Fund Balance, June 30, 2010, as restated	<u>\$254,721</u>	<u>\$864,978</u>	<u>\$1,366,307</u>

**NOTE 4 - FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

**NOTE 4 - FUND BALANCES** (Continued)

Fund Balances	General	Debt Service	Classroom Facility Maintenance	Nonmajor Governmental Funds	Total
<b><i>Nonspendable</i></b>					
Prepays	\$10,911	\$0	\$0	\$0	\$10,911
<b><i>Restricted for</i></b>					
Debt Payment	0	1,846,627	0	0	1,846,627
Miscellaneous Grants	0	0	0	51,760	51,760
District Managed Activity	0	0	0	112,021	112,021
Bus Purchases	4,619	0	0	0	4,619
Textbooks	1,316,718	0	0	0	1,316,718
Classroom Facilities	0	0	1,741,273	0	1,741,273
<b><i>Total Restricted</i></b>	<b>1,321,337</b>	<b>1,846,627</b>	<b>1,741,273</b>	<b>163,781</b>	<b>5,073,018</b>
<b><i>Assigned to</i></b>					
Other Purposes	131,813	0	0	0	131,813
<b><i>Unassigned (Deficit)</i></b>	<b>(653,767)</b>	<b>0</b>	<b>0</b>	<b>(125,035)</b>	<b>(778,802)</b>
<b><i>Total Fund Balances</i></b>	<b>\$810,294</b>	<b>\$1,846,627</b>	<b>\$1,741,273</b>	<b>\$38,746</b>	<b>\$4,436,940</b>

**NOTE 5 - ACCOUNTABILITY**

At June 30, 2011, the Alternative School, Title VI-B, Title I, and Improving Teacher Quality nonmajor special revenue funds had deficit fund balances of \$162, \$5,328, \$103,513 and \$16,032, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 6 - 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).

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 6 - BUDGETARY BASIS OF ACCOUNTING** (Continued)

3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned 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.

Net Change in Fund Balance	
GAAP Basis	\$555,573
Adjustments:	
Revenue Accruals	(363,425)
Expenditure Accruals	(2,429)
Encumbrances	(156,829)
Advances	21,344
Unrecorded Cash	(1,226)
Budget Basis	\$53,008

**NOTE 7 - 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 of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

*Western Brown Local School District  
Notes to the Basic Financial Statements  
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**NOTE 7 - DEPOSITS AND INVESTMENTS** (Continued)

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.

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, 2011, the School District had the following investments, which are in an internal investment pool:

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 7 - DEPOSITS AND INVESTMENTS** (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>
STAROhio	\$1,988,687	Average 58.3 Days
Goldman Sachs Financial Square Government Mutual Fund	<u>3,595,069</u>	Average 31 Days
Total Investments	<u><u>\$5,583,756</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 8 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, 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.



*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 8 - PROPERTY TAXES** (Continued)

Public utility property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien December 31, 2009, were levied after April 1, 2010 and are collected in calendar year 2011 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, 2011, are available to finance fiscal year 2011 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, 2011 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, 2011, was \$1,205,774 in the General Fund, \$135,650 in the Debt Service Fund and \$23,353 in the Nonmajor Governmental Funds. 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.

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 2011 taxes were collected are:



**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

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**NOTE 8 - PROPERTY TAXES** (Continued)

	2010 Second- Half Collections		2011 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$237,840,890	96.71%	\$237,203,030	96.69%
Public Utility Personal	7,823,360	3.18%	8,126,000	3.31%
General Business Personal	275,940	0.11%	0	0.00%
Total Assessed Value	<u>\$245,940,190</u>	<u>100.00%</u>	<u>\$245,329,030</u>	<u>100.00%</u>
 Tax rate per \$1,000 of assessed valuation	 \$22.75		 \$22.75	

**NOTE 9 - RECEIVABLES**

Receivables at June 30, 2011, consisted of property taxes, revenue in lieu of taxes, accounts, intergovernmental grants, interfund, and accrued interest. 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>
<b><u>Governmental Activities:</u></b>	
Title VI-B - Special Education IDEA Grant	\$77,546
Title II-D ARRA	10,851
Title I - Targeted Assistance Grant	40,611
Reducing Class Size Grant	16,242
Medicaid Reimbursements	14,108
E-Rate	<u>2,186</u>
Total Intergovernmental Receivables	<u>\$161,544</u>

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

**NOTE 10 - CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2011, was as follows:

	Balance 6/30/10	Additions	Deductions	Balance 6/30/11
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>Governmental Activities:</u></b>				
Capital Assets, Not Being Depreciated:				
Land	\$2,524,314	\$0	\$0	\$2,524,314
Construction in Progress	112,029	13,000	(112,029)	13,000
Total Capital Assets, Not Being Depreciated	<u>2,636,343</u>	<u>13,000</u>	<u>(112,029)</u>	<u>2,537,314</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	62,673,744	519,940	0	63,193,684
Furniture and Equipment	8,025,365	255,863	0	8,281,228
Vehicles	2,506,405	23,045	0	2,529,450
Total Capital Assets, Being Depreciated	<u>73,205,514</u>	<u>798,848</u>	<u>0</u>	<u>74,004,362</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(19,306,727)	(1,610,240)	0	(20,916,967)
Furniture and Equipment	(5,911,148)	(345,628)	0	(6,256,776)
Vehicles	(2,204,924)	(88,613)	0	(2,293,537)
Total Accumulated Depreciation	<u>(27,422,799)</u>	<u>(2,044,481) *</u>	<u>0</u>	<u>(29,467,280)</u>
Total Capital Assets, Being Depreciated, Net	<u>45,782,715</u>	<u>(1,245,633)</u>	<u>0</u>	<u>44,537,082</u>
Governmental Activities Capital Assets, Net	<u>\$48,419,058</u>	<u>(\$1,232,633)</u>	<u>(\$112,029)</u>	<u>\$47,074,396</u>

\* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,235,312
Special	91,595
Vocational	31,975
Support Services:	
Pupils	59,595
Instructional Staff	37,985
Administration	240,869
Fiscal	9,551
Operation and Maintenance of Plant	25,845
Pupil Transportation	106,433
Central	13,271
Extracurricular Activities	192,050
Total Depreciation Expense	<u>\$2,044,481</u>

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

**NOTE 10 - CAPITAL ASSETS** (Continued)

	Balance <u>6/30/10</u>	Additions	Deductions	Balance <u>6/30/11</u>
<b><u>Business-Type Activity:</u></b>				
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$1,428,104	\$0	\$0	\$1,428,104
Furniture and Equipment	<u>1,258,838</u>	<u>4,096</u>	<u>0</u>	<u>1,262,934</u>
Total Capital Assets, Being Depreciated	<u>2,686,942</u>	<u>4,096</u>	<u>0</u>	<u>2,691,038</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(454,748)	(37,018)	0	(491,766)
Furniture and Equipment	<u>(788,115)</u>	<u>(82,124)</u>	<u>0</u>	<u>(870,239)</u>
Total Accumulated Depreciation	<u>(1,242,863)</u>	<u>(119,142)</u>	<u>0</u>	<u>(1,362,005)</u>
Business-Type Activity				
Capital Assets, Net	<u>\$1,444,079</u>	<u>(\$115,046)</u>	<u>\$0</u>	<u>\$1,329,033</u>

**NOTE 11 - 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 2011, the School District contracted with Netherlands Insurance Company for general liability insurance and School Board errors and omissions coverage. The School District contracted with Midwestern Indemnity Company for commercial umbrella liability insurance. The School District's vehicles are covered by Netherlands Insurance Company under a business policy. 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 11 - RISK MANAGEMENT** (Continued)

**B. Workers' Compensation**

For fiscal year 2011, the School District participated in the Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 22). The intent of the GRP is to achieve the benefit of a reduce premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applies to all participants 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 participants that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP. Each year, the School District pays an enrollment fee to the GRP to cover the costs of administering the program.

**C. Employee Medical**

The School District participates in the Brown County Schools Benefits Consortium (the Consortium), a public entity shared risk and insurance purchasing pool (Note 21) 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 relinquishes their portion of equity in the Consortium's cash pool.

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

Plan Description – The School District participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

*Western Brown Local School District  
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**NOTE 12 - 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 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2011, the allocation to pension and death benefits was 11.81 percent. The remaining 2.19 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 were \$646,035, \$558,570 and \$325,304, respectively. For fiscal year 2011, 68.84 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

**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 system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that can be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://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 multiplied by 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 DB Plan and the DC 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 payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

*Western Brown Local School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS** (Continued)

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

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions to STRS Ohio for the DB Plan and for the defined benefit portion of the Combined Plan were \$1,610,952 for the fiscal year ended June 30, 2011, \$1,569,632 for the fiscal year ended June 30, 2010, and \$1,518,268 for the fiscal year ended June 30, 2009. For fiscal year 2011, 82.92 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

Contributions made to STRS Ohio for the DC Plan for fiscal year 2011 were \$36,858 made by the School District and \$26,327 made by the plan members. In addition, member contributions of \$14,141 were made for fiscal year 2011 for the defined contribution portion of the Combined Plan.

**NOTE 13 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System 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 obligation 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 can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 13 - POSTEMPLOYMENT BENEFITS** (Continued)

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 105(e). For fiscal year 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2011, this amount was \$35,800. During fiscal year 2011, the School District paid \$45,680 in surcharge.

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, 2011, 2010, and 2009 were \$123,904, \$93,840, and \$220,682, respectively. For fiscal year 2011, 68.84 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2011, 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, 2011, 2010, and 2009, were \$41,574, \$33,217, and \$26,840 respectively. For fiscal year 2011, 68.84 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

**B. State Teachers Retirement System of Ohio**

Plan Description – The School District participates in 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. Ohio law authorizes STRS to offer this plan. 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 can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 13 - POSTEMPLOYMENT BENEFITS** (Continued)

Funding Policy – Ohio Revised Code Chapter 3307 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 Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$123,919, \$120,741, and \$116,790 respectively. For fiscal year 2011, 82.92 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

**NOTE 14 - 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. 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.

**B. Insurance Benefits**

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



*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 15 - 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 2011, the School District made the seventh scheduled principal payment of \$36,000.

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 second scheduled principal payment of \$55,000.

The assets acquired through the capital leases are as follows:

	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Asset:			
Buildings and Improvements	\$991,436	\$317,260	\$674,176
Furniture and Equipment	610,000	91,500	518,500
Total	<u>\$1,601,436</u>	<u>\$408,760</u>	<u>\$1,192,676</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2011.

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 15 - CAPITALIZED LEASE - LESSEE DISCLOSURE** (Continued)

Fiscal Year Ending June 30,	Total Payments
2012	\$120,704
2013	121,686
2014	122,543
2015	122,290
2016	122,927
2017-2019	368,434
Total	978,584
Less: Amount Representing Interest	(122,584)
Present Value of Minimum Lease Payments	\$856,000

**NOTE 16 - 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 2011, one employee accepted the retirement incentive and was paid prior to June 30. The outstanding balance for retirements in previous years at June 30, 2011 was \$4,000. Of this balance, \$2,000 will be paid in fiscal year 2012.

**NOTE 17 - INTERFUND ACTIVITY**

As of June 30, 2011, receivables and payables that resulted from various interfund transactions were as follows:

	Receivable
Payable	General Fund
Nonmajor Governmental Funds	\$143

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.

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

**NOTE 17 - INTERFUND ACTIVITY** (Continued)

Transfers made during the fiscal year ended June 30, 2011, were as follows:

	Transfer From	Transfer To
		Classroom Facility Maintenance
	Nonmajor Governmental Funds	\$740,853

Transfers were made from the Western Brown Construction Project nonmajor capital projects fund to the Classroom Facility Maintenance Fund for the School District's share of interest on the Ohio School Facilities Commission monies.

