



Mary Taylor, CPA
Auditor of State

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

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**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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	\$100,586	\$0	\$106,466
Cash Assistance:						
National School Breakfast Program		10.553	245,244		245,244	
National School Lunch Program		10.555	481,507		481,507	
Total Nutrition Cluster			<u>726,751</u>	<u>100,586</u>	<u>726,751</u>	<u>106,466</u>
Total Department of Agriculture			726,751	100,586	726,751	106,466
<u>U.S. DEPARTMENT OF DEFENSE (ARMY)</u>						
National Guard Civilian Youth Opportunities	N/A	12.404	50,256	0	50,256	0
Total Department of Defense (Army)			50,256	0	50,256	0
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Grants to States (IDEA Part B)	6B-SF-07 2008	84.027 84.027	49,929 669,127 <u>719,056</u>	0	49,839 670,575 <u>720,414</u>	0
Title I Grants to Local Educational Agencies	C1-S1-07 2008	84.010 84.010	76,218 502,493 <u>578,711</u>	0	76,336 493,598 <u>569,934</u>	0
Safe and Drug-Free Schools and Communities - State Grants	DR-S1-07 2008	84.186 84.186	0 9,081 <u>9,081</u>	0	40 5,372 <u>5,412</u>	0
Innovative Educational Program Strategies	2008	84.298	3,234		3,234	
Improving Teacher Quality	TR-S1-07 2008	84.367 84.367	22,316 125,643 <u>147,959</u>	0	22,104 125,851 <u>147,955</u>	0
Technology Literacy Challenge Grant	2008	84.318	4,475		3,191	
Total Department of Education			1,462,516	0	1,450,140	0
Totals			<u>\$2,239,523</u>	<u>\$100,586</u>	<u>\$2,227,147</u>	<u>\$106,466</u>

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

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE C – FOOD DONATION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

NOTE D – TRANSFERS

The School District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30th and spent by September 30th). However, with ODE's approval, a District can transfer unspent Federal assistance to the succeeding year, thus allowing the School District a total of 27 months to spend the assistance. Schools can document this by using special cost centers for each year's activity, and transferring the amounts ODE approves between the cost centers. During fiscal year 2008, the Ohio Department of Education (ODE) authorized the following transfers:

<u>CFDA Number</u>	<u>Program Title</u>	<u>Pass-Through Entity Number (or Grant Year)</u>	<u>Transfers Out</u>	<u>Transfers In</u>
<u>84.010</u>	<u>Title I Grants to Local Educational Agencies</u>	<u>2007</u>	\$ 1,668	
<u>84.010</u>	<u>Title I Grants to Local Educational Agencies</u>	<u>2008</u>		\$ 1,668
<u>84.027</u>	<u>Special Education - Grants to States</u>	<u>2007</u>	1,448	
<u>84.027</u>	<u>Special Education - Grants to States</u>	<u>2008</u>		1,448
<u>84.186</u>	<u>Safe and Drug-Free Schools and Communities</u>	<u>2007</u>	4	
<u>84.186</u>	<u>Safe and Drug-Free Schools and Communities</u>	<u>2008</u>		4
<u>84.367</u>	<u>Improving Teacher Quality State Grant</u>	<u>2007</u>	275	
<u>84.367</u>	<u>Improving Teacher Quality State Grant</u>	<u>2008</u>		275
<u>Totals</u>			<u>\$ 3,395</u>	<u>\$ 3,395</u>



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Western Brown Local School District, Brown County, Ohio (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 expressing our opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

We noted a certain matter that we reported to the District's management in a separate letter dated December 15, 2008.

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 noncompliance or other matters that we reported to the District's management in a separate letter dated December 15, 2008.

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

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

Mary Taylor, CPA
Auditor of State

December 15, 2008



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH 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 apply to each of its major federal programs for the year ended June 30, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of 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 Government's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2008.

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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Western Brown Local School District, Brown County, Ohio as of and for the year ended June 30, 2008, and have issued our report thereon dated December 15, 2008. Our audit was performed to form an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. 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 management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

December 15, 2008

**WESTERN BROWN LOCAL SCHOOL DISTRICT
BROWN COUNTY**

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

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 other 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 other 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?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title I – CFDA #84.010; Improving Teacher Quality – CFDA #84.367
<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
BROWN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Ohio Rev. Code Section 5705.41(D)(1) – invoice dates preceding purchase order dates	No.	Partially Corrected – included in the 2008 Management Letter.

WESTERN BROWN
LOCAL SCHOOL DISTRICT
MT. ORAB, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

*FOR THE FISCAL YEAR
ENDED JUNE 30, 2008*

WESTERN BROWN LOCAL SCHOOL DISTRICT

MT. ORAB, OHIO

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Issued by:
Treasurer's Office

Denny Dunlap, Treasurer

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INTRODUCTORY SECTION

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Western Brown Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008

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Comprehensive Annual Financial Report
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WESTERN BROWN LOCAL SCHOOL DISTRICT

BOARD OF EDUCATION

JoAnn C. Hildebrandt, President
William H. Neal, Vice-President
Richard E. Pride II
Bruce S. Wallace
Dennis R. Wright



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

ADMINISTRATION

Jeffrey Royalty, Superintendent
Denny Dunlap, CPA, Treasurer
Eva M. Lanter, Executive Secretary
Jina Bohl, Director of Curriculum and Instruction
Kendra Byrd, Special Education Coordinator
Lola Royalty, Pre-School Special Education Coordinator
Dan Colonel, Maintenance Supervisor
Joe Howser, Transportation Supervisor
Stella Napier, Food Service Director

December 15, 2008

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, 2008. 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, 2008. 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.

FORMATION 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.

FORM OF GOVERNMENT AND REPORTING ENTITY

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, 2008, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Bruce Wallace	Jan. 2006 - Dec. 2009	23 - 1/3
William Neal	Jan. 2008 - Dec. 2011	16 - 1/2
JoAnn Hildebrandt	Jan. 2008 - Dec. 2011	4 - 1/2
Richard E. Pride II	Jan. 2008 - Dec. 2011	1/2
Dennis Wright	Jan. 2006 - Dec. 2009	2 - 1/2

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations, except financial operations, of the School District. Jeff Royalty was appointed Superintendent on January 11, 2004. Mr. Royalty's contract expired on July 31, 2008 and was renewed through July 31, 2009.

The Treasurer is the chief financial officer of the School District and is directly responsible to the Board for all financial operations, investments, and the custody of all School District funds and assets. The Treasurer also serves as Secretary to the Board. Denny Dunlap was initially appointed Treasurer on March 12, 1991. His current four year contract will expire in January 2009.

The School District employs 335 full-time, part-time and seasonal employees. These employees include certified, non-certified and administrative personnel providing services to 3,356 students.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure 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. 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 (SCOCA), the Unified Purchasing Cooperative of the Ohio River Valley (UPC), the Southern Hills Joint Vocational School District, the Brown County Schools Benefits Consortium, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 17, 18 and 19 to the basic financial statements.

The School Board is required to adopt a budget no later than the close of the current fiscal year for the following fiscal year. This annual budget serves 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 appropriation resolution. The legal level of budgetary control is established at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

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 unemployment rate of 7.30 percent continues to be higher than the State of Ohio rate of 6.60 percent. This is largely due to the area being a farming community. Mt. Orab is seeing more growth than Hamersville. A major highway goes through Mt. Orab, which helps the community. Housing developments have slowed down. A lot of small businesses continue to come to the area. The School District approved a request from the Village of Mt. Orab for a Tax Increment Financing District. By approving this, the Village can be competitive and bring in new business and new housing to the community. Clermont Mercy Hospital broke ground for its Mt. Orab hospital. This should provide additional growth for the community once the hospital is operating.

The School District served 3,356 students during the 2008 fiscal year. School District facilities include one senior high school (9-12), and three buildings that serve K-8; one at Mt. Orab serving 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.

During fiscal year 2008, the School District's enrollment increased by 42 students. This was the first time since fiscal year 2005 that our enrollment increased. While our enrollment increased, we still have not surpassed our highest enrollment of 3,383 in fiscal year 2005. While the Mt. Orab side of the School District is increasing, our enrollment is decreasing on the Hamersville side. Students enrolled through open enrollment continue to increase and provide a revenue source for the School District.

FINANCIAL TRENDS

This is the first year since fiscal year 2000 that the School District's General Fund revenues have exceeded expenditures. With the cuts the School District implemented this fiscal year we were able to see the savings. Even with the cuts implemented, we will continue to monitor our expenditures due to our revenue not increasing, as our enrollment jumps up and down in order to provide consistency.

FINANCIAL PLANNING AND POLICIES

During fiscal year 2008, the School District continued to review all expenditures in order to save money and bring our expenditures in line with our revenue. With our enrollment increasing, we are using these additional funds to increase our cash instead of hiring additional staff. The School District and Teachers' Union agreed to a retire/rehire clause in the contract. This clause is for employees with 35 or more years of service. It allows them to retire and be rehired by the School District at a lower salary for the next five years. This provided savings to the School District.

The State of Ohio budget bill, SB 117 was signed into law June of 2008. The per pupil funding for SB 117 provides a three percent increase for each fiscal year. Since the Budget was approved, the Governor has made cuts totaling \$733 million for fiscal years 2008 and 2009. Of the total, the Department of Education made cuts of \$51,578,163 for fiscal year 2008 and \$49,594,410 for fiscal year 2009. These cuts will affect Educational Service Centers and Educational Regional Service Systems that provide services to the School District. Due to these cuts, the School District will make every effort to conserve cash and make cuts anywhere possible to stay solvent.

MAJOR INITIATIVES

Energy conservation continues to be a major focus for the School District as that is one area that we have an opportunity to hold down costs. Through our work with “Innovative Energy” and Duke Energy an aggressive electrical cost savings strategy is being implemented.

We are also in the process of lobbying the Ohio School Facilities Commission for some assistance with security enhancements that were not included in our building project at the time of planning and design.

The District continues to focus its improvement efforts on several fronts including:

- Continued Improvement on the State report card
- Developing the strengths of its stakeholders
- Increasing leadership capacity
- Becoming a team based organization
- Implementation of a “Critical Success Indicator System”

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, 2007. 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.

ASBO CERTIFICATE

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2007 to the Western Brown Local School District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007, 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.

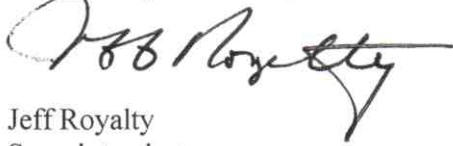
The Western Brown Local School District believes our current report conforms to the ASBO's principles and standards and we are submitting it to ABSO to determine its eligibility for an award.

ACKNOWLEDGMENTS

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,

A handwritten signature in black ink, appearing to read "Jeff Royalty". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jeff Royalty
Superintendent

A handwritten signature in black ink, appearing to read "Denny Dunlap, CPA". The signature is cursive and includes the title "CPA" at the end.

Denny Dunlap, CPA
Treasurer

*Western Brown Local School District
Principal Officials
June 30, 2008*

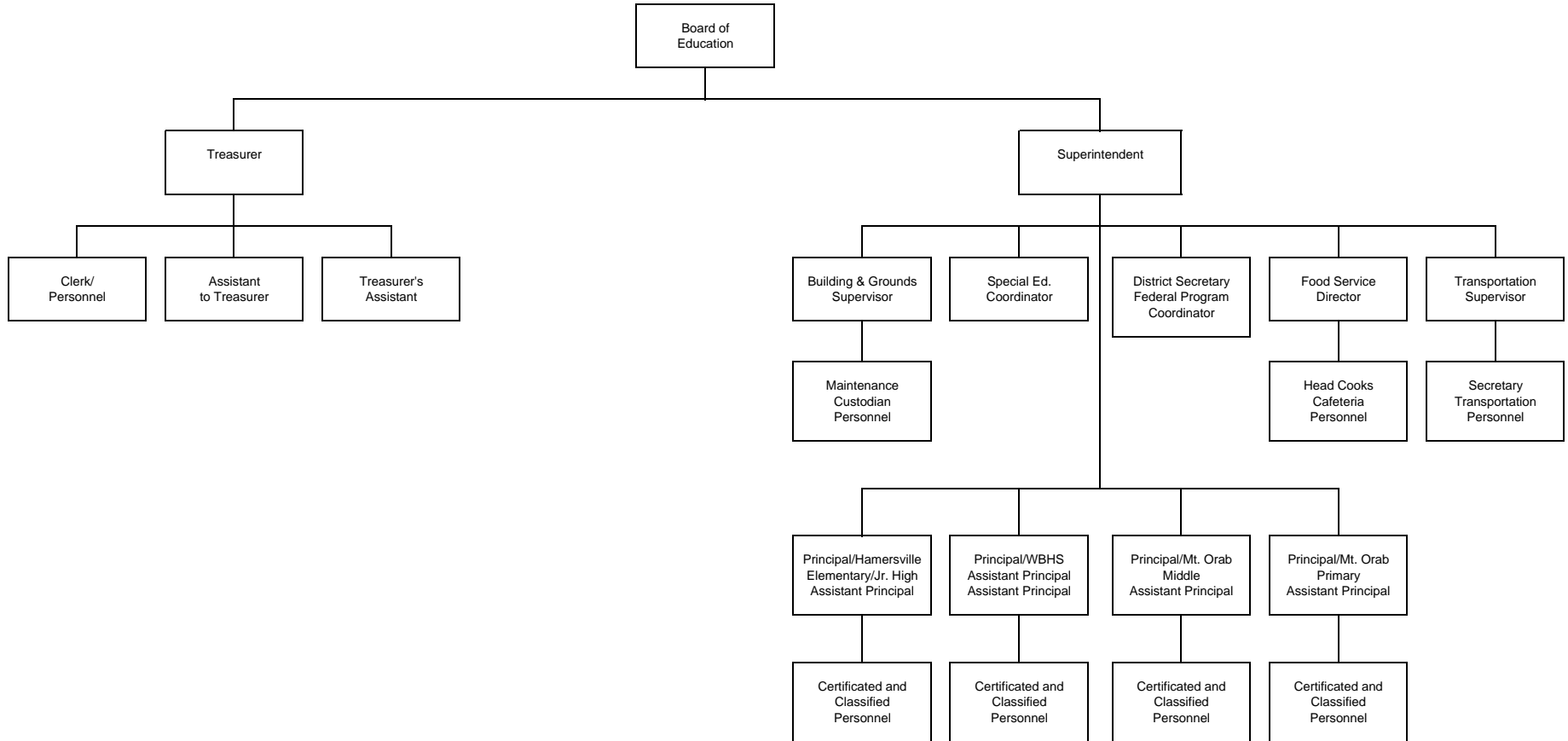
ELECTED OFFICIALS

President, Board of Education.....JoAnn Hildebrandt
Vice President, Board of Education.....William Neal
Board Member.....Bruce Wallace
Board Member..... Richard E. Pride II
Board Member.....Dennis Wright

ADMINISTRATIVE OFFICIALS

Superintendent Jeff Royalty
Treasurer Denny Dunlap
Special Education Coordinator Kendra Byrd
Buildings and Grounds Supervisor Dan Colonel
Transportation Supervisor..... Joe Howser

**Western Brown Local School District
Organizational Chart
June 30, 2008**



Western Brown Local School District
Consultants and Advisors
June 30, 2008

Architects

SHP Leading Design
82 Williams Avenue
Hamilton, OH 45011

Bond Counsel

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

Independent Auditor

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

CAFR Preparation Consultants

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

**Workers' Compensation/
Unemployment**

Gates McDonald Health Plus
P.O. Box 182720
Columbus, OH 43218

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

National City Bank
155 East Broad Street
Columbus, OH 43251-0061

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, 2007

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



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

WESTERN BROWN LOCAL SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2007

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

Gracie E. Brendel

President

John D. Mueser

Executive Director

Western Brown Local Schools

Strategic Plan

Adopted by the Western Brown Board of Education
June 30, 2008

Beliefs

- Every person has worth and value.
- Education is a shared responsibility of faculty, staff, community, administration, students and family.
- A safe, trusting, creative and disciplined environment is vital for teaching and learning.
- A strong democracy depends on well educated citizens.
- Learning is a life long process.

Mission Statement

In partnership with family and community, the Western Brown Local School District will graduate outstanding citizens capable of confidently adapting and competing in the ever-changing global society, by guaranteeing that a quality staff delivers a rigorous and relevant education in a safe, creative, and disciplined atmosphere.

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.

