



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, 2012**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program		10.555	\$0	\$126,299	\$0	\$129,901
Cash Assistance:						
National School Breakfast Program		10.553	390,954		390,954	
National School Lunch Program		10.555	651,659		651,659	
Total Nutrition Cluster			<u>1,042,613</u>	<u>126,299</u>	<u>1,042,613</u>	<u>129,901</u>
Total Department of Agriculture			1,042,613	126,299	1,042,613	129,901
<u>U.S. DEPARTMENT OF DEFENSE (ARMY)</u>						
National Guard Civilian Youth Opportunities	N/A	12.404	62,025	0	62,025	0
Total Department of Defense (Army)			62,025	0	62,025	0
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Grants to States - (IDEA Part B)	2011	84.027	49,552		49,823	
	2012	84.027	544,090		545,808	
ARRA - Special Education Grants to States - (IDEA B) Stimulus Fund	2010	84.391	0		29,258	
	2011	84.391	14,477		52,425	
			<u>608,119</u>	<u>0</u>	<u>677,314</u>	<u>0</u>
Title I Grants to Local Educational Agencies	2011	84.010	32,295		32,080	
Title I Grants to Local Educational Agencies	2012	84.010	503,126		507,644	
ARRA - Title I Part A	2011	84.389	315		1,256	
			<u>535,736</u>	<u>0</u>	<u>540,980</u>	<u>0</u>
ARRA - Race to the Top	2012	84.395	102,331		142,210	
Ed Jobs	2012	84.410	1,089,011		1,089,011	
Title IIA - Improving Teacher Quality	2012	84.367	114,510		114,360	
Title IIA - Improving Teacher Quality	2011	84.367	16,242		16,520	
			<u>130,752</u>	<u>0</u>	<u>130,880</u>	<u>0</u>
Education Technology State Grants	2011	84.318	0		5,355	
	2012	84.318	4,873		4,580	
ARRA - Education Technology State Grants	2011	84.386	10,851		15,918	
			<u>15,724</u>	<u>0</u>	<u>25,853</u>	<u>0</u>
Total Department of Education			2,481,673	0	2,606,248	0
<u>U.S. DEPARTMENT OF HUMAN SERVICES</u>						
<i>Passed Through Ohio Department of DD:</i>						
Medicaid Assistance Program/ CAFS	2012	93.778	99,652	0	0	0
			<u>\$3,685,963</u>	<u>\$126,299</u>	<u>\$3,710,886</u>	<u>\$129,901</u>

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

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012**

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.

NOTE E – MEDICAID (CAFS)

The CAFS settlement amount received during the fiscal year relate to settlements for CAFS service provided during prior years.



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, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 19, 2012. 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*.

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 19, 2012.

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 19, 2012



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 of the District's major federal programs for the year ended June 30, 2012. 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 opine on the District's compliance based on our audit.

Our compliance audit followed 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*. These 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 these 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 these 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, 2012.

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 a matter 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 19, 2012.

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 (the District) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 19, 2012. 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 19, 2012

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012**

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):	84.010, 84.389 Title I 84.395 Race to the Top 84.410 Education Jobs
<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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Western Brown Local School District

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Western Brown Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

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WESTERN BROWN LOCAL SCHOOL DISTRICT

BOARD OF EDUCATION

JoAnn C. Hildebrandt, President
Lynette K. Garrett, Vice-President
Shane W. Bishop
Richard E. Pride II
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. Lanter, Executive Secretary
Jina Bohl, Director of Curriculum and Instruction
Jennifer Bohrer, Special Education Director
Joe Howser, Transportation Supervisor
Stella Schneider, Food Service Director

December 19, 2012

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, 2012. 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, 2012. 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, 2012, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Richard E. Pride II	Jan. 2012 - Dec. 2015	4 - ½
JoAnn Hilderbrandt	Jan. 2012 - Dec. 2015	8 - ½
Shane Bishop	Jan. 2012 - Dec. 2015	2 - ½
Lynette Garrett	Jan. 2010 - Dec. 2013	2 - 1/2
Mike Kirk	Jan. 2010 - Dec. 2013	2 - ½

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. Christopher J. Burrows was appointed Superintendent on February 17, 2011. 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 3,413 students during the 2012 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 318 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 7.50 percent continues to be higher than the State of Ohio rate of 6.30 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 doing better. 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 2012, the School District's enrollment decreased by 68 students. We believe the majority of our decrease in enrollment is related to the economy. With no jobs, people are moving out of our District to areas that have more jobs. We continue to see our enrollment decrease over in Hamersville more than the Mt. Orab area. Mt. Orab has a four lane state route within its corporation limit, which provides a better opportunity for more jobs than Hamersville.

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 be flat for the next five years.

FINANCIAL TRENDS

Even though our enrollment declined in fiscal year 2012, we continue to increase in special needs students. The cost to educate these students continues to increase and takes additional funds from the budget since state revenue is flat funded through fiscal year 2013. We are continually monitoring our expenditures to keep them in line with our revenues in order to avoid deficit spending.

FINANCIAL PLANNING AND POLICIES

During fiscal year 2012, 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 fund level within each fund.

MAJOR INITIATIVES

The School District took the initiative to develop a 5 year maintenance business plan. In this plan we took a look at all of the improvement expenditures that would be necessary in the upcoming years and prioritized them. We worked collaboratively between school administration, maintenance/custodial staff, the treasurer's office and the superintendent's office to allocate funds to match the projects that would be coming up in the near future. This document was created to be a living document that would guide and advise projects and improvements for the district.

The School District implemented Teacher Data Teams. With help from our local union we were able to allocate 25 minutes at the beginning of every school day for teachers to analyze student data and devise individual strategic teaching plans for the students of the School District. We implemented cohesive Building Leadership Teams and a District Leadership Team to oversee the work of the buildings and district.

The School District has 3 schools that are rated Effective (MOMS,MOES and WBHS). HEMS is rated Excellent. The School District earned an overall Excellent rating.

The School District continues to strive to provide a world class education through the implementation of the Ohio Improvement Process and the practice of building leadership capacity. Below you will find bulleted items that are currently happening.

- Building Leadership Capacity: The School District has 58 people that hold leadership roles.

- Innovative Think Tanks: The School District is in the process of exploring a flexible high school. The School District is working closely with Southern State Community College and Southern Hills Career and Technical Center to devise these options for students.
- Closely monitoring the implementation of The School Districts Teacher Data Teams.
- Precision focus on Reading, Writing and Speaking daily.
- Establishing an accountability model that impacts all staff and their work process
- Maintain a highly successful employment process.
- Work closely with all staff to be as efficient as possible while maintaining and protecting the quality of what The School District offers.

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, 2011. 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, 2011 to the Western Brown Local School District. The award certifies that the CAFR for the fiscal year ended June 30, 2011, 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.

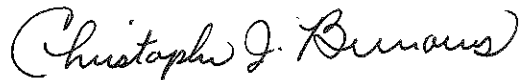
The Western Brown Local School District believes our current report conforms to the ASBO's principles and standards and we are submitting it to ABSO to determine its eligibility for an award.

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, 2012*

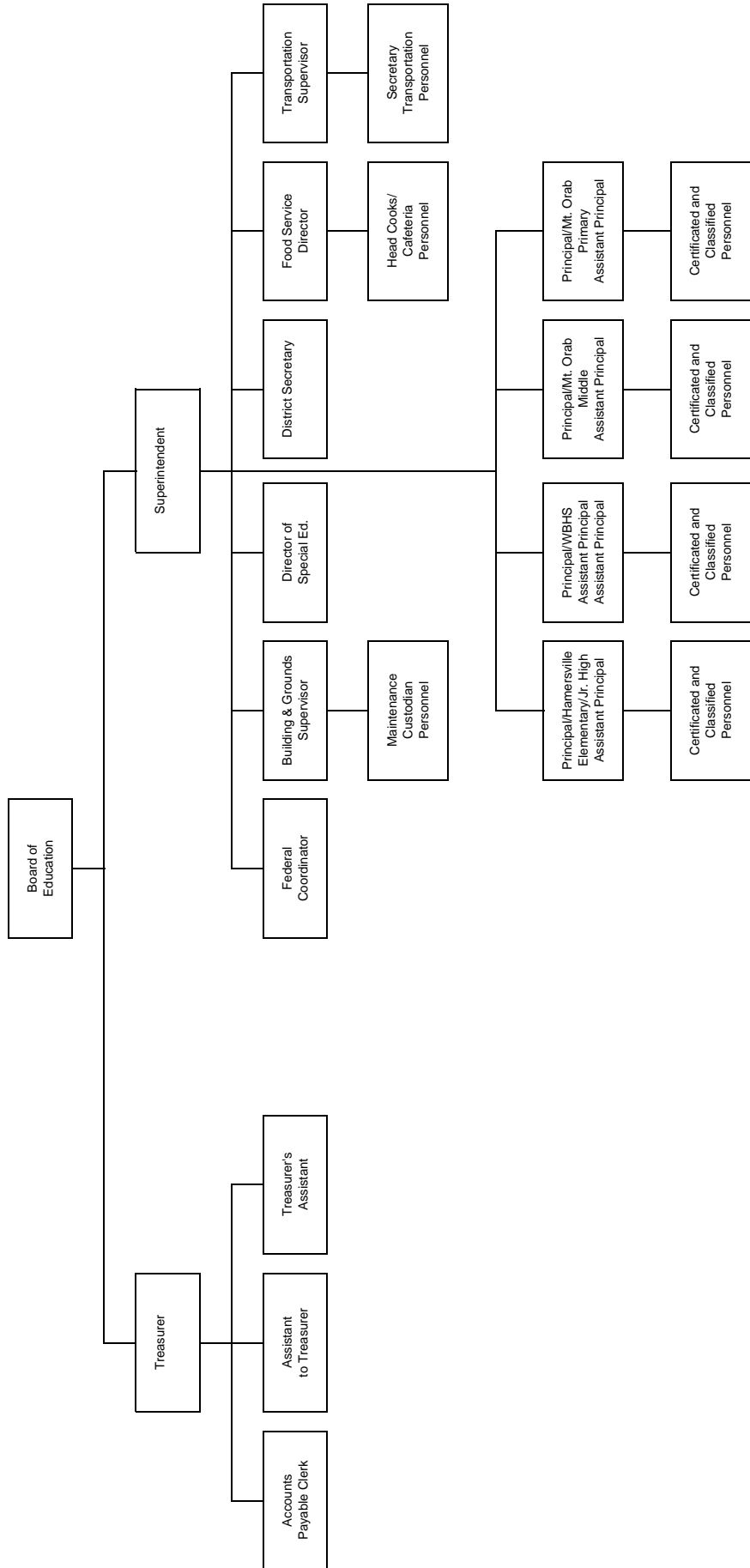
ELECTED OFFICIALS

President, Board of Education.....Richard E. Pride II
Vice President, Board of Education..... JoAnn Hilderbrandt
Board Member..... Shane Bishop
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.....Christopher Burrows
Transportation Supervisor.....Joe Howser

*Western Brown Local School District
Organizational Chart
June 30, 2012*



***Western Brown Local School District
Consultants and Advisors
June 30, 2012***

Architects

SHP Leading Design
82 Williams Avenue
Hamilton, OH 45011

Bond Counsel

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

Independent Auditor

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, 2011

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.



Linda C. Dandson

President

Jeffrey R. Emer

Executive Director

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Western Brown Local School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Brian L. Mee".

Brian L. Mee, SFO, RSBA
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA
Executive Director

Western Brown Local Schools

Strategic Plan

Adopted by the Western Brown Board of Education
June 30, 2012

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, 2012, 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, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General fund and Classroom Facilities Maintenance special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2012, 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 19, 2012

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
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, 2012. 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 \$845,777. Net assets of governmental activities decreased \$816,853.
- The School District entered into an agreement with Energy Education, Inc. to assist in reducing energy cost by changing employee's behavior. From September 2011 through June 30, 2012 the School District saved \$143,911.
- The School District renovated the maintenance garage to include room for a bus garage. This will allow the School District to hire their own mechanic and provide better services to the buses.
- The School District 1998 construction program was approved for closure by the Ohio School Facilities Commission.

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 non-major 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.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

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 2012?” The Statement of Net Assets and the Statement of Activities, which appear first in the School District’s financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all *assets* and *liabilities* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year’s revenues and expenses regardless of when cash is received or paid.

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

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

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

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.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

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

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

The School District as a Whole

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

Table 1 provides a summary of the School District's net assets for fiscal years 2012 and 2011:

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activity		Total	
	2012	2011	2012	2011	2012	2011
Assets						
Current and other Assets	\$11,607,029	\$11,728,360	\$618,708	\$522,586	\$12,225,737	\$12,250,946
Capital Assets, Net	45,448,633	47,074,396	1,226,017	1,329,033	46,674,650	48,403,429
Total Assets	57,055,662	58,802,756	1,844,725	1,851,619	58,900,387	60,654,375
Liabilities						
Other Liabilities	6,337,779	6,887,496	174,019	154,862	6,511,798	7,042,358
Long-Term Liabilities	6,608,922	6,989,446	37,660	34,787	6,646,582	7,024,233
Total Liabilities	12,946,701	13,876,942	211,679	189,649	13,158,380	14,066,591
Net Assets						
Invested in Capital Assets, Net of Related Debt	40,599,290	41,732,010	1,226,017	1,329,033	41,825,307	43,061,043
Restricted	4,102,547	5,156,782	0	0	4,102,547	5,156,782
Unrestricted (Deficit)	(592,876)	(1,962,978)	407,029	332,937	(185,847)	(1,630,041)
Total Net Assets	\$44,108,961	\$44,925,814	\$1,633,046	\$1,661,970	\$45,742,007	\$46,587,784

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Invested in capital assets, net of related debt decreased \$1,235,736 during fiscal year 2012 due to depreciation exceeding additions. Restricted net assets decreased \$1,054,235 during fiscal year 2012. This was due to a decrease in set-asides balances as a result of HB 30, which eliminated the textbook set-aside requirement. Governmental activities unrestricted net assets increased \$1,370,102, as a result of the elimination of the textbook set-aside requirement.

Table 2 shows the changes in net assets for fiscal years 2012 and 2011.