**NOTE 18 - LONG-TERM LIABILITIES**

The changes in the School District's long-term liabilities during fiscal year 2011 were as follows:

	Amount Outstanding 6/30/10	Additions	Deductions	Amount Outstanding 6/30/11	Amounts Due in One Year
<b><u>Governmental Activities:</u></b>					
School Improvement Bonds					
1998 5.01%	\$4,795,000	\$0	\$3,375,000	\$1,420,000	\$315,000
School Improvement Refunding					
Bonds 2011:					
Serial Bonds 3.75%	0	2,800,000	0	2,800,000	85,000
Capital Appreciation Bonds 6.25%	0	275,000	0	275,000	0
Premium on Debt Issue	0	131,355	4,115	127,240	0
Deferred Gain on Refunding	0	(65,610)	(2,050)	(63,560)	0
Accretion of Capital					
Appreciation Bonds	0	1,831	0	1,831	0
Compensated Absences	1,544,725	168,850	144,640	1,568,935	217,981
Early Retirement Incentive	6,000	0	2,000	4,000	2,000
Capital Leases	947,000	0	91,000	856,000	94,000
Total General					
Long-Term Liabilities	\$7,292,725	\$3,311,426	\$3,614,705	\$6,989,446	\$713,981
<b><u>Business-Type Activities:</u></b>					
Compensated Absences	\$33,580	\$1,207	\$0	\$34,787	\$0

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 18 - 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.

In February 2011, the School District issued \$3,075,000 in school improvement bonds for the purpose of refunding a portion of the 1998 School Improvement Bonds. \$2,800,000 were serial bonds and \$275,000 was a capital appreciation bond. This was an advance refunding. The bonds were issued for a 10 year period, with final maturity in December 2020. The bonds were issued at a premium of \$131,355 and had related issuance costs of \$65,745. Both amounts will be amortized over the 11 year life of the bonds.

The refunding resulted in a difference of \$65,610 between the net carrying amount of the debt and the re-acquisition price. This difference, reported in the accompanying financial statements as a decrease to bonds payable, is being amortized to interest expense over the life of the bonds using the straight-line method. The School District's total debt service payments decreased by \$362,664 as a result of the advance refunding. The School District also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$291,285.

The School District defeased the 1998 School Improvement Bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments due on the old bonds. Accordingly, the trust assets and the liability of the defeased bonds are not included in the School District's financial statements. As of June 30, 2011, \$4,495,000 of the bonds was unmaturing and unpaid.

The capital appreciation bond will mature in fiscal year 2021. The maturity amount of the capital appreciation bond will be \$575,000. For fiscal year 2011, the capital appreciation bond was accreted \$1,831.

Compensated absences will be paid from the General, Classroom Facilities Maintenance, Alternative School, Title VI-B, Title II-D ARRA, 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 \$19,423,800 with an unvoted debt margin of \$245,246 at June 30, 2011.

**Western Brown Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

**NOTE 18 - LONG-TERM LIABILITIES** (Continued)

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

Fiscal Year Ending June 30,	School Improvement Bonds 1998		School Improvement Refunding Bonds 2011				Total
	Principal	Interest	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Principal	Capital Appreciation Interest	
2012	\$315,000	\$66,913	\$85,000	\$78,825	\$0	\$0	\$545,738
2013	335,000	49,688	65,000	77,750	0	0	527,438
2014	375,000	30,873	65,000	76,450	0	0	547,323
2015	395,000	10,468	70,000	75,100	0	0	550,568
2016	0	0	460,000	68,650	0	0	528,650
2017-2021	0	0	2,055,000	142,075	275,000	300,000	2,772,075
Total	<u>\$1,420,000</u>	<u>\$157,942</u>	<u>\$2,800,000</u>	<u>\$518,850</u>	<u>\$275,000</u>	<u>\$300,000</u>	<u>\$5,471,792</u>

**NOTE 19 - SET-ASIDE CALCULATIONS**

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

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

	Textbooks	Capital Acquisition
Set-aside Balance as of June 30, 2010	\$1,032,540	\$0
Current Fiscal Year Set-aside Requirement	494,791	494,791
Current Fiscal Year Offsets	0	(210,292)
Qualifying Disbursements	(210,613)	(284,499)
Totals	<u>\$1,316,718</u>	<u>\$0</u>
Set-aside Balance as of June 30, 2011	<u>\$1,316,718</u>	<u>\$0</u>
Required Set-aside Balances Carried Forward to FY 2012	<u>\$1,316,718</u>	<u>\$0</u>

Amounts of offsets and qualifying disbursements presented in the table for capital acquisitions were limited to those necessary to reduce the fiscal year-end balance to zero. Although the School District may have additional offsets and qualifying disbursements for capital improvements during the fiscal year, only the amount for the textbooks set-aside may be used to reduce the set-aside requirement of future fiscal years.

**NOTE 20 - 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 \$201,325 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 20 - 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 21 - 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.

*Western Brown Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 22 - INSURANCE PURCHASING POOL**

**Ohio SchoolComp Workers' Compensation Group Rating Plan**

The School District participates in the Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The Ohio School Board Association (OSBA) and the Ohio Association of School Business Officials (OASBO) co-sponsor the GRP. The Executive Directors of the OSBA and the OASBO, or their designees, serve as coordinators of the program.

**NOTE 23 - 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, 2011.



Western Brown Local School District  
Combining and Individual Fund Statements and Schedules

*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 that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following are descriptions of the School District's nonmajor Special Revenue Funds:

*Nonmajor Special Revenue Funds*

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

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

**DISTRICT MANAGED ACTIVITY** - This fund accounts for and reports 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 and reports monies restricted for hardware and software development, or other costs associated with the requirements of the management information system.

**ONENET** - This fund accounts for and reports monies restricted for Ohio Educational Computer Network connections.

**HIGH SCHOOLS THAT WORK** - This fund accounts for and reports restricted 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 and reports State monies restricted for alternative educational programs for existing and new, at-risk and delinquent youth.

**RACE TO THE TOP** – This fund accounts for and reports federal funds restricted for the development of assessments to measure student achievement against standards designed to ensure that all students gain the knowledge and skills needed to succeed in college and the workplace.

**TITLE VI-B** - This fund accounts for and reports federal funds restricted 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.

*Western Brown Local School District*

*Nonmajor Fund Descriptions*

*Nonmajor Special Revenue Funds (Continued)*

**STATE FISCAL STABILIZATION** - This fund accounts for and reports the School District's allocation from the State Fiscal Stabilization Fund. These funds are restricted 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 and reports federal funds restricted to create technology-enabled learning environments in which students will meet or exceed the State academic content standards and develop 21<sup>st</sup> century skills.

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

**DRUG FREE GRANT** - This fund accounts for and reports federal funds restricted 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 and reports federal funds restricted to hire additional classroom teachers in grades one through three, so that the number of students per teacher will be reduced.

*Capital Projects Fund*

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary fund or for assets that will be held in trust. 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 and reports 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, 2011**

	Nonmajor Special Revenue Funds
<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$251,643
Receivables:	
Intergovernmental	145,250
<i>Total Assets</i>	\$396,893
<b><u>Liabilities and Fund Balances:</u></b>	
<b><u>Liabilities:</u></b>	
Accounts Payable	\$17,054
Accrued Wages and Benefits Payable	214,002
Interfund Payable	143
Intergovernmental Payable	31,207
Deferred Revenue	95,741
<i>Total Liabilities</i>	358,147
<b><u>Fund Balances:</u></b>	
Restricted	163,781
Unassigned (Deficit)	(125,035)
<i>Total Fund Balances</i>	38,746
<i>Total Liabilities and Fund Balances</i>	\$396,893

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**Western Brown Local School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2011**

	Memorial	Other Grant	District Managed Activity	Educational Management Information Systems
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$1,302	\$14,111	\$115,807	\$10,725
Receivables:				
Intergovernmental	0	0	0	0
<i>Total Assets</i>	<u>\$1,302</u>	<u>\$14,111</u>	<u>\$115,807</u>	<u>\$10,725</u>
<b><u>Liabilities and Fund Balances:</u></b>				
<b><u>Liabilities:</u></b>				
Accounts Payable	\$0	\$511	\$3,786	\$0
Accrued Wages and Benefits Payable	0	0	0	0
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>511</u>	<u>3,786</u>	<u>0</u>
<b><u>Fund Balances:</u></b>				
Restricted	1,302	13,600	112,021	10,725
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>1,302</u>	<u>13,600</u>	<u>112,021</u>	<u>10,725</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,302</u>	<u>\$14,111</u>	<u>\$115,807</u>	<u>\$10,725</u>

High Schools That Work	Alternative School	Race to the Top	Title VI-B	Title II-D ARRA	Title I	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$76	\$67	\$23,368	\$68,835	\$10,421	\$6,655	\$276	\$251,643
0	0	0	77,546	10,851	40,611	16,242	145,250
<u>\$76</u>	<u>\$67</u>	<u>\$23,368</u>	<u>\$146,381</u>	<u>\$21,272</u>	<u>\$47,266</u>	<u>\$16,518</u>	<u>\$396,893</u>
\$0	\$0	\$0	\$12,422	\$335	\$0	\$0	\$17,054
0	0	0	70,949	13,226	107,665	22,162	214,002
76	67	0	0	0	0	0	143
0	162	0	11,142	1,974	14,505	3,424	31,207
0	0	0	57,196	2,972	28,609	6,964	95,741
<u>76</u>	<u>229</u>	<u>0</u>	<u>151,709</u>	<u>18,507</u>	<u>150,779</u>	<u>32,550</u>	<u>358,147</u>
0	0	23,368	0	2,765	0	0	163,781
0	(162)	0	(5,328)	0	(103,513)	(16,032)	(125,035)
<u>0</u>	<u>(162)</u>	<u>23,368</u>	<u>(5,328)</u>	<u>2,765</u>	<u>(103,513)</u>	<u>(16,032)</u>	<u>38,746</u>
<u>\$76</u>	<u>\$67</u>	<u>\$23,368</u>	<u>\$146,381</u>	<u>\$21,272</u>	<u>\$47,266</u>	<u>\$16,518</u>	<u>\$396,893</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, 2011*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b><u>Revenues:</u></b>			
Taxes	\$0	\$0	\$0
Intergovernmental	4,173,781	0	4,173,781
Interest	0	757	757
Tuition and Fees	918	0	918
Extracurricular Activities	303,262	0	303,262
Contributions and Donations	15,671	0	15,671
<i>Total Revenues</i>	<u>4,493,632</u>	<u>757</u>	<u>4,494,389</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular	895,213	0	895,213
Special	1,817,097	0	1,817,097
Vocational	6,169	0	6,169
Student Intervention Services	930	0	930
Support Services:			
Pupils	31,623	0	31,623
Instructional Staff	586,883	0	586,883
Administration	219,520	0	219,520
Operation and Maintenance of Plant	551,475	0	551,475
Pupil Transportation	265,039	0	265,039
Central	10,865	0	10,865
Operation of Non-Instructional Services	11,155	0	11,155
Extracurricular Activities	301,302	0	301,302
Capital Outlay	0	383,826	383,826
<i>Total Expenditures</i>	<u>4,697,271</u>	<u>383,826</u>	<u>5,081,097</u>
<i>Excess of Revenues Under Expenditures</i>	(203,639)	(383,069)	(586,708)
<b><u>Other Financing Uses:</u></b>			
Transfers Out	0	(740,853)	(740,853)
<i>Total Other Financing Uses</i>	0	(740,853)	(740,853)
<i>Net Change in Fund Balances</i>	(203,639)	(1,123,922)	(1,327,561)
<i>Fund Balances at Beginning of Year</i>	<u>242,385</u>	<u>1,123,922</u>	<u>1,366,307</u>
<i>Fund Balances at End of Year</i>	<u>\$38,746</u>	<u>\$0</u>	<u>\$38,746</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, 2011*