FINANCIAL SECTION

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Western Brown Local School District, Brown County, Ohio (the District), as of and for the year ended June 30, 2008, 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, 2008, and the respective changes in financial position and cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2008, 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.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. 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 tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Mary Taylor, CPA
Auditor of State

December 15, 2008

Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
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, 2008. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the 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 \$913,432. Net assets of governmental activities decreased \$801,141 and net assets of the business-type activity decreased by \$112,291. Governmental expenses increased by \$933,751, due primarily to increases in instruction and support services instructional staff, while governmental activities revenues increased by \$1,056,865 due primarily to increases in operating grants and unrestricted grants and entitlements. In addition, capital assets of governmental activities decreased by \$1,985,261 and long-term liabilities of governmental activities decreased by \$235,978.
- Governmental activities general revenues accounted for \$23,311,407, or 83 percent of total revenues. Program specific revenues in the form of charges for services and sales, grants, contributions and interest accounted for \$4,663,526 or 17 percent of total governmental revenues of \$27,974,933.
- The extraordinary item of the insurance settlement due to improper installation of the Middle School HVAC system accounted for \$500,000.
- Total assets of governmental activities decreased by \$651,090.
- The School District had \$29,276,074 in expenses related to governmental activities; only \$4,663,526 of these expenses were offset by program specific charges for services, grants, contributions and interest. General revenues (primarily grants, entitlements and property taxes) of \$23,311,407 were used to provide for these programs along with unrestricted net assets from prior years.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other nonmajor funds presented in total in one column. The major funds for the Western Brown Local School District are the General Fund, the Debt Service Fund and the Western Brown Construction Project Capital Projects Fund.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2008?" 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 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 Activities - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The School District's food service program is reported as a business-type activity.

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 9. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

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

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

The School District as a Whole

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

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

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

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets						
Current and other Assets	\$12,397,396	\$11,063,225	\$298,984	\$279,967	\$12,696,380	\$11,343,192
Capital Assets	51,333,540	53,318,801	1,674,004	1,793,601	53,007,544	55,112,402
Total Assets	63,730,936	64,382,026	1,972,988	2,073,568	65,703,924	66,455,594
Liabilities						
Long-Term Liabilities	(7,195,364)	(7,431,342)	(23,344)	(21,203)	(7,218,708)	(7,452,545)
Other Liabilities	(6,957,230)	(6,571,201)	(144,506)	(134,936)	(7,101,736)	(6,706,137)
Total Liabilities	(14,152,594)	(14,002,543)	(167,850)	(156,139)	(14,320,444)	(14,158,682)
Net Assets						
Invested in Capital Assets Net of Debt	45,577,012	47,291,229	1,674,004	1,793,601	47,251,016	49,084,830
Restricted	4,797,894	3,845,375	0	0	4,797,894	3,845,375
Unrestricted (Deficit)	(796,564)	(757,121)	131,134	123,828	(665,430)	(633,293)
Total Net Assets	\$49,578,342	\$50,379,483	\$1,805,138	\$1,917,429	\$51,383,480	\$52,296,912

Restricted net assets increased \$952,519 during fiscal year 2008. This was due to increases in the set-aside for textbooks and the receipt of a \$500,000 settlement for improper installation of the Middle School HVAC system.

Table 2 shows the changes in net assets for fiscal years 2008 and 2007.

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

(Table 2)
Changes in Net Assets

	Governmental Activities 2008	Governmental Activities 2007	Business-Type Activities 2008	Business-Type Activities 2007	Total 2008	Total 2007
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,434,916	\$1,314,834	\$642,333	\$625,630	\$2,077,249	\$1,940,464
Operating Grants, Contributions and Interest	3,228,610	2,745,174	781,692	758,600	4,010,302	3,503,774
Total Program Revenues	4,663,526	4,060,008	1,424,025	1,384,230	6,087,551	5,444,238
General Revenues:						
Property Taxes	4,731,138	4,873,459	0	0	4,731,138	4,873,459
Grants and Entitlements not Restricted to Specific Programs	18,173,233	17,584,596	0	0	18,173,233	17,584,596
Interest	234,172	261,884	8,116	0	242,288	261,884
Contributions and Donations	10,198	9,672	0	0	10,198	9,672
Miscellaneous	162,666	128,449	22,065	25,779	184,731	154,228
Total General Revenues	23,311,407	22,858,060	30,181	25,779	23,341,588	22,883,839
Total Revenues	27,974,933	26,918,068	1,454,206	1,410,009	29,429,139	28,328,077
Program Expenses						
Instruction:						
Regular	14,208,369	14,051,085	0	0	14,208,369	14,051,085
Special	3,382,298	3,028,459	0	0	3,382,298	3,028,459
Vocational	297,494	254,430	0	0	297,494	254,430
Student Intervention Services	203,039	87,630	0	0	203,039	87,630
Support Services:						
Pupils	986,900	1,042,719	0	0	986,900	1,042,719
Instructional Staff	998,888	833,832	0	0	998,888	833,832
Board of Education	17,970	17,796	0	0	17,970	17,796
Administration	2,104,497	2,252,897	0	0	2,104,497	2,252,897
Fiscal	584,051	526,057	0	0	584,051	526,057
Business	0	168	0	0	0	168
Operation and Maintenance of Plant	2,959,634	2,824,911	0	0	2,959,634	2,824,911
Pupil Transportation	2,246,022	2,235,642	0	0	2,246,022	2,235,642
Central	274,331	225,768	0	0	274,331	225,768
Operation of Non-Instructional Services	3,565	2,865	0	0	3,565	2,865
Extracurricular Activities	714,507	648,268	0	0	714,507	648,268
Interest and Fiscal Charges	294,509	309,796	0	0	294,509	309,796
Food Service	0	0	1,566,497	1,485,512	1,566,497	1,485,512
Total Expenses	29,276,074	28,342,323	1,566,497	1,485,512	30,842,571	29,827,835
Decrease in Net Assets Before						
Extraordinary Item	(1,301,141)	(1,424,255)	(112,291)	(75,503)	(1,413,432)	(1,499,758)
Extraordinary Item - Insurance Settlement	500,000	0	0	0	500,000	0
Decrease in Net Assets	(801,141)	(1,424,255)	(112,291)	(75,503)	(913,432)	(1,499,758)
Net Assets at Beginning of Year	50,379,483	51,803,738	1,917,429	1,992,932	52,296,912	53,796,670
Net Assets at End of Year	\$49,578,342	\$50,379,483	\$1,805,138	\$1,917,429	\$51,383,480	\$52,296,912

Charges for services and sales increased \$120,082 in the governmental activities due to an increase in tuition and fees that resulted from an increase in the number of students leaving other school districts to attend Western Brown Local School District.

Operating grants, contributions and interest increased \$483,436 in the governmental activities. This is due to increases in restricted State foundation money and Title I grant receipts.

Total revenues in the business-type activities remained fairly consistent from fiscal year 2007 to fiscal year 2008.

Special instruction increased by \$353,839 in the governmental activities. In 2008, the School District received additional services and incurred cost increases to serve special needs students.

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

Student intervention services instruction increased by \$115,409 due to the receipt of additional State funding which was used to provide additional services.

Support services instructional staff increased by \$165,056 in governmental activities. This is due to the retirement of employees in fiscal year 2006 that were not replaced until fiscal year 2008 along with increases in salaries and fringe benefits.

The School District remains heavily reliant on State funding. Grants and Entitlements made up 65 percent of revenues for governmental activities of the Western Brown Local School District for fiscal year 2008.

Instruction comprises 62 percent of governmental activities program expenses. Support services expenses make up 35 percent of governmental activities expenses.

The Statement of Activities shows the cost of program services and the charges for services and sales and grants, contributions and interest 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 2008	Total Cost of Services 2007	Net Cost of Services 2008	Net Cost of Services 2007
Instruction	\$18,091,200	\$17,421,604	(\$14,305,504)	(\$14,142,365)
Support Services	10,172,293	9,959,790	(9,445,980)	(9,288,291)
Operation of Non-Instructional Services	3,565	2,865	851	326
Extracurricular Activities	714,507	648,268	(567,406)	(542,189)
Interest and Fiscal Charges	294,509	309,796	(294,509)	(309,796)
Total Expenses	\$29,276,074	\$28,342,323	(\$24,612,548)	(\$24,282,315)

Business-Type Activities

The only business-type activity is the food service operation. This program had revenues of \$1,454,206 and expenses of \$1,566,497 for fiscal year 2008. Of the revenues, \$642,333 was charges for services and sales and \$781,692 was from State and Federal grants. Business activities receive no support from tax revenues. The School District will continue to monitor the charges and costs of this activity. If it becomes necessary, the School District will increase the charges for this activity.

***Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited***

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$27,843,906 and expenditures of \$27,526,570. The net change in fund balance for the fiscal year was most significant in the Western Brown Construction Project Capital Projects Fund, an increase of \$523,757. This was due to the receipt of a \$500,000 insurance settlement for improper installation of the Middle School HVAC system.

The General Fund saw an increase in fund balance of \$182,522 which was the result of increases in State foundation offset by increases in instruction expenditures due mainly to salary increases and additional services provided to special needs students. The unreserved General Fund deficit of \$853,070 was due primarily to accruals for accrued wages which will be paid from future resources.

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 2008 the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A summary of the General Fund's original and final budgeted amounts is listed on page 20, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

For the General Fund, the original budget basis revenue was \$23,967,727 with a final budget estimate of \$25,061,136. The difference of \$1,093,409 was primarily due to increases in intergovernmental revenues that resulted from an unexpected increase in enrollment, which generated additional State funding. The School District's actual revenues were \$25,074,431 at fiscal year-end, which represented a less than one percent increase over final budgeted revenues.

Original budget basis appropriations were \$24,783,969 with a final budget estimate of \$25,244,369. The difference of \$460,400 was primarily due to increases in special and other instruction that resulted from higher costs of purchased services such as utilities and salary increases. The School District's actual expenditures and encumbrances were \$25,147,416 at fiscal year-end, which represented a less than one percent increase under final budgeted revenues.

The School District's ending unobligated cash balance was \$140,368 above the final budgeted amount.

*Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited*

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2008, the School District had \$53,007,544 invested in land, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2008 balances compared to fiscal year 2007:

(Table 4)

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$2,515,954	\$2,515,954	\$0	\$0	\$2,515,954	\$2,515,954
Buildings and Improvements	46,524,863	48,130,666	1,042,772	1,080,106	47,567,635	49,210,772
Furniture and Equipment	1,802,108	2,025,522	631,232	713,495	2,433,340	2,739,017
Vehicles	490,615	646,659	0	0	490,615	646,659
Totals	<u>\$51,333,540</u>	<u>\$53,318,801</u>	<u>\$1,674,004</u>	<u>\$1,793,601</u>	<u>\$53,007,544</u>	<u>\$55,112,402</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. The School District purchased new classroom and administration equipment. Also, some work was done on the boiler lines.

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

Debt

At June 30, 2008, the School District had \$5,320,000 in bonds outstanding, \$255,000 of which is due within one year. Table 5 summarizes bonds outstanding at fiscal year-end of 2008 and 2007:

(Table 5)

Outstanding Debt, at Fiscal Year-End

	2008	2007
General Obligation Bonds:		
1998 School Improvement Bonds	<u>\$5,320,000</u>	<u>\$5,560,000</u>

***Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited***

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

At June 30, 2008 the School District's overall legal debt margin was \$17,400,911 with an unvoted debt margin of \$232,320. The School District had a AA- bond rating by Standard and Poor's Rating Service on the 1998 School Improvement Bonds.

For more information about debt, refer to note 15 to the basic financial statements

District Challenges for the Future

This is the first year since fiscal year 2000 that the School District's General Fund revenues have exceeded expenditures. Our School District is primarily dependent on State funding for its operations and due to State provided gap-aid, running a levy to increase revenue is not a viable option. An increase in tax revenue would cause an equivalent decrease in State provided gap-aid. Indications are that the 2009-2010 and 2010-2011 Biennium Budget will provide little relief for the School District as most sources indicate flat funding as the best case scenario for our School District and schools in Ohio.

One bright point is that the School District's enrollment overall is up slightly. We continue to see increasing numbers of open enrollment students coming into the School District, which serve as an offset to those leaving the School District. We have also learned the critical importance of accurate Education Management Information System (EMIS) reporting in regard to enrollment and will continue our vigilance in that area to be certain that every child and their percent of time is counted properly for maximum State funding.

The School District continues to monitor and deal with home schooling and community schools, which constitute a significant drain on revenues for us. The deployment of the Virtual Learning Academy in conjunction with the Brown County Educational Service center is an attempt on our part to offer alternatives to these other educational options. Our EMIS department is also closely monitoring the Community School Average Daily Membership web site on a weekly basis in order to challenge Community School enrollments that in fact are not accurate. In regard to home schooling, we are seeing a modest decline in parents seeking this option.

It is highly unfortunate that we continue to work during a time of unprecedented accountability for student performance results in education and at the same time are more unsure than ever about the future of the state funding of education. This is especially distasteful, as our School District has once again been recognized by the Ohio Department of Education for being rated as "Effective" as on the Ohio Local Report Card. If we find ourselves in the position of making cuts to staff and programs can we expect to continue that progress and move on into the Excellent category? We have many needs for continual improvement for the educational program in the Western Brown Local School District and our staff is giving an outstanding effort. What we really need is for someone in Columbus to provide the leadership that will provide a Constitutional funding system in Ohio. This is the only way that we can ensure the greatest educational opportunities for the children of this School District.

*Western Brown Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited*

Contacting the School District's Financial Management

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

Basic Financial Statements

Western Brown Local School District
Statement of Net Assets
June 30, 2008

	Governmental Activities	Business-Type Activity	Total
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$6,783,376	\$292,162	\$7,075,538
Accrued Interest Receivable	1,032	0	1,032
Prepaid Items	12,590	0	12,590
Inventory Held for Resale	0	3,865	3,865
Materials and Supplies Inventory	0	1,957	1,957
Intergovernmental Receivable	292,104	0	292,104
Taxes Receivable	5,283,371	0	5,283,371
Accounts Receivable	8,451	1,000	9,451
Cash and Cash Equivalents with Fiscal Agents	5,000	0	5,000
Deferred Charges	11,472	0	11,472
Capital Assets:			
Land	2,515,954	0	2,515,954
Depreciable Capital Assets, Net	48,817,586	1,674,004	50,491,590
Total Assets	63,730,936	1,972,988	65,703,924
<u>Liabilities:</u>			
Accounts Payable	11,514	0	11,514
Contracts Payable	7,659	0	7,659
Accrued Wages and Benefits	2,252,324	94,784	2,347,108
Intergovernmental Payable	602,349	49,722	652,071
Deferred Revenue	4,055,913	0	4,055,913
Matured Bonds Payable	5,000	0	5,000
Accrued Interest Payable	22,471	0	22,471
Long-Term Liabilities:			
Due Within One Year	442,745	577	443,322
Due in More Than One Year	6,752,619	22,767	6,775,386
Total Liabilities	14,152,594	167,850	14,320,444
<u>Net Assets:</u>			
Invested in Capital Assets, Net of Related Debt	45,577,012	1,674,004	47,251,016
Restricted for:			
Debt Service	1,813,830	0	1,813,830
Capital Projects	1,242,909	0	1,242,909
Classroom Facilities	839,232	0	839,232
Other Purposes	243,919	0	243,919
Set-Asides	658,004	0	658,004
Unrestricted (Deficit)	(796,564)	131,134	(665,430)
Total Net Assets	\$49,578,342	\$1,805,138	\$51,383,480

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities	Business-Type Activity	Total
<u>Governmental Activities:</u>						
Instruction:						
Regular	\$14,208,369	\$1,062,083	\$283,316	(\$12,862,970)	\$0	(\$12,862,970)
Special	3,382,298	189,825	2,101,401	(1,091,072)	0	(1,091,072)
Vocational	297,494	21,463	119,375	(156,656)	0	(156,656)
Student Intervention Services	203,039	0	8,233	(194,806)	0	(194,806)
Support Services:						
Pupils	986,900	0	259,923	(726,977)	0	(726,977)
Instructional Staff	998,888	0	148,568	(850,320)	0	(850,320)
Board of Education	17,970	0	0	(17,970)	0	(17,970)
Administration	2,104,497	0	175,565	(1,928,932)	0	(1,928,932)
Fiscal	584,051	0	0	(584,051)	0	(584,051)
Operation and Maintenance of Plant	2,959,634	14,444	0	(2,945,190)	0	(2,945,190)
Pupil Transportation	2,246,022	0	115,813	(2,130,209)	0	(2,130,209)
Central	274,331	0	12,000	(262,331)	0	(262,331)
Operation of Non-Instructional Services	3,565	0	4,416	851	0	851
Extracurricular Activities	714,507	147,101	0	(567,406)	0	(567,406)
Interest and Fiscal Charges	294,509	0	0	(294,509)	0	(294,509)
Total Governmental Activities	29,276,074	1,434,916	3,228,610	(24,612,548)	0	(24,612,548)
<u>Business-Type Activity:</u>						
Food Service	1,566,497	642,333	781,692	0	(142,472)	(142,472)
Totals	\$30,842,571	\$2,077,249	\$4,010,302	(\$24,612,548)	(\$142,472)	(\$24,755,020)
<u>General Revenues:</u>						
Property Taxes Levied for:						
General Purposes				4,132,956	0	4,132,956
Debt Service				514,460	0	514,460
Classroom Facilities Maintenance				83,722	0	83,722
Grants and Entitlements not Restricted to Specific Programs				18,173,233	0	18,173,233
Interest				234,172	8,116	242,288
Contributions and Donations				10,198	0	10,198
Miscellaneous				162,666	22,065	184,731
Total General Revenues				23,311,407	30,181	23,341,588
Extraordinary Item - Insurance Settlement				500,000	0	500,000
Total General Revenues and Extraordinary Item				23,811,407	30,181	23,841,588
Change in Net Assets				(801,141)	(112,291)	(913,432)
Net Assets at Beginning of Year				50,379,483	1,917,429	52,296,912
Net Assets at End of Year				\$49,578,342	\$1,805,138	\$51,383,480