(Table 2)
Changes in Net Assets

	Governmental Activities		Business-Type Activity		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues:						
Charges for Services and Sales	\$ 1,931,548	\$ 1,717,810	\$ 620,025	\$ 571,093	\$ 2,551,573	\$ 2,288,903
Operating Grants and Contributions	4,785,087	4,278,859	1,189,043	1,133,010	5,974,130	5,411,869
Total Program Revenues	<u>6,716,635</u>	<u>5,996,669</u>	<u>1,809,068</u>	<u>1,704,103</u>	<u>8,525,703</u>	<u>7,700,772</u>
General Revenues:						
Property Taxes	5,028,197	5,182,109	0	0	5,028,197	5,182,109
Grants and Entitlements not Restricted to Specific Programs	18,627,278	19,513,313	0	0	18,627,278	19,513,313
Contributions and Donations	0	7,773	0	0	0	7,773
Interest	10,197	19,362	0	275	10,197	19,637
Revenue in Lieu of Taxes	104,257	97,575	0	0	104,257	97,575
Miscellaneous	76,508	105,632	29,004	34,305	105,512	139,937
Total General Revenues	<u>23,846,437</u>	<u>24,925,764</u>	<u>29,004</u>	<u>34,580</u>	<u>23,875,441</u>	<u>24,960,344</u>
Total Revenues	<u>30,563,072</u>	<u>30,922,433</u>	<u>1,838,072</u>	<u>1,738,683</u>	<u>32,401,144</u>	<u>32,661,116</u>
Program Expenses						
Instruction:						
Regular	16,329,045	15,933,550	0	0	16,329,045	15,933,550
Special	4,004,178	4,139,227	0	0	4,004,178	4,139,227
Vocational	239,806	293,826	0	0	239,806	293,826
Student Intervention Services	0	930	0	0	0	930
Support Services:						
Pupils	693,481	678,606	0	0	693,481	678,606
Instructional Staff	861,619	1,324,285	0	0	861,619	1,324,285
Board of Education	24,927	25,568	0	0	24,927	25,568
Administration	2,442,559	2,135,651	0	0	2,442,559	2,135,651
Fiscal	644,206	575,912	0	0	644,206	575,912
Operation and Maintenance of Plant	2,904,360	3,066,553	0	0	2,904,360	3,066,553
Pupil Transportation	2,176,110	2,184,223	0	0	2,176,110	2,184,223
Central	348,599	329,013	0	0	348,599	329,013
Operation of Non-Instructional Services	13,539	11,155	0	0	13,539	11,155
Extracurricular Activities	835,287	933,119	0	0	835,287	933,119
Interest and Fiscal Charges	192,209	194,224	0	0	192,209	194,224
Food Service	0	0	1,866,996	1,747,805	1,866,996	1,747,805
Total Expenses	<u>31,379,925</u>	<u>31,825,842</u>	<u>1,866,996</u>	<u>1,747,805</u>	<u>33,246,921</u>	<u>33,573,647</u>
Decrease in Net Assets	(816,853)	(903,409)	(28,924)	(9,122)	(845,777)	(912,531)
Net Assets at Beginning of Year	<u>44,925,814</u>	<u>45,829,223</u>	<u>1,661,970</u>	<u>1,671,092</u>	<u>46,587,784</u>	<u>47,500,315</u>
Net Assets at End of Year	<u>\$44,108,961</u>	<u>\$44,925,814</u>	<u>\$1,633,046</u>	<u>\$1,661,970</u>	<u>\$45,742,007</u>	<u>\$46,587,784</u>

Governmental Activities

Program revenues for governmental activities increased \$719,966, while general revenues decreased \$1,079,327.

Operating grants and contributions increased \$506,228 due to a new stimulus grant called the Education Jobs Grant.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Grants and Entitlements not Restricted to a Specific Program decreased \$886,035 due to a decrease in State funding.

Regular instruction increased \$395,495 due to step increases and the addition of new employees due to an increase in the number of students from open enrollment.

Support services instructional staff decreased \$462,666. This is due to a decrease in staffing as a result of retirements for year 2012.

The School District remains heavily reliant on State funding. Grants and Entitlements made up 61 percent of revenues for governmental activities of the Western Brown Local School District for fiscal year 2012.

Instruction comprises 66 percent of governmental activities program expenses. Support services expenses make up 31 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 2012	Total Cost of Services 2011	Net Cost of Services 2012	Net Cost of Services 2011
Instruction	\$20,573,029	\$20,367,533	\$14,888,176	\$15,561,390
Support Services	9,765,861	10,319,811	9,226,216	9,546,697
Operation of Non-Instructional Services	13,539	11,155	(1,835)	(3,616)
Extracurricular Activities	835,287	933,119	358,524	530,478
Interest and Fiscal Charges	192,209	194,224	192,209	194,224
Total Expenses	\$31,379,925	\$31,825,842	\$24,663,290	\$25,829,173

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Business-Type Activity

The School District's only business-type activity is the food service operation. This program had revenues of \$1,838,072 and expenses of \$1,866,996 for fiscal year 2012. Of the revenues, \$620,025 was charges for services and sales and \$1,189,043 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.

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 \$30,369,077 and expenditures of \$30,128,774.

The General Fund saw an increase in fund balance of \$40,761. This was due to an increase in intergovernmental, tuition and fees and contributions. The increase in these items were big enough to cover the increase in expenditures and still have an increase in fund balance.

The Debt Service Fund saw an increase in fund balance of \$113,066. This increase is due to property tax collections exceeding the amount needed to pay annual debt payments.

The Classroom Facilities Maintenance fund experienced an immaterial decreased of \$61,675.

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 2012 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 \$26,507,174 with a final budget estimate of \$26,197,691. The difference of \$309,483 was primarily due to decrease intergovernmental revenue due to estimated calculations. The School District's actual revenues were \$26,486,978 at fiscal year-end, which represented a one percent increase over final budgeted revenues.

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Original budget basis appropriations were \$27,781,285 with final budgeted expenditures of \$27,657,556, resulting in an immaterial increase of \$123,729. The School District's actual expenditures and encumbrances were \$26,842,459 at fiscal year-end, which represented a less than three percent decrease under final budgeted appropriations.

The School District's ending unobligated cash balance was \$1,039,751 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2012, the School District had \$46,674,650 invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2012 balances compared to fiscal year 2011:

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

	Governmental Activities		Business-Type Activity		Total	
	2012	2011	2012	2011	2012	2011
Land	\$2,524,314	\$2,524,314	\$0	\$0	\$2,524,314	\$2,524,314
Construction in Progress	0	13,000	0	0	0	13,000
Buildings and Improvements	40,893,590	42,276,717	899,784	936,338	41,793,374	43,213,055
Furniture and Equipment	1,716,294	2,024,452	326,233	392,695	2,042,527	2,417,147
Vehicles	314,435	235,913	0	0	314,435	235,913
Totals	<u>\$45,448,633</u>	<u>\$47,074,396</u>	<u>\$1,226,017</u>	<u>\$1,329,033</u>	<u>\$46,674,650</u>	<u>\$48,403,429</u>

Net capital assets decreased from the prior fiscal year. The amount of depreciation was greater than the additions to capital assets, resulting in a net decrease for the fiscal year. This is due to the School District limiting the purchase of assets.

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

Debt

At June 30, 2012, the School District had \$4,176,703 in bonds outstanding, \$400,000 of which is due within one year. Table 5 summarizes bonds outstanding at fiscal year-end 2012 and 2011:

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

(Table 5)

Outstanding Debt, at Fiscal Year-End

	2012	2011
1998 School Improvement Bonds	\$1,105,000	\$1,420,000
2011 School Improvement Refunding Bonds	2,990,000	3,075,000
Premium on Debt Issue	114,516	127,240
Deferred Gain on Refunding	(57,204)	(63,560)
Accretion on Capital Appreciation Bonds	24,391	1,831
Total	\$4,176,703	\$4,560,511

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, 2012 the School District's overall legal debt margin was \$19,993,316 with an unvoted debt margin of \$245,874. 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 move at a slow pace. Property values continue to decline and the housing industry tries to regain some strength. More people are working today but the jobs are low paying jobs and they still cannot afford items that are not necessities. The State of Ohio income has increased but they are putting the extra income in their rainy day fund instead of providing additional income to local governments.

For fiscal year 2012, the School District is funded by the Bridge Funding. The Bridge Funding is based on fiscal year 2011 funding less the state fiscal stabilization funding. For fiscal year 2012, we received a 2.28 percent decrease over fiscal year 2011 funding.

The School District received Education Jobs funds from the State of Ohio. This is Federal Stimulus money the State received to help school district budgets. Fiscal year 2012 is the last year for these funds.

***Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited***

While we are dependent on State revenue and do not see an increase in the future and local property taxes decreasing. The School District put together a cost reduction plan. This plan will reduce \$1.6 million starting in fiscal year 2013. The School District put a 6 year emergency levy on the ballot for November 2012, which would bring in \$1.45 million per year. The levy was defeated prompting the \$1.6 million in reductions to be put into place for fiscal year 2013.

Contacting the School District's Financial Management

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

Western Brown Local School District
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-Type Activity	Total
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$5,951,178	\$606,708	\$6,557,886
Prepaid Items	11,471	0	11,471
Inventory Held for Resale	0	10,766	10,766
Materials and Supplies Inventory	0	1,234	1,234
Intergovernmental Receivable	485,197	0	485,197
Taxes Receivable	4,939,812	0	4,939,812
Revenue in Lieu of Taxes Receivable	121,877	0	121,877
Accounts Receivable	27,525	0	27,525
Cash and Cash Equivalents with Fiscal Agents	5,000	0	5,000
Deferred Charges	64,969	0	64,969
Capital Assets:			
Land	2,524,314	0	2,524,314
Depreciable Capital Assets, Net	42,924,319	1,226,017	44,150,336
Total Assets	57,055,662	1,844,725	58,900,387
<u>Liabilities:</u>			
Accounts Payable	49,568	0	49,568
Accrued Wages and Benefits Payable	2,304,996	103,032	2,408,028
Matured Compensated Absences Payable	10,065	0	10,065
Intergovernmental Payable	508,448	70,987	579,435
Deferred Revenue	3,448,668	0	3,448,668
Matured Bonds Payable	5,000	0	5,000
Accrued Interest Payable	11,034	0	11,034
Long-Term Liabilities:			
Due Within One Year	693,740	0	693,740
Due in More Than One Year	5,915,182	37,660	5,952,842
Total Liabilities	12,946,701	211,679	13,158,380
<u>Net Assets:</u>			
Invested in Capital Assets, Net of Related Debt	40,599,290	1,226,017	41,825,307
Restricted for:			
Debt Service	1,973,331	0	1,973,331
Classroom Facilities	1,681,243	0	1,681,243
Other Purposes	443,354	0	443,354
Set-Asides	4,619	0	4,619
Unrestricted (Deficit)	(592,876)	407,029	(185,847)
Total Net Assets	\$44,108,961	\$1,633,046	\$45,742,007

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2012

	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
<u>Governmental Activities:</u>						
Instruction:						
Regular	\$16,329,045	\$1,223,260	\$1,405,935	(\$13,699,850)	\$0	(\$13,699,850)
Special	4,004,178	272,525	2,629,252	(1,102,401)	0	(1,102,401)
Vocational	239,806	19,087	134,794	(85,925)	0	(85,925)
Support Services:						
Pupils	693,481	0	16,002	(677,479)	0	(677,479)
Instructional Staff	861,619	0	185,739	(675,880)	0	(675,880)
Board of Education	24,927	0	0	(24,927)	0	(24,927)
Administration	2,142,559	0	103,025	(2,039,534)	0	(2,039,534)
Fiscal	614,206	0	3,834	(610,372)	0	(610,372)
Operation and						
Maintenance of Plant	2,904,360	17,946	133,091	(2,753,323)	0	(2,753,323)
Pupil Transportation	2,176,110	0	72,574	(2,103,536)	0	(2,103,536)
Central	348,599	0	7,434	(341,165)	0	(341,165)
Operation of Non-Instructional						
Services	13,539	0	15,374	1,835	0	1,835
Extracurricular Activities	835,287	398,730	78,033	(358,524)	0	(358,524)
Interest and Fiscal Charges	192,209	0	0	(192,209)	0	(192,209)
Total Governmental Activities	31,379,925	1,931,548	4,785,087	(24,663,290)	0	(24,663,290)
<u>Business-Type Activity:</u>						
Food Service	1,866,996	620,025	1,189,043	0	(57,928)	(57,928)
Totals	\$33,246,921	\$2,551,573	\$5,974,130	(24,663,290)	(57,928)	(24,721,218)
<u>General Revenues:</u>						
Property Taxes Levied for:						
General Purposes				4,342,422	0	4,342,422
Debt Service				600,867	0	600,867
Classroom Facilities Maintenance				84,908	0	84,908
Grants and Entitlements						
not Restricted to Specific Programs				18,627,278	0	18,627,278
Interest				10,197	0	10,197
Revenue in Lieu of Taxes				104,257	0	104,257
Miscellaneous				76,508	29,004	105,512
Total General Revenues				23,846,437	29,004	23,875,441
Change in Net Assets				(816,853)	(28,924)	(845,777)
Net Assets at Beginning of Year				44,925,814	1,661,970	46,587,784
Net Assets at End of Year				\$44,108,961	\$1,633,046	\$45,742,007

See accompanying notes to the basic financial statements

Western Brown Local School District
Balance Sheet
Governmental Funds
June 30, 2012

	General	Debt Service	Classroom Facility Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$2,243,044	\$1,824,043	\$1,678,663	\$200,809	\$5,946,559
Cash and Cash Equivalents with Fiscal Agents	0	5,000	0	0	5,000
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	4,619	0	0	0	4,619
Receivables:					
Taxes	4,342,503	509,053	88,256	0	4,939,812
Revenue in Lieu of Taxes	121,877	0	0	0	121,877
Accounts	27,525	0	0	0	27,525
Intergovernmental	2,100	0	0	483,097	485,197
Interfund	16,911	0	0	0	16,911
Prepaid Items	11,471	0	0	0	11,471
Total Assets	\$6,770,050	\$2,338,096	\$1,766,919	\$683,906	\$11,558,971
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$25,072	\$0	\$22,273	\$2,223	\$49,568
Accrued Wages and Benefits Payable	2,138,344	0	0	166,652	2,304,996
Matured Compensated Absences Payable	10,065	0	0	0	10,065
Interfund Payable	0	0	0	16,911	16,911
Intergovernmental Payable	486,908	0	235	21,305	508,448
Deferred Revenue	3,258,606	373,403	64,903	289,828	3,986,740
Matured Bonds Payable	0	5,000	0	0	5,000
Total Liabilities	5,918,995	378,403	87,411	496,919	6,881,728
<u>Fund Balances:</u>					
Nonspendable	11,471	0	0	0	11,471
Restricted	4,619	1,959,693	1,679,508	198,342	3,842,162
Assigned	176,733	0	0	0	176,733
Unassigned (Deficit)	658,232	0	0	(11,355)	646,877
Total Fund Balances	851,055	1,959,693	1,679,508	186,987	4,677,243
Total Liabilities and Fund Balances	\$6,770,050	\$2,338,096	\$1,766,919	\$683,906	\$11,558,971

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, 2012*

Total Governmental Fund Balances \$4,677,243

***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	
Depreciable capital assets	74,423,239	
Accumulated depreciation	<u>(31,498,920)</u>	
Total capital assets		45,448,633

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	248,244	
Intergovernmental	<u>289,828</u>	
		538,072

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

64,969

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

(11,034)

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	(4,095,000)	
Premium on debt issue	(114,516)	
Deferred gain on refunding	57,204	
Accretion on capital appreciation bonds	(24,391)	
Capital leases payable	(762,000)	
Compensated absences payable	<u>(1,670,219)</u>	
Total liabilities		<u>(6,608,922)</u>