	Memorial	Other Grant	District Managed Activity	Educational Management Information Systems
<b><u>Revenues:</u></b>				
Intergovernmental	\$0	\$0	\$0	\$5,000
Tuition and Fees	0	0	918	0
Extracurricular Activities	0	0	303,262	0
Contributions and Donations	0	14,771	900	0
<i>Total Revenues</i>	<u>0</u>	<u>16,657</u>	<u>305,080</u>	<u>5,000</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	0	6,309	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	0	353
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	11,155	0	0
Extracurricular Activities	0	0	301,302	0
<i>Total Expenditures</i>	<u>0</u>	<u>17,464</u>	<u>301,302</u>	<u>353</u>
<i>Net Change in Fund Balances</i>	0	(807)	3,778	4,647
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>1,302</u>	<u>14,407</u>	<u>108,243</u>	<u>6,078</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$1,302</u></u>	<u><u>\$13,600</u></u>	<u><u>\$112,021</u></u>	<u><u>\$10,725</u></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, 2011*  
*(continued)*

	OneNet	High Schools That Work	Alternative School	Race to the Top
<b><u>Revenues:</u></b>				
Intergovernmental	\$9,100	\$9,900	\$39,288	\$23,368
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
<i>Total Revenues</i>	<u>9,100</u>	<u>9,900</u>	<u>39,288</u>	<u>23,368</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	0	0	39,450	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	11,000	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	9,100	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>9,100</u>	<u>11,000</u>	<u>39,450</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	(1,100)	(162)	23,368
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>0</u>	<u>1,100</u>	<u>0</u>	<u>0</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>(\$162)</u>	<u>\$23,368</u>

Title VI-B	State Fiscal Stabilization	Title II-D ARRA	Title I	Drug Free Grant	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$1,107,906	\$1,550,348	\$337,116	\$913,756	\$7,113	\$169,000	\$4,171,895
0	0	0	0	0	0	918
0	0	0	0	0	0	303,262
0	0	0	0	0	0	15,671
<u>1,107,906</u>	<u>1,550,348</u>	<u>337,116</u>	<u>913,756</u>	<u>7,113</u>	<u>169,000</u>	<u>4,493,632</u>
0	638,901	0	24,212	0	186,341	895,213
1,017,077	30,442	0	769,578	0	0	1,817,097
0	6,169	0	0	0	0	6,169
0	0	0	930	0	0	930
517	24,915	0	1,923	4,268	0	31,623
29,079	64,940	324,622	157,242	0	0	586,883
126,317	45,376	0	38,860	8,614	0	219,520
0	551,475	0	0	0	0	551,475
0	265,039	0	0	0	0	265,039
0	1,765	0	0	0	0	10,865
0	0	0	0	0	0	11,155
0	0	0	0	0	0	301,302
<u>1,172,990</u>	<u>1,629,022</u>	<u>324,622</u>	<u>992,745</u>	<u>12,882</u>	<u>186,341</u>	<u>4,697,271</u>
(65,084)	(78,674)	12,494	(78,989)	(5,769)	(17,341)	(203,639)
<u>59,756</u>	<u>78,674</u>	<u>(9,729)</u>	<u>(24,524)</u>	<u>5,769</u>	<u>1,309</u>	<u>242,385</u>
<u>(\$5,328)</u>	<u>\$0</u>	<u>\$2,765</u>	<u>(\$103,513)</u>	<u>\$0</u>	<u>(\$16,032)</u>	<u>\$38,746</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, 2011*

	<u>Balance at</u> <u>6/30/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>6/30/11</u>
<b><u>STUDENT MANAGED ACTIVITY</u></b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$104,310</u>	<u>\$213,871</u>	<u>\$214,430</u>	<u>\$103,751</u>
<b><u>Liabilities:</u></b>				
Undistributed Monies	<u>\$104,310</u>	<u>\$213,871</u>	<u>\$214,430</u>	<u>\$103,751</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, 2011*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b><u>Revenues:</u></b>				
Taxes	\$5,273,528	\$4,336,179	\$4,333,986	(\$2,193)
Intergovernmental	18,974,521	19,368,232	19,414,726	46,494
Interest	16,754	17,700	17,143	(557)
Tuition and Fees	1,270,427	1,300,000	1,299,901	(99)
Extracurricular Activities	95,349	97,097	97,561	464
Rent	15,801	16,000	16,168	168
Contributions and Donations	7,597	7,680	7,773	93
Revenue in Lieu of Taxes	95,363	97,575	97,575	0
Miscellaneous	91,271	78,892	93,388	14,496
<i>Total Revenues</i>	25,840,611	25,319,355	25,378,221	58,866
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	8,497,352	8,417,352	8,416,151	1,201
Fringe Benefits	2,733,216	2,500,125	2,492,480	7,645
Purchased Services	161,180	166,050	134,174	31,876
Materials and Supplies	391,865	397,010	336,993	60,017
Capital Outlay - New	25,000	25,000	953	24,047
Other	1,761	1,761	1,450	311
Total Regular	11,810,374	11,507,298	11,382,201	125,097
Special:				
Salaries and Wages	862,645	862,645	859,315	3,330
Fringe Benefits	317,520	317,520	346,499	(28,979)
Purchased Services	1,245,683	1,060,723	999,381	61,342
Materials and Supplies	208	168	16,771	(16,603)
Total Special	2,426,056	2,241,056	2,221,966	19,090
Vocational:				
Salaries and Wages	174,515	174,515	180,195	(5,680)
Fringe Benefits	58,023	58,023	47,619	10,404
Purchased Services	35,000	44,244	17,054	27,190
Materials and Supplies	62,720	53,476	28,733	24,743
Other	3,900	3,900	3,573	327
Total Vocational	334,158	334,158	277,174	56,984
Other:				
Purchased Services	2,533,000	2,353,000	2,324,705	28,295
<b>Total Instruction</b>	\$17,103,588	\$16,435,512	\$16,206,046	\$229,466

*(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, 2011*  
*(continued)*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support Services:				
Pupils:				
Salaries and Wages	\$427,439	\$427,439	\$431,714	(\$4,275)
Fringe Benefits	161,736	161,736	139,527	22,209
Purchased Services	3,587	3,587	1,186	2,401
Materials and Supplies	9,974	9,974	6,068	3,906
Total Pupils	602,736	602,736	578,495	24,241
Instructional Staff:				
Salaries and Wages	531,070	531,070	563,543	(32,473)
Fringe Benefits	355,411	305,411	290,358	15,053
Purchased Services	1,000	1,000	768	232
Materials and Supplies	80,809	80,809	55,636	25,173
Total Instructional Staff	968,290	918,290	910,305	7,985
Board of Education:				
Salaries and Wages	15,000	15,000	16,125	(1,125)
Fringe Benefits	408	408	360	48
Purchased Services	5,272	5,272	6,532	(1,260)
Materials and Supplies	100	100	0	100
Other	2,350	2,350	2,633	(283)
Total Board of Education	23,130	23,130	25,650	(2,520)
Administration:				
Salaries and Wages	1,102,859	1,102,859	1,076,949	25,910
Fringe Benefits	471,857	471,857	459,190	12,667
Purchased Services	160,925	159,231	152,109	7,122
Materials and Supplies	14,000	15,694	10,601	5,093
Other	191,753	66,753	45,417	21,336
Total Administration	1,941,394	1,816,394	1,744,266	72,128
Fiscal:				
Salaries and Wages	246,328	246,328	247,560	(1,232)
Fringe Benefits	88,692	88,692	80,029	8,663
Purchased Services	29,000	29,687	15,697	13,990
Materials and Supplies	8,000	9,289	11,403	(2,114)
Capital Outlay - Replacement	10,000	10,000	3,508	6,492
Other	204,676	202,700	191,365	11,335
Total Fiscal	\$586,696	\$586,696	\$549,562	\$37,134

*(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, 2011*  
*(continued)*

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	\$1,080,561	\$1,080,561	\$1,114,811	(\$34,250)
Fringe Benefits	553,963	553,963	588,239	(34,276)
Purchased Services	493,968	493,968	502,206	(8,238)
Materials and Supplies	228,334	228,334	227,335	999
Capital Outlay - New	0	0	19,902	(19,902)
Capital Outlay - Replacement	0	0	3,135	(3,135)
Other	1,700	1,700	0	1,700
<b>Total Operation and Maintenance of Plant</b>	<b>2,358,526</b>	<b>2,358,526</b>	<b>2,455,628</b>	<b>(97,102)</b>
<b>Pupil Transportation:</b>				
Salaries and Wages	959,070	959,070	931,314	27,756
Fringe Benefits	548,648	503,794	497,861	5,933
Purchased Services	292,342	245,965	144,889	101,076
Materials and Supplies	349,700	335,931	249,319	86,612
Capital Outlay - New	25,000	25,000	14,712	10,288
Capital Outlay - Replacement	0	0	39,501	(39,501)
Other	1,100	1,100	380	720
<b>Total Pupil Transportation</b>	<b>2,175,860</b>	<b>2,070,860</b>	<b>1,877,976</b>	<b>192,884</b>
<b>Central:</b>				
Salaries and Wages	65,176	65,176	69,202	(4,026)
Fringe Benefits	15,769	15,769	14,208	1,561
Purchased Services	75,800	75,800	67,024	8,776
Materials and Supplies	25,016	25,016	18,622	6,394
Capital Outlay - New	0	0	3,954	(3,954)
Other	115,000	115,000	138,498	(23,498)
<b>Total Central</b>	<b>296,761</b>	<b>296,761</b>	<b>311,508</b>	<b>(14,747)</b>
<b>Total Support Services</b>	<b>8,953,393</b>	<b>8,673,393</b>	<b>8,453,390</b>	<b>220,003</b>
<b>Operation of Non-Instructional Services:</b>				
<b>Food Service Operations:</b>				
Materials and Supplies	52	52	0	52
<b>Extracurricular Activities:</b>				
<b>Academic and Subject Oriented Activities:</b>				
Salaries and Wages	62,000	62,000	68,942	(6,942)
Fringe Benefits	6,500	6,500	6,435	65
Purchased Services	5,118	5,118	4,471	647
Materials and Supplies	1,500	1,500	1,456	44
Other	24,154	24,154	17,928	6,226
<b>Total Academic and Subject Oriented Activities</b>	<b>\$99,272</b>	<b>\$99,272</b>	<b>\$99,232</b>	<b>\$40</b>