See accompanying notes to the basic financial statements

Western Brown Local School District
Balance Sheet
Governmental Funds
June 30, 2008

	General	Debt Service	Western Brown Construction Project	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$2,067,514	\$1,702,309	\$1,241,877	\$1,113,672	\$6,125,372
Cash and Cash Equivalents with Fiscal Agents	0	5,000	0	0	5,000
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	658,004	0	0	0	658,004
Receivables:					
Taxes	4,611,797	577,154	0	94,420	5,283,371
Accounts	2,127	0	0	6,324	8,451
Intergovernmental	22,563	0	0	269,541	292,104
Accrued Interest	0	0	1,032	0	1,032
Prepaid Items	12,590	0	0	0	12,590
Total Assets	\$7,374,595	\$2,284,463	\$1,242,909	\$1,483,957	\$12,385,924
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$11,514	\$0	\$0	\$0	\$11,514
Contracts Payable	7,659	0	0	0	7,659
Accrued Wages and Benefits	2,080,496	0	0	171,828	2,252,324
Intergovernmental Payable	573,802	0	0	28,547	602,349
Deferred Revenue	3,733,484	467,365	0	172,178	4,373,027
Matured Bonds Payable	0	5,000	0	0	5,000
Total Liabilities	6,406,955	472,365	0	372,553	7,251,873
<u>Fund Balances:</u>					
Reserved for Encumbrances	284,393	0	0	87,529	371,922
Reserved for Property Taxes	878,313	109,789	0	17,543	1,005,645
Reserved for Textbooks	634,358	0	0	0	634,358
Reserved for Bus Purchases	23,646	0	0	0	23,646
Unreserved, Undesignated (Deficit), Reported in:					
General Fund	(853,070)	0	0	0	(853,070)
Special Revenue Funds	0	0	0	1,006,332	1,006,332
Debt Service Fund	0	1,702,309	0	0	1,702,309
Capital Projects Funds	0	0	1,242,909	0	1,242,909
Total Fund Balances	967,640	1,812,098	1,242,909	1,111,404	5,134,051
Total Liabilities and Fund Balances	\$7,374,595	\$2,284,463	\$1,242,909	\$1,483,957	\$12,385,924

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, 2008

Total Governmental Fund Balances \$5,134,051

***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	2,515,954	
Other capital assets	72,059,010	
Accumulated depreciation	<u>(23,241,424)</u>	
Total capital assets		51,333,540

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	221,813	
Intergovernmental	<u>95,301</u>	
		317,114

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

11,472

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	(5,320,000)	
Accrued interest on bonds	(22,471)	
Capital leases payable	(448,000)	
Compensated absences	<u>(1,427,364)</u>	
Total liabilities		<u>(7,217,835)</u>

Net Assets of Governmental Activities \$49,578,342

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, 2008

	General	Debt Service	Western Brown Construction Project	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Taxes	\$4,070,158	\$508,759	\$0	\$82,752	\$4,661,669
Intergovernmental	19,280,242	72,386	0	1,983,241	21,335,869
Interest	210,415	0	23,757	0	234,172
Tuition and Fees	1,192,371	0	0	81,000	1,273,371
Extracurricular Activities	0	0	0	147,101	147,101
Rent	14,444	0	0	0	14,444
Contributions and Donations	1,750	0	0	12,864	14,614
Miscellaneous	51,432	0	0	111,234	162,666
<i>Total Revenues</i>	<u>24,820,812</u>	<u>581,145</u>	<u>23,757</u>	<u>2,418,192</u>	<u>27,843,906</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	12,418,278	0	0	497,439	12,915,717
Special	2,387,686	0	0	899,148	3,286,834
Vocational	268,917	0	0	0	268,917
Student Intervention Services	176,709	0	0	26,330	203,039
Support Services:					
Pupils	668,829	0	0	250,982	919,811
Instructional Staff	802,931	0	0	201,147	1,004,078
Board of Education	17,970	0	0	0	17,970
Administration	1,670,433	0	0	163,287	1,833,720
Fiscal	527,042	44,389	0	3,051	574,482
Operation and Maintenance of Plant	2,846,665	0	0	110,707	2,957,372
Pupil Transportation	2,097,419	0	0	0	2,097,419
Central	268,721	0	0	12,000	280,721
Operation of Non-Instructional Services	369	0	0	3,196	3,565
Extracurricular Activities	431,033	0	0	161,629	592,662
Capital Outlay	3,975	0	0	0	3,975
Debt Service:					
Principal Retirement	32,000	240,000	0	0	272,000
Interest and Fiscal Charges	19,235	275,053	0	0	294,288
<i>Total Expenditures</i>	<u>24,638,212</u>	<u>559,442</u>	<u>0</u>	<u>2,328,916</u>	<u>27,526,570</u>
<i>Excess of Revenues Over Expenditures</i>	<u>182,600</u>	<u>21,703</u>	<u>23,757</u>	<u>89,276</u>	<u>317,336</u>
<u>Other Financing Sources (Uses):</u>					
Transfers In	0	0	0	78	78
Transfers Out	(78)	0	0	0	(78)
<i>Total Other Financing Sources (Uses)</i>	<u>(78)</u>	<u>0</u>	<u>0</u>	<u>78</u>	<u>0</u>
<i>Extraordinary Item - Insurance Settlement</i>	0	0	500,000	0	500,000
<i>Net Change in Fund Balances</i>	182,522	21,703	523,757	89,354	817,336
<i>Fund Balances at Beginning of Year - (Restated - See Note 3)</i>	<u>785,118</u>	<u>1,790,395</u>	<u>719,152</u>	<u>1,022,050</u>	<u>4,316,715</u>
<i>Fund Balances at End of Year</i>	<u>\$967,640</u>	<u>\$1,812,098</u>	<u>\$1,242,909</u>	<u>\$1,111,404</u>	<u>\$5,134,051</u>

See accompanying notes to the basic financial statements

Western Brown Local School District
*Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2008*

Net Change in Fund Balances - Total Governmental Funds \$817,336

***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 asset additions	146,936	
Depreciation expense	(2,132,197)	
Excess of depreciation expense over capital outlay		(1,985,261)

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 year.

Delinquent property taxes	69,469	
Intergovernmental	61,558	
		131,027

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	240,000	
Capital lease payments	32,000	
Total long-term debt repayment		272,000

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	735	
Amortization of issuance costs	(956)	
		(221)

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		(36,022)
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Change in Net Assets of Governmental Activities (\$801,141)

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Taxes	\$4,762,183	\$5,029,062	\$4,343,450	(\$685,612)
Intergovernmental	17,849,915	18,628,206	19,267,679	639,473
Interest	199,749	208,615	215,614	6,999
Tuition and Fees	1,104,633	1,152,275	1,192,371	40,096
Rent	13,381	13,038	14,444	1,406
Contributions and Donations	1,621	966	1,750	784
Miscellaneous	36,245	28,974	39,123	10,149
Total Revenues	23,967,727	25,061,136	25,074,431	13,295
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	11,460,842	11,400,945	11,014,207	386,738
Special	2,406,356	2,756,356	2,352,405	403,951
Vocational	232,130	232,130	271,278	(39,148)
Other	1,363,606	1,478,503	1,689,972	(211,469)
Support Services:				
Pupils	565,138	565,138	666,960	(101,822)
Instructional Staff	804,538	804,538	828,168	(23,630)
Board of Education	22,817	22,817	18,141	4,676
Administration	1,826,824	1,881,824	1,795,689	86,135
Fiscal	497,070	497,070	527,360	(30,290)
Operation and Maintenance of Plant	2,942,783	2,943,183	2,946,775	(3,592)
Pupil Transportation	2,211,367	2,211,367	2,209,344	2,023
Central	271,024	271,024	288,159	(17,135)
Operation of Non-Instructional Services	0	0	369	(369)
Extracurricular Activities	102,499	102,499	440,686	(338,187)
Capital Outlay	19,975	19,975	46,668	(26,693)
Debt Service:				
Principal Retirement	32,000	32,000	32,000	0
Interest and Fiscal Charges	25,000	25,000	19,235	5,765
Total Expenditures	24,783,969	25,244,369	25,147,416	96,953
Excess of Revenues Over (Under) Expenditures	(816,242)	(183,233)	(72,985)	110,248
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	0	0	11,498	11,498
Advances In	125,000	125,000	141,396	16,396
Advances Out	(25,000)	(125,000)	(122,696)	2,304
Transfers Out	0	0	(78)	(78)
Total Other Financing Sources (Uses)	100,000	0	30,120	30,120
Net Change in Fund Balance	(716,242)	(183,233)	(42,865)	140,368
Fund Balance at Beginning of Year	2,279,683	2,279,683	2,279,683	0
Prior Year Encumbrances Appropriated	191,562	191,562	191,562	0
Fund Balance at End of Year	\$1,755,003	\$2,288,012	\$2,428,380	\$140,368

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Fund Net Assets
Proprietary Fund
June 30, 2008

	<u>Food Service</u>
<u>Assets:</u>	
<u>Current Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$292,162
Accounts Receivable	1,000
Inventory Held for Resale	3,865
Materials and Supplies Inventory	<u>1,957</u>
<i>Total Current Assets</i>	298,984
<u>Noncurrent Assets:</u>	
Capital Assets, Net	<u>1,674,004</u>
<i>Total Assets</i>	<u>1,972,988</u>
<u>Liabilities:</u>	
<u>Current Liabilities:</u>	
Accrued Wages and Benefits	94,784
Compensated Absences Payable	577
Intergovernmental Payable	<u>49,722</u>
<i>Total Current Liabilities</i>	145,083
<u>Long-term Liabilities:</u>	
Compensated Absences Payable	<u>22,767</u>
<i>Total Liabilities</i>	<u>167,850</u>
<u>Net Assets:</u>	
Invested in Capital Assets	1,674,004
Unrestricted	<u>131,134</u>
<i>Total Net Assets</i>	<u><u>\$1,805,138</u></u>

See accompanying notes to the basic financial statements

Western Brown Local School District
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2008*

	Food Service
<u>Operating Revenues:</u>	
Sales	\$642,333
Miscellaneous	22,065
	664,398
<i>Total Operating Revenues</i>	<i>664,398</i>
<u>Operating Expenses:</u>	
Salaries	409,578
Fringe Benefits	311,497
Purchased Services	12,829
Materials and Supplies	86,200
Cost of Sales	626,796
Depreciation	119,597
	1,566,497
<i>Total Operating Expenses</i>	<i>1,566,497</i>
<i>Operating Loss</i>	<i>(902,099)</i>
<u>Non-Operating Revenues:</u>	
Donated Commodities	100,586
Operating Grants	681,106
Interest	8,116
	789,808
<i>Total Non-Operating Revenues</i>	<i>789,808</i>
<i>Change in Net Assets</i>	<i>(112,291)</i>
<i>Net Assets at Beginning of Year</i>	<i>1,917,429</i>
<i>Net Assets at End of Year</i>	<i>\$1,805,138</i>

See accompanying notes to the basic financial statements

Western Brown Local School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2008

	Food Service
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Customers	\$641,333
Cash Received from Others	23,251
Cash Payments for Employee Benefits	(305,532)
Cash Payments to Employees for Services	(403,832)
Cash Payments to Suppliers for Goods and Services	(618,996)
<i>Net Cash Used for Operating Activities</i>	(663,776)
Cash Flows from Noncapital Financing Activities	
Operating Grants Received	757,236
Cash Flows from Investing Activities	
Interest	8,116
<i>Net Increase in Cash and Cash Equivalents</i>	101,576
<i>Cash and Cash Equivalents at Beginning of Year</i>	190,586
<i>Cash and Cash Equivalents at End of Year</i>	\$292,162
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	(\$902,099)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	119,597
Donated Commodities Received During Year	100,586
(Increase) Decrease In Assets	
Inventory Held for Resale	5,880
Materials and Supplies Inventory	363
Accounts Receivable	186
Increase (Decrease) in Liabilities	
Accrued Wages and Benefits	10,397
Compensated Absences Payable	2,141
Intergovernmental Payable	(827)
Total Adjustments	238,323
<i>Net Cash Used for Operating Activities</i>	(\$663,776)

Non-Cash Transactions

During fiscal year 2008, the Food Service Enterprise Fund received \$100,586 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, 2008

	Private Purpose Trust	Agency
	Scholarship	
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$21,317	\$107,906
<u>Liabilities:</u>		
Undistributed Monies	0	\$107,906
<u>Net Assets:</u>		
Held in Trust for Scholarships	21,317	
<i>Total Net Assets</i>	\$21,317	

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, 2008

	Private Purpose Trust
	Scholarship
<u>Additions:</u>	
Contributions and Donations	\$11,724
Interest	275
	11,999
<u>Deductions:</u>	
Scholarships Awarded	9,600
	2,399
<i>Change in Net Assets</i>	2,399
<i>Net Assets at Beginning of Year</i>	18,918
<i>Net Assets at End of Year</i>	\$21,317

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, 2008

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 121 non-certificated, 184 teaching and 30 administrative employees providing education to 3,356 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 (SCOCA), the Unified Purchasing Cooperative of the Ohio River Valley (UPC), the Southern Hills Joint Vocational School District, the Brown County Schools Benefits Consortium, and the Ohio School Boards Association Workers’ Compensation Group Rating Plan. These organizations are presented in Notes 17, 18 and 19 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The 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, 2008

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. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. 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 are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

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

Western Brown Construction Project Capital Projects Fund – The Western Brown Construction Project Capital Projects Fund is used to account for all debt proceeds and interest received and expended in connection with the contracts entered into by the School District and the Ohio School Facilities Commission for the building and equipping of the new and remodeled classroom facilities.

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, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund

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

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

Fiduciary Funds

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

C. Measurement Focus

Government-wide Financial Statements

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

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2008 but which were levied to finance fiscal year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. Cash and Cash Equivalents

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

During fiscal year 2008, the School District's investments were limited to certificates of deposit, money market mutual funds and funds invested in the State Treasury Asset Reserve of Ohio (STAROhio). Investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2008.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2008 amounted to \$210,415, which includes \$105,117 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 presented on the financial statements as cash and cash equivalents.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent amounts required by Statute to be set aside by the School District to purchase textbooks and unexpended grants restricted for the purchase of buses (see Note 20).

G. Fund Balance Reserves

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute for fiscal year 2008.

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008, 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.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets

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

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 one thousand dollars. 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 are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

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

K. 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Accrued Liabilities and Long-term Obligations

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

M. Net Assets

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

N. Extraordinary Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. During fiscal year 2008, the School District received an insurance settlement resulting from improper installation of the Middle School HVAC system. This amount is recorded as an extraordinary item.

O. Operating Revenues and Expenses

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Internal Activity

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

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

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

Q. Estimates

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

R. Budgetary Process

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, 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 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.

The certificate of estimated resources may be amended during the 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 was in effect at the time the final appropriations were passed.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 3 – RESTATEMENT OF FUND BALANCE

In fiscal year 2008, the School District reclassified its Telecommunications Act Grant special revenue fund to the General Fund. This fund reclassification had the following effect on fund balance as of June 30, 2007:

	General Fund	Other Governmental Funds
Fund Balance, June 30, 2007	\$742,912	\$1,064,256
Fund Reclassification	42,206	(42,206)
Fund Balance, June 30, 2007, as restated	\$785,118	\$1,022,050

NOTE 4 - ACCOUNTABILITY

At June 30, 2008, the Ohio Reads, Alternative School, and Title VI-B nonmajor special revenue funds had deficit fund balances of \$127, \$10,528, and \$451, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

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

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$182,522
Adjustments:	
Revenue Accruals	266,724
Expenditure Accruals	(213,673)
Encumbrances	(295,531)
Advances	18,700
Unrecorded Cash	(1,607)
Budget Basis	<u><u>(\$42,865)</u></u>

NOTE 6 – DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$1,180,353 of the School District's bank balance of \$2,508,126 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

Investments

As of June 30, 2008, the School District had the following investments, which are in an internal investment pool:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>
STAROhio	\$1,959,236	Average 53.8 Days
Goldman Sachs Financial Square Government Fund	<u>2,929,481</u>	Average 45 Days
Total Investments	<u><u>\$4,888,717</u></u>	

Interest Rate Risk

The School District has no investment policy that addresses interest rate risk. 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.

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

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

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

NOTE 7 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007, and are collected in 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2008 (other than public utility property tax) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out. The assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

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

NOTE 7 - PROPERTY TAXES (Continued)

The School District receives property taxes from Brown County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2008 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 were 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.

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 amount available as an advance at June 30, 2008, was \$878,313 in the General Fund, \$109,789 in the Debt Service Fund and \$17,543 in the Other Governmental Funds. The amount available as an advance at June 30, 2007, was \$1,132,514 in the General Fund, \$141,564 in the Debt Service Fund and \$22,610 in the Other Governmental Funds.