Net Assets of Governmental Activities \$44,108,961

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, 2012

	General	Debt Service	Classroom Facility Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Taxes	\$4,342,503	\$600,876	\$84,910	\$0	\$5,028,289
Intergovernmental	20,240,751	75,769	136,925	2,670,986	23,124,431
Interest	10,197	0	0	0	10,197
Tuition and Fees	1,514,872	0	0	4,157	1,519,029
Extracurricular Activities	105,455	0	0	289,118	394,573
Rent	17,946	0	0	0	17,946
Contributions and Donations	69,523	0	0	24,324	93,847
Revenue in Lieu of Taxes	104,257	0	0	0	104,257
Miscellaneous	76,508	0	0	0	76,508
Total Revenues	26,482,012	676,645	221,835	2,988,585	30,369,077
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	13,732,231	0	0	1,350,080	15,082,311
Special	2,947,750	0	0	976,050	3,923,800
Vocational	208,088	0	0	0	208,088
Support Services:					
Pupils	645,208	0	0	12,108	657,316
Instructional Staff	685,050	0	0	124,575	809,625
Board of Education	24,927	0	0	0	24,927
Administration	1,798,543	0	0	112,442	1,910,985
Fiscal	553,607	17,841	3,070	0	574,518
Operation and Maintenance of Plant	2,715,701	0	108,791	0	2,824,492
Pupil Transportation	2,216,069	0	0	0	2,216,069
Central	329,580	0	0	7,340	336,920
Operation of Non-Instructional Services	0	0	0	13,539	13,539
Extracurricular Activities	399,145	0	0	244,210	643,355
Capital Outlay	66,985	0	171,739	0	238,724
Debt Service:					
Principal Retirement	94,000	400,000	0	0	494,000
Interest and Fiscal Charges	24,367	145,738	0	0	170,105
Total Expenditures	26,441,251	563,579	283,600	2,840,344	30,128,774
Net Change in Fund Balances	40,761	113,066	(61,765)	148,241	240,303
Fund Balances at Beginning of Year	810,294	1,846,627	1,741,273	38,746	4,436,940
Fund Balances at End of Year	\$851,055	\$1,959,693	\$1,679,508	\$186,987	\$4,677,243

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, 2012

Net Change in Fund Balances - Total Governmental Funds \$240,303

*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	405,877	
Depreciation expense	<u>(2,031,640)</u>	
Excess of depreciation expense over capital outlay		(1,625,763)

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	(92)	
Intergovernmental	<u>194,087</u>	
		193,995

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

Bond principal retirement	400,000	
Capital lease payments	<u>94,000</u>	
Total long-term debt repayment		494,000

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

Decrease in accrued interest	1,413	
Amortization of issuance costs	(7,325)	
Amortization of gain on refunding	(6,356)	
Amortization of bond premium	12,724	
Accretion on capital appreciation bonds	<u>(22,560)</u>	
		(22,104)

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	(101,284)	
Decrease in early retirement incentive	<u>4,000</u>	
Total additional expenditures		<u>(97,284)</u>

Change in Net Assets of Governmental Activities (\$816,853)

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Taxes	\$4,377,653	\$4,377,653	\$4,342,503	(\$35,150)
Intergovernmental	20,387,841	20,072,841	20,254,945	182,104
Interest	17,000	17,000	12,118	(4,882)
Tuition and Fees	1,366,653	1,366,653	1,514,872	148,219
Extracurricular Activities	99,127	101,175	103,150	1,975
Rent	20,000	20,000	17,946	(2,054)
Contributions and Donations	47,500	67,035	69,523	2,488
Miscellaneous	191,400	175,334	171,921	(3,413)
<i>Total Revenues</i>	26,507,174	26,197,691	26,486,978	289,287
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	12,160,111	12,160,111	11,135,133	1,024,978
Special	2,370,825	2,370,825	2,966,617	(595,792)
Vocational	249,882	249,882	214,276	35,606
Other	2,487,000	2,487,000	2,591,456	(104,456)
Support Services:				
Pupils	650,201	650,201	646,503	3,698
Instructional Staff	827,426	842,426	722,116	120,310
Board of Education	26,917	26,917	25,318	1,599
Administration	1,839,276	1,839,276	1,846,063	(6,787)
Fiscal	551,645	551,645	567,086	(15,441)
Operation and Maintenance of Plant	3,016,001	3,016,001	2,857,290	158,711
Pupil Transportation	2,585,605	2,449,548	2,277,083	172,465
Central	364,337	364,337	337,912	26,425
Extracurricular Activities	464,435	464,435	405,330	59,105
Capital Outlay	61,409	61,409	131,909	(70,500)
Debt Service:				
Principal Retirement	97,638	97,997	94,000	3,997
Interest and Fiscal Charges	28,577	25,546	24,367	1,179
<i>Total Expenditures</i>	27,781,285	27,657,556	26,842,459	815,097
Excess of Revenues Under Expenditures	(1,274,111)	(1,459,865)	(355,481)	1,104,384
<u>Other Financing Sources (Uses):</u>				
Advances In	50,000	50,000	0	(50,000)
Advances Out	0	0	(16,911)	(16,911)
Refund of Prior Year Receipts	0	0	2,278	2,278
<i>Total Other Financing Sources (Uses)</i>	50,000	50,000	(14,633)	(64,633)
Net Change in Fund Balance	(1,224,111)	(1,409,865)	(370,114)	1,039,751
Fund Balance at Beginning of Year	2,253,805	2,253,805	2,253,805	0
Prior Year Encumbrances Appropriated	156,830	156,830	156,830	0
Fund Balance at End of Year	\$1,186,524	\$1,000,770	\$2,040,521	\$1,039,751

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$84,700	\$84,700	\$84,910	\$210
Intergovernmental	138,997	132,997	136,925	3,928
<i>Total Revenues</i>	223,697	217,697	221,835	4,138
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal	3,075	3,075	3,070	5
Operation and Maintenance of Plant	90,537	90,537	90,305	232
Capital Outlay	588,982	588,982	292,223	296,759
<i>Total Expenditures</i>	682,594	682,594	385,598	296,996
Net Change in Fund Balance	(458,897)	(464,897)	(163,763)	301,134
Fund Balance at Beginning of Year	1,697,960	1,697,960	1,697,960	0
Prior Year Encumbrances Appropriated	23,982	23,982	23,982	0
Fund Balance at End of Year	\$1,263,045	\$1,257,045	\$1,558,179	\$301,134

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Fund Net Assets
Proprietary Fund
June 30, 2012

	Food Service
<u>Assets:</u>	
<u>Current Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$606,708
Inventory Held for Resale	10,766
Materials and Supplies Inventory	1,234
<i>Total Current Assets</i>	618,708
<u>Noncurrent Assets:</u>	
Capital Assets, Net	1,226,017
<i>Total Assets</i>	1,844,725
<u>Liabilities:</u>	
<u>Current Liabilities:</u>	
Accrued Wages and Benefits Payable	103,032
Intergovernmental Payable	70,987
<i>Total Current Liabilities</i>	174,019
<u>Long-term Liabilities:</u>	
Compensated Absences Payable	37,660
<i>Total Liabilities</i>	211,679
<u>Net Assets:</u>	
Invested in Capital Assets	1,226,017
Unrestricted	407,029
<i>Total Net Assets</i>	\$1,633,046

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, 2012*

	Food Service
<u>Operating Revenues:</u>	
Sales	\$620,025
Other	29,004
	<u>649,029</u>
 <u>Operating Expenses:</u>	
Salaries	465,522
Fringe Benefits	374,905
Purchased Services	17,245
Materials and Supplies	98,001
Cost of Sales	791,312
Depreciation	120,011
	<u>1,866,996</u>
<i>Total Operating Revenues</i>	<u>649,029</u>
<i>Total Operating Expenses</i>	<u>1,866,996</u>
<i>Operating Loss</i>	<u>(1,217,967)</u>
 <u>Non-Operating Revenues:</u>	
Donated Commodities	126,299
Operating Grants	1,062,744
	<u>1,189,043</u>
<i>Total Non-Operating Revenues</i>	<u>1,189,043</u>
<i>Change in Net Assets</i>	(28,924)
<i>Net Assets at Beginning of Year</i>	<u>1,661,970</u>
<i>Net Assets at End of Year</i>	<u><u>\$1,633,046</u></u>

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2012

	Food Service
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$620,025
Cash Received from Others	31,304
Cash Payments for Employee Benefits	(459,669)
Cash Payments to Employees for Services	(358,728)
Cash Payments to Suppliers for Goods and Services	(776,119)
<i>Net Cash Used for Operating Activities</i>	(943,187)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Operating Grants Received	1,062,744
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Payments for Capital Acquisitions	(16,995)
<i>Net Increase in Cash and Cash Equivalents</i>	102,562
<i>Cash and Cash Equivalents at Beginning of Year</i>	504,146
<i>Cash and Cash Equivalents at End of Year</i>	\$606,708
<u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</u>	
Operating Loss	(\$1,217,967)
<u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u>	
Depreciation	120,011
Donated Commodities Received During Year	126,299
(Increase) Decrease in Assets:	
Inventory Held for Resale	3,602
Materials and Supplies Inventory	538
Accounts Receivable	2,300
Increase (Decrease) in Liabilities:	
Accrued Wages and Benefits	2,802
Compensated Absences Payable	2,873
Intergovernmental Payable	16,355
Total Adjustments	274,780
<i>Net Cash Used for Operating Activities</i>	(\$943,187)

Non-Cash Transactions:

During fiscal year 2012, the Food Service Enterprise Fund received \$126,299 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, 2012

	Private Purpose Trust	Agency
	Scholarship	
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$22,575	\$98,639
<u>Liabilities:</u>		
Undistributed Monies	0	\$98,639
<u>Net Assets:</u>		
Held in Trust for Scholarships	\$22,575	

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, 2012

	Private Purpose Trust
	Scholarship
<u>Additions:</u>	
Contributions and Donations	\$5,397
<u>Deductions:</u>	
Scholarships Awarded	3,200
<i>Change in Net Assets</i>	2,197
<i>Net Assets at Beginning of Year</i>	20,378
<i>Net Assets at End of Year</i>	\$22,575

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, 2012*

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 112 non-certificated, 174 teaching and 32 administrative employees providing education to 3,413 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, 2012*

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.

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, 2012*

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.

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 and report 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 and reports 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 and reports 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, 2012

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.

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, 2012*

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.

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, 2012*

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, 2012 but which were levied to finance fiscal year 2013 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, 2012*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2012, 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 net asset value per share which is the price the investment could be sold for on June 30, 2012.

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 2012 amounted to \$10,197, which includes \$6,294 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.

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 for unexpended grants restricted for the purchase of buses (see Note 19).

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, 2012*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2012, 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.

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:

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

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.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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)

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.

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)

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.

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.

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.

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, 2012*

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.

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, 2012*

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

For fiscal year 2012, the School District has implemented *Governmental Accounting Standard Board (GASB) Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53."* GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this Statement did not result in any change in the School District's financial statements.

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, 2012

NOTE 4 - FUND BALANCES (Continued)

Fund Balances	General	Debt Service	Classroom Facility Maintenance	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>					
Prepays	\$11,471	\$0	\$0	\$0	\$11,471
<i>Restricted for</i>					
Debt Payment	0	1,959,693	0	0	1,959,693
Miscellaneous Grants	0	0	0	28,746	28,746
District Managed Activity	0	0	0	169,596	169,596
Bus Purchases	4,619	0	0	0	4,619
Classroom Facilities	0	0	1,679,508	0	1,679,508
<i>Total Restricted</i>	<u>4,619</u>	<u>1,959,693</u>	<u>1,679,508</u>	<u>198,342</u>	<u>3,842,162</u>
<i>Assigned to</i>					
Unpaid Obligations	176,733	0	0	0	176,733
<i>Unassigned (Deficit)</i>	<u>658,232</u>	<u>0</u>	<u>0</u>	<u>(11,355)</u>	<u>646,877</u>
<i>Total Fund Balances</i>	<u><u>\$851,055</u></u>	<u><u>\$1,959,693</u></u>	<u><u>\$1,679,508</u></u>	<u><u>\$186,987</u></u>	<u><u>\$4,677,243</u></u>

NOTE 5 - ACCOUNTABILITY

At June 30, 2012, the Race to the Top, Title VI-B, and Improving Teacher Quality nonmajor special revenue funds had deficit fund balances of \$18, \$1,734, and \$9,603, 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, 2012*

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	
	General	Classroom Facilities Maintenance
GAAP Basis	\$40,761	(\$61,765)
Adjustments:		
Revenue Accruals	8,002	0
Expenditure Accruals	(194,824)	18,486
Encumbrances	(206,384)	(120,484)
Advances	(16,911)	0
Unrecorded Cash	(758)	0
Budget Basis	(\$370,114)	(\$163,763)

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
For the Fiscal Year Ended June 30, 2012*

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, 2012, 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, 2012

NOTE 7 - DEPOSITS AND INVESTMENTS (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>
STAROhio	\$1,989,561	Average 52.5 Days
Goldman Sachs Financial Square Government Mutual Fund	<u>2,582,658</u>	Average 31 Days
Total Investments	<u><u>\$4,572,219</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 and public utility property located in the School District. Real property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of January 1, 2011, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or 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, 2012*

NOTE 8 - PROPERTY TAXES (Continued)

Public utility property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien December 31, 2010, were levied after April 1, 2011, and are collected 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.