*(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, 2011*  
*(continued)*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Sports Oriented Activities:				
Salaries and Wages	\$310,000	\$295,000	\$294,383	\$617
Fringe Benefits	62,500	62,500	41,876	20,624
Purchased Services	28,300	17,392	14,522	2,870
Materials and Supplies	30,000	15,382	5,859	9,523
Capital Outlay - New	13,623	12,149	20,626	(8,477)
Total Sports Oriented Activities	444,423	402,423	377,266	25,157
Total Extracurricular Activities	543,695	501,695	476,498	25,197
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Purchased Services	0	26,000	1,500	24,500
Site Improvement Services:				
Capital Outlay - New	0	0	13,000	(13,000)
Capital Outlay - Replacement	0	25,000	28,764	(3,764)
Total Site Improvement Services	0	25,000	41,764	(16,764)
Building Acquisition and Construction Services:				
Capital Outlay - New	5,599	5,599	9,314	(3,715)
Total Capital Outlay	5,599	56,599	52,578	4,021
Debt Service:				
Principal Retirement	91,000	92,196	90,575	1,621
Interest and Fiscal Charges	30,030	30,030	27,145	2,885
Total Debt Service	121,030	122,226	117,720	4,506
<i>Total Expenditures</i>	26,727,357	25,789,477	25,306,232	483,245
Excess of Revenues Over (Under) Expenditures	(886,746)	(470,122)	71,989	542,111
<b><u>Other Financing Sources (Uses):</u></b>				
Advances In	0	21,344	21,344	0
Refund of Prior Year Receipts	0	0	(40,325)	(40,325)
<i>Total Other Financing Sources (Uses)</i>	0	21,344	(18,981)	(40,325)
Net Change in Fund Balance	(886,746)	(448,778)	53,008	501,786
Fund Balance at Beginning of Year	1,953,519	1,953,519	1,953,519	0
Prior Year Encumbrances Appropriated	247,278	247,278	247,278	0
Fund Balance at End of Year	<u>\$1,314,051</u>	<u>\$1,752,019</u>	<u>\$2,253,805</u>	<u>\$501,786</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, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Taxes	\$550,200	\$478,800	\$487,554	\$8,754
Intergovernmental	0	71,400	77,878	6,478
<i>Total Revenues</i>	550,200	550,200	565,432	15,232
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Administration:				
Purchased Services	0	0	500	(500)
Fiscal:				
Other	17,800	17,800	16,459	1,341
Debt Service:				
Principal Retirement	300,000	3,675,000	3,375,000	300,000
Interest and Fiscal Charges	238,655	238,655	242,786	(4,131)
Issuance Costs	0	0	61,318	(61,318)
<i>Total Debt Service</i>	538,655	3,913,655	3,679,104	234,551
<i>Total Expenditures</i>	556,455	3,931,455	3,696,063	235,392
Excess of Revenues Over (Under) Expenditures	(6,255)	(3,381,255)	(3,130,631)	250,624
<b><u>Other Financing Sources:</u></b>				
Refunding Bonds Issued	0	3,075,000	3,075,000	0
Premium on Refunding Bonds Issued	0	131,000	131,355	355
<i>Total Other Financing Sources</i>	0	3,206,000	3,206,355	355
Net Change in Fund Balance	(6,255)	(175,255)	75,724	250,979
Fund Balance at Beginning of Year	1,747,550	1,747,550	1,747,550	0
Fund Balance at End of Year	\$1,741,295	\$1,572,295	\$1,823,274	\$250,979

**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, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Taxes	\$105,000	\$83,600	\$84,671	\$1,071
Intergovernmental	123,897	141,097	141,161	64
<i>Total Revenues</i>	<u>228,897</u>	<u>224,697</u>	<u>225,832</u>	<u>1,135</u>
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Fiscal:				
Other	0	0	2,885	(2,885)
Operation and Maintenance of Plant:				
Salaries and Wages	68,700	68,700	67,160	1,540
Fringe Benefits	26,102	26,102	25,166	936
Purchased Services	1,000	1,000	791	209
Total Operation and Maintenance of Plant	<u>95,802</u>	<u>95,802</u>	<u>93,117</u>	<u>2,685</u>
Total Support Services	<u>95,802</u>	<u>95,802</u>	<u>96,002</u>	<u>(200)</u>
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Building Acquisition and Construction Services:				
Purchased Services	150,000	150,000	21,520	128,480
Capital Outlay - New	0	0	4,752	(4,752)
Total Capital Outlay	<u>150,000</u>	<u>150,000</u>	<u>26,272</u>	<u>123,728</u>
<i>Total Expenditures</i>	<u>245,802</u>	<u>245,802</u>	<u>122,274</u>	<u>123,528</u>
Excess of Revenues Over (Under) Expenditures	(16,905)	(21,105)	103,558	124,663
<b><u>Other Financing Sources:</u></b>				
Transfers In	0	740,853	740,853	0
Net Change in Fund Balance	(16,905)	719,748	844,411	124,663
Fund Balance at Beginning of Year	<u>853,549</u>	<u>853,549</u>	<u>853,549</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$836,644</u></u>	<u><u>\$1,573,297</u></u>	<u><u>\$1,697,960</u></u>	<u><u>\$124,663</u></u>

**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, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>	\$0	\$0	\$0	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Pupils:				
Other	<u>1,302</u>	<u>1,302</u>	<u>0</u>	<u>1,302</u>
Net Change in Fund Balance	(1,302)	(1,302)	0	1,302
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>\$0</u></u>	<u><u>\$1,302</u></u>	<u><u>\$1,302</u></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, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$1,630	\$0	\$1,886	\$1,886
Contributions and Donations	12,770	15,150	14,771	(379)
<i>Total Revenues</i>	<u>14,400</u>	<u>15,150</u>	<u>16,657</u>	<u>1,507</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Purchased Services	1,911	1,911	3,476	(1,565)
Materials and Supplies	4,969	5,045	2,833	2,212
Total Instruction	<u>6,880</u>	<u>6,956</u>	<u>6,309</u>	<u>647</u>
Support Services:				
Pupils:				
Materials and Supplies	1,500	1,500	0	1,500
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	813	2,545	(1,732)
Materials and Supplies	9,663	11,574	9,797	1,777
Total Operation of Non-Instructional Services	<u>9,663</u>	<u>12,387</u>	<u>12,342</u>	<u>45</u>
<i>Total Expenditures</i>	<u>18,043</u>	<u>20,843</u>	<u>18,651</u>	<u>2,192</u>
Net Change in Fund Balance	(3,643)	(5,693)	(1,994)	3,699
Fund Balance at Beginning of Year	12,991	12,991	12,991	0
Prior Year Encumbrances Appropriated	<u>2,724</u>	<u>2,724</u>	<u>2,724</u>	<u>0</u>
Fund Balance at End of Year	<u>\$12,072</u>	<u>\$10,022</u>	<u>\$13,721</u>	<u>\$3,699</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
<b><u>Revenues:</u></b>				
Tuition and Fees	\$996	\$1,000	\$918	(\$82)
Extracurricular Activities	303,304	304,659	312,315	7,656
Contributions and Donations	0	0	900	900
<i>Total Revenues</i>	<u>304,300</u>	<u>305,659</u>	<u>314,133</u>	<u>8,474</u>
<b><u>Expenditures:</u></b>				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	4,289	4,289	4,247	42
Purchased Services	83,254	90,842	123,301	(32,459)
Materials and Supplies	169,884	207,816	185,428	22,388
Capital Outlay - New	28,787	33,267	2,677	30,590
Other	8,284	8,284	4,480	3,804
<i>Total Expenditures</i>	<u>294,498</u>	<u>344,498</u>	<u>320,133</u>	<u>24,365</u>
Excess of Revenues Over (Under) Expenditures	9,802	(38,839)	(6,000)	32,839
<b><u>Other Financing Sources:</u></b>				
Refund of Prior Year Expenditures	0	3,995	3,995	0
Net Change in Fund Balance	9,802	(34,844)	(2,005)	32,839
Fund Balance at Beginning of Year	70,469	70,469	70,469	0
Prior Year Encumbrances Appropriated	33,145	33,145	33,145	0
Fund Balance at End of Year	<u>\$113,416</u>	<u>\$68,770</u>	<u>\$101,609</u>	<u>\$32,839</u>



**WESTERN BROWN LOCAL SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Educational Management Information Systems*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b><u>Revenues:</u></b>				
Intergovernmental	\$6,100	\$5,000	\$5,000	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Administration:				
Salaries and Wages	9,575	7,575	0	7,575
Fringe Benefits	1,500	1,000	118	882
Purchased Services	1,000	235	235	0
<i>Total Expenditures</i>	<u>12,075</u>	<u>8,810</u>	<u>353</u>	<u>8,457</u>
Net Change in Fund Balance	(5,975)	(3,810)	4,647	8,457
Fund Balance at Beginning of Year	<u>6,078</u>	<u>6,078</u>	<u>6,078</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$103</u></u>	<u><u>\$2,268</u></u>	<u><u>\$10,725</u></u>	<u><u>\$8,457</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, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Intergovernmental	\$9,500	\$9,100	\$9,100	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Central:				
Purchased Services	9,500	9,100	9,100	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*  
*High Schools That Work*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$11,000	\$11,000	\$11,000	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	7,000	11,000	11,000	0
Materials and Supplies	4,000	0	0	0
<i>Total Expenditures</i>	<u>11,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**WESTERN BROWN LOCAL SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Alternative School*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$38,785	\$39,288	\$39,288	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	36,785	39,288	39,288	0
Fringe Benefits	2,000	0	0	0
<i>Total Expenditures</i>	<u>38,785</u>	<u>39,288</u>	<u>39,288</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**WESTERN BROWN LOCAL SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Race to the Top*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$92,276	\$23,368	\$23,368	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	92,276	21,950	20,579	1,371
Net Change in Fund Balance	0	1,418	2,789	1,371
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$0	\$1,418	\$2,789	\$1,371

**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, 2011*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b><u>Revenues:</u></b>				
Intergovernmental	\$1,340,241	\$1,181,246	\$1,181,246	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	564,424	294,590	294,590	0
Fringe Benefits	251,690	104,620	104,620	0
Purchased Services	176,681	544,646	545,546	(900)
Materials and Supplies	0	75,325	75,693	(368)
Total Special	992,795	1,019,181	1,020,449	(1,268)
Student Intervention Services:				
Purchased Services	0	1,500	0	1,500
Total Instruction	992,795	1,020,681	1,020,449	232
Support Services:				
Pupils:				
Salaries and Wages	31,072	4,072	4,072	0
Fringe Benefits	5,135	739	629	110
Total Pupils	36,207	4,811	4,701	110
Instructional Staff:				
Salaries and Wages	129,922	6,651	6,651	0
Fringe Benefits	50,355	20,304	20,304	0
Purchased Services	0	3,000	1,975	1,025
Total Instructional Staff	180,277	29,955	28,930	1,025
Administration:				
Salaries and Wages	85,424	101,307	101,917	(610)
Fringe Benefits	27,409	27,529	27,029	500
Materials and Supplies	0	0	1,246	(1,246)
Total Administration	112,833	128,836	130,192	(1,356)
Total Support Services	329,317	163,602	163,823	(221)
<b>Total Expenditures</b>	<b>1,322,112</b>	<b>1,184,283</b>	<b>1,184,272</b>	<b>11</b>
Excess of Revenues Over (Under) Expenditures	18,129	(3,037)	(3,026)	11
<b><u>Other Financing Sources (Uses):</u></b>				
Refund of Prior Year Expenditures	0	40,325	40,325	0
Advances Out	0	(4,415)	(4,415)	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>35,910</b>	<b>35,910</b>	<b>0</b>
Net Change in Fund Balance	18,129	32,873	32,884	11
Fund Balance at Beginning of Year	6,358	6,358	6,358	0
Fund Balance at End of Year	<u>\$24,487</u>	<u>\$39,231</u>	<u>\$39,242</u>	<u>\$11</u>

**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, 2011*

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b><u>Revenues:</u></b>				
Intergovernmental	\$1,229,709	\$1,550,348	\$1,550,348	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Fringe Benefits	513,652	847,075	611,086	235,989
Special:				
Purchased Services	0	2,137	30,442	(28,305)
Vocational:				
Fringe Benefits	0	0	6,169	(6,169)
Other:				
Purchased Services	0	0	27,815	(27,815)
Total Instruction	<u>513,652</u>	<u>849,212</u>	<u>675,512</u>	<u>173,700</u>
Support Services:				
Pupils:				
Fringe Benefits	0	0	24,915	(24,915)
Instructional Staff:				
Fringe Benefits	0	0	64,940	(64,940)
Administration:				
Fringe Benefits	0	0	45,376	(45,376)
Operation and Maintenance of Plant:				
Purchased Services	600,000	660,925	551,475	109,450
Pupil Transportation:				
Fringe Benefits	0	0	103,674	(103,674)
Materials and Supplies	118,194	119,558	162,040	(42,482)
Total Pupil Transportation	<u>118,194</u>	<u>119,558</u>	<u>265,714</u>	<u>(146,156)</u>
Central:				
Fringe Benefits	0	0	1,765	(1,765)
Total Support Services:	<u>718,194</u>	<u>780,483</u>	<u>954,185</u>	<u>(173,702)</u>
<b>Total Expenditures</b>	<u>1,231,846</u>	<u>1,629,695</u>	<u>1,629,697</u>	<u>(2)</u>
Excess of Revenues Under Expenditures	(2,137)	(79,347)	(79,349)	(2)
Fund Balance at Beginning of Year	77,212	77,212	77,212	0
Prior Year Encumbrances Appropriated	2,137	2,137	2,137	0
Fund Balance at End of Year	<u>\$77,212</u>	<u>\$2</u>	<u>\$0</u>	<u>(\$2)</u>