The assessed values upon which fiscal year 2008 taxes were collected are:

	2007 Second- Half Collections		2008 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$225,537,190	94.77%	\$226,267,400	95.81%
Public Utility Personal	8,252,990	3.47%	7,245,790	3.07%
General Business Personal	4,198,610	1.76%	2,655,650	1.12%
Total Assessed Value	<u>\$237,988,790</u>	<u>100.00%</u>	<u>\$236,168,840</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$23.00		\$23.00	

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

NOTE 8 - RECEIVABLES

Receivables at June 30, 2008, consisted of property taxes, accounts, intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables will be received within one year except for 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>	
Ohio Reads	\$28,202
Miscellaneous State Grants	2,000
Title VI-B - Special Education IDEA Grant	65,978
Title I - Targeted Assistance Grant	136,034
Title VI Grant	6,422
Drug Free Schools Grant	3,830
Reducing Class Size Grant	25,152
Title II-D Grant	1,923
Tuition	22,563
Total Intergovernmental Receivables	<u><u>\$292,104</u></u>

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

NOTE 9 - CAPITAL ASSETS

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

	Balance 6/30/07	Additions	Deductions	Balance 6/30/08
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$2,515,954	\$0	\$0	\$2,515,954
Capital Assets, Being Depreciated:				
Buildings and Improvements	62,521,548	29,505	0	62,551,053
Furniture and Equipment	6,958,513	114,846	0	7,073,359
Vehicles	2,432,013	2,585	0	2,434,598
Total Capital Assets, Being Depreciated	<u>71,912,074</u>	<u>146,936</u>	<u>0</u>	<u>72,059,010</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(14,390,882)	(1,635,308)	0	(16,026,190)
Furniture and Equipment	(4,932,991)	(338,260)	0	(5,271,251)
Vehicles	(1,785,354)	(158,629)	0	(1,943,983)
Total Accumulated Depreciation	<u>(21,109,227)</u>	<u>(2,132,197) *</u>	<u>0</u>	<u>(23,241,424)</u>
Total Capital Assets, Being Depreciated, Net	<u>50,802,847</u>	<u>(1,985,261)</u>	<u>0</u>	<u>48,817,586</u>
Governmental Activities Capital Assets, Net	<u><u>\$53,318,801</u></u>	<u><u>(\$1,985,261)</u></u>	<u><u>\$0</u></u>	<u><u>\$51,333,540</u></u>
	Balance 6/30/07	Additions	Deductions	Balance 6/30/08
<u>Business-Type Activity:</u>				
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$1,422,497	\$0	\$0	\$1,422,497
Furniture and Equipment	1,254,994	0	0	1,254,994
Total Capital Assets, Being Depreciated	<u>2,677,491</u>	<u>0</u>	<u>0</u>	<u>2,677,491</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(342,391)	(37,334)	0	(379,725)
Furniture and Equipment	(541,499)	(82,263)	0	(623,762)
Total Accumulated Depreciation	<u>(883,890)</u>	<u>(119,597)</u>	<u>0</u>	<u>(1,003,487)</u>
Business-Type Activity Capital Assets, Net	<u><u>\$1,793,601</u></u>	<u><u>(\$119,597)</u></u>	<u><u>\$0</u></u>	<u><u>\$1,674,004</u></u>

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

NOTE 9 - CAPITAL ASSETS (Continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,320,289
Special	94,148
Vocational	32,045
Support Services:	
Pupils	60,713
Instructional Staff	8,297
Administration	270,283
Fiscal	13,085
Operation and Maintenance of Plant	32,626
Pupil Transportation	166,224
Central	7,667
Extracurricular Activities	126,820
Total Depreciation Expense	<u><u>\$2,132,197</u></u>

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2008, the School District contracted with Netherlands Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and a \$2,000,000 aggregate. The School District contracts with Midwestern Indemnity Company for commercial umbrella liability insurance with a \$3,000,000 single occurrence and aggregate limit. Property is protected by the Netherlands Insurance Company and holds a \$5,000 deductible. The School District's vehicles are covered by the Consolidated Insurance Company under a business policy and hold a \$100 deductible for comprehensive and a \$500 deductible for collision with a \$1,000,000 limit on any accident. School Board errors and omissions coverage is provided by Netherlands Insurance Company and has a \$1,000,000 limit. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 10 - RISK MANAGEMENT (Continued)

B. Workers' Compensation

For fiscal year 2008, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

C. Employee Medical

The School District participates in the Brown County Schools Benefits Consortium (the Consortium), a public entity shared risk and insurance purchasing pool (Note 18) consisting of nine districts. The Consortium has elected to have Humana provide medical coverage purchased as a group through the Consortium. Dental coverage is being provided through a shared risk pool based on member district's 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. The Consortium is responsible for the management and operations of the program. Upon termination from the Consortium, for any reason, the terminated member assumes and is responsible for the payment of any delinquent contributions relating to the medical insurance and all claims related to dental of its employees from the date of termination, regardless of the date such claims were incurred.

NOTE 11 – DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District’s required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$295,151, \$361,437 and \$313,416 respectively; 40.69 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

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

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

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

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$1,473,444, \$1,436,374, and \$1,423,619 respectively; 82.86 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$6,973 made by the School District and \$26,404 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2008, one member of the Board of Education has elected Social Security. The contribution rate is 6.2 percent of wages.

NOTE 12 – POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$35,800.

NOTE 12 – POSTEMPLOYMENT BENEFITS (Continued)

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, 2008, 2007, and 2006 were \$134,687, \$144,575, and \$114,158 respectively; 40.69 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$21,266, \$24,578, and \$24,945 respectively; 40.69 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$113,342, \$110,490, and \$105,551 respectively; 82.86 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

NOTE 13 - EMPLOYEE BENEFITS

A. Compensated Absences

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

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

NOTE 13 - EMPLOYEE BENEFITS (Continued)

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. 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' unused sick leave credit and one-fourth of teachers' and classified employees' accumulated, but unused sick leave credit.

B. Insurance Benefits

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

NOTE 14 - CAPITALIZED LEASES - 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 Rickenbacker Port Authority. Rickenbacker Port Authority will retain title to the project during the lease term. Rickenbacker Port Authority has assigned National City Bank as trustee. The School District makes semi-annual lease payments to National City Bank. Interest rates are based on a calculation of the TBMA Index. The lease is renewable annually and expires in fiscal year 2020. The intention of the School District is to renew the lease annually.

In fiscal year 2008, the School District made the fourth scheduled principal payment of \$32,000.

The asset acquired through the capital leases is as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Administration Building	\$991,436	\$198,287	\$793,149

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

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

NOTE 14 - CAPITALIZED LEASES - LESSEE DISCLOSURE (Continued)

Fiscal Year Ending June 30,	Total Payments
2009	\$44,306
2010	45,415
2011	45,484
2012	45,528
2013	46,533
2014-2018	241,116
2019-2020	48,629
Total	517,011
Less: Amount Representing Interest	(69,011)
Present Value of Minimum Lease Payments	\$448,000

NOTE 15 - LONG-TERM LIABILITIES

The changes in the School District's long-term liabilities during fiscal year 2008 were as follows:

	Amount Outstanding 6/30/07	Additions	Deductions	Amount Outstanding 6/30/08	Amounts Due in One Year
<u>Governmental Activities:</u>					
School Improvement					
Bonds 1998 5.01%	\$5,560,000	\$0	\$240,000	\$5,320,000	\$255,000
Compensated Absences	1,391,342	138,300	102,278	1,427,364	154,745
Capital Leases	480,000	0	32,000	448,000	33,000
Total General					
Long-Term Liabilities	\$7,431,342	\$138,300	\$374,278	\$7,195,364	\$442,745
<u>Business-Type Activities:</u>					
Compensated Absences	\$21,203	\$5,455	\$3,314	\$23,344	\$577

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 twenty-three year period with final maturity in December 2020. These bonds are being paid from the Debt Service Fund.

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

NOTE 15 - LONG-TERM LIABILITIES (Continued)

Compensated absences will be paid from the General, Ohio Reads, Alternative School, Title VI-B, Title I, Title VI, Drug Free Grant, Reducing Class Size and Food Service funds. Capital lease obligations will be paid from the General Fund.

The School District's overall legal debt margin was \$17,400,911 with an unvoted debt margin of \$232,320 at June 30, 2008.

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

School Improvement Bonds 1998

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	\$255,000	\$263,851	\$518,851
2010	270,000	251,840	521,840
2011	300,000	238,655	538,655
2012	315,000	223,333	538,333
2013	335,000	206,108	541,108
2014-2018	2,155,000	717,785	2,872,785
2019-2021	1,690,000	130,750	1,820,750
Total	<u>\$5,320,000</u>	<u>\$2,032,322</u>	<u>\$7,352,322</u>

NOTE 16 - INTERFUND ACTIVITY

Transfers made during the fiscal year ended June 30, 2008, were as follows:

Transfer To	Transfer From		
Other Governmental Funds	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">General</td> </tr> <tr> <td style="text-align: center;"><u>\$78</u></td> </tr> </table>	General	<u>\$78</u>
General			
<u>\$78</u>			

Transfers were made to cover expenditures in the Title VI-B nonmajor special revenue fund.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

A. South Central Ohio Computer Association

The School District is a participant in the South Central Ohio Computer Association (SCOCA), which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Adams, Brown, Gallia, Highland, Pickaway, Pike, Ross, Scioto, Vinton, Jackson and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, plus a representative of the fiscal agent. The School District paid SCOCA \$154,649 for services provided during the fiscal year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, P.O. Box 577, 175 Beaver Creek Rd., Piketon, Ohio, 45661.

B. Unified Purchasing Cooperative of the Ohio River Valley

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

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

During fiscal year 2008, the School District paid \$400 to the UPC. Financial information can be obtained from Don Rabe, Treasurer, Hamilton County Educational Service Center, at 11083 Hamilton Avenue, Cincinnati, Ohio, 45231.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

C. Southern Hills Joint Vocational School District

The Southern Hills Joint Vocational School District is a distinct political subdivision of the State of Ohio, operated under the direction of a seven-member Board of Education. The Board of Education is not directly elected. It is comprised of elected board members of participating school districts who, by charter, also serve as board members of the Southern Hills Joint Vocational School District.

A board member is appointed by each local Board of Education within the Southern Hills Joint Vocational School District, including Western Brown Local School District. To obtain financial information, write to the Southern Hills Joint Vocational School District, Michael Boyd, who serves as Treasurer, at 9193 Hamer Road, Georgetown, Ohio 45121.

NOTE 18 - 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 Humana of Ohio 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 Educational Service Center's claims are low, it will not receive a refund. Dental coverage is administered through a third party administrator, Dental Care Plus. Participating member districts pay an administrative fee to the fiscal agent to cover the costs associated with the administering of the Consortium. To obtain financial information write to the Brown County Educational Service Center at 325 West State St., Georgetown, Ohio 45121.

*Western Brown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

NOTE 19 - INSURANCE PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan

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

NOTE 20 - SET-ASIDE CALCULATIONS

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

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

	Textbooks	Capital Acquisition
Set-aside Reserve Balance as of June 30, 2007	\$319,466	\$0
Current Fiscal Year Set-Aside Requirement	513,746	513,746
Current Fiscal Year Offsets	0	(266,816)
Qualifying Disbursements	(198,854)	(246,930)
Totals	\$634,358	\$0
Set-aside Reserve Balance as of June 30, 2008	\$634,358	\$0
Required Set-aside Balances Carried Forward to FY 2009	\$634,358	\$0

NOTE 21 - CONTINGENCIES

A. Grants

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

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

NOTE 21 – CONTINGENCIES (Continued)

B. Litigation

The School District is not party to any legal proceedings.

NOTE 22 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2008, the School District has implemented GASB Statement No. 45, “*Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other than Pension Plans*”, GASB Statement No. 48, “*Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*”, and GASB Statement No. 50, “*Pension Disclosures*”.

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees’ years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for both the SERS and the STRS post-employment healthcare plans in the amount of \$89,398 and \$18,684, respectively, which are the same as the previously reported liabilities.

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

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

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

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

PROFESSIONAL DEVELOPMENT - This fund accounts for the revenues and expenditures associated with a limited number of professional development subsidy grants.

(continued)

Western Brown Local School District

Nonmajor Fund Descriptions

Nonmajor Special Revenue Funds (Continued)

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

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

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

MISCELLANEOUS STATE GRANTS - This fund accounts for various monies received from State agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

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

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

TITLE VI - This fund accounts for federal funds used to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; and programs to enhance personal excellence of students and student achievement.

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

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

MISCELLANEOUS FEDERAL GRANTS - This fund accounts for the proceeds of specific federal grants that are legally restricted to expenditures for specific purposes.

Western Brown Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

	Memorial Fund	Uniform School Supplies	Public School Support	Other Grant
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,302	\$79,000	\$69,019	\$36,249
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	5,309	0
Intergovernmental	0	0	0	0
<i>Total Assets</i>	<u>\$1,302</u>	<u>\$79,000</u>	<u>\$74,328</u>	<u>\$36,249</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accrued Wages and Benefits	\$0	\$0	\$0	\$0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	124	4,113	7,349
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	1,302	78,876	70,215	28,900
<i>Total Fund Balances (Deficit)</i>	<u>1,302</u>	<u>79,000</u>	<u>74,328</u>	<u>36,249</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,302</u>	<u>\$79,000</u>	<u>\$74,328</u>	<u>\$36,249</u>

(continued)

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

	Classroom Facility Maintenance	District Managed Activity	Educational Management Information Systems	Ohio Reads
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$824,171	\$33,443	\$5,050	\$4,601
Receivables:				
Taxes	94,420	0	0	0
Accounts	0	1,015	0	0
Intergovernmental	0	0	0	28,202
Total Assets	\$918,591	\$34,458	\$5,050	\$32,803
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accrued Wages and Benefits	\$2,167	\$0	\$2,123	\$19,515
Intergovernmental Payable	4,298	0	380	2,514
Deferred Revenue	76,877	0	0	10,901
Total Liabilities	83,342	0	2,503	32,930
<u>Fund Balances:</u>				
Reserved for Encumbrances	56,483	12,706	0	0
Reserved for Property Taxes	17,543	0	0	0
Unreserved, Undesignated (Deficit)	761,223	21,752	2,547	(127)
Total Fund Balances (Deficit)	835,249	34,458	2,547	(127)
Total Liabilities and Fund Balances	\$918,591	\$34,458	\$5,050	\$32,803

Alternative School	Poverty Based Assistance	Miscellaneous State Grants	Title VI-B	Title I	Title VI
\$0	\$37,338	\$8,515	\$0	\$10,561	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	2,000	65,978	136,034	6,422
<u>\$0</u>	<u>\$37,338</u>	<u>\$10,515</u>	<u>\$65,978</u>	<u>\$146,595</u>	<u>\$6,422</u>
\$10,317	\$0	\$0	\$43,580	\$74,192	\$0
211	204	0	7,834	10,166	0
0	0	0	15,015	54,482	6,422
<u>10,528</u>	<u>204</u>	<u>0</u>	<u>66,429</u>	<u>138,840</u>	<u>6,422</u>
0	0	0	0	6,754	0
0	0	0	0	0	0
(10,528)	37,134	10,515	(451)	1,001	0
<u>(10,528)</u>	<u>37,134</u>	<u>10,515</u>	<u>(451)</u>	<u>7,755</u>	<u>0</u>
<u>\$0</u>	<u>\$37,338</u>	<u>\$10,515</u>	<u>\$65,978</u>	<u>\$146,595</u>	<u>\$6,422</u>

(continued)

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

	Drug Free Grant	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$3,714	\$709	\$0	\$1,113,672
Receivables:				
Taxes	0	0		94,420
Accounts	0	0		6,324
Intergovernmental	3,830	25,152	1,923	269,541
<i>Total Assets</i>	<u>\$7,544</u>	<u>\$25,861</u>	<u>\$1,923</u>	<u>\$1,483,957</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accrued Wages and Benefits	\$0	\$19,934	\$0	\$171,828
Intergovernmental Payable	0	2,940	0	28,547
Deferred Revenue	3,830	2,728	1,923	172,178
<i>Total Liabilities</i>	<u>3,830</u>	<u>25,602</u>	<u>1,923</u>	<u>372,553</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	0	0	87,529
Reserved for Property Taxes	0	0	0	17,543
Unreserved, Undesignated (Deficit)	3,714	259	0	1,006,332
<i>Total Fund Balances (Deficit)</i>	<u>3,714</u>	<u>259</u>	<u>0</u>	<u>1,111,404</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,544</u>	<u>\$25,861</u>	<u>\$1,923</u>	<u>\$1,483,957</u>

Western Brown Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2008

	Memorial Fund	Uniform School Supplies	Public School Support	Other Grant	Classroom Facility Maintenance
<u>Revenues:</u>					
Taxes	\$0	\$0	\$0	\$0	\$82,752
Intergovernmental	0	0	0	24,461	138,207
Tuition and Fees	0	81,000	0	0	0
Extracurricular Activities	0	0	0	0	0
Contributions and Donations	0	0	8,448	4,416	0
Miscellaneous	0	0	110,678	0	0
<i>Total Revenues</i>	<u>0</u>	<u>81,000</u>	<u>119,126</u>	<u>28,877</u>	<u>220,959</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	0	159,767	63,597	14,786	4,503
Special	0	0	0	0	0
Student Intervention Services	0	0	0	0	0
Support Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	0	45,460	0	0
Administration	0	0	0	0	0
Fiscal	0	0	0	0	3,051
Operation and Maintenance of Plant	0	0	0	0	97,212
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	3,196	0
Extracurricular Activities	0	0	23,232	0	0
Capital Outlay	0	0	0	0	13,495
<i>Total Expenditures</i>	<u>0</u>	<u>159,767</u>	<u>132,289</u>	<u>17,982</u>	<u>118,261</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(78,767)	(13,163)	10,895	102,698
<u>Other Financing Sources:</u>					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	0	(78,767)	(13,163)	10,895	102,698
<i>Fund Balances (Deficit) at Beginning of Year</i>	1,302	157,767	87,491	25,354	732,551
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,302</u>	<u>\$79,000</u>	<u>\$74,328</u>	<u>\$36,249</u>	<u>\$835,249</u>