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, 2012, are available to finance fiscal year 2012 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, 2012 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, 2012, 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, 2011, was \$1,205,774 in the General Fund, \$135,650 in the Debt Service Fund and \$23,353 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 2012 taxes were collected are:

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 8 - PROPERTY TAXES (Continued)

	2011 Second- Half Collections		2012 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$237,203,030	96.69%	\$237,260,840	96.50%
Public Utility Personal	8,126,000	3.31%	8,612,750	3.50%
Total Assessed Value	<u>\$245,329,030</u>	<u>100.00%</u>	<u>\$245,873,590</u>	<u>100.00%</u>
 Tax rate per \$1,000 of assessed valuation	 \$22.75		 \$22.75	

NOTE 9 - RECEIVABLES

Receivables at June 30, 2012, consisted of property taxes, revenue in lieu of taxes, accounts, intergovernmental grants and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivable amounts are expected to be received within one year with the exception of revenue in lieu of taxes and delinquent property taxes. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. The intergovernmental receivables are as follows:

	<u>Amounts</u>
<u>Governmental Activities:</u>	
Title VI-B - Special Education IDEA Grant	\$87,323
School Improvement	55,000
Title I - Targeted Assistance Grant	188,227
Race to the Top	132,128
Alternative Schools	6,269
School Training	2,100
Reducing Class Size Grant	10,484
High Schools That Work	<u>3,666</u>
Total Intergovernmental Receivables	<u>\$485,197</u>

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 10 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2012, was as follows:

	Balance 6/30/11	Additions	Deductions	Balance 6/30/12
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$2,524,314	\$0	\$0	\$2,524,314
Construction in Progress	13,000	0	(13,000)	0
Total Capital Assets, Not Being Depreciated	<u>2,537,314</u>	<u>0</u>	<u>(13,000)</u>	<u>2,524,314</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	63,193,684	245,753	0	63,439,437
Furniture and Equipment	8,281,228	21,147	0	8,302,375
Vehicles	2,529,450	151,977	0	2,681,427
Total Capital Assets, Being Depreciated	<u>74,004,362</u>	<u>418,877</u>	<u>0</u>	<u>74,423,239</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(20,916,967)	(1,628,880)	0	(22,545,847)
Furniture and Equipment	(6,256,776)	(329,305)	0	(6,586,081)
Vehicles	(2,293,537)	(73,455)	0	(2,366,992)
Total Accumulated Depreciation	<u>(29,467,280)</u>	<u>(2,031,640) *</u>	<u>0</u>	<u>(31,498,920)</u>
Total Capital Assets, Being Depreciated, Net	<u>44,537,082</u>	<u>(1,612,763)</u>	<u>0</u>	<u>42,924,319</u>
Governmental Activities Capital Assets, Net	<u>\$47,074,396</u>	<u>(\$1,612,763)</u>	<u>(\$13,000)</u>	<u>\$45,448,633</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,221,708
Special	88,982
Vocational	31,690
Support Services:	
Pupils	58,788
Instructional Staff	56,951
Administration	237,921
Fiscal	9,784
Operation and Maintenance of Plant	26,425
Pupil Transportation	96,301
Central	11,160
Extracurricular Activities	191,930
Total Depreciation Expense	<u>\$2,031,640</u>

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 10 - CAPITAL ASSETS (Continued)

	Balance 6/30/11	Additions	Deductions	Balance 6/30/12
<u>Business-Type Activity:</u>				
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$1,428,104	\$0	\$0	\$1,428,104
Furniture and Equipment	<u>1,262,934</u>	<u>16,995</u>	<u>0</u>	<u>1,279,929</u>
Total Capital Assets, Being Depreciated	<u>2,691,038</u>	<u>16,995</u>	<u>0</u>	<u>2,708,033</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(491,766)	(36,554)	0	(528,320)
Furniture and Equipment	<u>(870,239)</u>	<u>(83,457)</u>	<u>0</u>	<u>(953,696)</u>
Total Accumulated Depreciation	<u>(1,362,005)</u>	<u>(120,011)</u>	<u>0</u>	<u>(1,482,016)</u>
Business-Type Activity				
Capital Assets, Net	<u>\$1,329,033</u>	<u>(\$103,016)</u>	<u>\$0</u>	<u>\$1,226,017</u>

NOTE 11 - RISK MANAGEMENT

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 2012, 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)

Workers' Compensation

For fiscal year 2012, 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.

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

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 under Employers/Audit Resources.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

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, 2012, the allocation to pension and death benefits was 12.70 percent. The remaining 1.30 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, 2012, 2011, and 2010 were \$393,677, \$646,035, and \$558,570, respectively. For fiscal year 2012, 67.14 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

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.

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, 2012*

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, 2012, 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 for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011, and 2010 were \$1,541,219 , \$1,610,952, and \$1,569,632, respectively. For fiscal year 2012, 83.67 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

Contributions made to STRS Ohio for the DC Plan and for fiscal year 2012 were \$25,614 made by the School District and \$18,295 made by the plan members. In addition, member contributions of \$15,562 were made for fiscal year 2012 for the defined contribution portion of the Combined Plan.

NOTE 13 - POSTEMPLOYMENT BENEFITS

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, Medicare Advantage, 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 under Employers/Audit Resources.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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 2012, 0.55 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 2012, this amount was \$35,800. During fiscal year 2012, the School District paid \$44,152 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, 2012, 2011, and 2010 were \$62,834, \$123,904, and \$93,840, respectively. For fiscal year 2012, 67.14 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2012, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010, were \$23,341, \$41,574, and \$33,217, respectively. For fiscal year 2012, 67.14 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

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 or by calling (888) 227-7877.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

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 2012, STRS Ohio allocated employer contributions equal to one percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$118,555, \$123,919, and \$120,741, respectively. For fiscal year 2012, 83.67 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

NOTE 14 - EMPLOYEE BENEFITS

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.

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, 2012*

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 2012, the School District made the seventh scheduled principal payment of \$37,000.

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 \$57,000.

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	\$356,917	\$634,519
Furniture and Equipment	610,000	152,500	457,500
Total	<u>\$1,601,436</u>	<u>\$509,417</u>	<u>\$1,092,019</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, 2012.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 15 - CAPITALIZED LEASE - LESSEE DISCLOSURE (Continued)

Fiscal Year Ending June 30,	Total Payments
2013	\$121,686
2014	122,543
2015	122,290
2016	122,927
2017	123,441
2018-2019	244,993
Total	857,880
Less: Amount Representing Interest	(95,880)
Present Value of Minimum Lease Payments	\$762,000

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. The outstanding balance for retirements in previous years was paid off during fiscal year 2012.

NOTE 17 - INTERFUND ACTIVITY

As of June 30, 2012, receivables and payables that resulted from various interfund transactions were as follows:

Payable	Receivable
Nonmajor Governmental Funds	General Fund \$16,911

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, 2012

NOTE 18 - LONG-TERM LIABILITIES

The changes in the School District's long-term liabilities during fiscal year 2012 were as follows:

	Amount Outstanding 6/30/11	Additions	Deductions	Amount Outstanding 6/30/12	Amounts Due in One Year
<u>Governmental Activities:</u>					
School Improvement Bonds					
1998 5.01%	\$1,420,000	\$0	\$315,000	\$1,105,000	\$335,000
School Improvement Refunding					
Bonds 2011:					
Serial Bonds 3.75%	2,800,000	0	85,000	2,715,000	65,000
Capital Appreciation Bonds 6.25%	275,000	0	0	275,000	0
Premium on Debt Issue	127,240	0	12,724	114,516	0
Deferred Gain on Refunding	(63,560)	0	(6,356)	(57,204)	0
Accretion of Capital					
Appreciation Bonds	1,831	22,560	0	24,391	0
Compensated Absences	1,568,935	463,335	362,051	1,670,219	195,740
Early Retirement Incentive	4,000	0	4,000	0	0
Capital Leases	856,000	0	94,000	762,000	98,000
Total General					
Long-Term Liabilities	<u>\$6,989,446</u>	<u>\$485,895</u>	<u>\$866,419</u>	<u>\$6,608,922</u>	<u>\$693,740</u>
<u>Business-Type Activities:</u>					
Compensated Absences	<u>\$34,787</u>	<u>\$2,873</u>	<u>\$0</u>	<u>\$37,660</u>	<u>\$0</u>

School Improvement Bonds 1998

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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 18 - LONG-TERM LIABILITIES (Continued)

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, 2012, \$1,105,000 of the bonds was unmatured 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 2012, the capital appreciation bond was accreted \$22,560.

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

The School District's overall legal debt margin was \$19,993,316 with an unvoted debt margin of \$245,874 at June 30, 2012.

Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 18 - LONG-TERM LIABILITIES (Continued)

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2012 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	
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	0	0	485,000	56,838	0	0	541,838
2018-2021	0	0	1,570,000	85,237	275,000	300,000	2,230,237
Total	<u>\$1,105,000</u>	<u>\$91,029</u>	<u>\$2,715,000</u>	<u>\$440,025</u>	<u>\$275,000</u>	<u>\$300,000</u>	<u>\$4,926,054</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 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 capital acquisition. Disclosure of this information is required by State statute.

	Capital Acquisition
Set-aside Balance as of June 30, 2011	\$0
Current Fiscal Year Set-aside Requirement	569,710
Current Fiscal Year Offsets	(97,524)
Qualifying Disbursements	(472,186)
Set-aside Balance as of June 30, 2012	<u>\$0</u>
Required Set-aside Balances Carried Forward to FY 2013	<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. In previous fiscal years, the School District was required to have a textbook requirement. Effective July 1, 2011, House Bill 30 of the 129th General Assembly repealed the textbook requirement.

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS

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 \$209,087 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.

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.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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.

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 Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

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. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2012, if applicable, cannot be determined at this time.

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.

EDUCATION 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.

EDUCATION JOBS – This fund accounts for and reports restricted monies that provide compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary or secondary educational and related services.

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.

Western Brown Local School District

Nonmajor Fund Descriptions

Nonmajor Special Revenue Funds (Continued)

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.

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 21st 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.

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 Special Revenue Funds
June 30, 2012

	Memorial	Other Grant	District Managed Activity
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$516	\$15,407	\$172,194
Receivables:			
Intergovernmental	0	0	0
<i>Total Assets</i>	\$516	\$15,407	\$172,194
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$0	\$0	\$2,223
Accrued Wages and Benefits Payable	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	375
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	0	0	2,598
<u>Fund Balances:</u>			
Restricted	516	15,407	169,596
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	516	15,407	169,596
<i>Total Liabilities and Fund Balances</i>	\$516	\$15,407	\$172,194

Education Management Information Systems	High Schools That Work	Alternative School	Race to the Top	Title VI-B	Title II-D ARRA
\$10,024	\$575	\$202	\$0	\$38	\$292
0	3,666	6,269	132,128	87,323	0
<u>\$10,024</u>	<u>\$4,241</u>	<u>\$6,471</u>	<u>\$132,128</u>	<u>\$87,361</u>	<u>\$292</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	5,512	2,861	62,327	0
0	0	0	16,511	400	0
0	0	262	622	8,038	0
0	3,666	0	112,152	18,330	0
0	3,666	5,774	132,146	89,095	0
10,024	575	697	0	0	292
0	0	0	(18)	(1,734)	0
<u>10,024</u>	<u>575</u>	<u>697</u>	<u>(18)</u>	<u>(1,734)</u>	<u>292</u>
<u>\$10,024</u>	<u>\$4,241</u>	<u>\$6,471</u>	<u>\$132,128</u>	<u>\$87,361</u>	<u>\$292</u>

(continued)

Western Brown Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012
(Continued)

	Title I	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
<i>Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$1,412	\$149	\$200,809
Receivables:			
Intergovernmental	243,227	10,484	483,097
<i>Total Assets</i>	<u>\$244,639</u>	<u>\$10,633</u>	<u>\$683,906</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$0	\$0	\$2,223
Accrued Wages and Benefits Payable	76,596	19,356	166,652
Interfund Payable	0	0	16,911
Intergovernmental Payable	11,128	880	21,305
Deferred Revenue	155,680	0	289,828
<i>Total Liabilities</i>	243,404	20,236	496,919
<u>Fund Balances:</u>			
Restricted	1,235	0	198,342
Unassigned (Deficit)	0	(9,603)	(11,355)
<i>Total Fund Balances (Deficit)</i>	1,235	(9,603)	186,987
<i>Total Liabilities and Fund Balances</i>	<u>\$244,639</u>	<u>\$10,633</u>	<u>\$683,906</u>

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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, 2012

	Memorial	Other Grant	District Managed Activity
<u>Revenues:</u>			
Intergovernmental	\$0	\$0	\$0
Tuition and Fees	0	0	4,157
Extracurricular Activities	0	0	289,118
Contributions and Donations	0	15,814	8,510
<i>Total Revenues</i>	<u>0</u>	<u>15,814</u>	<u>301,785</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	0	805	0
Special	0	0	0
Support Services:			
Pupils	786	0	0
Instructional Staff	0	0	0
Administration	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	13,202	0
Extracurricular Activities	0	0	244,210
<i>Total Expenditures</i>	<u>786</u>	<u>14,007</u>	<u>244,210</u>
<i>Net Change in Fund Balances</i>	(786)	1,807	57,575
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>1,302</u>	<u>13,600</u>	<u>112,021</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$516</u></u>	<u><u>\$15,407</u></u>	<u><u>\$169,596</u></u>

Education Management Information Systems	OneNet	High Schools That Work	Alternative School	Education Jobs	Race to the Top
\$0	\$7,200	\$7,334	\$37,288	\$1,089,011	\$122,307
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	7,200	7,334	37,288	1,089,011	122,307
0	0	6,759	36,429	1,089,011	85,711
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	51,951
701	0	0	0	0	7,554
0	7,200	0	0	0	140
0	0	0	0	0	337
0	0	0	0	0	0
701	7,200	6,759	36,429	1,089,011	145,693
(701)	0	575	859	0	(23,386)
10,725	0	0	(162)	0	23,368
\$10,024	\$0	\$575	\$697	\$0	(\$18)

(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, 2012
(continued)

	Title VI-B	Title II-D ARRA	Title I
<u>Revenues:</u>			
Intergovernmental	\$656,762	\$7,845	\$611,281
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
<i>Total Revenues</i>	<u>656,762</u>	<u>7,845</u>	<u>611,281</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	0	4,580	1,256
Special	534,233	0	441,817
Support Services:			
Pupils	3,912	0	7,410
Instructional Staff	12,048	5,738	54,838
Administration	102,975	0	1,212
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>653,168</u>	<u>10,318</u>	<u>506,533</u>
<i>Net Change in Fund Balances</i>	3,594	(2,473)	104,748
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>(5,328)</u>	<u>2,765</u>	<u>(103,513)</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>(\$1,734)</u></u>	<u><u>\$292</u></u>	<u><u>\$1,235</u></u>

Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$131,958	\$2,670,986
0	4,157
0	289,118
0	24,324
<u>131,958</u>	<u>2,988,585</u>
125,529	1,350,080
0	976,050
0	12,108
0	124,575
0	112,442
0	7,340
0	13,539
0	244,210
<u>125,529</u>	<u>2,840,344</u>
6,429	148,241
<u>(16,032)</u>	<u>38,746</u>
<u>(\$9,603)</u>	<u>\$186,987</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, 2012

	<u>Balance at</u> <u>6/30/11</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>6/30/12</u>
<u>STUDENT MANAGED ACTIVITY</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	<u>\$103,751</u>	<u>\$205,410</u>	<u>\$210,522</u>	<u>\$98,639</u>
<u>Liabilities:</u>				
Undistributed Monies	<u>\$103,751</u>	<u>\$205,410</u>	<u>\$210,522</u>	<u>\$98,639</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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Taxes	\$4,377,653	\$4,377,653	\$4,342,503	(\$35,150)
Intergovernmental	20,387,841	20,072,841	20,254,945	182,104
Interest	17,000	17,000	12,118	(4,882)
Tuition and Fees	1,366,653	1,366,653	1,514,872	148,219
Extracurricular Activities	99,127	101,175	103,150	1,975
Rent	20,000	20,000	17,946	(2,054)
Contributions and Donations	47,500	67,035	69,523	2,488
Miscellaneous	191,400	175,334	171,921	(3,413)
<i>Total Revenues</i>	<i>26,507,174</i>	<i>26,197,691</i>	<i>26,486,978</i>	<i>289,287</i>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	8,521,849	8,521,849	7,514,554	1,007,295
Fringe Benefits	3,167,481	3,167,481	3,251,593	(84,112)
Purchased Services	138,993	138,993	140,022	(1,029)
Materials and Supplies	306,325	306,325	224,279	82,046
Capital Outlay - New	25,000	25,000	4,235	20,765
Other	463	463	450	13
<i>Total Regular</i>	<i>12,160,111</i>	<i>12,160,111</i>	<i>11,135,133</i>	<i>1,024,978</i>
Special:				
Salaries and Wages	791,047	791,047	1,040,836	(249,789)
Fringe Benefits	301,894	301,894	423,946	(122,052)
Purchased Services	1,275,589	1,275,589	1,485,968	(210,379)
Materials and Supplies	2,295	2,295	15,867	(13,572)
<i>Total Special</i>	<i>2,370,825</i>	<i>2,370,825</i>	<i>2,966,617</i>	<i>(595,792)</i>
Vocational:				
Salaries and Wages	137,141	137,141	136,789	352
Fringe Benefits	26,709	26,709	56,060	(29,351)
Purchased Services	15,500	15,500	5,590	9,910
Materials and Supplies	60,497	60,497	13,559	46,938
Other	10,035	10,035	2,278	7,757
<i>Total Vocational</i>	<i>249,882</i>	<i>249,882</i>	<i>214,276</i>	<i>35,606</i>
Other:				
Purchased Services	2,487,000	2,487,000	2,591,456	(104,456)
<i>Total Instruction</i>	<i>17,267,818</i>	<i>17,267,818</i>	<i>16,907,482</i>	<i>360,336</i> <i>(continued)</i>