**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, 2011*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b><u>Revenues:</u></b>				
Intergovernmental	\$342,993	\$330,036	\$330,036	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular Instruction:				
Materials and Supplies	1,685	499	499	0
Support Services:				
Instructional Staff:				
Salaries and Wages	99,981	69,174	69,174	0
Fringe Benefits	37,267	25,483	25,483	0
Purchased Services	20,342	24,808	24,404	404
Materials and Supplies	0	6,904	6,904	0
Capital Outlay - New	183,165	203,089	203,089	0
Total Support Services:	340,755	329,458	329,054	404
<i>Total Expenditures</i>	342,440	329,957	329,553	404
Excess of Revenues Over Expenditures	553	79	483	404
<b><u>Other Financing Uses:</u></b>				
Advances Out	(553)	(553)	(553)	0
Net Change in Fund Balance	0	(474)	(70)	404
Fund Balance at Beginning of Year	2,017	2,017	2,017	0
Prior Year Encumbrances Appropriated	2,979	2,979	2,979	0
Fund Balance at End of Year	\$4,996	\$4,522	\$4,926	\$404



**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, 2011*

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b><u>Revenues:</u></b>				
Intergovernmental	\$1,341,372	\$992,050	\$992,050	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Purchased Services	3,211	7,258	7,258	0
Materials and Supplies	53,133	21,347	20,934	413
Total Regular	56,344	28,605	28,192	413
Special:				
Salaries and Wages	526,758	482,294	482,294	0
Fringe Benefits	212,947	198,707	198,707	0
Purchased Services	66,252	83,896	83,896	0
Total Special	805,957	764,897	764,897	0
Student Intervention Services:				
Purchased Services	6,500	930	930	0
Total Instruction	868,801	794,432	794,019	413
Support Services:				
Pupils:				
Purchased Services	0	1,923	1,923	0
Instructional Staff:				
Salaries and Wages	260,206	130,108	130,108	0
Fringe Benefits	64,871	7,253	7,253	0
Purchased Services	132,081	32,496	32,496	0
Materials and Supplies	0	1,000	604	396
Total Instructional Staff	457,158	170,857	170,461	396
Administration:				
Salaries and Wages	7,505	41,472	41,472	0
Total Support Services	464,663	214,252	213,856	396
<b>Total Expenditures</b>	<b>1,333,464</b>	<b>1,008,684</b>	<b>1,007,875</b>	<b>809</b>
Excess of Revenues Over (Under) Expenditures	7,908	(16,634)	(15,825)	809
<b><u>Other Financing Uses:</u></b>				
Advances Out	(11,120)	(15,870)	(15,870)	0
Net Change in Fund Balance	(3,212)	(32,504)	(31,695)	809
Fund Balance at Beginning of Year	31,160	31,160	31,160	0
Prior Year Encumbrances Appropriated	3,211	3,211	3,211	0
Fund Balance at End of Year	<u>\$31,159</u>	<u>\$1,867</u>	<u>\$2,676</u>	<u>\$809</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, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$15,000	\$12,882	\$12,882	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Pupils:				
Purchased Services	7,113	4,268	4,268	0
Administration:				
Purchased Services	5,769	8,614	8,614	0
<i>Total Expenditures</i>	12,882	12,882	12,882	0
Net Change in Fund Balance	6,394	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$6,394</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*  
*Improving Teacher Quality*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$177,994	\$161,537	\$161,537	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	125,653	120,771	120,771	0
Fringe Benefits	51,835	39,984	39,984	0
<i>Total Expenditures</i>	<u>177,488</u>	<u>160,755</u>	<u>160,755</u>	<u>0</u>
Excess of Revenues Over Expenditures	506	782	782	0
<b><u>Other Financing Uses:</u></b>				
Advances Out	(506)	(506)	(506)	0
Net Change in Fund Balance	0	276	276	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$276</u></u>	<u><u>\$276</u></u>	<u><u>\$0</u></u>

**WESTERN BROWN LOCAL SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Western Brown Construction Project*  
*For the Fiscal Year Ended June 30, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Interest	\$1,000	\$757	\$757	\$0
<b><u>Expenditures:</u></b>				
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Building Acquisition and Construction Services:				
Purchased Services	24,500	24,500	27,985	(3,485)
Capital Outlay - New	791,485	791,485	433,004	358,481
<i>Total Expenditures</i>	815,985	815,985	460,989	354,996
Excess of Revenues Over (Under) Expenditures	(814,985)	(815,228)	(460,232)	354,996
<b><u>Other Financing Uses:</u></b>				
Transfers Out	0	(385,857)	(740,853)	(354,996)
Net Change in Fund Balance	(814,985)	(1,201,085)	(1,201,085)	0
Fund Balance at Beginning of Year	1,009,516	1,009,516	1,009,516	0
Prior Year Encumbrances Appropriated	191,569	191,569	191,569	0
Fund Balance at End of Year	\$386,100	\$0	\$0	\$0

**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, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Sales	\$574,730	\$569,387	\$571,093	\$1,706
Interest	277	1,000	275	(725)
Federal and State Subsidies	973,484	959,913	967,323	7,410
Other Revenues	32,209	30,800	32,005	1,205
<i>Total Revenues</i>	<u>1,580,700</u>	<u>1,561,100</u>	<u>1,570,696</u>	<u>9,596</u>
<b><u>Expenses:</u></b>				
Salaries	443,902	498,902	451,665	47,237
Fringe Benefits	348,485	348,485	335,101	13,384
Purchased Services	6,589	6,589	6,676	(87)
Materials and Supplies	650,726	650,726	676,123	(25,397)
Capital Outlay - New	10,155	10,155	4,126	6,029
<i>Total Expenses</i>	<u>1,459,857</u>	<u>1,514,857</u>	<u>1,473,691</u>	<u>41,166</u>
<i>Net Change in Fund Equity</i>	120,843	46,243	97,005	50,762
Fund Equity at Beginning of Year	404,751	404,751	404,751	0
Prior Year Encumbrances Appropriated	874	874	874	0
Fund Equity at End of Year	<u><u>\$526,468</u></u>	<u><u>\$451,868</u></u>	<u><u>\$502,630</u></u>	<u><u>\$50,762</u></u>

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# **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.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> 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
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S14-S19
<b>Debt Capacity</b> 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
<b>Economic and Demographic Information</b> 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
<b>Operating Information</b> 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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b><u>Governmental Activities:</u></b>				
Invested in Capital Assets, Net of Related Debt	\$54,382,759	\$53,812,800	\$52,270,245	\$51,070,621
Restricted for:				
Debt Service	1,200,826	1,278,683	1,404,525	1,589,643
Capital Projects	2,383,815	3,407,766	2,337,331	1,137,508
Classroom Facilities	0	0	0	0
Other Purposes (1)	658,867	827,117	1,150,675	898,263
Set-Asides	0	0	0	327,633
Unrestricted (Deficit)	<u>2,191,495</u>	<u>(1,024,935)</u>	<u>(665,002)</u>	<u>(292,727)</u>
Total Governmental Activities Net Assets	<u>\$60,817,762</u>	<u>\$58,301,431</u>	<u>\$56,497,774</u>	<u>\$54,730,941</u>
<b><u>Business-Type Activity:</u></b>				
Invested in Capital Assets	\$2,344,334	\$2,232,744	\$2,111,448	\$2,033,945
Unrestricted	<u>188,005</u>	<u>171,498</u>	<u>97,274</u>	<u>73,733</u>
Total Business-Type Activity Net Assets	<u>\$2,532,339</u>	<u>\$2,404,242</u>	<u>\$2,208,722</u>	<u>\$2,107,678</u>
<b><u>Primary Government:</u></b>				
Invested in Capital Assets, Net of Related Debt	\$56,727,093	\$56,045,544	\$54,381,693	\$53,104,566
Restricted	4,243,508	5,513,566	4,892,531	3,953,047
Unrestricted (Deficit)	<u>2,379,500</u>	<u>(853,437)</u>	<u>(567,728)</u>	<u>(218,994)</u>
Total Primary Government Net Assets	<u>\$63,350,101</u>	<u>\$60,705,673</u>	<u>\$58,706,496</u>	<u>\$56,838,619</u>

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$48,946,361	\$47,291,229	\$45,577,012	\$44,066,679	\$42,686,618	\$41,732,010
1,679,299	1,787,001	1,813,830	1,853,926	1,848,836	1,858,861
733,409	719,152	1,242,909	1,241,278	1,123,922	0
0	736,086	839,232	902,512	862,681	1,739,648
838,607	325,876	243,919	166,439	502,243	236,936
82,367	319,466	658,004	829,827	1,084,762	1,321,337
<u>(476,305)</u>	<u>(757,121)</u>	<u>430,367</u>	<u>(1,544,952)</u>	<u>(2,279,839)</u>	<u>(1,962,978)</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>	<u>\$44,925,814</u>
\$1,905,617	\$1,793,601	\$1,674,004	\$1,554,351	\$1,444,079	\$1,329,033
87,315	123,828	131,134	144,784	227,013	332,937
<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>	<u>\$1,661,970</u>
\$50,851,978	\$49,084,830	\$47,251,016	\$45,621,030	\$44,130,697	\$43,061,043
3,333,682	3,803,169	4,797,894	4,993,982	5,422,444	5,156,782
<u>(388,990)</u>	<u>(591,087)</u>	<u>561,501</u>	<u>(1,400,168)</u>	<u>(2,052,826)</u>	<u>(1,630,041)</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>	<u>\$46,587,784</u>

**Western Brown Local School District**

*Changes in Net Assets*

*Last Ten Fiscal Years*

*(accrual basis of accounting)*

	2002	2003	2004	2005
<b><u>Expenses:</u></b>				
<b><u>Governmental Activities:</u></b>				
Instruction:				
Regular	\$12,180,875	\$12,465,772	\$13,157,172	\$13,628,477
Special	1,804,213	2,242,856	2,100,815	2,596,384
Vocational	265,181	273,998	269,774	288,623
Other	0	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	972,090	1,084,700	1,064,124	1,095,373
Instructional Staff	871,741	886,418	904,816	878,219
Board of Education	30,269	18,213	26,087	23,317
Administration	1,973,300	2,126,037	2,092,474	2,178,806
Fiscal	457,010	485,519	625,984	534,234
Business	115	0	294	31,641
Operation and Maintenance of Plant	2,164,658	2,534,729	3,098,831	2,821,977
Pupil Transportation	1,609,885	1,662,716	1,769,004	1,920,582
Central	70,364	97,847	179,493	211,797
Operation of Non-Instructional Services	73,801	1,916	1,887	46,862
Extracurricular Activities	401,793	521,942	568,400	640,459
Interest and Fiscal Charges	330,800	338,146	333,859	321,848
<i>Total Governmental Activities Expenses</i>	<u>23,206,095</u>	<u>24,740,809</u>	<u>26,193,014</u>	<u>27,218,599</u>
 <b><u>Business-Type Activity:</u></b>				
Food Service	<u>1,109,624</u>	<u>1,148,095</u>	<u>1,199,293</u>	<u>1,266,525</u>
 <i>Total Expenses</i>	 <u>24,315,719</u>	 <u>25,888,904</u>	 <u>27,392,307</u>	 <u>28,485,124</u>
 <b><u>Program Revenues:</u></b>				
<b><u>Governmental Activities:</u></b>				
Charges for Services and Sales:				
Instruction:				
Regular	136,802	149,335	369,450	503,348
Special	0	0	40,150	75,845
Vocational	0	0	5,736	8,427
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	315	1,901	23,399	25,281
Instructional Staff	18,100	29,823	28,267	33,709
Board of Education	0	0	0	0
Administration	3,394	0	45,886	67,417
Fiscal	0	0	17,207	16,854
Operation and Maintenance of Plant	0	0	74,564	109,553
Pupil Transportation	0	0	45,886	67,417
Central	0	0	0	0
Extracurricular Activities	102,895	105,427	197,859	104,415
Operating Grants and Contributions	1,828,883	1,801,397	2,253,283	2,484,693
Capital Grants and Contributions	187,682	67,045	78,650	0
<i>Total Governmental Activities Program Revenues</i>	<u>\$2,278,071</u>	<u>\$2,154,928</u>	<u>\$3,180,337</u>	<u>\$3,496,959</u>