(continued)

Western Brown Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2008
(continued)

	District Managed Activity	Educational Management Information Systems	OneNet	Professional Development	Ohio Reads
<u>Revenues:</u>					
Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental	0	11,566	12,000	3,612	139,099
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	147,101	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	556	0	0	0	0
<i>Total Revenues</i>	<u>147,657</u>	<u>11,566</u>	<u>12,000</u>	<u>3,612</u>	<u>139,099</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	0	0	0	3,612	7,273
Special	0	0	0	0	0
Student Intervention Services	0	0	0	0	0
Support Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	0	0	0	134,072
Administration	0	18,017	0	0	0
Fiscal	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Central	0	0	12,000	0	0
Operation of Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	138,397	0	0	0	0
Capital Outlay	0	0	0	0	0
<i>Total Expenditures</i>	<u>138,397</u>	<u>18,017</u>	<u>12,000</u>	<u>3,612</u>	<u>141,345</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	9,260	(6,451)	0	0	(2,246)
<u>Other Financing Sources:</u>					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	9,260	(6,451)	0	0	(2,246)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>25,198</u>	<u>8,998</u>	<u>0</u>	<u>0</u>	<u>2,119</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$34,458</u>	<u>\$2,547</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$127)</u>

Alternative School	Poverty Based Assistance	Miscellaneous State Grants	Title VI-B	Title I
\$0	\$0	\$0	\$0	\$0
56,790	39,589	29,531	733,395	631,638
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
56,790	39,589	29,531	733,395	631,638
61,270	0	25,244	0	7,891
0	0	0	373,209	525,939
0	19,351	0	0	6,979
0	0	0	250,982	0
0	0	18,885	2,730	0
4,132	0	0	93,449	36,622
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
65,402	19,351	44,129	720,370	577,431
(8,612)	20,238	(14,598)	13,025	54,207
0	0	0	78	0
(8,612)	20,238	(14,598)	13,103	54,207
(1,916)	16,896	25,113	(13,554)	(46,452)
(\$10,528)	\$37,134	\$10,515	(\$451)	\$7,755

(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, 2008
(continued)

	Title VI	Drug Free Grant	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<u>Revenues:</u>					
Taxes	\$0	\$0	\$0	\$0	\$82,752
Intergovernmental	2,765	9,081	148,316	3,191	1,983,241
Tuition and Fees	0	0	0	0	81,000
Extracurricular Activities	0	0	0	0	147,101
Contributions and Donations	0	0	0	0	12,864
Miscellaneous	0	0	0	0	111,234
<i>Total Revenues</i>	<u>2,765</u>	<u>9,081</u>	<u>148,316</u>	<u>3,191</u>	<u>2,418,192</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	3,040	0	143,265	3,191	497,439
Special	0	0	0	0	899,148
Student Intervention Services	0	0	0	0	26,330
Support Services:					
Pupils	0	0	0	0	250,982
Instructional Staff	0	0	0	0	201,147
Administration	194	5,413	5,460	0	163,287
Fiscal	0	0	0	0	3,051
Operation and Maintenance of Plant	0	0	0	0	97,212
Central	0	0	0	0	12,000
Operation of Non-Instructional Services	0	0	0	0	3,196
Extracurricular Activities	0	0	0	0	161,629
Capital Outlay	0	0	0	0	13,495
<i>Total Expenditures</i>	<u>3,234</u>	<u>5,413</u>	<u>148,725</u>	<u>3,191</u>	<u>2,328,916</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(469)	3,668	(409)	0	89,276
<u>Other Financing Sources:</u>					
Transfers In	0	0	0	0	78
<i>Net Change in Fund Balances</i>	(469)	3,668	(409)	0	89,354
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>469</u>	<u>46</u>	<u>668</u>	<u>0</u>	<u>1,022,050</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$0</u>	<u>\$3,714</u>	<u>\$259</u>	<u>\$0</u>	<u>\$1,111,404</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, 2008

	<u>Balance at</u> <u>6/30/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>6/30/08</u>
<u>STUDENT MANAGED ACTIVITY</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	<u>\$92,459</u>	<u>\$185,408</u>	<u>\$169,961</u>	<u>\$107,906</u>
<u>Liabilities:</u>				
Undistributed Monies	<u>\$92,459</u>	<u>\$185,408</u>	<u>\$169,961</u>	<u>\$107,906</u>

Western Brown Local School District

Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balance – 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 Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Taxes	\$4,762,183	\$5,029,062	\$4,343,450	(\$685,612)
Intergovernmental	17,849,915	18,628,206	19,267,679	639,473
Interest	199,749	208,615	215,614	6,999
Tuition and Fees	1,104,633	1,152,275	1,192,371	40,096
Rent	13,381	13,038	14,444	1,406
Contributions and Donations	1,621	966	1,750	784
Miscellaneous	36,245	28,974	39,123	10,149
<i>Total Revenues</i>	<u>23,967,727</u>	<u>25,061,136</u>	<u>25,074,431</u>	<u>13,295</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	8,068,006	7,953,109	7,777,887	175,222
Fringe Benefits	2,895,161	2,895,161	2,830,097	65,064
Purchased Services	145,000	145,840	116,453	29,387
Materials and Supplies	332,675	331,835	223,873	107,962
Capital Outlay - New	20,000	75,000	65,897	9,103
Total Regular	<u>11,460,842</u>	<u>11,400,945</u>	<u>11,014,207</u>	<u>386,738</u>
Special:				
Salaries and Wages	837,081	837,081	847,712	(10,631)
Fringe Benefits	301,776	301,776	298,705	3,071
Purchased Services	1,266,249	1,609,133	1,197,073	412,060
Materials and Supplies	1,250	2,439	2,988	(549)
Capital Outlay - New	0	5,927	5,927	0
Total Special	<u>2,406,356</u>	<u>2,756,356</u>	<u>2,352,405</u>	<u>403,951</u>
Vocational:				
Salaries and Wages	146,560	146,560	149,407	(2,847)
Fringe Benefits	42,134	42,134	58,756	(16,622)
Purchased Services	8,200	8,200	13,531	(5,331)
Materials and Supplies	30,736	30,736	40,567	(9,831)
Capital Outlay - New	0	0	5,436	(5,436)
Other	4,500	4,500	3,581	919
Total Vocational	<u>232,130</u>	<u>232,130</u>	<u>271,278</u>	<u>(39,148)</u>
Other:				
Salaries and Wages	0	42,222	11,547	30,675
Purchased Services	1,363,606	1,419,075	1,671,657	(252,582)
Materials and Supplies	0	17,206	6,768	10,438
Total Other	<u>1,363,606</u>	<u>1,478,503</u>	<u>1,689,972</u>	<u>(211,469)</u>
Total Instruction	<u>15,462,934</u>	<u>15,867,934</u>	<u>15,327,862</u>	<u>540,072</u>
Support Services:				
Pupils:				
Salaries and Wages	412,571	412,571	417,480	(4,909)
Fringe Benefits	144,617	144,617	148,389	(3,772)
Purchased Services	2,250	2,250	92,730	(90,480)
Materials and Supplies	5,700	5,700	8,361	(2,661)
Total Pupils	<u>\$565,138</u>	<u>\$565,138</u>	<u>\$666,960</u>	<u>(\$101,822)</u>

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2008
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Instructional Staff:				
Salaries and Wages	\$480,179	\$480,179	\$486,790	(\$6,611)
Fringe Benefits	298,666	298,666	309,783	(11,117)
Purchased Services	700	700	132	568
Materials and Supplies	24,393	24,393	31,463	(7,070)
Other	600	600	0	600
Total Instructional Staff	804,538	804,538	828,168	(23,630)
Board of Education:				
Salaries and Wages	10,000	10,000	7,250	2,750
Fringe Benefits	1,017	1,017	156	861
Purchased Services	5,300	5,300	4,443	857
Materials and Supplies	400	400	4,792	(4,392)
Other	6,100	6,100	1,500	4,600
Total Board of Education	22,817	22,817	18,141	4,676
Administration:				
Salaries and Wages	1,133,089	1,133,089	1,084,450	48,639
Fringe Benefits	509,845	509,845	504,095	5,750
Purchased Services	135,540	153,437	136,943	16,494
Materials and Supplies	18,750	20,978	12,460	8,518
Capital Outlay - Replacement	0	0	1,318	(1,318)
Other	29,600	64,475	56,423	8,052
Total Administration	1,826,824	1,881,824	1,795,689	86,135
Fiscal:				
Salaries and Wages	225,857	225,857	226,331	(474)
Fringe Benefits	78,340	78,340	81,141	(2,801)
Purchased Services	28,923	28,923	24,522	4,401
Materials and Supplies	8,260	8,260	6,603	1,657
Other	155,690	155,690	188,763	(33,073)
Total Fiscal	497,070	497,070	527,360	(30,290)
Operation and Maintenance of Plant:				
Salaries and Wages	1,002,021	1,002,021	1,009,017	(6,996)
Fringe Benefits	556,349	556,349	513,852	42,497
Purchased Services	1,163,934	1,163,934	1,200,951	(37,017)
Materials and Supplies	218,279	218,283	222,850	(4,567)
Other	2,200	2,596	105	2,491
Total Operation and Maintenance of Plant	2,942,783	2,943,183	2,946,775	(3,592)
Pupil Transportation:				
Salaries and Wages	972,914	972,914	890,101	82,813
Fringe Benefits	572,724	572,724	526,522	46,202
Purchased Services	220,288	220,288	269,234	(48,946)
Materials and Supplies	444,841	444,841	518,697	(73,856)
Capital Outlay - New	0	0	4,385	(4,385)
Other	600	600	405	195
Total Pupil Transportation	\$2,211,367	\$2,211,367	\$2,209,344	\$2,023

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2008
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and Wages	\$45,256	\$45,256	\$45,730	(\$474)
Fringe Benefits	11,907	11,907	12,022	(115)
Purchased Services	51,414	51,414	73,091	(21,677)
Materials and Supplies	37,447	37,447	25,610	11,837
Capital Outlay - New	5,000	5,000	14,852	(9,852)
Other	120,000	120,000	116,854	3,146
Total Central	271,024	271,024	288,159	(17,135)
Total Support Services	9,141,561	9,196,961	9,280,596	(83,635)
Operation of Non-Instructional Services:				
Food Service Operations:				
Materials and Supplies	0	0	369	(369)
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	0	0	70,419	(70,419)
Fringe Benefits	11,925	11,925	11,846	79
Purchased Services	5,078	5,078	5,804	(726)
Materials and Supplies	4,000	4,000	328	3,672
Total Academic and Subject Oriented Activities	21,003	21,003	88,397	(67,394)
Sports Oriented Activities:				
Salaries and Wages	0	0	267,069	(267,069)
Fringe Benefits	48,855	48,855	50,935	(2,080)
Purchased Services	25,587	25,587	30,376	(4,789)
Materials and Supplies	7,054	7,054	3,909	3,145
Total Sports Oriented Activities	81,496	81,496	352,289	(270,793)
Total Extracurricular Activities	102,499	102,499	440,686	(338,187)
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Purchased Services	0	0	24,740	(24,740)
Site Improvement Services:				
Capital Outlay - New	19,975	19,975	8,950	11,025
Capital Outlay - Replacement	0	0	12,978	(12,978)
Total Site Improvement Services	19,975	19,975	21,928	(1,953)
Total Capital Outlay	\$19,975	\$19,975	\$46,668	(\$26,693)

(continued)

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2008
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service:				
Principal Retirement	\$32,000	\$32,000	\$32,000	\$0
Interest and Fiscal Charges	25,000	25,000	19,235	5,765
Total Debt Service	57,000	57,000	51,235	5,765
<i>Total Expenditures</i>	24,783,969	25,244,369	25,147,416	96,953
Excess of Revenues Over (Under) Expenditures	(816,242)	(183,233)	(72,985)	110,248
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	0	0	11,498	11,498
Advances In	125,000	125,000	141,396	16,396
Advances Out	(25,000)	(125,000)	(122,696)	2,304
Transfers Out	0	0	(78)	(78)
<i>Total Other Financing Sources (Uses)</i>	100,000	0	30,120	30,120
Net Change in Fund Balance	(716,242)	(183,233)	(42,865)	140,368
Fund Balance at Beginning of Year	2,279,683	2,279,683	2,279,683	0
Prior Year Encumbrances Appropriated	191,562	191,562	191,562	0
Fund Balance at End of Year	\$1,755,003	\$2,288,012	\$2,428,380	\$140,368

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, 2008

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$614,000	\$614,000	\$542,920	(\$71,080)
Intergovernmental	0	0	72,386	72,386
<i>Total Revenues</i>	<u>614,000</u>	<u>614,000</u>	<u>615,306</u>	<u>1,306</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	<u>22,550</u>	<u>19,350</u>	<u>18,251</u>	<u>1,099</u>
Debt Service:				
Principal Retirement	240,000	240,000	240,000	0
Interest and Fiscal Charges	<u>275,053</u>	<u>275,053</u>	<u>275,053</u>	<u>0</u>
Total Debt Service	<u>515,053</u>	<u>515,053</u>	<u>515,053</u>	<u>0</u>
<i>Total Expenditures</i>	<u>537,603</u>	<u>534,403</u>	<u>533,304</u>	<u>1,099</u>
Excess of Revenues Over Expenditures	76,397	79,597	82,002	2,405
<u>Other Financing Uses:</u>				
Refund of Prior Year Expenditures	<u>0</u>	<u>(26,138)</u>	<u>(26,138)</u>	<u>0</u>
Net Change in Fund Balance	76,397	53,459	55,864	2,405
Fund Balance at Beginning of Year	<u>1,646,445</u>	<u>1,646,445</u>	<u>1,646,445</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,722,842</u></u>	<u><u>\$1,699,904</u></u>	<u><u>\$1,702,309</u></u>	<u><u>\$2,405</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Western Brown Construction Project
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Interest	\$25,000	\$22,700	\$22,725	\$25
Miscellaneous	0	500,000	500,000	0
<i>Total Revenues</i>	25,000	522,700	522,725	25
<u>Other Financing Uses:</u>				
Transfers Out	(\$744,152)	(\$744,152)	\$0	\$744,152
Net Change in Fund Balance	(719,152)	(221,452)	522,725	744,177
Fund Balance at Beginning of Year	719,152	719,152	719,152	0
Fund Balance at End of Year	\$0	\$497,700	\$1,241,877	\$744,177

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Memorial Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Contributions and Donations	\$4,400	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Other	13,872	1,302	0	1,302
Net Change in Fund Balance	(9,472)	(1,302)	0	1,302
Fund Balance at Beginning of Year	1,302	1,302	1,302	0
Fund Balance at End of Year	(\$8,170)	\$0	\$1,302	\$1,302

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Tuition and Fees	\$90,000	\$80,000	\$81,000	\$1,000
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	161,970	161,970	160,817	1,153
Net Change in Fund Balance	(71,970)	(81,970)	(79,817)	2,153
Fund Balance at Beginning of Year	146,721	146,721	146,721	0
Prior Year Encumbrances Appropriated	11,970	11,970	11,970	0
Fund Balance at End of Year	<u>\$86,721</u>	<u>\$76,721</u>	<u>\$78,874</u>	<u>\$2,153</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Extracurricular Activities	\$90,033	\$78,600	\$96,471	\$17,871
Contributions and Donations	7,884	7,900	8,448	548
Miscellaneous	11,783	13,700	12,626	(1,074)
<i>Total Revenues</i>	<u>109,700</u>	<u>100,200</u>	<u>117,545</u>	<u>17,345</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	15,033	15,033	16,280	(1,247)
Materials and Supplies	47,466	47,466	44,439	3,027
Capital Outlay - New	0	366	3,049	(2,683)
Other	5,324	5,958	3,943	2,015
Total Instruction	<u>67,823</u>	<u>68,823</u>	<u>67,711</u>	<u>1,112</u>
Support Services:				
Instructional Staff:				
Materials and Supplies	53,153	54,653	45,460	9,193
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	0	0	44	(44)
Other	11,500	15,000	23,006	(8,006)
Total Academic and Subject Oriented Activities	<u>11,500</u>	<u>15,000</u>	<u>23,050</u>	<u>(8,050)</u>
Sports Oriented Activities:				
Materials and Supplies	1,000	1,000	182	818
Total Extracurricular Activities	<u>12,500</u>	<u>16,000</u>	<u>23,232</u>	<u>(7,232)</u>
<i>Total Expenditures</i>	<u>133,476</u>	<u>139,476</u>	<u>136,403</u>	<u>3,073</u>
Net Change in Fund Balance	(23,776)	(39,276)	(18,858)	20,418
Fund Balance at Beginning of Year	71,437	71,437	71,437	0
Prior Year Encumbrances Appropriated	12,326	12,326	12,326	0
Fund Balance at End of Year	<u>\$59,987</u>	<u>\$44,487</u>	<u>\$64,905</u>	<u>\$20,418</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, 2008