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, 2012
(continued)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Support Services:				
Pupils:				
Salaries and Wages	\$432,571	\$432,571	\$430,258	\$2,313
Fringe Benefits	208,123	208,123	210,611	(2,488)
Purchased Services	2,000	2,000	1,476	524
Materials and Supplies	7,507	7,507	4,158	3,349
Total Pupils	650,201	650,201	646,503	3,698
Instructional Staff:				
Salaries and Wages	447,905	447,905	385,815	62,090
Fringe Benefits	320,734	320,734	276,919	43,815
Purchased Services	1,000	1,000	823	177
Materials and Supplies	57,787	72,787	58,559	14,228
Total Instructional Staff	827,426	842,426	722,116	120,310
Board of Education:				
Salaries and Wages	16,000	16,000	12,125	3,875
Fringe Benefits	322	322	97	225
Purchased Services	7,520	7,520	1,069	6,451
Materials and Supplies	125	125	6,218	(6,093)
Other	2,950	2,950	5,809	(2,859)
Total Board of Education	26,917	26,917	25,318	1,599
Administration:				
Salaries and Wages	1,066,673	1,066,673	1,117,938	(51,265)
Fringe Benefits	498,993	498,993	529,905	(30,912)
Purchased Services	191,535	191,535	152,402	39,133
Materials and Supplies	14,661	14,661	10,303	4,358
Capital Outlay - New	0	0	1,377	(1,377)
Other	67,414	67,414	34,138	33,276
Total Administration	1,839,276	1,839,276	1,846,063	(6,787)
Fiscal:				
Salaries and Wages	252,315	252,315	251,490	825
Fringe Benefits	79,919	79,919	79,844	75
Purchased Services	19,340	19,340	23,901	(4,561)
Materials and Supplies	8,671	8,671	6,436	2,235
Other	191,400	191,400	205,415	(14,015)
Total Fiscal	551,645	551,645	567,086	(15,441)

(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, 2012
(continued)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operation and Maintenance of Plant:				
Salaries and Wages	\$1,052,242	\$1,052,242	\$1,063,855	(\$11,613)
Fringe Benefits	596,910	596,910	598,102	(1,192)
Purchased Services	1,138,483	1,138,483	971,744	166,739
Materials and Supplies	223,981	223,981	207,827	16,154
Capital Outlay - New	2,585	2,585	15,669	(13,084)
Other	1,800	1,800	93	1,707
Total Operation and Maintenance of Plant	3,016,001	3,016,001	2,857,290	158,711
Pupil Transportation:				
Salaries and Wages	959,249	959,249	931,315	27,934
Fringe Benefits	642,734	642,734	605,120	37,614
Purchased Services	184,216	184,216	140,974	43,242
Materials and Supplies	448,406	448,406	431,052	17,354
Capital Outlay - New	350,000	213,943	167,172	46,771
Other	1,000	1,000	1,450	(450)
Total Pupil Transportation	2,585,605	2,449,548	2,277,083	172,465
Central:				
Salaries and Wages	70,997	70,997	80,865	(9,868)
Fringe Benefits	18,582	18,582	16,115	2,467
Purchased Services	87,000	87,000	81,965	5,035
Materials and Supplies	28,699	28,699	23,939	4,760
Capital Outlay - New	10,000	10,000	0	10,000
Other	149,059	149,059	135,028	14,031
Total Central	364,337	364,337	337,912	26,425
Total Support Services	9,861,408	9,740,351	9,279,371	460,980
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	55,000	55,000	46,632	8,368
Fringe Benefits	6,500	6,500	6,349	151
Purchased Services	5,500	5,500	2,323	3,177
Materials and Supplies	1,500	1,500	1,402	98
Other	18,427	18,427	21,602	(3,175)
Total Academic and Subject Oriented Activities	86,927	86,927	78,308	8,619

(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, 2012
(continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Sports Oriented Activities:				
Salaries and Wages	\$280,000	\$280,000	\$252,353	\$27,647
Fringe Benefits	41,400	41,400	41,055	345
Purchased Services	16,000	16,000	15,893	107
Materials and Supplies	11,467	11,467	2,997	8,470
Capital Outlay - New	28,641	28,641	13,224	15,417
Total Sports Oriented Activities	377,508	377,508	325,522	51,986
School and Public Service Co-curricular Activities				
Salaries and Wages	0	0	1,500	(1,500)
Total Extracurricular Activities	464,435	464,435	405,330	59,105
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Purchased Services	0	0	2,970	(2,970)
Site Improvement Services:				
Capital Outlay - New	36,409	36,409	36,409	0
Building Acquisition and Construction Services:				
Capital Outlay - New	25,000	25,000	0	25,000
Building Improvement Services:				
Capital Outlay - New	0	0	92,530	(92,530)
Total Capital Outlay	61,409	61,409	131,909	(70,500)
Debt Service:				
Principal Retirement	97,638	97,997	94,000	3,997
Interest and Fiscal Charges	28,577	25,546	24,367	1,179
Total Debt Service	126,215	123,543	118,367	5,176
Total Expenditures	27,781,285	27,657,556	26,842,459	815,097
Excess of Revenues Over Expenditures	(1,274,111)	(1,459,865)	(355,481)	1,104,384
<u>Other Financing Sources (Uses):</u>				
Advances In	50,000	50,000	0	(50,000)
Advances Out	0	0	(16,911)	(16,911)
Refund of Prior Year Receipts	0	0	2,278	2,278
Total Other Financing Sources (Uses)	50,000	50,000	(14,633)	(64,633)
Net Change in Fund Balance	(1,224,111)	(1,409,865)	(370,114)	1,039,751
Fund Balance at Beginning of Year	2,253,805	2,253,805	2,253,805	0
Prior Year Encumbrances Appropriated	156,830	156,830	156,830	0
Fund Balance at End of Year	\$1,186,524	\$1,000,770	\$2,040,521	\$1,039,751

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$485,500	\$485,500	\$488,579	\$3,079
Intergovernmental	37,700	37,700	75,769	38,069
<i>Total Revenues</i>	523,200	523,200	564,348	41,148
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	17,800	17,800	17,841	(41)
Debt Service:				
Principal Retirement	595,738	595,738	400,000	195,738
Interest and Fiscal Charges	0	0	145,738	(145,738)
<i>Total Debt Service</i>	595,738	595,738	545,738	50,000
<i>Total Expenditures</i>	613,538	613,538	563,579	49,959
Net Change in Fund Balance	(90,338)	(90,338)	769	91,107
Fund Balance at Beginning of Year	1,823,274	1,823,274	1,823,274	0
Fund Balance at End of Year	\$1,732,936	\$1,732,936	\$1,824,043	\$91,107

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, 2012

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$84,700	\$84,700	\$84,910	\$210
Intergovernmental	138,997	132,997	136,925	3,928
<i>Total Revenues</i>	<u>223,697</u>	<u>217,697</u>	<u>221,835</u>	<u>4,138</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	3,075	3,075	3,070	5
Operation and Maintenance of Plant:				
Salaries and Wages	63,000	63,000	65,782	(2,782)
Fringe Benefits	26,537	26,537	24,371	2,166
Purchased Services	1,000	1,000	152	848
Total Operation and Maintenance of Plant	<u>90,537</u>	<u>90,537</u>	<u>90,305</u>	<u>232</u>
Total Support Services	<u>93,612</u>	<u>93,612</u>	<u>93,375</u>	<u>237</u>
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Building Acquisition and Construction Services:				
Purchased Services	334,230	334,230	18,230	316,000
Capital Outlay - New	254,752	254,752	273,993	(19,241)
Total Capital Outlay	<u>588,982</u>	<u>588,982</u>	<u>292,223</u>	<u>296,759</u>
<i>Total Expenditures</i>	<u>682,594</u>	<u>682,594</u>	<u>385,598</u>	<u>296,996</u>
Net Change in Fund Balance	(458,897)	(464,897)	(163,763)	301,134
Fund Balance at Beginning of Year	1,697,960	1,697,960	1,697,960	0
Prior Year Encumbrances Appropriated	23,982	23,982	23,982	0
Fund Balance at End of Year	<u>\$1,263,045</u>	<u>\$1,257,045</u>	<u>\$1,558,179</u>	<u>\$301,134</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, 2012

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

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Grant
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Contributions and Donations	\$14,615	\$14,615	\$15,814	\$1,199
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	2,162	2,162	0	2,162
Materials and Supplies	1,868	1,868	805	1,063
Total Instruction	4,030	4,030	805	3,225
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	3,938	3,938	1,400	2,538
Materials and Supplies	7,635	7,635	12,588	(4,953)
Total Operation of Non-Instructional Services	11,573	11,573	13,988	(2,415)
<i>Total Expenditures</i>	15,603	15,603	14,793	810
Net Change in Fund Balance	(988)	(988)	1,021	2,009
Fund Balance at Beginning of Year	13,721	13,721	13,721	0
Prior Year Encumbrances Appropriated	390	390	390	0
Fund Balance at End of Year	\$13,123	\$13,123	\$15,132	\$2,009

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
<u>Revenues:</u>				
Tuition and Fees	\$900	\$900	\$4,157	\$3,257
Extracurricular Activities	315,700	277,700	289,118	11,418
Contributions and Donations	0	8,000	8,510	510
<i>Total Revenues</i>	<u>316,600</u>	<u>286,600</u>	<u>301,785</u>	<u>15,185</u>
<u>Expenditures:</u>				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	4,587	4,587	6,465	(1,878)
Purchased Services	135,723	135,723	105,403	30,320
Materials and Supplies	189,554	189,554	161,533	28,021
Capital Outlay	4,838	4,838	0	4,838
Other	2,891	2,891	4,044	(1,153)
<i>Total Expenditures</i>	<u>337,593</u>	<u>337,593</u>	<u>277,445</u>	<u>60,148</u>
Net Change in Fund Balance	(20,993)	(50,993)	24,340	75,333
Fund Balance at Beginning of Year	102,093	102,093	102,093	0
Prior Year Encumbrances Appropriated	13,714	13,714	13,714	0
Fund Balance at End of Year	<u><u>\$94,814</u></u>	<u><u>\$64,814</u></u>	<u><u>\$140,147</u></u>	<u><u>\$75,333</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Education Management Information Systems
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$5,000	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Administration:				
Salaries and Wages	13,700	0	0	0
Fringe Benefits	0	141	141	0
Purchased Services	0	560	560	0
<i>Total Expenditures</i>	<u>13,700</u>	<u>701</u>	<u>701</u>	<u>0</u>
Net Change in Fund Balance	(8,700)	(701)	(701)	0
Fund Balance at Beginning of Year	<u>10,725</u>	<u>10,725</u>	<u>10,725</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,025</u></u>	<u><u>\$10,024</u></u>	<u><u>\$10,024</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
OneNet
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$9,100	\$7,200	\$7,200	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Central:				
Purchased Services	9,100	7,200	7,200	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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$11,000	\$7,334	\$7,334	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	8,000	7,256	6,681	575
Materials and Supplies	3,000	78	78	0
<i>Total Expenditures</i>	<u>11,000</u>	<u>7,334</u>	<u>6,759</u>	<u>575</u>
Net Change in Fund Balance	0	0	575	575
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>\$575</u></u>	<u><u>\$575</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$36,598	\$31,019	\$31,019	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	36,598	31,019	30,817	202
Net Change in Fund Balance	0	0	202	202
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$202</u>	<u>\$202</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Education Jobs
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$1,060,544	\$1,089,011	\$1,089,011	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	742,381	971,700	971,700	0
Fringe Benefits	318,163	117,311	117,311	0
<i>Total Expenditures</i>	<u>1,060,544</u>	<u>1,089,011</u>	<u>1,089,011</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, 2012