2006	2007	2008	2009	2010	2011
\$14,703,897	\$14,051,085	\$14,208,369	\$15,372,518	\$15,767,971	\$15,933,550
2,751,167	3,028,459	3,382,298	3,698,014	3,946,902	4,139,227
319,570	254,430	297,494	328,952	417,110	293,826
0	0	0	0	0	0
101,933	87,630	203,039	146,996	3,274	930
1,083,805	1,042,719	986,900	928,674	746,707	678,606
1,029,535	833,832	998,888	1,076,896	1,432,569	1,324,285
25,214	17,796	17,970	20,524	19,962	25,568
2,323,665	2,252,897	2,104,497	2,254,135	2,268,018	2,135,651
487,405	526,057	584,051	585,596	556,440	575,912
23,666	168	0	0	0	0
2,866,079	2,824,911	2,959,634	3,158,807	3,083,917	3,066,553
2,107,161	2,235,642	2,246,022	2,188,838	2,160,710	2,184,223
181,968	225,768	274,331	266,667	325,781	329,013
3,578	2,865	3,565	16,395	16,760	11,155
692,746	648,268	714,507	737,047	877,682	933,119
317,740	309,796	294,509	275,376	276,176	194,224
29,019,129	28,342,323	29,276,074	31,055,435	31,899,979	31,825,842
1,383,302	1,485,512	1,566,497	1,642,631	1,689,343	1,747,805
30,402,431	29,827,835	30,842,571	32,698,066	33,589,322	33,573,647
567,375	1,016,663	1,062,083	1,069,057	1,190,898	1,101,017
79,065	161,032	189,825	192,087	201,941	178,086
11,349	16,658	21,463	21,464	26,925	20,798
0	3,332	0	5,305	0	0
29,129	0	0	0	0	0
32,912	0	0	0	0	0
1,050	0	0	0	0	0
71,026	0	0	0	0	0
18,253	0	0	0	0	0
115,193	11,230	14,444	12,995	15,568	16,168
83,321	0	0	0	0	0
6,896	0	0	0	0	0
110,867	105,919	147,101	141,313	335,596	401,741
2,573,020	2,745,174	3,228,610	3,056,239	4,155,561	4,278,859
71,992	0	0	0	79,000	0
\$3,771,448	\$4,060,008	\$4,663,526	\$4,498,460	\$6,005,489	\$5,996,669

(continued)

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Business-Type Activity:</b>				
Food Service				
Charges for Services and Sales	\$631,462	\$609,331	\$584,299	\$596,124
Operating Grants and Contributions	388,620	381,847	400,574	506,964
<i>Total Business-Type Activity Program Revenues</i>	<u>1,020,082</u>	<u>991,178</u>	<u>984,873</u>	<u>1,103,088</u>
<i>Total Program Revenues</i>	<u>3,298,153</u>	<u>3,146,106</u>	<u>4,165,210</u>	<u>4,600,047</u>
<b><u>Net (Expense)/Revenue:</u></b>				
Governmental Activities	(20,928,024)	(22,585,881)	(23,012,677)	(23,721,640)
Business-Type Activity	(89,542)	(156,917)	(214,420)	(163,437)
<i>Total Net (Expense)/Revenue</i>	<u>(21,017,566)</u>	<u>(22,742,798)</u>	<u>(23,227,097)</u>	<u>(23,885,077)</u>
<b><u>General Revenues and Other Changes in Net Assets:</u></b>				
<b>Governmental Activities:</b>				
Property Taxes Levied for:				
General Purposes	3,283,024	3,304,693	3,396,506	3,954,688
Debt Service	0	528,751	552,220	623,941
Classroom Facilities Maintenance	672,444	82,614	135,571	89,958
Grants and Entitlements not				
Restricted to Specific Programs	15,421,480	15,899,676	16,729,287	17,078,312
Contributions and Donations	8,096	0	0	5,841
Interest	306,638	126,630	65,060	103,622
Gain on Sale of Capital Assets	0	53,143	276,088	0
Revenue in Lieu of Taxes	0	0	0	0
Miscellaneous	127,206	82,964	54,288	142,060
Transfers	(282,299)	(8,921)	0	(43,615)
<i>Total Governmental Activities</i>	<u>19,536,589</u>	<u>20,069,550</u>	<u>21,209,020</u>	<u>21,954,807</u>
<i>Extraordinary Item - Insurance Settlement</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Business-Type Activity:</b>				
Grants and Entitlements not				
Restricted to Specific Programs	0	2,720	0	0
Interest	4,581	0	1,592	0
Miscellaneous	7,394	17,179	17,308	18,778
Transfers	282,299	8,921	0	43,615
<i>Total Business-Type Activity</i>	<u>294,274</u>	<u>28,820</u>	<u>18,900</u>	<u>62,393</u>
<i>Total Primary Government</i>	<u>19,830,863</u>	<u>20,098,370</u>	<u>21,227,920</u>	<u>22,017,200</u>
<b><u>Change in Net Assets:</u></b>				
Governmental Activities	(1,391,435)	(2,516,331)	(1,803,657)	(1,766,833)
Business-Type Activity	204,732	(128,097)	(195,520)	(101,044)
<i>Total Change in Net Assets</i>	<u>(\$1,186,703)</u>	<u>(\$2,644,428)</u>	<u>(\$1,999,177)</u>	<u>(\$1,867,877)</u>

2006	2007	2008	2009	2010	2011
\$637,513	\$625,630	\$642,333	\$635,435	\$603,869	\$571,093
613,495	758,600	781,692	868,996	1,023,119	1,133,010
1,251,008	1,384,230	1,424,025	1,504,431	1,626,988	1,704,103
5,022,456	5,444,238	6,087,551	6,002,891	7,632,477	7,700,772
(25,247,681)	(24,282,315)	(24,612,548)	(26,556,975)	(25,894,490)	(25,829,173)
(132,294)	(101,282)	(142,472)	(138,200)	(62,355)	(43,702)
(25,379,975)	(24,383,597)	(24,755,020)	(26,695,175)	(25,956,845)	(25,872,875)
4,050,425	4,251,580	4,132,956	4,328,426	4,082,309	4,676,874
535,614	533,573	514,460	496,617	459,556	413,833
93,574	88,306	83,722	88,056	79,882	91,402
17,302,267	17,584,596	18,173,233	19,244,661	19,187,402	19,513,313
18,265	9,672	10,198	0	2,366	7,773
182,083	261,884	234,172	142,432	19,643	19,362
0	0	0	0	35,360	0
0	0	0	0	88,076	97,575
138,250	128,449	162,666	212,655	253,410	105,632
0	0	0	0	0	0
22,320,478	22,858,060	23,311,407	24,512,847	24,208,004	24,925,764
0	0	500,000	0	0	0
0	0	0	0	0	0
0	0	8,116	2,737	368	275
17,548	25,779	22,065	29,460	33,944	34,305
0	0	0	0	0	0
17,548	25,779	30,181	32,197	34,312	34,580
22,338,026	22,883,839	23,841,588	24,545,044	24,242,316	24,960,344
(2,927,203)	(1,424,255)	(801,141)	(2,044,128)	(1,686,486)	(903,409)
(114,746)	(75,503)	(112,291)	(106,003)	(28,043)	(9,122)
(\$3,041,949)	(\$1,499,758)	(\$913,432)	(\$2,150,131)	(\$1,714,529)	(\$912,531)

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

	2002	2003	2004	2005
<b><u>Governmental Activities:</u></b>				
Function:				
Instruction:				
Regular	\$728,968	\$479,630	\$795,667	\$846,693
Special	895,369	1,030,478	1,330,330	1,425,496
Vocational	62,577	0	74,870	80,040
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	155,069	223,983	382,288	410,951
Instructional Staff	78,142	103,451	55,221	71,814
Board of Education	0	0	0	0
Administration	201,356	156,167	203,220	248,155
Fiscal	9,172	9,397	19,224	16,854
Business	0	0	0	25,750
Operation and Maintenance of Plant	0	0	74,564	109,553
Pupil Transportation	0	0	45,886	142,194
Central	0	12,361	0	12,000
Operation of Non-Instructional Services	267	2,017	1,208	3,044
Extracurricular Activities	147,151	137,444	197,859	104,415
Total Program Revenues	<u>\$2,278,071</u>	<u>\$2,154,928</u>	<u>\$3,180,337</u>	<u>\$3,496,959</u>



<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$906,390	\$1,277,396	\$1,345,399	\$1,322,534	\$1,514,112	\$1,364,499
1,623,649	1,902,715	2,291,226	2,274,353	3,084,477	3,286,052
88,986	95,796	140,838	154,259	160,716	155,592
0	3,332	8,233	5,305	0	0
249,948	335,209	259,923	157,957	39,704	2,910
179,508	38,578	148,568	135,256	463,710	511,392
1,050	0	0	0	0	0
240,241	145,956	175,565	184,420	193,649	156,807
18,253	0	0	0	0	0
18,046	66	0	0	0	0
115,193	11,230	14,444	23,647	15,568	16,168
161,575	86,255	115,813	80,917	75,040	76,737
18,896	54,205	12,000	12,000	9,145	9,100
3,846	3,191	4,416	1,129	14,392	14,771
<u>145,867</u>	<u>106,079</u>	<u>147,101</u>	<u>146,683</u>	<u>434,976</u>	<u>402,641</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>	<u>\$5,996,669</u>

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund				
Reserved	\$1,448,229	\$2,328,325	\$1,207,910	\$1,664,886
Unreserved (Deficit)	1,894,687	51,614	280,613	(417,369)
Restatements				
Nonspendable				
Restricted				
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Total General Fund	<u>3,342,916</u>	<u>2,379,939</u>	<u>1,488,523</u>	<u>1,247,517</u>
All Other Governmental Funds				
Reserved	395,295	266,407	136,694	659,603
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	583,928	662,252	798,834	876,730
Debt Service Fund	1,086,384	1,171,367	1,325,663	1,470,683
Capital Projects Funds	2,197,615	1,844,901	1,608,143	619,028
Restatements				
Restricted				
Unassigned (Deficit)	0	0	0	0
Total All Other Governmental Funds	<u>4,263,222</u>	<u>3,944,927</u>	<u>3,869,334</u>	<u>3,626,044</u>
Total Governmental Funds	<u>\$7,606,138</u>	<u>\$6,324,866</u>	<u>\$5,357,857</u>	<u>\$4,873,561</u>

(1) The change in fund balance accounts has occurred due to the implementation of GASB 54 for 2011.