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$4,517	\$11,367	\$24,461	\$13,094
Contributions and Donations	816	4,000	4,416	416
<i>Total Revenues</i>	<u>5,333</u>	<u>15,367</u>	<u>28,877</u>	<u>13,510</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	2,713	2,713	2,734	(21)
Materials and Supplies	16,549	16,550	19,639	(3,089)
Total Instruction	19,262	19,263	22,373	(3,110)
Support Services:				
Pupils:				
Materials and Supplies	2,000	2,000	0	2,000
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	4,421	4,421	3,196	1,225
<i>Total Expenditures</i>	<u>25,683</u>	<u>25,684</u>	<u>25,569</u>	<u>115</u>
Net Change in Fund Balance	(20,350)	(10,317)	3,308	13,625
Fund Balance at Beginning of Year	24,827	24,827	24,827	0
Prior Year Encumbrances Appropriated	765	765	765	0
Fund Balance at End of Year	<u><u>\$5,242</u></u>	<u><u>\$15,275</u></u>	<u><u>\$28,900</u></u>	<u><u>\$13,625</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facility Maintenance
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$102,983	\$101,483	\$88,296	(\$13,187)
Intergovernmental	123,897	123,897	138,207	14,310
<i>Total Revenues</i>	<u>226,880</u>	<u>225,380</u>	<u>226,503</u>	<u>1,123</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	0	0	3,051	(3,051)
Operation and Maintenance of Plant:				
Salaries and Wages	62,283	62,283	62,408	(125)
Fringe Benefits	23,065	23,065	20,244	2,821
Purchased Services	408,912	408,912	8,092	400,820
Total Operation and Maintenance of Plant	<u>494,260</u>	<u>494,260</u>	<u>90,744</u>	<u>403,516</u>
Total Support Services	494,260	494,260	93,795	400,465
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Capital Outlay - New	0	0	69,978	(69,978)
<i>Total Expenditures</i>	<u>494,260</u>	<u>494,260</u>	<u>163,773</u>	<u>330,487</u>
Excess of Revenues Over (Under) Expenditures	(267,380)	(268,880)	62,730	331,610
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	0	0	(4,740)	(4,740)
Net Change in Fund Balance	(267,380)	(268,880)	57,990	326,870
Fund Balance at Beginning of Year	700,788	700,788	700,788	0
Prior Year Encumbrances Appropriated	8,912	8,912	8,912	0
Fund Balance at End of Year	<u>\$442,320</u>	<u>\$440,820</u>	<u>\$767,690</u>	<u>\$326,870</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Activity
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Extracurricular Activities	\$104,060	\$144,060	\$146,086	\$2,026
Contributions and Donations	0	0	556	556
<i>Total Revenues</i>	<u>104,060</u>	<u>144,060</u>	<u>146,642</u>	<u>2,582</u>
<u>Expenditures:</u>				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Purchased Services	59,495	97,495	70,315	27,180
Materials and Supplies	67,196	67,196	80,788	(13,592)
<i>Total Expenditures</i>	<u>126,691</u>	<u>164,691</u>	<u>151,103</u>	<u>13,588</u>
Net Change in Fund Balance	(22,631)	(20,631)	(4,461)	16,170
Fund Balance at Beginning of Year	9,053	9,053	9,053	0
Prior Year Encumbrances Appropriated	<u>16,146</u>	<u>16,146</u>	<u>16,146</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,568</u></u>	<u><u>\$4,568</u></u>	<u><u>\$20,738</u></u>	<u><u>\$16,170</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$11,100	\$11,100	\$11,566	\$466
<u>Expenditures:</u>				
Current:				
Support Services:				
Administration:				
Salaries and Wages	13,798	13,798	13,736	62
Fringe Benefits	2,082	3,282	3,343	(61)
Purchased Services	1,000	1,000	1,344	(344)
Materials and Supplies	1,000	1,000	0	1,000
<i>Total Expenditures</i>	<u>17,880</u>	<u>19,080</u>	<u>18,423</u>	<u>657</u>
Net Change in Fund Balance	(6,780)	(7,980)	(6,857)	1,123
Fund Balance at Beginning of Year	<u>11,907</u>	<u>11,907</u>	<u>11,907</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$5,127</u></u>	<u><u>\$3,927</u></u>	<u><u>\$5,050</u></u>	<u><u>\$1,123</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$12,000	\$12,000	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Central:				
Purchased Services	0	12,000	12,000	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
Professional Development
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$0	\$3,612	\$3,612	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>0</u>	<u>3,612</u>	<u>3,612</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
Ohio Reads
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$0	\$121,798	\$121,798	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,900	2,900	2,900	0
Materials and Supplies	49	49	49	0
Total Instruction	2,949	2,949	2,949	0
Support Services:				
Instructional Staff:				
Salaries and Wages	0	53,960	53,960	0
Fringe Benefits	0	23,081	23,081	0
Purchased Services	0	11,357	8,141	3,216
Materials and Supplies	0	4,014	4,014	0
Capital Outlay - New	0	28,000	28,000	0
Total Support Services	0	120,412	117,196	3,216
<i>Total Expenditures</i>	2,949	123,361	120,145	3,216
Net Change in Fund Balance	(2,949)	(1,563)	1,653	3,216
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	2,949	2,949	2,949	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$1,386</u>	<u>\$4,602</u>	<u>\$3,216</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, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$64,120	\$61,510	\$61,510	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	64,004	61,062	61,062	0
Support Services:				
Administration:				
Salaries and Wages	0	1,230	1,230	0
Purchased Services	3,800	2,902	2,902	0
Total Support Services	3,800	4,132	4,132	0
<i>Total Expenditures</i>	67,804	65,194	65,194	0
Excess of Revenues Under Expenditures	(3,684)	(3,684)	(3,684)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	0	7,714	7,714	0
Advances Out	0	(7,714)	(7,714)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0	0
Net Change in Fund Balance	(3,684)	(3,684)	(3,684)	0
Fund Balance at Beginning of Year	3,684	3,684	3,684	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Poverty Based Assistance
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$26,000	\$39,589	\$39,589	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Other:				
Salaries and Wages	26,000	26,000	19,280	6,720
Fringe Benefits	0	0	168	(168)
<i>Total Expenditures</i>	<u>26,000</u>	<u>26,000</u>	<u>19,448</u>	<u>6,552</u>
Net Change in Fund Balance	0	13,589	20,141	6,552
Fund Balance at Beginning of Year	<u>17,197</u>	<u>17,197</u>	<u>17,197</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$17,197</u></u>	<u><u>\$30,786</u></u>	<u><u>\$37,338</u></u>	<u><u>\$6,552</u></u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$42,129	\$50,644	\$50,644	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	0	23,900	5,015	18,885
Materials and Supplies	0	20,229	20,229	0
Total Regular Instruction	0	44,129	25,244	18,885
Special Instruction:				
Purchased Services	0	8,515	0	8,515
Total Instruction	0	52,644	25,244	27,400
Support Services:				
Instructional Staff:				
Salaries and Wages	0	0	18,885	(18,885)
Administration:				
Purchased Services	42,154	0	0	0
Total Support Services	42,154	0	18,885	(18,885)
<i>Total Expenditures</i>	42,154	52,644	44,129	8,515
Excess of Revenues Over (Under) Expenditures	(25)	(2,000)	6,515	8,515
<u>Other Financing Uses:</u>				
Advances Out	(18,700)	(18,700)	(18,700)	0
Net Change in Fund Balance	(18,725)	(20,700)	(12,185)	8,515
Fund Balance at Beginning of Year	1,975	1,975	1,975	0
Prior Year Encumbrances Appropriated	18,725	18,725	18,725	0
Fund Balance at End of Year	\$1,975	\$0	\$8,515	\$8,515

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, 2008

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$785,030	\$719,056	\$719,056	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	742,031	180,774	180,774	0
Fringe Benefits	22,879	51,518	51,518	0
Purchased Services	0	142,528	142,528	0
Total Instruction	764,910	374,820	374,820	0
Support Services:				
Pupils:				
Salaries and Wages	3,895	27,588	27,588	0
Fringe Benefits	642	3,828	3,828	0
Purchased Services	0	217,826	217,826	0
Total Pupils	4,537	249,242	249,242	0
Instructional Staff:				
Salaries and Wages	0	2,197	2,197	0
Fringe Benefits	0	540	540	0
Total Instructional Staff	0	2,737	2,737	0
Administration:				
Salaries and Wages	12,658	80,532	80,532	0
Fringe Benefits	2,840	13,081	13,081	0
Total Administration	15,498	93,613	93,613	0
Total Support Services	20,035	345,592	345,592	0
Total Expenditures	784,945	720,412	720,412	0
Excess of Revenues Over (Under) Expenditures	85	(1,356)	(1,356)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	0	23,759	23,759	0
Advances Out	0	(23,759)	(23,759)	0
Transfers In	0	78	78	0
Total Other Financing Sources (Uses)	0	78	78	0
Net Change in Fund Balance	85	(1,278)	(1,278)	0
Fund Balance at Beginning of Year	1,278	1,278	1,278	0
Fund Balance at End of Year	<u>\$1,363</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 I
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$704,420	\$578,711	\$578,711	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	0	7,929	7,929	0
Special:				
Salaries and Wages	682,948	378,438	378,438	0
Fringe Benefits	21,281	135,548	135,548	0
Purchased Services	0	3,384	3,384	0
Materials and Supplies	0	1,732	1,732	0
Total Special	704,229	519,102	519,102	0
Other:				
Purchased Services	0	6,979	6,979	0
Total Instruction	704,229	534,010	534,010	0
Support Services:				
Administration:				
Salaries and Wages	1,977	29,743	29,743	0
Purchased Services	0	14,902	12,935	1,967
Total Support Services	1,977	44,645	42,678	1,967
Total Expenditures	706,206	578,655	576,688	1,967
Excess of Revenues Over (Under) Expenditures	(1,786)	56	2,023	1,967
<u>Other Financing Sources (Uses):</u>				
Advances In	0	43,656	43,656	0
Advances Out	0	(43,656)	(43,656)	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	(1,786)	56	2,023	1,967
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	1,786	1,786	1,786	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$1,842</u>	<u>\$3,809</u>	<u>\$1,967</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$6,787	\$3,234	\$3,234	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	6,748	0	0	0
Purchased Services	0	3,040	3,040	0
Total Instruction	6,748	3,040	3,040	0
Support Services:				
Administration:				
Salaries and Wages	39	194	194	0
<i>Total Expenditures</i>	6,787	3,234	3,234	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
Drug Free Grant
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$12,907	\$9,081	\$9,081	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Administration:				
Salaries and Wages	44	252	252	0
Purchased Services	12,907	5,161	5,161	0
<i>Total Expenditures</i>	12,951	5,413	5,413	0
Net Change in Fund Balance	(44)	3,668	3,668	0
Fund Balance at Beginning of Year	46	46	46	0
Fund Balance at End of Year	<u>\$2</u>	<u>\$3,714</u>	<u>\$3,714</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Reducing Class Size
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$190,779	\$148,600	\$148,600	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	163,718	106,359	106,359	0
Fringe Benefits	5,806	35,890	35,890	0
Total Instruction	169,524	142,249	142,249	0
Support Services:				
Administration:				
Salaries and Wages	1,551	5,707	5,707	0
<i>Total Expenditures</i>	171,075	147,956	147,956	0
Excess of Revenues Over Expenditures	19,704	644	644	0
<u>Other Financing Sources (Uses):</u>				
Advances In	0	11,067	11,067	0
Advances Out	0	(11,067)	(11,067)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0	0
Net Change in Fund Balance	19,704	644	644	0
Fund Balance at Beginning of Year	65	65	65	0
Fund Balance at End of Year	<u>\$19,769</u>	<u>\$709</u>	<u>\$709</u>	<u>\$0</u>

WESTERN BROWN LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$6,421	\$3,191	\$3,191	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	6,421	0	0	0
Purchased Services	0	3,191	3,191	0
<i>Total Expenditures</i>	<u>6,421</u>	<u>3,191</u>	<u>3,191</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, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Sales	\$568,076	\$680,000	\$641,333	(\$38,667)
Interest	7,189	10,000	8,116	(1,884)
Federal and State Subsidies	670,740	620,100	757,236	137,136
Other Revenues	20,595	26,500	23,251	(3,249)
<i>Total Revenues</i>	<u>1,266,600</u>	<u>1,336,600</u>	<u>1,429,936</u>	<u>93,336</u>
<u>Expenses:</u>				
Salaries	419,375	419,375	403,832	15,543
Fringe Benefits	294,250	294,250	305,532	(11,282)
Purchased Services	14,030	14,030	13,109	921
Materials and Supplies	647,863	647,863	606,707	41,156
<i>Total Expenses</i>	<u>1,375,518</u>	<u>1,375,518</u>	<u>1,329,180</u>	<u>46,338</u>
<i>Net Change in Fund Balance</i>	(108,918)	(38,918)	100,756	139,674
Fund Balance at Beginning of Year	190,068	190,068	190,068	0
Prior Year Encumbrances Appropriated	<u>518</u>	<u>518</u>	<u>518</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$81,668</u></u>	<u><u>\$151,668</u></u>	<u><u>\$291,342</u></u>	<u><u>\$139,674</u></u>

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STATISTICAL SECTION

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Statistical Section

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

<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. The School District implemented GASB Statement No. 34 in 2000; schedules presenting government-wide information include information beginning in that fiscal year.

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<u>Governmental Activities:</u>				
Invested in Capital Assets, Net of Related Debt	\$8,357,249	\$27,950,343	\$50,234,994	\$54,382,759
Restricted - Uncategorized (1)	50,883,383			
Restricted for:				
Debt Service	0	720,668	1,025,227	1,200,826
Capital Projects	0	31,096,187	8,071,299	2,383,815
Classroom Facilities	0	0	0	0
Other Purposes (2)	0	1,382,398	1,025,497	658,867
Set-Asides	0	0	0	0
Unrestricted (Deficit)	<u>(6,024,930)</u>	<u>(4,196,147)</u>	<u>1,852,180</u>	<u>2,191,495</u>
Total Governmental Activities Net Assets	<u>\$53,215,702</u>	<u>\$56,953,449</u>	<u>\$62,209,197</u>	<u>\$60,817,762</u>
<u>Business-type Activities:</u>				
Invested in Capital Assets, Net of Related Debt	\$137,319	\$125,642	\$2,175,985	\$2,344,334
Unrestricted	<u>(32,332)</u>	<u>60,606</u>	<u>151,622</u>	<u>188,005</u>
Total Business-type Activities Net Assets	<u>\$104,987</u>	<u>\$186,248</u>	<u>\$2,327,607</u>	<u>\$2,532,339</u>
<u>Primary Government:</u>				
Invested in Capital Assets, Net of Related Debt	\$8,494,568	\$28,075,985	\$52,410,979	\$56,727,093
Restricted	50,883,383	33,199,253	10,122,023	4,243,508
Unrestricted (Deficit)	<u>(6,057,262)</u>	<u>(4,135,541)</u>	<u>2,003,802</u>	<u>2,379,500</u>
Total Primary Government Net Assets	<u>\$53,320,689</u>	<u>\$57,139,697</u>	<u>\$64,536,804</u>	<u>\$63,350,101</u>

(1) Classifications for restricted net assets at June 30, 1999 are not available.

(2) 2007 was the first year other purposes was further classified.