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$230,000	\$102,331	\$102,331	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	15,000	85,711	85,711	0
Support Services:				
Instructional Staff:				
Salaries and Wages	32,000	33,022	33,022	0
Purchased Services	88,579	15,500	15,500	0
Total Instructional Staff	120,579	48,522	48,522	0
Administration:				
Salaries and Wages	0	7,500	7,500	0
Central:				
Purchased Services	0	140	140	0
Total Support Services	120,579	56,162	56,162	0
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	0	337	337	0
<i>Total Expenditures</i>	135,579	142,210	142,210	0
Excess of Revenues Over (Under) Expenditures	94,421	(39,879)	(39,879)	0
<u>Other Financing Sources:</u>				
Advances In	0	16,511	16,511	0
Net Change in Fund Balance	94,421	(23,368)	(23,368)	0
Fund Balance at Beginning of Year	2,789	2,789	2,789	0
Prior Year Encumbrances Appropriated	20,579	20,579	20,579	0
Fund Balance at End of Year	<u>\$117,789</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$725,049	\$608,119	\$608,119	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	2,162	2,162	0	2,162
Materials and Supplies	1,868	1,868	805	1,063
Total Regular Instruction	4,030	4,030	805	3,225
Special:				
Salaries and Wages	368,095	304,530	304,530	0
Fringe Benefits	151,073	93,246	93,246	0
Purchased Services	98,498	134,099	134,099	0
Materials and Supplies	26,947	26,508	26,508	0
Total Special	644,613	558,383	558,383	0
Total Instruction	648,643	562,413	559,188	3,225
Support Services:				
Instructional Staff:				
Salaries and Wages	6,600	11,764	11,764	0
Fringe Benefits	6,910	3,595	3,595	0
Purchased Services	500	500	500	0
Total Instructional Staff	14,010	15,859	15,859	0
Administration:				
Salaries and Wages	83,884	76,748	76,748	0
Fringe Benefits	26,298	24,626	24,626	0
Purchased Services	0	531	531	0
Materials and Supplies	1,246	1,169	1,169	0
Total Administration	111,428	103,074	103,074	0
Total Support Services	125,438	118,933	118,933	0
<i>Total Expenditures</i>	<i>770,051</i>	<i>677,316</i>	<i>677,316</i>	<i>0</i>
Excess of Revenues Under Expenditures	(45,002)	(69,197)	(69,197)	0
<u>Other Financing Sources:</u>				
Advances In	0	400	400	0
Net Change in Fund Balance	(45,002)	(68,797)	(68,797)	0
Fund Balance at Beginning of Year	39,242	39,242	39,242	0
Prior Year Encumbrances Appropriated	29,593	29,593	29,593	0
Fund Balance at End of Year	<u>\$23,833</u>	<u>\$38</u>	<u>\$38</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II-D ARRA
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$10,851	\$15,724	\$15,724	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Materials and Supplies	0	4,872	4,580	292
Support Services:				
Instructional Staff:				
Salaries and Wages	11,054	10,717	10,717	0
Fringe Benefits	4,320	3,751	3,751	0
Materials and Supplies	4,951	5,355	5,355	0
Capital Outlay - New	544	1,450	1,450	0
Total Support Services	20,869	21,273	21,273	0
<i>Total Expenditures</i>	20,869	26,145	25,853	292
Net Change in Fund Balance	(10,018)	(10,421)	(10,129)	292
Fund Balance at Beginning of Year	4,926	4,926	4,926	0
Prior Year Encumbrances Appropriated	5,495	5,495	5,495	0
Fund Balance at End of Year	<u>\$403</u>	<u>\$0</u>	<u>\$292</u>	<u>\$292</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$727,519	\$535,736	\$535,736	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	6,722	0	0	0
Materials and Supplies	15,430	1,256	1,256	0
Total Regular	22,152	1,256	1,256	0
Special:				
Salaries and Wages	506,157	304,656	304,656	0
Fringe Benefits	189,216	148,788	148,788	0
Purchased Services	0	18,616	17,797	819
Total Special	695,373	472,060	471,241	819
Student Intervention Services:				
Purchased Services	2,793	0	0	0
Total Instruction	720,318	473,316	472,497	819
Support Services:				
Pupils:				
Purchased Services	5,510	7,410	7,410	0
Instructional Staff:				
Salaries and Wages	1,973	39,630	39,773	(143)
Fringe Benefits	0	17,103	17,103	0
Total Instructional Staff	1,973	56,733	56,876	(143)
Administration:				
Salaries and Wages	4,339	4,339	4,196	143
Total Support Services	11,822	68,482	68,482	0
Total Expenditures	732,140	541,798	540,979	819
Net Change in Fund Balance	(4,621)	(6,062)	(5,243)	819
Fund Balance at Beginning of Year	2,676	2,676	2,676	0
Prior Year Encumbrances Appropriated	3,979	3,979	3,979	0
Fund Balance at End of Year	<u>\$2,034</u>	<u>\$593</u>	<u>\$1,412</u>	<u>\$819</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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$149,370	\$130,752	\$130,752	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	147,621	123,801	123,801	0
Fringe Benefits	2,025	7,078	7,078	0
<i>Total Expenditures</i>	<u>149,646</u>	<u>130,879</u>	<u>130,879</u>	<u>0</u>
Net Change in Fund Balance	(276)	(127)	(127)	0
Fund Balance at Beginning of Year	<u>276</u>	<u>276</u>	<u>276</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$149</u></u>	<u><u>\$149</u></u>	<u><u>\$0</u></u>

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Sales	\$687,000	\$617,000	\$620,025	\$3,025
Interest	300	300	0	(300)
Federal and State Subsidies	885,600	1,029,600	1,062,744	33,144
Other Revenues	33,600	33,600	31,304	(2,296)
<i>Total Revenues</i>	1,606,500	1,680,500	1,714,073	33,573
<u>Expenses:</u>				
Salaries	496,831	496,831	459,669	37,162
Fringe Benefits	365,370	365,370	358,728	6,642
Purchased Services	7,092	7,092	17,245	(10,153)
Materials and Supplies	743,705	893,705	758,874	134,831
Capital Outlay	4,538	4,538	16,995	(12,457)
<i>Total Expenses</i>	1,617,536	1,767,536	1,611,511	156,025
<i>Net Change in Fund Equity</i>	(11,036)	(87,036)	102,562	189,598
Fund Equity at Beginning of Year	502,630	502,630	502,630	0
Prior Year Encumbrances Appropriated	1,516	1,516	1,516	0
Fund Equity at End of Year	\$493,110	\$417,110	\$606,708	\$189,598

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Statistical Section

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

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

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

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>Governmental Activities:</u>				
Invested in Capital Assets, Net of Related Debt	\$53,812,800	\$52,270,245	\$51,070,621	\$48,946,361
Restricted for:				
Debt Service	1,278,683	1,404,525	1,589,643	1,679,299
Capital Projects	3,407,766	2,337,331	1,137,508	733,409
Classroom Facilities	0	0	0	0
Other Purposes (1)	827,117	1,150,675	898,263	838,607
Set-Asides	0	0	327,633	82,367
Unrestricted (Deficit)	<u>(1,024,935)</u>	<u>(665,002)</u>	<u>(292,727)</u>	<u>(476,305)</u>
Total Governmental Activities Net Assets	<u>\$58,301,431</u>	<u>\$56,497,774</u>	<u>\$54,730,941</u>	<u>\$51,803,738</u>
<u>Business-Type Activity:</u>				
Invested in Capital Assets	\$2,232,744	\$2,111,448	\$2,033,945	\$1,905,617
Unrestricted	<u>171,498</u>	<u>97,274</u>	<u>73,733</u>	<u>87,315</u>
Total Business-Type Activity Net Assets	<u>\$2,404,242</u>	<u>\$2,208,722</u>	<u>\$2,107,678</u>	<u>\$1,992,932</u>
<u>Primary Government:</u>				
Invested in Capital Assets, Net of Related Debt	\$56,045,544	\$54,381,693	\$53,104,566	\$50,851,978
Restricted	5,513,566	4,892,531	3,953,047	3,333,682
Unrestricted (Deficit)	<u>(853,437)</u>	<u>(567,728)</u>	<u>(218,994)</u>	<u>(388,990)</u>
Total Primary Government Net Assets	<u><u>\$60,705,673</u></u>	<u><u>\$58,706,496</u></u>	<u><u>\$56,838,619</u></u>	<u><u>\$53,796,670</u></u>

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

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$47,291,229	\$45,577,012	\$44,066,679	\$42,686,618	\$41,732,010	\$40,599,290
1,787,001	1,813,830	1,853,926	1,848,836	1,858,861	1,973,331
719,152	1,242,909	1,241,278	1,123,922	0	0
736,086	839,232	902,512	862,681	1,739,648	1,681,243
325,876	243,919	166,439	502,243	236,936	443,354
319,466	658,004	829,827	1,084,762	1,321,337	4,619
(757,121)	430,367	(1,544,952)	(2,279,839)	(1,962,978)	(592,876)
<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>	<u>\$44,108,961</u>
\$1,793,601	\$1,674,004	\$1,554,351	\$1,444,079	\$1,329,033	\$1,226,017
123,828	131,134	144,784	227,013	332,937	407,029
<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>	<u>\$1,633,046</u>
\$49,084,830	\$47,251,016	\$45,621,030	\$44,130,697	\$43,061,043	\$41,825,307
3,803,169	4,797,894	4,993,982	5,422,444	5,156,782	4,102,547
(591,087)	561,501	(1,400,168)	(2,052,826)	(1,630,041)	(185,847)
<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>	<u>\$45,742,007</u>

Western Brown Local School District

Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

	2003	2004	2005	2006
<u>Expenses:</u>				
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$12,465,772	\$13,157,172	\$13,628,477	\$14,703,897
Special	2,242,856	2,100,815	2,596,384	2,751,167
Vocational	273,998	269,774	288,623	319,570
Student Intervention Services	0	0	0	101,933
Support Services:				
Pupils	1,084,700	1,064,124	1,095,373	1,083,805
Instructional Staff	886,418	904,816	878,219	1,029,535
Board of Education	18,213	26,087	23,317	25,214
Administration	2,126,037	2,092,474	2,178,806	2,323,665
Fiscal	485,519	625,984	534,234	487,405
Business	0	294	31,641	23,666
Operation and Maintenance of Plant	2,534,729	3,098,831	2,821,977	2,866,079
Pupil Transportation	1,662,716	1,769,004	1,920,582	2,107,161
Central	97,847	179,493	211,797	181,968
Operation of Non-Instructional Services	1,916	1,887	46,862	3,578
Extracurricular Activities	521,942	568,400	640,459	692,746
Interest and Fiscal Charges	338,146	333,859	321,848	317,740
<i>Total Governmental Activities Expenses</i>	<u>24,740,809</u>	<u>26,193,014</u>	<u>27,218,599</u>	<u>29,019,129</u>
 <u>Business-Type Activity:</u>				
Food Service	1,148,095	1,199,293	1,266,525	1,383,302
 <i>Total Expenses</i>	 <u>25,888,904</u>	 <u>27,392,307</u>	 <u>28,485,124</u>	 <u>30,402,431</u>
 <u>Program Revenues:</u>				
<u>Governmental Activities:</u>				
Charges for Services and Sales:				
Instruction:				
Regular	149,335	369,450	503,348	567,375
Special	0	40,150	75,845	79,065
Vocational	0	5,736	8,427	11,349
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	1,901	23,399	25,281	29,129
Instructional Staff	29,823	28,267	33,709	32,912
Board of Education	0	0	0	1,050
Administration	0	45,886	67,417	71,026
Fiscal	0	17,207	16,854	18,253
Operation and Maintenance of Plant	0	74,564	109,553	115,193
Pupil Transportation	0	45,886	67,417	83,321
Central	0	0	0	6,896
Extracurricular Activities	105,427	197,859	104,415	110,867
Operating Grants and Contributions	1,801,397	2,253,283	2,484,693	2,573,020
Capital Grants and Contributions	67,045	78,650	0	71,992
<i>Total Governmental Activities Program Revenues</i>	<u>\$2,154,928</u>	<u>\$3,180,337</u>	<u>\$3,496,959</u>	<u>\$3,771,448</u>

2007	2008	2009	2010	2011	2012
\$14,051,085	\$14,208,369	\$15,372,518	\$15,767,971	\$15,933,550	\$16,329,045
3,028,459	3,382,298	3,698,014	3,946,902	4,139,227	4,004,178
254,430	297,494	328,952	417,110	293,826	239,806
87,630	203,039	146,996	3,274	930	0
1,042,719	986,900	928,674	746,707	678,606	693,481
833,832	998,888	1,076,896	1,432,569	1,324,285	861,619
17,796	17,970	20,524	19,962	25,568	24,927
2,252,897	2,104,497	2,254,135	2,268,018	2,135,651	2,142,559
526,057	584,051	585,596	556,440	575,912	614,206
168	0	0	0	0	0
2,824,911	2,959,634	3,158,807	3,083,917	3,066,553	2,904,360
2,235,642	2,246,022	2,188,838	2,160,710	2,184,223	2,176,110
225,768	274,331	266,667	325,781	329,013	348,599
2,865	3,565	16,395	16,760	11,155	13,539
648,268	714,507	737,047	877,682	933,119	835,287
309,796	294,509	275,376	276,176	194,224	192,209
28,342,323	29,276,074	31,055,435	31,899,979	31,825,842	31,379,925
1,485,512	1,566,497	1,642,631	1,689,343	1,747,805	1,866,996
29,827,835	30,842,571	32,698,066	33,589,322	33,573,647	33,246,921
1,016,663	1,062,083	1,069,057	1,190,898	1,101,017	1,223,260
161,032	189,825	192,087	201,941	178,086	272,525
16,658	21,463	21,464	26,925	20,798	19,087
3,332	0	5,305	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
11,230	14,444	12,995	15,568	16,168	17,946
0	0	0	0	0	0
0	0	0	0	0	0
105,919	147,101	141,313	335,596	401,741	398,730
2,745,174	3,228,610	3,056,239	4,155,561	4,278,859	4,785,087
0	0	0	79,000	0	0
\$4,060,008	\$4,663,526	\$4,498,460	\$6,005,489	\$5,996,669	\$6,716,635

(continued)

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

	2003	2004	2005	2006
<u>Business-Type Activity:</u>				
Food Service				
Charges for Services and Sales	\$609,331	\$584,299	\$596,124	\$637,513
Operating Grants and Contributions	381,847	400,574	506,964	613,495
<i>Total Business-Type Activity Program Revenues</i>	<u>991,178</u>	<u>984,873</u>	<u>1,103,088</u>	<u>1,251,008</u>
<i>Total Program Revenues</i>	<u>3,146,106</u>	<u>4,165,210</u>	<u>4,600,047</u>	<u>5,022,456</u>
<u>Net (Expense)/Revenue:</u>				
Governmental Activities	(22,585,881)	(23,012,677)	(23,721,640)	(25,247,681)
Business-Type Activity	(156,917)	(214,420)	(163,437)	(132,294)
<i>Total Net (Expense)/Revenue</i>	<u>(22,742,798)</u>	<u>(23,227,097)</u>	<u>(23,885,077)</u>	<u>(25,379,975)</u>
<u>General Revenues and Other Changes in Net Assets:</u>				
<u>Governmental Activities:</u>				
Property Taxes Levied for:				
General Purposes	3,304,693	3,396,506	3,954,688	4,050,425
Debt Service	528,751	552,220	623,941	535,614
Classroom Facilities Maintenance	82,614	135,571	89,958	93,574
Grants and Entitlements not				
Restricted to Specific Programs	15,899,676	16,729,287	17,078,312	17,302,267
Contributions and Donations	0	0	5,841	18,265
Interest	126,630	65,060	103,622	182,083
Gain on Sale of Capital Assets	53,143	276,088	0	0
Revenue in Lieu of Taxes	0	0	0	0
Miscellaneous	82,964	54,288	142,060	138,250
Transfers	(8,921)	0	(43,615)	0
<i>Total Governmental Activities</i>	<u>20,069,550</u>	<u>21,209,020</u>	<u>21,954,807</u>	<u>22,320,478</u>
<i>Extraordinary Item - Insurance Settlement</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Business-Type Activity:</u>				
Grants and Entitlements not				
Restricted to Specific Programs	2,720	0	0	0
Interest	0	1,592	0	0
Miscellaneous	17,179	17,308	18,778	17,548
Transfers	8,921	0	43,615	0
<i>Total Business-Type Activity</i>	<u>28,820</u>	<u>18,900</u>	<u>62,393</u>	<u>17,548</u>
<i>Total Primary Government</i>	<u>20,098,370</u>	<u>21,227,920</u>	<u>22,017,200</u>	<u>22,338,026</u>
<u>Change in Net Assets:</u>				
Governmental Activities	(2,516,331)	(1,803,657)	(1,766,833)	(2,927,203)
Business-Type Activity	(128,097)	(195,520)	(101,044)	(114,746)
<i>Total Change in Net Assets</i>	<u>(\$2,644,428)</u>	<u>(\$1,999,177)</u>	<u>(\$1,867,877)</u>	<u>(\$3,041,949)</u>