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 (1)</u>	<u>2011 (1)</u>
\$1,238,665 (470,171)	\$1,642,030 (856,912)	\$1,820,710 (853,070)	\$2,163,347 (1,566,273)	\$0 0	\$0 0
				10,026	10,911
				1,084,762	1,321,337
0	0	0	0	220,708	131,813
0	0	0	0	(1,060,775)	(653,767)
<u>768,494</u>	<u>785,118</u>	<u>967,640</u>	<u>597,074</u>	<u>254,721</u>	<u>810,294</u>
169,829	234,802	214,861	211,842	0	0
856,516	928,812	1,006,332	973,306	0	0
1,565,053	1,648,831	1,702,309	1,736,031	0	0
702,802	719,152	1,242,909	1,239,028	0	0
				4,110,152	3,751,681
0	0	0	0	(34,253)	(125,035)
<u>3,294,200</u>	<u>3,531,597</u>	<u>4,166,411</u>	<u>4,160,207</u>	<u>4,075,899</u>	<u>3,626,646</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>	<u>\$4,436,940</u>

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

	2002	2003	2004	2005
<b><u>Revenues:</u></b>				
Taxes	\$4,045,516	\$3,699,848	\$4,248,472	\$4,661,605
Intergovernmental	17,688,565	17,711,280	19,058,488	19,407,256
Interest	306,638	126,630	65,060	103,622
Tuition and Fees	81,376	73,402	635,271	907,851
Extracurricular Activities	177,630	197,649	197,859	104,415
Rent	0	0	0	0
Contributions and Donations	58,555	49,468	10,102	8,885
Revenue in Lieu of Taxes	0	0	0	0
Miscellaneous	134,706	98,399	69,562	142,060
<b>Total Revenues</b>	<b>22,492,986</b>	<b>21,956,676</b>	<b>24,284,814</b>	<b>25,335,694</b>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	10,393,020	10,647,348	11,599,196	11,918,062
Special	1,723,141	2,129,407	2,023,942	2,426,572
Vocational	237,884	230,475	233,561	251,460
Other	0	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	916,806	1,001,563	995,329	1,025,420
Instructional Staff	856,387	861,362	882,559	858,842
Board of Education	30,438	18,208	26,104	23,317
Administration	1,740,695	1,796,803	1,845,501	1,861,765
Fiscal	443,539	453,750	603,353	510,261
Business	115	0	294	31,641
Operation and Maintenance of Plant	2,225,489	2,459,572	2,844,385	2,754,605
Pupil Transportation	1,733,213	1,838,405	1,666,455	1,797,817
Central	70,304	96,431	181,903	212,270
Operation of Non-Instructional Services	54,351	1,916	1,700	46,862
Extracurricular Activities	362,070	443,485	487,731	533,401
Capital Outlay	6,349,331	1,767,310	1,323,343	1,004,905
Debt Service:				
Principal Retirement	222,249	207,569	605,000	241,000
Interest and Fiscal Charges	331,935	355,546	333,681	321,790
Issuance Costs	0	0	0	0
<b>Total Expenditures</b>	<b>27,690,967</b>	<b>24,309,150</b>	<b>25,654,037</b>	<b>25,819,990</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(5,197,981)</b>	<b>(2,352,474)</b>	<b>(1,369,223)</b>	<b>(484,296)</b>
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds from Sale of Capital Assets	48,314	54,202	402,214	0
Inception of Capital Lease	0	1,017,000	0	0
Refunding Bonds Issued	0	0	0	0
Premium on Refunding Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>48,314</b>	<b>1,071,202</b>	<b>402,214</b>	<b>0</b>
<b>Extraordinary Item - Insurance Settlement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(\$5,149,667)</b>	<b>(\$1,281,272)</b>	<b>(\$967,009)</b>	<b>(\$484,296)</b>
Debt Service as a Percentage of				
Noncapital Expenditures	2.6%	2.5%	3.9%	2.3%

2006	2007	2008	2009	2010	2011
\$4,680,792	\$4,875,707	\$4,661,669	\$4,883,793	\$4,624,437	\$5,182,202
20,044,154	20,306,460	21,335,869	22,288,451	23,274,692	23,815,510
182,083	261,884	234,172	142,432	19,643	19,362
1,015,569	1,197,685	1,273,371	1,287,913	1,419,764	1,300,819
110,867	105,919	147,101	141,313	335,596	400,823
0	11,230	14,444	12,995	15,568	16,168
57,111	14,223	14,614	6,499	116,138	23,444
0	0	0	0	88,076	97,575
140,250	128,449	162,666	212,655	253,410	105,632
<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>	<u>30,961,535</u>
12,710,950	12,668,464	12,915,717	14,026,999	14,581,326	14,639,886
2,673,191	2,925,480	3,286,834	3,615,310	3,852,285	4,044,393
293,065	220,087	268,917	292,940	384,613	273,355
0	0	0	0	0	0
101,933	87,630	203,039	146,996	3,274	930
995,537	973,060	919,811	888,765	685,038	612,813
1,063,031	823,038	1,004,078	1,059,607	1,420,869	1,477,877
25,214	17,796	17,970	20,524	19,962	25,568
1,922,762	1,980,783	1,833,720	1,956,104	2,041,708	1,955,852
457,776	502,126	574,482	542,751	560,881	564,727
23,666	168	0	0	0	0
2,822,968	2,800,624	2,957,372	3,069,098	3,115,637	3,042,340
2,033,526	2,251,693	2,097,419	2,055,205	2,087,277	2,127,937
192,540	236,577	280,721	273,575	329,933	317,809
3,578	2,865	3,565	16,395	16,760	11,155
577,560	522,518	592,662	611,076	773,966	763,964
599,884	61,688	3,975	195,584	722,701	406,140
230,000	273,000	272,000	288,000	348,000	391,000
317,619	309,737	294,288	275,387	276,255	199,469
0	0	0	0	0	65,745
<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>	<u>30,920,960</u>
<u>(813,974)</u>	<u>244,223</u>	<u>317,336</u>	<u>(358,265)</u>	<u>(1,073,161)</u>	<u>40,575</u>
3,107	9,798	0	0	36,500	0
0	0	0	0	610,000	0
0	0	0	0	0	3,075,000
0	0	0	0	0	131,355
0	0	0	0	0	(3,140,610)
41	0	78	0	0	740,853
(41)	0	(78)	0	0	(740,853)
<u>3,107</u>	<u>9,798</u>	<u>0</u>	<u>0</u>	<u>646,500</u>	<u>65,745</u>
0	0	500,000	0	0	0
<u>(\$810,867)</u>	<u>\$254,021</u>	<u>\$817,336</u>	<u>(\$358,265)</u>	<u>(\$426,661)</u>	<u>\$106,320</u>
2.1%	2.2%	2.1%	1.9%	2.0%	1.9%

**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
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
2011	214,997,650	22,205,380	677,722,943	8,126,000	10,157,500

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		
\$11,338,708	\$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
0	0	245,329,030	687,880,443	35.66%	16.57

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

	2002	2003	2004	2005
<b>UNVOTED MILLAGE:</b>				
Operating	\$4.70	\$4.70	\$4.70	\$4.70
<b>VOTED MILLAGE - BY LEVY:</b>				
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	2.70	2.70	2.70	2.70
Commercial/Industrial and Public Utility Real	2.70	2.70	2.70	2.70
General Business and Public Utility Personal	2.70	2.70	2.70	2.70
1997 Bond (\$1,505,000)				
Residential/Agricultural Real	0.50	0.50	0.50	0.50
Commercial/Industrial and Public Utility Real	0.50	0.50	0.50	0.50
General Business and Public Utility Personal	0.50	0.50	0.50	0.50
2001 Capital Improvement				
Residential/Agricultural Real	0.50	0.50	0.45	0.45
Commercial/Industrial and Public Utility Real	0.50	0.50	0.47	0.50
General Business and Public Utility Personal	0.50	0.50	0.50	0.50
<b>TOTAL VOTED MILLAGE BY TYPE OF PROPERTY</b>				
Residential/Agricultural Real	19.00	19.00	18.95	18.95
Commercial/Industrial and Public Utility Real	19.00	19.00	18.97	19.00
General Business and Public Utility Personal	19.00	19.00	19.00	19.00
<b>TOTAL SCHOOL DISTRICT MILLAGE</b>				
	<b>23.70</b>	<b>23.70</b>	<b>23.70</b>	<b>23.70</b>
<b>OVERLAPPING RATES BY TAXING DISTRICT</b>				
<b>TOWNSHIPS:</b>				
Residential/Agricultural Real	0.10 - 2.08	0.10 - 1.84	0.10 - 4.10	0.10 - 4.10
Commercial/Industrial and Public Utility Real	0.10 - 2.45	0.10 - 2.15	0.10 - 4.10	0.10 - 4.10
General Business and Public Utility Personal	0.10 - 3.00	0.10 - 3.00	0.10 - 4.10	0.10 - 4.10
<b>CORPORATIONS:</b>				
Residential/Agricultural Real	0.60 - 3.31	0.60 - 3.31	0.60 - 2.97	0.60 - 2.97
Commercial/Industrial and Public Utility Real	0.60 - 3.52	0.60 - 3.52	0.60 - 3.32	0.60 - 3.58
General Business and Public Utility Personal	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00
<b>SOUTHERN HILLS JOINT VOCATIONAL DISTRICT:</b>				
Residential/Agricultural Real	2.91	2.91	2.64	2.43
Commercial/Industrial and Public Utility Real	3.57	3.60	3.41	3.16
General Business and Public Utility Personal	5.80	5.80	5.80	5.40
<b>COUNTY AND OTHER UNITS:</b>				
<b>BROWN COUNTY</b>				
Residential/Agricultural Real	4.88	4.88	4.77	4.77
Commercial/Industrial and Public Utility Real	4.93	4.94	4.88	4.90
General Business and Public Utility Personal	5.80	5.80	5.80	5.80
<b>CLERMONT COUNTY</b>				
Residential/Agricultural Real	7.28	6.41	7.16	7.16
Commercial/Industrial and Public Utility Real	7.80	6.83	7.63	7.63
General Business and Public Utility Personal	9.35	8.60	9.35	9.35
<b>BROWN COUNTY PUBLIC LIBRARY</b>				
Residential/Agricultural Real	1.00	0.75	0.75	0.75
Commercial/Industrial and Public Utility Real	1.00	0.75	0.75	0.75
General Business and Public Utility Personal	1.00	0.75	0.75	0.75
<b>BETHEL-TATE JOINT AMBULANCE DISTRICT</b>				
Residential/Agricultural Real	4.55	4.02	0.00	0.00
Commercial/Industrial and Public Utility Real	5.05	4.44	0.00	0.00
General Business and Public Utility Personal	6.60	6.60	0.00	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.



2006	2007	2008	2009	2010	2011
\$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
2.00	2.00	2.00	1.75	1.75	1.75
2.00	2.00	2.00	1.75	1.75	1.75
2.00	2.00	2.00	1.75	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	0.40	0.40	0.40	0.38	0.38
0.50	0.40	0.40	0.40	0.40	0.41
0.50	0.50	0.50	0.50	0.50	0.50
18.25	18.20	18.20	17.95	17.93	17.93
18.30	18.20	18.20	17.95	17.95	17.96
18.30	18.30	18.30	18.05	18.05	18.05
<b>23.00</b>	<b>23.00</b>	<b>23.00</b>	<b>22.75</b>	<b>22.75</b>	<b>22.75</b>
0.10 - 4.10	0.10 - 3.67	0.10 - 3.69	0.10 - 3.46	0.10 - 3.46	0.10 - 3.47
0.10 - 4.10	0.10 - 3.74	0.10 - 3.77	0.10 - 3.60	0.10 - 3.59	0.10 - 3.64
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 - 2.61	0.60 - 4.51	0.60 - 2.61	0.60 - 5.00	0.60 - 5.00
0.60 - 3.58	0.60 - 2.91	0.60 - 4.66	0.60 - 2.91	0.60 - 5.00	0.60 - 5.00
0.60 - 4.00	0.60 - 4.00	0.60 - 5.00	0.60 - 4.00	0.60 - 5.00	0.60 - 5.00
3.43	3.06	3.06	3.06	2.92	2.92
4.16	3.59	3.61	3.62	3.63	3.65
6.40	6.40	6.40	6.40	6.40	6.40
4.78	4.67	4.67	5.47	7.15	7.15
4.90	4.75	4.75	5.55	7.34	7.34
5.80	5.80	5.80	6.60	7.60	7.60
6.79	7.42	7.41	7.80	7.82	8.55
7.37	7.90	7.90	8.49	8.52	9.12
9.35	9.55	9.55	9.95	9.95	9.95
0.75	0.50	0.35	0.35	0.35	0.35
0.75	0.50	0.35	0.35	0.35	0.35
0.75	0.50	0.35	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)
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	5,554,037	4,421,011	79.60%	384,853	4,805,865	86.53%
2011	N/A	N/A	N/A	N/A	N/A	N/A