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$53,812,800	\$52,270,245	\$51,070,621	\$48,946,361	\$47,291,229	\$45,577,012
1,278,683	1,404,525	1,589,643	1,679,299	1,787,001	1,813,830
3,407,766	2,337,331	1,137,508	733,409	719,152	1,242,909
0	0	0	0	736,086	839,232
827,117	1,150,675	898,263	838,607	325,876	243,919
0	0	327,633	82,367	319,466	658,004
<u>(1,024,935)</u>	<u>(665,002)</u>	<u>(292,727)</u>	<u>(476,305)</u>	<u>(757,121)</u>	<u>(796,564)</u>
<u>\$58,301,431</u>	<u>\$56,497,774</u>	<u>\$54,730,941</u>	<u>\$51,803,738</u>	<u>\$50,421,689</u>	<u>\$49,578,342</u>
\$2,232,744	\$2,111,448	\$2,033,945	\$1,905,617	\$1,793,601	\$1,674,004
<u>171,498</u>	<u>97,274</u>	<u>73,733</u>	<u>87,315</u>	<u>123,828</u>	<u>131,134</u>
<u>\$2,404,242</u>	<u>\$2,208,722</u>	<u>\$2,107,678</u>	<u>\$1,992,932</u>	<u>\$1,917,429</u>	<u>\$1,805,138</u>
\$56,045,544	\$54,381,693	\$53,104,566	\$50,851,978	\$49,084,830	\$47,251,016
5,513,566	4,892,531	3,953,047	3,333,682	3,803,169	4,797,894
<u>(853,437)</u>	<u>(567,728)</u>	<u>(218,994)</u>	<u>(388,990)</u>	<u>(591,087)</u>	<u>(665,430)</u>
<u>\$60,705,673</u>	<u>\$58,706,496</u>	<u>\$56,838,619</u>	<u>\$53,796,670</u>	<u>\$52,296,912</u>	<u>\$51,383,480</u>

Western Brown Local School District

Changes in Net Assets

Last Nine Fiscal Years

(accrual basis of accounting)

	2000	2001	2002	2003
<u>Expenses:</u>				
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$8,068,695	\$10,067,185	\$12,180,875	\$12,465,772
Special	1,719,676	1,862,292	1,804,213	2,242,856
Vocational	\$199,223	\$247,993	265,181	273,998
Other	246,475	322,220	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	648,298	781,023	972,090	1,084,700
Instructional Staff	585,093	733,883	871,741	886,418
Board of Education	17,873	19,462	30,269	18,213
Administration	1,415,779	1,818,114	1,973,300	2,126,037
Fiscal	399,413	412,367	457,010	485,519
Business	0	15,950	115	0
Operation and Maintenance of Plant	1,163,058	1,441,306	2,164,658	2,534,729
Pupil Transportation	1,335,397	1,473,213	1,609,885	1,662,716
Central	39,941	61,637	70,364	97,847
Operation of Non-Instructional Services	2,124	3,093	73,801	1,916
Extracurricular Activities	254,892	291,069	401,793	521,942
Interest and Fiscal Charges	357,420	341,112	330,800	338,146
<i>Total Governmental Activities Expenses</i>	<u>16,453,357</u>	<u>19,891,919</u>	<u>23,206,095</u>	<u>24,740,809</u>
 <u>Business-type Activities:</u>				
Food Service	<u>953,772</u>	<u>1,013,583</u>	<u>1,109,624</u>	<u>1,148,095</u>
 <i>Total Expenses</i>	 <u>17,407,129</u>	 <u>20,905,502</u>	 <u>24,315,719</u>	 <u>25,888,904</u>
 <u>Program Revenues:</u>				
<u>Governmental Activities:</u>				
Charges for Services and Sales				
Regular Instruction	156,222	95,952	136,802	149,335
Special Instruction	0	0	0	0
Vocational Instruction	0	0	0	0
Student Intervention Services	0	0	0	0
Pupils Support	0	0	315	1,901
Instructional Staff Support	21,142	0	18,100	29,823
Board of Education Support	0	0	0	0
Administration Support	12,290	0	3,394	0
Fiscal Support	0	0	0	0
Operation and Maintenance of Plant Support	0	0	0	0
Pupil Transportation Support	0	0	0	0
Central Support	0	0	0	0
Operation of Non-Instructional Services	67	0	0	0
Extracurricular Activities	70,758	153,313	102,895	105,427
Operating Grants and Contributions	1,798,652	1,029,607	1,828,883	1,801,397
Capital Grants and Contributions	283,058	164,651	187,682	67,045
<i>Total Governmental Activities Program Revenues</i>	<u>\$2,342,189</u>	<u>\$1,443,523</u>	<u>\$2,278,071</u>	<u>\$2,154,928</u>

2004	2005	2006	2007	2008
\$13,157,172	\$13,628,477	\$14,703,897	\$14,051,085	\$14,208,369
2,100,815	2,596,384	2,751,167	3,028,459	3,382,298
269,774	288,623	319,570	254,430	297,494
0	0	0	0	0
0	0	101,933	87,630	203,039
1,064,124	1,095,373	1,083,805	1,042,719	986,900
904,816	878,219	1,029,535	833,832	998,888
26,087	23,317	25,214	17,796	17,970
2,092,474	2,178,806	2,323,665	2,252,897	2,104,497
625,984	534,234	487,405	526,057	584,051
294	31,641	23,666	168	0
3,098,831	2,821,977	2,866,079	2,824,911	2,959,634
1,769,004	1,920,582	2,107,161	2,235,642	2,246,022
179,493	211,797	181,968	225,768	274,331
1,887	46,862	3,578	2,865	3,565
568,400	640,459	692,746	648,268	714,507
333,859	321,848	317,740	309,796	294,509
26,193,014	27,218,599	29,019,129	28,342,323	29,276,074
1,199,293	1,266,525	1,383,302	1,485,512	1,566,497
27,392,307	28,485,124	30,402,431	29,827,835	30,842,571
369,450	503,348	567,375	1,016,663	1,062,083
40,150	75,845	79,065	161,032	189,825
5,736	8,427	11,349	16,658	21,463
0	0	0	3,332	0
23,399	25,281	29,129	0	0
28,267	33,709	32,912	0	0
0	0	1,050	0	0
45,886	67,417	71,026	0	0
17,207	16,854	18,253	0	0
74,564	109,553	115,193	11,230	14,444
45,886	67,417	83,321	0	0
0	0	6,896	0	0
0	0	0	0	0
197,859	104,415	110,867	105,919	147,101
2,253,283	2,484,693	2,573,020	2,745,174	3,228,610
78,650	0	71,992	0	0
\$3,180,337	\$3,496,959	\$3,771,448	\$4,060,008	\$4,663,526

(continued)

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

	2000	2001	2002	2003
<u>Business-type Activities:</u>				
Food Service				
Charges for Services and Sales	\$614,916	\$623,757	\$631,462	\$609,331
Operating Grants and Contributions	363,891	348,812	388,620	381,847
<i>Total Business-type Activity Program Revenues</i>	<u>978,807</u>	<u>972,569</u>	<u>1,020,082</u>	<u>991,178</u>
<i>Total Program Revenues</i>	<u>3,320,996</u>	<u>2,416,092</u>	<u>3,298,153</u>	<u>3,146,106</u>
<u>Net (Expense)/Revenue:</u>				
Governmental Activities	(14,111,168)	(18,448,396)	(20,928,024)	(22,585,881)
Business-type Activities	25,035	(41,014)	(89,542)	(156,917)
<i>Total Net (Expense)/Revenue</i>	<u>(14,086,133)</u>	<u>(18,489,410)</u>	<u>(21,017,566)</u>	<u>(22,742,798)</u>
<u>General Revenues and Other Changes in Net Assets:</u>				
<u>Governmental Activities:</u>				
Property Taxes Levied for:				
General Purposes	2,777,773	3,012,419	3,283,024	3,304,693
Debt Service	0	0	0	528,751
Classroom Facilities Maintenance	722,177	783,205	672,444	82,614
Grants and Entitlements not				
Restricted to Specific Programs	13,072,046	13,715,161	15,421,480	15,899,676
Unrestricted Contributions and Donations	0	0	8,096	0
Investment Earnings	1,042,221	1,148,868	306,638	126,630
Gain on Sale of Capital Assets	0	0	0	53,143
Miscellaneous	290,924	88,103	127,206	82,964
Transfers	(56,226)	(2,004,712)	(282,299)	(8,921)
<i>Total Governmental Activities</i>	<u>17,848,915</u>	<u>16,743,044</u>	<u>19,536,589</u>	<u>20,069,550</u>
<i>Extraordinary Item - Insurance Settlement</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Business-type Activities:</u>				
Grants and Entitlements not				
Restricted to Specific Programs	0	8,955	0	2,720
Investment Earnings	0	0	4,581	0
Miscellaneous	0	0	7,394	17,179
Transfers	56,226	2,004,712	282,299	8,921
<i>Total Business-type Activities</i>	<u>56,226</u>	<u>2,013,667</u>	<u>294,274</u>	<u>28,820</u>
<i>Total Primary Government</i>	<u>17,905,141</u>	<u>18,756,711</u>	<u>19,830,863</u>	<u>20,098,370</u>
<u>Change in Net Assets:</u>				
Governmental Activities	3,737,747	(1,705,352)	(1,391,435)	(2,516,331)
Business-type Activities	81,261	1,972,653	204,732	(128,097)
<i>Total Change in Net Assets</i>	<u>\$3,819,008</u>	<u>\$267,301</u>	<u>(\$1,186,703)</u>	<u>(\$2,644,428)</u>

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$584,299	\$596,124	\$637,513	\$625,630	\$642,333
400,574	506,964	613,495	758,600	781,692
<u>984,873</u>	<u>1,103,088</u>	<u>1,251,008</u>	<u>1,384,230</u>	<u>1,424,025</u>
4,165,210	4,600,047	5,022,456	5,444,238	6,087,551
(23,012,677)	(23,721,640)	(25,247,681)	(24,282,315)	(24,612,548)
(214,420)	(163,437)	(132,294)	(101,282)	(142,472)
<u>(23,227,097)</u>	<u>(23,885,077)</u>	<u>(25,379,975)</u>	<u>(24,383,597)</u>	<u>(24,755,020)</u>
3,396,506	3,954,688	4,050,425	4,251,580	4,132,956
552,220	623,941	535,614	533,573	514,460
135,571	89,958	93,574	88,306	83,722
16,729,287	17,078,312	17,302,267	17,584,596	18,173,233
0	5,841	18,265	9,672	10,198
65,060	103,622	182,083	261,884	234,172
276,088	0	0	0	0
54,288	142,060	138,250	128,449	162,666
0	(43,615)	0	0	0
<u>21,209,020</u>	<u>21,954,807</u>	<u>22,320,478</u>	<u>22,858,060</u>	<u>23,311,407</u>
0	0	0	0	500,000
0	0	0	0	0
1,592	0	0	0	8,116
17,308	18,778	17,548	25,779	22,065
0	43,615	0	0	0
<u>18,900</u>	<u>62,393</u>	<u>17,548</u>	<u>25,779</u>	<u>30,181</u>
21,227,920	22,017,200	22,338,026	22,883,839	23,841,588
(1,803,657)	(1,766,833)	(2,927,203)	(1,424,255)	(801,141)
(195,520)	(101,044)	(114,746)	(75,503)	(112,291)
<u>(\$1,999,177)</u>	<u>(\$1,867,877)</u>	<u>(\$3,041,949)</u>	<u>(\$1,499,758)</u>	<u>(\$913,432)</u>

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<u>Governmental Activities:</u>				
Function:				
Regular Instruction	\$762,291	\$524,215	\$728,968	\$479,630
Special Instruction	905,078	297,467	895,369	1,030,478
Vocational Instruction	0	0	62,577	0
Student Intervention Services	0	0	0	0
Pupils Support	99,991	107,173	155,069	223,983
Instructional Staff Support	21,271	47,150	78,142	103,451
Board of Education Support	0	0	0	0
Administration Support	328,823	179,126	201,356	156,167
Fiscal Support	12,601	8,393	9,172	9,397
Business Support	0	0	0	0
Operation and Maintenance of Plant Support	0	0	0	0
Pupil Transportation Support	104,659	101,480	0	0
Central Support	12,604	14,219	0	12,361
Operation of Non-Instructional Services	4,029	2,648	267	2,017
Extracurricular Activities	90,842	161,652	147,151	137,444
Total Program Revenues	<u>\$2,342,189</u>	<u>\$1,443,523</u>	<u>\$2,278,071</u>	<u>\$2,154,928</u>

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$795,667	\$846,693	\$906,390	\$1,277,396	\$1,345,399
1,330,330	1,425,496	1,623,649	1,902,715	2,291,226
74,870	80,040	88,986	95,796	140,838
0	0	0	3,332	8,233
382,288	410,951	249,948	335,209	259,923
55,221	71,814	179,508	38,578	148,568
0	0	1,050	0	0
203,220	248,155	240,241	145,956	175,565
19,224	16,854	18,253	0	0
0	25,750	18,046	66	0
74,564	109,553	115,193	11,230	14,444
45,886	142,194	161,575	86,255	115,813
0	12,000	18,896	54,205	12,000
1,208	3,044	3,846	3,191	4,416
<u>197,859</u>	<u>104,415</u>	<u>145,867</u>	<u>106,079</u>	<u>147,101</u>
<u><u>\$3,180,337</u></u>	<u><u>\$3,496,959</u></u>	<u><u>\$3,771,448</u></u>	<u><u>\$4,060,008</u></u>	<u><u>\$4,663,526</u></u>

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General Fund				
Reserved	\$928,917	\$991,644	\$1,468,817	\$1,448,229
Unreserved (Deficit)	(130,273)	1,266,604	1,400,369	1,894,687
Total General Fund	<u>798,644</u>	<u>2,258,248</u>	<u>2,869,186</u>	<u>3,342,916</u>
All Other Governmental Funds				
Reserved	4,155,625	780,811	5,799,919	395,295
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	280,212	714,953	824,210	583,928
Debt Service Fund	360,325	609,157	891,993	1,086,384
Capital Projects Funds	<u>7,699,645</u>	<u>16,248,771</u>	<u>2,370,497</u>	<u>2,197,615</u>
Total All Other Governmental Funds	<u>12,495,807</u>	<u>18,353,692</u>	<u>9,886,619</u>	<u>4,263,222</u>
Total Governmental Funds	<u><u>\$13,294,451</u></u>	<u><u>\$20,611,940</u></u>	<u><u>\$12,755,805</u></u>	<u><u>\$7,606,138</u></u>

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$2,328,325	\$1,207,910	\$1,664,886	\$1,238,665	\$1,642,030	\$1,820,710
<u>51,614</u>	<u>280,613</u>	<u>(417,369)</u>	<u>(470,171)</u>	<u>(856,912)</u>	<u>(853,070)</u>
<u>2,379,939</u>	<u>1,488,523</u>	<u>1,247,517</u>	<u>768,494</u>	<u>785,118</u>	<u>967,640</u>
266,407	136,694	659,603	169,829	234,802	214,861
662,252	798,834	876,730	856,516	928,812	1,006,332
1,171,367	1,325,663	1,470,683	1,565,053	1,648,831	1,702,309
<u>1,844,901</u>	<u>1,608,143</u>	<u>619,028</u>	<u>702,802</u>	<u>719,152</u>	<u>1,242,909</u>
<u>3,944,927</u>	<u>3,869,334</u>	<u>3,626,044</u>	<u>3,294,200</u>	<u>3,531,597</u>	<u>4,166,411</u>
<u>\$6,324,866</u>	<u>\$5,357,857</u>	<u>\$4,873,561</u>	<u>\$4,062,694</u>	<u>\$4,316,715</u>	<u>\$5,134,051</u>

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

	1999	2000	2001	2002
<u>Revenues:</u>				
Taxes	\$3,372,682	\$3,391,359	\$3,717,413	\$4,045,516
Intergovernmental	\$20,804,415	38,529,501	30,562,605	17,688,565
Interest	491,425	1,042,221	1,148,868	306,638
Tuition and Fees	4,921	126,643	95,952	\$81,376.00
Extracurricular Activities	118,572	133,836	153,313	177,630
Contributions and Donations	25,511	25,971	24,931	58,555
Rent	104	0	46	0
Miscellaneous	70,449	290,924	88,057	134,706
Total Revenues	24,888,079	43,540,455	35,791,185	22,492,986
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	6,986,880	7,562,398	8,815,842	10,393,020
Special	1,637,025	1,696,333	1,798,908	1,723,141
Vocational	238,702	201,082	235,505	237,884
Other	74,237	246,475	322,220	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	613,454	668,085	737,671	916,806
Instructional Staff	565,070	588,016	715,753	856,387
Board of Education	19,871	17,463	19,691	30,438
Administration	1,322,121	1,372,313	1,696,706	1,740,695
Fiscal	316,568	370,393	394,236	443,539
Business	0	0	0	115
Operation and Maintenance of Plant	1,061,173	1,157,787	1,431,397	2,225,489
Pupil Transportation	1,118,240	1,394,202	1,625,326	1,733,213
Central	26,581	27,274	35,632	70,304
Operation of Non-Instructional Services	2,110	2,124	3,093	54,351
Extracurricular Activities	224,208	246,507	266,885	362,070
Capital Outlay	3,264,502	20,034,990	25,207,716	6,349,331
Debt Service:				
Principal Retirement	394,329	227,863	212,185	222,249
Interest and Fiscal Charges	362,785	353,435	342,182	331,935
Total Expenditures	18,227,856	36,166,740	43,860,948	27,690,967
Excess of Revenues Over (Under) Expenditures	6,660,223	7,373,715	(8,069,763)	(5,197,981)
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	0	0	213,628	48,314
General Obligation Bonds Issued	0	0	0	0
Inception of Capital Lease	0	0	0	0
Transfers In	117,609	112,005	0	0
Transfers Out	(142,609)	(168,231)	0	0
Total Other Financing Sources (Uses)	(25,000)	(56,226)	213,628	48,314
Extraordinary Item - Insurance Settlement	0	0	0	0
Net Change in Fund Balances	\$6,635,223	\$7,317,489	(\$7,856,135)	(\$5,149,667)
Debt Service as a Percentage of Noncapital Expenditures	5.1%	3.6%	3.0%	2.6%