2007	2008	2009	2010	2011	2012
\$625,630	\$642,333	\$635,435	\$603,869	\$571,093	\$620,025
758,600	781,692	868,996	1,023,119	1,133,010	1,189,043
<u>1,384,230</u>	<u>1,424,025</u>	<u>1,504,431</u>	<u>1,626,988</u>	<u>1,704,103</u>	<u>1,809,068</u>
5,444,238	6,087,551	6,002,891	7,632,477	7,700,772	8,525,703
(24,282,315)	(24,612,548)	(26,556,975)	(25,894,490)	(25,829,173)	(24,663,290)
(101,282)	(142,472)	(138,200)	(62,355)	(43,702)	(57,928)
<u>(24,383,597)</u>	<u>(24,755,020)</u>	<u>(26,695,175)</u>	<u>(25,956,845)</u>	<u>(25,872,875)</u>	<u>(24,721,218)</u>
4,251,580	4,132,956	4,328,426	4,082,309	4,676,874	4,342,422
533,573	514,460	496,617	459,556	413,833	600,867
88,306	83,722	88,056	79,882	91,402	84,908
17,584,596	18,173,233	19,244,661	19,187,402	19,513,313	18,627,278
9,672	10,198	0	2,366	7,773	0
261,884	234,172	142,432	19,643	19,362	10,197
0	0	0	35,360	0	0
0	0	0	88,076	97,575	104,257
128,449	162,666	212,655	253,410	105,632	76,508
0	0	0	0	0	0
<u>22,858,060</u>	<u>23,311,407</u>	<u>24,512,847</u>	<u>24,208,004</u>	<u>24,925,764</u>	<u>23,846,437</u>
0	500,000	0	0	0	0
0	0	0	0	0	0
0	8,116	2,737	368	275	0
25,779	22,065	29,460	33,944	34,305	29,004
0	0	0	0	0	0
<u>25,779</u>	<u>30,181</u>	<u>32,197</u>	<u>34,312</u>	<u>34,580</u>	<u>29,004</u>
22,883,839	23,841,588	24,545,044	24,242,316	24,960,344	23,875,441
(1,424,255)	(801,141)	(2,044,128)	(1,686,486)	(903,409)	(816,853)
(75,503)	(112,291)	(106,003)	(28,043)	(9,122)	(28,924)
<u>(\$1,499,758)</u>	<u>(\$913,432)</u>	<u>(\$2,150,131)</u>	<u>(\$1,714,529)</u>	<u>(\$912,531)</u>	<u>(\$845,777)</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>Governmental Activities:</u>				
Function:				
Instruction:				
Regular	\$479,630	\$795,667	\$846,693	\$906,390
Special	1,030,478	1,330,330	1,425,496	1,623,649
Vocational	0	74,870	80,040	88,986
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	223,983	382,288	410,951	249,948
Instructional Staff	103,451	55,221	71,814	179,508
Board of Education	0	0	0	1,050
Administration	156,167	203,220	248,155	240,241
Fiscal	9,397	19,224	16,854	18,253
Business	0	0	25,750	18,046
Operation and Maintenance of Plant	0	74,564	109,553	115,193
Pupil Transportation	0	45,886	142,194	161,575
Central	12,361	0	12,000	18,896
Operation of Non-Instructional Services	2,017	1,208	3,044	3,846
Extracurricular Activities	137,444	197,859	104,415	145,867
Total Program Revenues	<u>\$2,154,928</u>	<u>\$3,180,337</u>	<u>\$3,496,959</u>	<u>\$3,771,448</u>

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$1,277,396	\$1,345,399	\$1,322,534	\$1,514,112	\$1,364,499	\$2,629,195
1,902,715	2,291,226	2,274,353	3,084,477	3,286,052	2,901,777
95,796	140,838	154,259	160,716	155,592	153,881
3,332	8,233	5,305	0	0	0
335,209	259,923	157,957	39,704	2,910	16,002
38,578	148,568	135,256	463,710	511,392	185,739
0	0	0	0	0	0
145,956	175,565	184,420	193,649	156,807	103,025
0	0	0	0	0	3,834
66	0	0	0	0	0
11,230	14,444	23,647	15,568	16,168	151,037
86,255	115,813	80,917	75,040	76,737	72,574
54,205	12,000	12,000	9,145	9,100	7,434
3,191	4,416	1,129	14,392	14,771	15,374
<u>106,079</u>	<u>147,101</u>	<u>146,683</u>	<u>434,976</u>	<u>402,641</u>	<u>476,763</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>	<u>\$6,716,635</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund				
Reserved	\$2,328,325	\$1,207,910	\$1,664,886	\$1,238,665
Unreserved (Deficit)	51,614	280,613	(417,369)	(470,171)
Restatements				
Nonspendable				
Restricted				
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Total General Fund	<u>2,379,939</u>	<u>1,488,523</u>	<u>1,247,517</u>	<u>768,494</u>
All Other Governmental Funds				
Reserved	266,407	136,694	659,603	169,829
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	662,252	798,834	876,730	856,516
Debt Service Fund	1,171,367	1,325,663	1,470,683	1,565,053
Capital Projects Funds	1,844,901	1,608,143	619,028	702,802
Restatements				
Restricted				
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<u>3,944,927</u>	<u>3,869,334</u>	<u>3,626,044</u>	<u>3,294,200</u>
Total Governmental Funds	<u><u>\$6,324,866</u></u>	<u><u>\$5,357,857</u></u>	<u><u>\$4,873,561</u></u>	<u><u>\$4,062,694</u></u>

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

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 (1)</u>	<u>2011 (1)</u>	<u>2012</u>
\$1,642,030	\$1,820,710	\$2,163,347	\$0	\$0	\$0
(856,912)	(853,070)	(1,566,273)	0	0	0
			10,026	10,911	11,471
			1,084,762	1,321,337	4,619
0	0	0	220,708	131,813	176,733
0	0	0	(1,060,775)	(653,767)	658,232
<u>785,118</u>	<u>967,640</u>	<u>597,074</u>	<u>254,721</u>	<u>810,294</u>	<u>851,055</u>
234,802	214,861	211,842	0	0	0
928,812	1,006,332	973,306	0	0	0
1,648,831	1,702,309	1,736,031	0	0	0
719,152	1,242,909	1,239,028	0	0	0
			4,110,152	3,751,681	3,837,543
0	0	0	(34,253)	(125,035)	(11,355)
<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>3,826,188</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>	<u>\$4,677,243</u>

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

	2003	2004	2005	2006
<u>Revenues:</u>				
Taxes	\$3,699,848	\$4,248,472	\$4,661,605	\$4,680,792
Intergovernmental	17,711,280	19,058,488	19,407,256	20,044,154
Interest	126,630	65,060	103,622	182,083
Tuition and Fees	73,402	635,271	907,851	1,015,569
Extracurricular Activities	197,649	197,859	104,415	110,867
Rent	0	0	0	0
Contributions and Donations	49,468	10,102	8,885	57,111
Revenue in Lieu of Taxes	0	0	0	0
Miscellaneous	98,399	69,562	142,060	140,250
Total Revenues	21,956,676	24,284,814	25,335,694	26,230,826
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	10,647,348	11,599,196	11,918,062	12,710,950
Special	2,129,407	2,023,942	2,426,572	2,673,191
Vocational	230,475	233,561	251,460	293,065
Other	0	0	0	0
Student Intervention Services	0	0	0	101,933
Support Services:				
Pupils	1,001,563	995,329	1,025,420	995,537
Instructional Staff	861,362	882,559	858,842	1,063,031
Board of Education	18,208	26,104	23,317	25,214
Administration	1,796,803	1,845,501	1,861,765	1,922,762
Fiscal	453,750	603,353	510,261	457,776
Business	0	294	31,641	23,666
Operation and Maintenance of Plant	2,459,572	2,844,385	2,754,605	2,822,968
Pupil Transportation	1,838,405	1,666,455	1,797,817	2,033,526
Central	96,431	181,903	212,270	192,540
Operation of Non-Instructional Services	1,916	1,700	46,862	3,578
Extracurricular Activities	443,485	487,731	533,401	577,560
Capital Outlay	1,767,310	1,323,343	1,004,905	599,884
Debt Service:				
Principal Retirement	207,569	605,000	241,000	230,000
Interest and Fiscal Charges	355,546	333,681	321,790	317,619
Issuance Costs	0	0	0	0
Total Expenditures	24,309,150	25,654,037	25,819,990	27,044,800
Excess of Revenues Over (Under) Expenditures	(2,352,474)	(1,369,223)	(484,296)	(813,974)
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	54,202	402,214	0	3,107
Inception of Capital Lease	1,017,000	0	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	41
Transfers Out	0	0	0	(41)
Total Other Financing Sources (Uses)	1,071,202	402,214	0	3,107
Extraordinary Item - Insurance Settlement	0	0	0	0
Net Change in Fund Balances	(\$1,281,272)	(\$967,009)	(\$484,296)	(\$810,867)
Debt Service as a Percentage of Noncapital Expenditures	2.5%	3.9%	2.3%	2.1%

2007	2008	2009	2010	2011	2012
\$4,875,707	\$4,661,669	\$4,883,793	\$4,624,437	\$5,182,202	\$5,028,289
20,306,460	21,335,869	22,288,451	23,274,692	23,815,510	23,124,431
261,884	234,172	142,432	19,643	19,362	10,197
1,197,685	1,273,371	1,287,913	1,419,764	1,300,819	1,519,029
105,919	147,101	141,313	335,596	400,823	394,573
11,230	14,444	12,995	15,568	16,168	17,946
14,223	14,614	6,499	116,138	23,444	93,847
0	0	0	88,076	97,575	104,257
128,449	162,666	212,655	253,410	105,632	76,508
<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>	<u>30,369,077</u>
12,668,464	12,915,717	14,026,999	14,581,326	14,639,886	15,082,311
2,925,480	3,286,834	3,615,310	3,852,285	4,044,393	3,923,800
220,087	268,917	292,940	384,613	273,355	208,088
0	0	0	0	0	0
87,630	203,039	146,996	3,274	930	0
973,060	919,811	888,765	685,038	612,813	657,316
823,038	1,004,078	1,059,607	1,420,869	1,477,877	809,625
17,796	17,970	20,524	19,962	25,568	24,927
1,980,783	1,833,720	1,956,104	2,041,708	1,955,852	1,910,985
502,126	574,482	542,751	560,881	564,727	574,518
168	0	0	0	0	0
2,800,624	2,957,372	3,069,098	3,115,637	3,042,340	2,824,492
2,251,693	2,097,419	2,055,205	2,087,277	2,127,937	2,216,069
236,577	280,721	273,575	329,933	317,809	336,920
2,865	3,565	16,395	16,760	11,155	13,539
522,518	592,662	611,076	773,966	763,964	643,355
61,688	3,975	195,584	722,701	406,140	238,724
273,000	272,000	288,000	348,000	391,000	494,000
309,737	294,288	275,387	276,255	199,469	170,105
0	0	0	0	65,745	0
<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>30,128,774</u>
<u>244,223</u>	<u>317,336</u>	<u>(358,265)</u>	<u>(1,073,161)</u>	<u>40,575</u>	<u>240,303</u>
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)	0
0	78	0	0	740,853	0
0	(78)	0	0	(740,853)	0
<u>9,798</u>	<u>0</u>	<u>0</u>	<u>646,500</u>	<u>65,745</u>	<u>0</u>
0	500,000	0	0	0	0
<u>\$254,021</u>	<u>\$817,336</u>	<u>(\$358,265)</u>	<u>(\$426,661)</u>	<u>\$106,320</u>	<u>\$240,303</u>
2.2%	2.1%	1.9%	2.0%	1.9%	2.2%

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
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
2012	214,964,430	22,296,410	677,888,114	8,612,750	10,765,938

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		General Business		Total		Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio		
\$ 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	
0	0	245,873,590	688,654,052	35.70%	19.89	

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

	2003	2004	2005	2006
UNVOTED MILLAGE:				
Operating	\$4.70	\$4.70	\$4.70	\$4.70
VOTED MILLAGE - BY LEVY:				
1976 Current Expense				
Residential/Agricultural Real	15.30	15.30	15.30	15.30
Commercial/Industrial and Public Utility Real	15.30	15.30	15.30	15.30
General Business and Public Utility Personal	15.30	15.30	15.30	15.30
1997 Bond (\$5,659,600)				
Residential/Agricultural Real	2.70	2.70	2.70	2.00
Commercial/Industrial and Public Utility Real	2.70	2.70	2.70	2.00
General Business and Public Utility Personal	2.70	2.70	2.70	2.00
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	0.45	0.45	0.45
Commercial/Industrial and Public Utility Real	0.50	0.47	0.50	0.50
General Business and Public Utility Personal	0.50	0.50	0.50	0.50
TOTAL VOTED MILLAGE BY TYPE OF PROPERTY				
Residential/Agricultural Real	19.00	18.95	18.95	18.25
Commercial/Industrial and Public Utility Real	19.00	18.97	19.00	18.30
General Business and Public Utility Personal	19.00	19.00	19.00	18.30
TOTAL SCHOOL DISTRICT MILLAGE				
	23.70	23.70	23.70	23.00
OVERLAPPING RATES BY TAXING DISTRICT				
TOWNSHIPS:				
Residential/Agricultural Real	0.10 - 1.84	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10
Commercial/Industrial and Public Utility Real	0.10 - 2.15	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10
General Business and Public Utility Personal	0.10 - 3.00	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10
CORPORATIONS:				
Residential/Agricultural Real	0.60 - 3.31	0.60 - 2.97	0.60 - 2.97	0.60 - 2.97
Commercial/Industrial and Public Utility Real	0.60 - 3.52	0.60 - 3.32	0.60 - 3.58	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
SOUTHERN HILLS JOINT VOCATIONAL DISTRICT:				
Residential/Agricultural Real	2.91	2.64	2.43	3.43
Commercial/Industrial and Public Utility Real	3.60	3.41	3.16	4.16
General Business and Public Utility Personal	5.80	5.80	5.40	6.40
COUNTY AND OTHER UNITS:				
BROWN COUNTY				
Residential/Agricultural Real	4.88	4.77	4.77	4.78
Commercial/Industrial and Public Utility Real	4.94	4.88	4.90	4.90
General Business and Public Utility Personal	5.80	5.80	5.80	5.80
CLERMONT COUNTY				
Residential/Agricultural Real	6.41	7.16	7.16	6.79
Commercial/Industrial and Public Utility Real	6.83	7.63	7.63	7.37
General Business and Public Utility Personal	8.60	9.35	9.35	9.35
BROWN COUNTY PUBLIC LIBRARY				
Residential/Agricultural Real	0.75	0.75	0.75	0.75
Commercial/Industrial and Public Utility Real	0.75	0.75	0.75	0.75
General Business and Public Utility Personal	0.75	0.75	0.75	0.75
BETHEL-TATE JOINT AMBULANCE DISTRICT				
Residential/Agricultural Real	4.02	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	4.44	0.00	0.00	0.00
General Business and Public Utility Personal	6.60	0.00	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.