**Source:** Brown County Auditor

- (1) The 2011 collections cannot be presented because all collections have not been made by June 30, 2011.
- (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*  
*2011 and 2002 (1)*

Name of Taxpayer	2011	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$5,209,342	2.12%
Cincinnati Milacron	4,805,114	1.96%
Brown County Industrial Park	4,000,000	1.63%
Shriji Krupa	1,741,400	0.71%
N A L Company	1,523,913	0.62%
Locust Ridge Land Corp	1,452,171	0.59%
Alma Monk Trustee	1,438,714	0.59%
Northpoint Centre	1,327,314	0.54%
Scottwood Commons	1,303,800	0.53%
HPWFP	1,178,028	0.48%
Totals	<u>\$23,979,796</u>	<u>9.77%</u>
Total Assessed Valuation	<u>\$245,329,030</u>	<u>100.00%</u>

Name of Taxpayer	2002	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$4,892,400	2.92%
Cincinnati Milacron	4,047,600	2.42%
Trinity Industries	3,974,114	2.37%
Ava Jo Bohl	1,537,857	0.92%
BHM Enterprises	1,423,342	0.85%
Howard Meeker L & F	1,254,742	0.75%
Countrytyme Lebanon	1,208,600	0.72%
Scottwood Commons	1,143,800	0.68%
Lake Grant Ltd	1,092,142	0.65%
N A L Company	1,072,171	0.64%
Totals	<u>\$21,646,768</u>	<u>12.93%</u>
Total Assessed Valuation	<u>\$167,421,348</u>	<u>100.00%</u>

(1) The amounts represent the assessed values upon which 2011 and 2002 collections were based.

**Source:** Brown County Auditor.  
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
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
2011	17,494	687,880,443	4,495,000	0.65%	256.95	4,495,000

- Sources:**
- (1) National Center for Education Statistics  
 2001-2010 from 2000 U.S. Census Data  
 2011 from 2010 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. The ratios for 2011 were calculated using data from the 2010 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
\$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
0	856,000	5,351,000	0.78%	1.53%	305.88

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

	2002	2003	2004	2005
Assessed Valuation (1)	\$167,421,348	\$173,810,749	\$196,222,568	\$201,583,110
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	167,421,348	173,810,749	196,222,568	201,583,110
Debt Limit - 9% of Assessed Value (2)	15,067,921	15,642,967	17,660,031	18,142,480
Amount of Debt Applicable to Debt Limit				
Gross Indebtedness	6,579,569	6,372,000	6,187,000	5,975,000
Less Exempt Debt	(71,569)	(42,000)	(22,000)	0
Less Amount Available in Debt Service	(1,187,762)	(1,263,046)	(1,410,236)	(1,593,513)
Amount of Debt Subject to Limit	5,320,238	5,066,954	4,754,764	4,381,487
Legal Debt Margin	<u>\$9,747,683</u>	<u>\$10,576,013</u>	<u>\$12,905,267</u>	<u>\$13,760,993</u>
Legal Debt Margin as a Percentage of the Debt Limit	64.69%	67.61%	73.08%	75.85%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$167,421	\$173,811	\$196,223	\$201,583
Amount of Debt Subject to Limit	0	0	0	0
Unvoted Legal Debt Margin	<u>\$167,421</u>	<u>\$173,811</u>	<u>\$196,223</u>	<u>\$201,583</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

**Source:** Ohio Department of Taxation and School District Financial records

- (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.

2006	2007	2008	2009 (3)	2010	2011
\$206,179,908	\$237,988,790	\$236,168,840	\$238,028,600	\$245,940,190	\$245,329,030
(9,164,247)	(4,198,610)	(2,655,650)	(551,880)	(275,940)	0
(2,139,510)	(1,792,870)	(1,193,050)	(361,410)	(84,120)	(82,660)
194,876,151	231,997,310	232,320,140	237,115,310	245,580,130	245,246,370
17,538,854	20,879,758	20,908,813	21,340,378	22,102,212	22,072,173
5,775,000	5,560,000	5,320,000	5,065,000	4,795,000	4,495,000
0	0	0	0	0	0
(1,684,546)	(1,790,395)	(1,812,098)	(1,850,785)	(1,844,614)	(1,846,627)
4,090,454	3,769,605	3,507,902	3,214,215	2,950,386	2,648,373
<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>	<u>\$19,423,800</u>
76.68%	81.95%	83.22%	84.94%	86.65%	88.00%
\$194,876	\$231,997	\$232,320	\$237,115	\$245,580	\$245,246
0	0	0	0	0	0
<u>\$194,876</u>	<u>\$231,997</u>	<u>\$232,320</u>	<u>\$237,115</u>	<u>\$245,580</u>	<u>\$245,246</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, 2011

	<u>General Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
<b>Direct:</b>			
General Obligation Bonds	\$4,495,000	100.00%	\$4,495,000
Capital Leases	<u>856,000</u>	100.00%	<u>856,000</u>
<b>Total Direct</b>	<u>5,351,000</u>		<u>5,351,000</u>
<b>Overlapping:</b>			
Brown County General Obligation Bonds (2)	N/A	N/A	N/A
Southern Hills Joint Vocational School District	3,249,266	30.78%	1,000,003
Village of Mt. Orab	<u>4,520,406</u>	100.00%	<u>4,520,406</u>
<b>Total Overlapping</b>	<u>7,769,672</u>		<u>5,520,409</u>
<b>Total</b>	<u><u>\$13,120,672</u></u>		<u><u>\$10,871,409</u></u>

**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) 2011 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)
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%
2011	17,494	349,687,566	19,989	44,796	10.40%

**Sources:** (1) National Center for Education Statistics  
2001-2010 from 2000 U.S. Census Data  
2011 from 2010 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 (1)

		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.  
2011 information was not provided.

**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
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
2011	3,481	30,264,746	8,694	31,631,618	9,087

**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	2002	2003	2004	2005
<b>Regular Instruction</b>				
Elementary Classroom Teachers	132	130	130	129
High School Classroom Teachers	35	35	35	36
<b>Special Instruction</b>				
Elementary Classroom Teachers	11	11	11	13
High School Classroom Teachers	4	4	4	5
<b>Vocational Instruction</b>				
High School Classroom Teachers	3	3	3	3
<b>Pupil Support Services</b>				
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
<b>Administrators</b>				
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
<b>Operation and Maintenance of Plant</b>				
Custodians	23	27	27	26
Maintenance	2	2	2	3
<b>Pupil Transportation</b>				
Bus Drivers	38	39	39	39
Bus Aides	2	3	3	3
Van Drivers	0	0	0	0
<b>Food Service Program</b>				
Elementary Cooks	12	18	18	18
High School Cooks	6	6	6	0
Totals:	<u>325</u>	<u>335</u>	<u>335</u>	<u>332</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
129	125	125	122	122	122
36	36	36	36	36	36
14	14	14	14	16	16
5	6	6	6	6	6
3	3	3	3	4	4
5	5	5	5	5	5
3	3	3	3	3	3
1	1	1	1	1	1
0	0	0	0	0	0
2	1	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	9	9	9
4	4	4	4	4	4
4	4	4	4	4	4
4	4	4	4	4	4
26	26	26	25	25	25
3	3	3	3	3	3
39	38	38	34	34	34
3	3	3	3	3	3
0	0	0	0	0	0
18	18	18	18	20	20
<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
<u>340</u>	<u>335</u>	<u>335</u>	<u>323</u>	<u>328</u>	<u>328</u>

**Western Brown Local School District**  
**Building Statistics**  
*Last Ten Fiscal Years*

	2002	2003	2004	2005
<b><u>Mt. Orab Elementary/Middle School:</u></b>				
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	0	0	0	0
Enrollment Grades K-4 2002 - Present	855	853	871	859
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	44	44	44	44
Regular Instruction Teachers	38	38	37	37
Special Instruction Classrooms	4	4	4	4
Special Instruction Teachers	2	2	2	2
<b><u>Mt. Orab Middle School:</u></b>				
Converted from the old High School				
Constructed in 1957				
Additions in 1971, 1984, 1992 and 1998				
Total Building Square Footage	94,851	94,851	94,851	94,851
Enrollment Grades K-8	672	727	755	769
Student Capacity	1,000	1,000	1,000	1,000
Regular Instruction Classrooms	34	34	34	34
Regular Instruction Teachers	29	29	29	30
Special Instruction Classrooms	7	7	7	7
Special Instruction Teachers	5	5	5	6
<b><u>Hamersville Elementary School:</u></b>				
Constructed in 1922				
Additions in 1940, 1957, 1960 and 1968				
Total Building Square Footage	N/A	N/A	N/A	N/A
Enrollment Grades K-8	N/A	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	N/A	N/A	N/A	N/A
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	N/A	N/A	N/A	N/A
<b><u>Hamersville Elementary &amp; Middle School:</u></b>				
Constructed in 2002				
Total Building Square Footage	129,780	129,780	129,780	129,780
Enrollment Grades K-8	859	819	783	768
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	36	36	36	36
Regular Instruction Teachers	35	35	34	32
Special Instruction Classrooms	8	8	8	8
Special Instruction Teachers	4	4	4	5
<b><u>Western Brown High School:</u></b>				
Constructed in 1957				
Additions in 1971, 1984, 1992 and 1998				
Total Building Square Footage	N/A	N/A	N/A	N/A
Enrollment Grades 9-12	N/A	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	N/A	N/A	N/A	N/A
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	N/A	N/A	N/A	N/A
<b><u>Western Brown High School:</u></b>				
Constructed in 2002				
Total Building Square Footage	189,729	189,729	189,729	189,729
Enrollment Grades 9-12	949	957	956	1,024
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	40	40	40	40
Regular Instruction Teachers	35	35	35	36
Special Instruction Classrooms	5	5	5	5
Special Instruction Teachers	4	4	4	5

**Source:** Western Brown Local School District records.

2006	2007	2008	2009	2010	2011
100,965	100,965	100,965	100,965	100,965	100,965
0	0	0	0	0	0
883	851	865	903	1,017	1,024
1,100	1,100	1,100	1,100	1,100	1,100
44	44	44	44	44	44
38	38	38	47	37	37
4	4	4	4	4	4
3	3	3	3	4	4
94,851	94,851	94,851	94,851	94,851	94,851
728	744	743	760	682	690
1,000	1,000	1,000	1,000	1,000	1,000
34	34	34	34	34	34
32	32	32	35	29	29
7	7	7	7	7	7
6	6	6	5	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
701	663	676	668	686	674
1,100	1,100	1,100	1,100	1,100	1,100
36	36	36	36	36	36
32	32	32	40	34	34
8	8	8	8	8	8
5	5	4	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	187,729	187,729	187,729	187,729
1,055	1,056	1,072	1,091	1,081	1,093
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	6	4	4

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

<u>Year</u>	<u>Average Number of Students per Teacher (1)</u>
2002	18.0
2003	18.3
2004	18.4
2005	18.2
2006	18.0
2007	18.0
2008	18.2
2009	18.9
2010	18.8
2011	18.9

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



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

District Buildings	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Hamersville Elementary	38.07%	36.25%	34.56%	37.60%	42.02%	39.23%	41.23%	49.70%	55.39%	52.62%
Mt. Orab Elementary	32.37	32.05	32.26	38.94	37.66	40.31	41.33	46.11	53.79	49.57
Mt. Orab Middle School	27.83	26.85	35.99	37.23	36.91	37.94	38.37	43.50	48.60	51.34
Western Brown High School	16.89	14.69	15.17	18.12	24.45	27.73	27.09	34.51	42.58	44.63

**Source:** Ohio Department of Education

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# Dave Yost • 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 5, 2012**