2007	2008	2009	2010	2011	2012
\$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	1.75	1.75	1.75	1.75
2.00	2.00	1.75	1.75	1.75	1.75
2.00	2.00	1.75	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
0.40	0.40	0.40	0.38	0.38	0.38
0.40	0.40	0.40	0.40	0.41	0.41
0.50	0.50	0.50	0.50	0.50	0.50
18.20	18.20	17.95	17.93	17.93	17.93
18.20	18.20	17.95	17.95	17.96	17.96
18.30	18.30	18.05	18.05	18.05	18.05
23.00	23.00	22.75	22.75	22.75	22.75
0.10 - 3.67	0.10 - 3.69	0.10 - 3.46	0.10 - 3.46	0.10 - 3.47	0.90 - 3.85
0.10 - 3.74	0.10 - 3.77	0.10 - 3.60	0.10 - 3.59	0.10 - 3.64	0.90 - 4.00
0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.09 - 4.00
0.60 - 2.61	0.60 - 4.51	0.60 - 2.61	0.60 - 5.00	0.60 - 5.00	0.60 - 2.37
0.60 - 2.91	0.60 - 4.66	0.60 - 2.91	0.60 - 5.00	0.60 - 5.00	0.60 - 2.89
0.60 - 4.00	0.60 - 5.00	0.60 - 4.00	0.60 - 5.00	0.60 - 5.00	0.60 - 3.60
3.06	3.06	3.06	2.92	2.92	2.92
3.59	3.61	3.62	3.63	3.65	3.68
6.40	6.40	6.40	6.40	6.40	6.40
4.67	4.67	5.47	7.15	7.15	7.16
4.75	4.75	5.55	7.34	7.34	7.35
5.80	5.80	6.60	7.60	7.60	7.60
7.42	7.41	7.80	7.82	8.55	8.83
7.90	7.90	8.49	8.52	9.12	9.25
9.55	9.55	9.95	9.95	9.95	9.95
0.50	0.35	0.35	0.35	0.35	0.35
0.50	0.35	0.35	0.35	0.35	0.35
0.50	0.35	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	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)
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	5,471,659	4,392,100	80.27%	418,591	4,810,691	87.92%
2012 (1)	N/A	N/A	N/A	N/A	N/A	N/A

Source: Brown County Auditor

(1) The 2012 collections cannot be presented because all collections have not been made by June 30, 2012.

(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
2012 and 2003 (1)

Name of Taxpayer	2012	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$5,209,342	2.12%
Cincinnati Milacron	4,807,429	1.96%
Brown County Industrial Park	4,000,000	1.63%
Ava Jo Bohl	2,673,057	1.09%
Scottwood Commons	2,043,914	0.83%
Locust Ridge Land Corp	2,032,800	0.83%
Alma Monk Trustee	1,958,057	0.80%
Shriji Krupa	1,741,400	0.71%
N A L Company	1,523,914	0.62%
Northpoint Centre	1,230,857	0.50%
Totals	<u>\$27,220,770</u>	<u>11.07%</u>
Total Assessed Valuation	<u>\$245,873,590</u>	<u>100.00%</u>

Name of Taxpayer	2003	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$4,892,400	2.81%
Cincinnati Milacron	4,047,600	2.33%
Trinity Industries	3,974,114	2.29%
BHM Enterprises	1,423,342	0.82%
Howard Meeker L & F	1,254,742	0.72%
Countrytyme Lebanon	1,208,600	0.70%
Scottwood Commons	1,143,800	0.66%
Lake Grant Ltd	1,092,142	0.63%
N A L Company	1,072,171	0.62%
Ava Jo Bohl	935,570	0.54%
Totals	<u>\$21,044,481</u>	<u>12.11%</u>
Total Assessed Valuation	<u>\$ 173,810,749</u>	<u>100.00%</u>

(1) The amounts represent the assessed values upon which 2012 and 2003 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
2003	15,717	\$494,709,629	\$6,330,000	1.28%	\$402.75
2004	15,717	558,623,632	6,165,000	1.10%	392.25
2005	15,717	573,168,949	5,975,000	1.04%	380.16
2006	15,717	592,068,941	5,775,000	0.98%	367.44
2007	15,717	688,297,089	5,560,000	0.81%	353.76
2008	15,717	698,025,923	5,320,000	0.76%	338.49
2009	15,717	672,156,379	5,065,000	0.75%	322.26
2010	15,717	694,843,400	4,795,000	0.69%	305.08
2011	17,494	687,880,443	4,495,000	0.65%	256.95
2012	17,494	688,654,052	4,095,000	0.59%	234.08

- 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.
- (4) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these are not shown as a deduction from general obligation bonded debt.

General Debt

General Bonded Debt Outstanding	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	Percentage of Personal Income (3)	General Debt Per Capita
\$6,330,000	\$1,017,000	\$7,347,000	1.49%	2.74%	\$467.46
6,165,000	597,000	6,762,000	1.21%	2.52%	430.23
5,975,000	568,000	6,543,000	1.14%	2.44%	416.30
5,775,000	538,000	6,313,000	1.07%	2.35%	401.67
5,560,000	480,000	6,040,000	0.88%	2.25%	384.30
5,320,000	448,000	5,768,000	0.83%	2.15%	366.99
5,065,000	415,000	5,480,000	0.82%	2.04%	348.67
4,795,000	947,000	5,742,000	0.83%	2.14%	365.34
4,495,000	856,000	5,351,000	0.78%	1.53%	305.88
4,095,000	762,000	4,857,000	0.71%	1.39%	277.64

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

	2003	2004	2005	2006
Assessed Valuation (1)	\$173,810,749	\$196,222,568	\$201,583,110	\$206,179,908
Less:				
General Business Personal Property	0	0	0	(9,164,247)
Railroad and Telephone Tangible Property	0	0	0	(2,139,510)
Total Assessed Valuation used to calculate Legal Debt Margin	173,810,749	196,222,568	201,583,110	194,876,151
Debt Limit - 9% of Assessed Value (2)	15,642,967	17,660,031	18,142,480	17,538,854
Amount of Debt Applicable to Debt Limit				
Gross Indebtedness	6,372,000	6,187,000	5,975,000	5,775,000
Less Exempt Debt	(42,000)	(22,000)	0	0
Less Amount Available in Debt Service	(1,263,046)	(1,410,236)	(1,593,513)	(1,684,546)
Amount of Debt Subject to Limit	5,066,954	4,754,764	4,381,487	4,090,454
Legal Debt Margin	<u>\$10,576,013</u>	<u>\$12,905,267</u>	<u>\$13,760,993</u>	<u>\$13,448,400</u>
Legal Debt Margin as a Percentage of the Debt Limit	67.61%	73.08%	75.85%	76.68%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$173,811	\$196,223	\$201,583	\$194,876
Amount of Debt Subject to Limit	0	0	0	0
Unvoted Legal Debt Margin	<u>\$173,811</u>	<u>\$196,223</u>	<u>\$201,583</u>	<u>\$194,876</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.

<u>2007</u>	<u>2008</u>	<u>2009 (3)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$237,988,790	\$236,168,840	\$238,028,600	\$245,940,190	\$245,329,030	\$245,873,590
(4,198,610)	(2,655,650)	(551,880)	(275,940)	0	0
<u>(1,792,870)</u>	<u>(1,193,050)</u>	<u>(361,410)</u>	<u>(84,120)</u>	<u>(82,660)</u>	<u>0</u>
231,997,310	232,320,140	237,115,310	245,580,130	245,246,370	245,873,590
<u>20,879,758</u>	<u>20,908,813</u>	<u>21,340,378</u>	<u>22,102,212</u>	<u>22,072,173</u>	<u>22,128,623</u>
5,560,000	5,320,000	5,065,000	4,795,000	4,495,000	4,095,000
0	0	0	0	0	0
<u>(1,790,395)</u>	<u>(1,812,098)</u>	<u>(1,850,785)</u>	<u>(1,844,614)</u>	<u>(1,846,627)</u>	<u>(1,959,693)</u>
<u>3,769,605</u>	<u>3,507,902</u>	<u>3,214,215</u>	<u>2,950,386</u>	<u>2,648,373</u>	<u>2,135,307</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>	<u>\$19,993,316</u>
81.95%	83.22%	84.94%	86.65%	88.00%	90.35%
\$231,997	\$232,320	\$237,115	\$245,580	\$245,246	\$245,874
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$231,997</u>	<u>\$232,320</u>	<u>\$237,115</u>	<u>\$245,580</u>	<u>\$245,246</u>	<u>\$245,874</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, 2012

	General Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
General Obligation Bonds	\$4,095,000	100.00%	\$4,095,000
Capital Leases	<u>762,000</u>	100.00%	<u>762,000</u>
Total Direct	<u><u>4,857,000</u></u>		<u><u>4,857,000</u></u>
Overlapping:			
Brown County General Obligation Bonds (2)	N/A	N/A	N/A
Southern Hills Joint Vocational School District	3,027,288	30.78%	931,686
Village of Mt. Orab	<u>5,005,475</u>	100.00%	<u>5,005,475</u>
Total Overlapping	<u><u>8,032,763</u></u>		<u><u>5,937,161</u></u>
Total	<u><u><u>\$12,889,763</u></u></u>		<u><u><u>\$10,794,161</u></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)
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%
2012	17,494	349,687,566	19,989	44,796	8.30%

Sources: (1) National Center for Education Statistics
2001-2010 from 2000 U.S. Census Data
2011-2012 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
2012 and 2006 (1)

		2012	
Employer	Nature of Business	Number of Employees	Rank
Western Brown Local School District	Education	318	1
Kroger	Retail Grocer	288	2
Cincinnati Milacron	Plastic Injection	240	3
ATW Ohio, LLC	Farm Implements	212	4
Health Source of Ohio	Medical	101	5
Mt. Orab Investments	Rental Properties	91	6
McDonald's	Food Service	87	7
Village of Mt. Orab	Local Government	72	8
Country Inn	Food Service	58	9
Kibler Lumber	Rental Lumber	39	10
Total		1,506	

		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
Hawkline Nevada	Farm Implements	40	5
Stevens Plumbing & Mechanical	Commercial Plumbing & Fabrication	37	10
Village of Mt. Orab	Government	32	11
Mt. Orab Ford	Auto Sales	30	12
Total		1,331	

Source: Brown County Department of Economic Development

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

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

Fiscal Year	Enrollment	General Government		Governmental Activities	
		Total Expenditures (1)	Per Pupil Cost	Total Expenses (2)	Per Pupil Cost
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
2012	3,413	29,464,669	8,633	31,187,716	9,138

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	2003	2004	2005	2006
Regular Instruction				
Elementary Classroom Teachers	130	130	129	129
High School Classroom Teachers	35	35	36	36
Special Instruction				
Elementary Classroom Teachers	11	11	13	14
High School Classroom Teachers	4	4	5	5
Vocational Instruction				
High School Classroom Teachers	3	3	3	3
Pupil Support Services				
Guidance Counselors	5	5	5	5
Librarians	3	3	3	3
Psychologists	0	0	0	1
Speech and Language Pathologists	0	0	0	0
Nurses	2	2	2	2
Aides	13	13	13	13
Administrators				
Elementary	6	6	6	6
High School	3	3	3	3
District	13	13	13	13
Secretaries	4	4	4	4
Secretaries' Assistants	4	4	4	4
Fiscal Services	4	4	4	4
Operation and Maintenance of Plant				
Custodians	27	27	26	26
Maintenance	2	2	3	3
Pupil Transportation				
Bus Drivers	39	39	39	39
Bus Aides	3	3	3	3
Van Drivers	0	0	0	0
Food Service Program				
Elementary Cooks	18	18	18	18
High School Cooks	6	6	0	6
Totals:	<u>335</u>	<u>335</u>	<u>332</u>	<u>340</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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
125	125	122	122	122	114
36	36	36	36	36	36
14	14	14	16	16	16
6	6	6	6	6	6
3	3	3	4	4	2
5	5	5	5	5	5
3	3	3	3	3	1
1	1	1	1	1	0
0	0	0	0	0	0
1	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	9	9	9	12
4	4	4	4	4	4
4	4	4	4	4	4
4	4	4	4	4	3
26	26	25	25	25	25
3	3	3	3	3	3
38	38	34	34	34	35
3	3	3	3	3	3
0	0	0	0	0	0
18	18	18	20	20	20
<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
<u>335</u>	<u>335</u>	<u>323</u>	<u>328</u>	<u>328</u>	<u>318</u>

Western Brown Local School District
Building Statistics
Last Ten Fiscal Years

	2003	2004	2005	2006
<u>Mt. Orab Elementary/Middle School:</u>				
Constructed in 1971				
Additions in 1988 and 1998				
Total Building Square Footage	100,965	100,965	100,965	100,965
Enrollment Grades K-8 1997 - 2001	0	0	0	0
Enrollment Grades K-4 2002 - Present	853	871	859	883
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	44	44	44	44
Regular Instruction Teachers	38	37	37	38
Special Instruction Classrooms	4	4	4	4
Special Instruction Teachers	2	2	2	3
<u>Mt. Orab Middle School:</u>				
Converted from the old High School				
Constructed in 1957				
Additions in 1971, 1984, 1992 and 1998				
Total Building Square Footage	94,851	94,851	94,851	94,851
Enrollment Grades K-8	727	755	769	728
Student Capacity	1,000	1,000	1,000	1,000
Regular Instruction Classrooms	34	34	34	34
Regular Instruction Teachers	29	29	30	32
Special Instruction Classrooms	7	7	7	7
Special Instruction Teachers	5	5	6	6
<u>Hamersville Elementary School:</u>				
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
<u>Hamersville Elementary & Middle School:</u>				
Constructed in 2002				
Total Building Square Footage	129,780	129,780	129,780	129,780
Enrollment Grades K-8	819	783	768	701
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	36	36	36	36
Regular Instruction Teachers	35	34	32	32
Special Instruction Classrooms	8	8	8	8
Special Instruction Teachers	4	4	5	5
<u>Western Brown High School:</u>				
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
<u>Western Brown High School:</u>				
Constructed in 2002				
Total Building Square Footage	189,729	189,729	189,729	189,729
Enrollment Grades 9-12	957	956	1,024	1,055
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	40	40	40	40
Regular Instruction Teachers	35	35	36	36
Special Instruction Classrooms	5	5	5	5
Special Instruction Teachers	4	4	5	5

Source: Western Brown Local School District records.

2007	2008	2009	2010	2011	2012
100,965	100,965	100,965	100,965	100,965	100,965
0	0	0	0	0	0
851	865	903	1,017	1,024	973
1,100	1,100	1,100	1,100	1,100	1,100
44	44	44	44	44	44
38	38	47	37	37	37
4	4	4	4	4	4
3	3	3	4	4	4
94,851	94,851	94,851	94,851	94,851	94,851
744	743	760	682	690	682
1,000	1,000	1,000	1,000	1,000	1,000
34	34	34	34	34	34
32	32	35	29	29	29
7	7	7	7	7	7
6	6	5	5	5	6
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
663	676	668	686	674	662
1,100	1,100	1,100	1,100	1,100	1,100
36	36	36	36	36	36
32	32	40	34	34	32
8	8	8	8	8	8
5	4	4	4	4	6
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	187,729	187,729	187,729	187,729	187,729
1,056	1,072	1,091	1,081	1,093	1,096
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	6	4	4	6

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>
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
2012	19.6

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Hamersville Elementary	36.25%	34.56%	37.60%	42.02%	39.23%	41.23%	49.70%	55.39%	52.62%	51.54%
Mt. Orab Elementary	32.05	32.26	38.94	37.66	40.31	41.33	46.11	53.79	49.57	52.53
Mt. Orab Middle School	26.85	35.99	37.23	36.91	37.94	38.37	43.50	48.60	51.34	52.93
Western Brown High School	14.69	15.17	18.12	24.45	27.73	27.09	34.51	42.58	44.63	46.93

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 8, 2013