2003	2004	2005	2006	2007	2008
\$3,699,848	\$4,248,472	\$4,661,605	\$4,680,792	\$4,875,707	\$4,661,669
17,711,280	19,058,488	19,407,256	20,044,154	20,306,460	21,335,869
126,630	65,060	103,622	182,083	261,884	234,172
73,402	635,271	907,851	1,015,569	1,197,685	1,273,371
197,649	197,859	104,415	110,867	105,919	147,101
49,468	10,102	8,885	57,111	14,223	14,614
0	0	0	0	11,230	14,444
98,399	69,562	142,060	140,250	128,449	162,666
<u>21,956,676</u>	<u>24,284,814</u>	<u>25,335,694</u>	<u>26,230,826</u>	<u>26,901,557</u>	<u>27,843,906</u>
10,647,348	11,599,196	11,918,062	12,710,950	12,668,464	12,915,717
2,129,407	2,023,942	2,426,572	2,673,191	2,925,480	3,286,834
230,475	233,561	251,460	293,065	220,087	268,917
0	0	0	0	0	0
0	0	0	101,933	87,630	203,039
1,001,563	995,329	1,025,420	995,537	973,060	919,811
861,362	882,559	858,842	1,063,031	823,038	1,004,078
18,208	26,104	23,317	25,214	17,796	17,970
1,796,803	1,845,501	1,861,765	1,922,762	1,980,783	1,833,720
453,750	603,353	510,261	457,776	502,126	574,482
0	294	31,641	23,666	168	0
2,459,572	2,844,385	2,754,605	2,822,968	2,800,624	2,957,372
1,838,405	1,666,455	1,797,817	2,033,526	2,251,693	2,097,419
96,431	181,903	212,270	192,540	236,577	280,721
1,916	1,700	46,862	3,578	2,865	3,565
443,485	487,731	533,401	577,560	522,518	592,662
1,767,310	1,323,343	1,004,905	599,884	61,688	3,975
207,569	605,000	241,000	230,000	273,000	272,000
355,546	333,681	321,790	317,619	309,737	294,288
<u>24,309,150</u>	<u>25,654,037</u>	<u>25,819,990</u>	<u>27,044,800</u>	<u>26,657,334</u>	<u>27,526,570</u>
(2,352,474)	(1,369,223)	(484,296)	(813,974)	244,223	317,336
54,202	402,214	0	3,107	9,798	0
0	0	0	0	0	0
1,017,000	0	0	0	0	0
0	0	0	41	0	78
0	0	0	(41)	0	(78)
<u>1,071,202</u>	<u>402,214</u>	<u>0</u>	<u>3,107</u>	<u>9,798</u>	<u>0</u>
0	0	0	0	0	500,000
<u>(\$1,281,272)</u>	<u>(\$967,009)</u>	<u>(\$484,296)</u>	<u>(\$810,867)</u>	<u>\$254,021</u>	<u>\$817,336</u>
2.5%	3.9%	2.3%	2.1%	2.2%	2.1%

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
1999	\$100,939,470	\$11,341,440	\$320,802,600	\$16,132,710	\$20,165,888
2000	106,861,160	11,458,100	338,055,029	15,131,770	18,914,713
2001	128,159,730	10,019,580	394,798,029	15,303,270	19,129,088
2002	133,250,960	15,035,190	423,674,714	7,796,490	9,745,613
2003	139,999,030	16,001,850	445,716,800	8,089,690	10,112,113
2004	160,347,390	17,789,940	508,963,800	8,247,680	10,309,600
2005	167,878,040	16,149,780	525,793,771	8,307,630	10,384,538
2006	173,569,980	17,580,970	546,145,571	8,383,120	10,478,900
2007	202,644,720	22,892,470	644,391,971	8,252,990	10,316,238
2008	204,389,990	21,877,410	646,478,286	7,245,790	9,057,238

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 is being 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.

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

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

Tangible Personal Property		Total			Weighted Average Tax Rate
General Business		Assessed	Estimated	Ratio	
Assessed Value	Estimated Actual Value	Value	Value		
\$1,064,670	\$4,258,680	\$129,478,290	\$345,227,168	37.51%	\$25.20
8,771,935	35,087,740	142,222,965	392,057,481	36.28%	\$25.20
11,096,690	44,386,760	164,579,270	458,313,876	35.91%	\$25.20
11,338,708	45,354,832	167,421,348	478,775,159	34.97%	\$23.70
9,720,179	38,880,716	173,810,749	494,709,629	35.13%	\$23.70
9,837,558	39,350,232	196,222,568	558,623,632	35.13%	\$23.66
9,247,660	36,990,640	201,583,110	573,168,949	35.17%	\$23.66
6,645,838	35,444,469	206,179,908	592,068,941	34.82%	\$22.96
4,198,610	33,588,880	237,988,790	688,297,089	34.58%	\$22.91
2,655,650	42,490,400	236,168,840	698,025,923	33.83%	\$22.90

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

	1999	2000	2001
UNVOTED MILLAGE:			
Operating	\$4.70	\$4.70	\$4.70
VOTED MILLAGE - BY LEVY:			
1976 Current Expense			
Residential/Agricultural Real	15.30	15.30	15.30
Commercial/Industrial and Public Utility Real	15.30	15.30	15.30
General Business and Public Utility Personal	15.30	15.30	15.30
1997 Bond (\$5,659,600)			
Residential/Agricultural Real	3.70	3.70	3.70
Commercial/Industrial and Public Utility Real	3.70	3.70	3.70
General Business and Public Utility Personal	3.70	3.70	3.70
1997 Bond (\$1,505,000)			
Residential/Agricultural Real	1.00	1.00	1.00
Commercial/Industrial and Public Utility Real	1.00	1.00	1.00
General Business and Public Utility Personal	1.00	1.00	1.00
2001 Capital Improvement			
Residential/Agricultural Real	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00
TOTAL VOTED MILLAGE BY TYPE OF PROPERTY			
Residential/Agricultural Real	20.00	20.00	20.00
Commercial/Industrial and Public Utility Real	20.00	20.00	20.00
General Business and Public Utility Personal	20.00	20.00	20.00
TOTAL SCHOOL DISTRICT MILLAGE			
	24.70	24.70	24.70
OVERLAPPING RATES BY TAXING DISTRICT			
TOWNSHIPS:			
Residential/Agricultural Real	0.10 - 2.41	0.10 - 2.08	0.10 - 2.08
Commercial/Industrial and Public Utility Real	0.10 - 2.50	0.10 - 2.45	0.10 - 2.45
General Business and Public Utility Personal	0.10 - 3.00	0.10 - 3.00	0.10 - 3.00
CORPORATIONS:			
Residential/Agricultural Real	0.60 - 2.10	0.60 - 2.10	0.60 - 3.31
Commercial/Industrial and Public Utility Real	0.60 - 2.80	0.60 - 2.80	0.60 - 3.52
General Business and Public Utility Personal	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00
SOUTHERN HILLS JOINT VOCATIONAL DISTRICT:			
Residential/Agricultural Real	3.40	3.40	2.91
Commercial/Industrial and Public Utility Real	4.09	4.10	3.56
General Business and Public Utility Personal	5.80	5.80	5.80
COUNTY AND OTHER UNITS:			
BROWN COUNTY			
Residential/Agricultural Real	4.63	5.04	4.88
Commercial/Industrial and Public Utility Real	4.78	5.09	4.93
General Business and Public Utility Personal	5.80	5.80	5.80
CLERMONT COUNTY			
Residential/Agricultural Real	6.70	6.37	6.37
Commercial/Industrial and Public Utility Real	7.20	7.15	7.14
General Business and Public Utility Personal	9.25	9.25	9.25
BROWN COUNTY PUBLIC LIBRARY			
Residential/Agricultural Real	1.00	1.00	1.00
Commercial/Industrial and Public Utility Real	1.00	1.00	1.00
General Business and Public Utility Personal	1.00	1.00	1.00
BETHEL-TATE JOINT AMBULANCE DISTRICT			
Residential/Agricultural Real	5.26	4.55	4.55
Commercial/Industrial and Public Utility Real	5.16	5.05	5.05
General Business and Public Utility Personal	6.60	6.60	6.60

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.

2002	2003	2004	2005	2006	2007	2008
\$4.70	\$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	15.30	15.30	15.30
2.70	2.70	2.70	2.70	2.00	2.00	2.00
2.70	2.70	2.70	2.70	2.00	2.00	2.00
2.70	2.70	2.70	2.70	2.00	2.00	2.00
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	0.50	0.50	0.50
0.50	0.50	0.45	0.45	0.45	0.40	0.40
0.50	0.50	0.47	0.50	0.50	0.40	0.40
0.50	0.50	0.50	0.50	0.50	0.50	0.50
19.00	19.00	18.95	18.95	18.25	18.20	18.20
19.00	19.00	18.97	19.00	18.30	18.20	18.20
19.00	19.00	19.00	19.00	18.30	18.30	18.30
23.70	23.70	23.70	23.70	23.00	23.00	23.00
0.10 - 2.08	0.10 - 1.84	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 3.67	0.10 - 3.69
0.10 - 2.45	0.10 - 2.15	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 3.74	0.10 - 3.77
0.10 - 3.00	0.10 - 3.00	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10	0.10 - 4.10
0.60 - 3.31	0.60 - 3.31	0.60 - 2.97	0.60 - 2.97	0.60 - 2.97	0.60 - 2.61	0.60 - 4.51
0.60 - 3.52	0.60 - 3.52	0.60 - 3.32	0.60 - 3.58	0.60 - 3.58	0.60 - 2.91	0.60 - 4.66
0.60 - 4.00	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00	0.60 - 4.00	0.60 - 5.00
2.91	2.91	2.64	2.43	3.43	3.06	3.06
3.57	3.60	3.41	3.16	4.16	3.59	3.61
5.80	5.80	5.80	5.40	6.40	6.40	6.40
4.88	4.88	4.77	4.77	4.78	4.67	4.67
4.93	4.94	4.88	4.90	4.90	4.75	4.75
5.80	5.80	5.80	5.80	5.80	5.80	5.80
7.28	6.41	7.16	7.16	6.79	7.42	7.41
7.80	6.83	7.63	7.63	7.37	7.90	7.90
9.35	8.60	9.35	9.35	9.35	9.55	9.55
1.00	0.75	0.75	0.75	0.75	0.50	0.35
1.00	0.75	0.75	0.75	0.75	0.50	0.35
1.00	0.75	0.75	0.75	0.75	0.50	0.35
4.55	4.02	0.00	0.00	0.00	0.00	0.00
5.05	4.44	0.00	0.00	0.00	0.00	0.00
6.60	6.60	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 (1)

Collection Year	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (2)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
1999	\$3,499,080	\$2,994,064	85.57%	\$192,717	\$3,186,781	91.07%
2000	3,619,000	2,773,798	76.65%	201,748	2,975,546	82.22%
2001	3,996,074	2,784,616	69.68%	230,414	3,015,030	75.45%
2002	3,996,074	3,498,450	87.55%	230,908	3,729,358	93.33%
2003	4,153,755	3,620,965	87.17%	226,570	3,847,535	92.63%
2004	4,213,785	3,600,460	85.44%	322,475	3,922,935	93.10%
2005	4,043,336	3,770,901	93.26%	307,254	4,078,155	100.86%
2006	5,216,214	3,849,893	73.81%	145,651	3,995,544	76.60%
2007	5,261,215	4,481,289	85.18%	331,531	4,812,820	91.48%
2008	5,410,259	4,370,292	80.78%	343,175	4,713,467	87.12%

Source: Brown County Auditor

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.

(2) The County does not identify delinquent tax collections by tax year.

Western Brown Local School District
Principal Tax Payers
Real Property
2008 and 2002 (1)

Name of Taxpayer	2008	
	Assessed Value	Percent of Real Property Assessed Value
Kroger Limited Partnership	\$5,209,342	2.30%
Cincinnati Milacron	4,805,114	2.12%
Brown County Industrial Park	1,977,914	0.87%
Shriji Krupa LLC	1,741,400	0.77%
Locust Ridge Land Corporation	1,452,171	0.64%
Northpoint Center	1,327,314	0.59%
Alma Monk Trustee	1,319,142	0.58%
Scottwood Commons	1,303,800	0.58%
Appalachian Ohio	1,262,485	0.56%
Daulton Beverly	1,248,942	0.55%
Totals	<u>\$21,647,624</u>	<u>9.57%</u>
Total Assessed Valuation	<u>\$226,267,400</u>	<u>100.00%</u>

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

(1) The amounts represent the assessed values upon which 2008 and 2002 collections were based.

Source: Brown County Auditor.
1999 - 2001 information was not available.
Tangible Personal Property information was also not available.

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

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property(2)	General Bonded Debt			
			General Bonded Debt Outstanding	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita	General Bonded Debt Outstanding
1999	12,347	\$345,227,168	\$7,120,400	2.06%	\$576.69	\$7,120,400
2000	15,717	392,057,481	6,931,000	1.77%	440.99	6,931,000
2001	15,717	458,313,876	6,676,000	1.46%	424.76	6,676,000
2002	15,717	478,775,159	6,508,000	1.36%	414.07	6,508,000
2003	15,717	494,709,629	6,330,000	1.28%	402.75	6,330,000
2004	15,717	558,623,632	6,165,000	1.10%	392.25	6,165,000
2005	15,717	573,168,949	5,975,000	1.04%	380.16	5,975,000
2006	15,717	592,068,941	5,775,000	0.98%	367.44	5,775,000
2007	15,717	688,297,089	5,560,000	0.81%	353.76	5,560,000
2008	15,717	698,025,923	5,320,000	0.76%	338.49	5,320,000

Sources: (1) National Center for Education Statistics
 1999 from 1990 U.S. Census Data
 2000-2008 from 2000 U.S. Census Data

(2) Ohio Department of Taxation

(3) See S25 for personal income data. The ratio for 1999 was calculated using data from 1990 U.S. Census. The ratios for 2000-2008 were calculated using data from the 2000 U.S. Census.

General Debt

Energy Conservation Notes	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	Percentage of Personal Income (3)	General Debt Per Capita
\$89,522	\$31,944	\$7,241,866	2.10%	5.50%	\$586.53
64,232	18,771	7,014,003	1.79%	2.61%	446.27
37,612	6,206	6,719,818	1.47%	2.50%	427.55
9,569	0	6,517,569	1.36%	2.43%	414.68
0	1,017,000	7,347,000	1.49%	2.74%	467.46
0	597,000	6,762,000	1.21%	2.52%	430.23
0	568,000	6,543,000	1.14%	2.44%	416.30
0	538,000	6,313,000	1.07%	2.35%	401.67
0	480,000	6,040,000	0.88%	2.25%	384.30
0	448,000	5,768,000	0.83%	2.15%	366.99

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

	1999	2000	2001	2002	2003
Assessed Valuation (1)	\$129,478,290	\$142,222,965	\$164,579,270	\$167,421,348	\$173,810,749
Less:					
General Business Personal Property	0	0	0	0	0
Railroad and Telephone Tangible Property	0	0	0	0	0
Total Assessed Valuation used to calculate Legal Debt Margin	129,478,290	142,222,965	164,579,270	167,421,348	173,810,749
Debt Limit - 9% of Assessed Value (2)	<u>11,653,046</u>	<u>12,800,067</u>	<u>14,812,134</u>	<u>15,067,921</u>	<u>15,642,967</u>
Amount of Debt Applicable to Debt Limit					
Gross Indebtedness	7,345,922	6,995,232	6,795,612	6,579,569	6,372,000
Less Exempt Debt	(225,522)	(166,232)	(119,612)	(71,569)	(42,000)
Less Amount Available in Debt Service	<u>(473,360)</u>	<u>(700,415)</u>	<u>(990,387)</u>	<u>(1,187,762)</u>	<u>(1,263,046)</u>
Amount of Debt Subject to Limit	<u>6,647,040</u>	<u>6,128,585</u>	<u>5,685,613</u>	<u>5,320,238</u>	<u>5,066,954</u>
Legal Debt Margin	<u>\$5,006,006</u>	<u>\$6,671,482</u>	<u>\$9,126,521</u>	<u>\$9,747,683</u>	<u>\$10,576,013</u>
Legal Debt Margin as a Percentage of the Debt Limit	42.96%	52.12%	61.62%	64.69%	67.61%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$129,478	\$142,223	\$164,579	\$167,421	\$173,811
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$129,478</u>	<u>\$142,223</u>	<u>\$164,579</u>	<u>\$167,421</u>	<u>\$173,811</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	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% for overall debt and 1/10 of 1% for unvoted debt.

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$196,222,568	\$201,583,110	\$206,179,908	\$237,988,790	\$236,168,840
0	0	(9,164,247)	(4,198,610)	(2,655,650)
<u>0</u>	<u>0</u>	<u>(2,139,510)</u>	<u>(1,792,870)</u>	<u>(1,193,050)</u>
196,222,568	201,583,110	194,876,151	231,997,310	232,320,140
<u>17,660,031</u>	<u>18,142,480</u>	<u>17,538,854</u>	<u>20,879,758</u>	<u>20,908,813</u>
6,187,000	5,975,000	5,775,000	5,560,000	5,320,000
(22,000)	0	0	0	0
<u>(1,410,236)</u>	<u>(1,593,513)</u>	<u>(1,684,546)</u>	<u>(1,790,395)</u>	<u>(1,812,098)</u>
<u>4,754,764</u>	<u>4,381,487</u>	<u>4,253,120</u>	<u>3,769,605</u>	<u>3,507,902</u>
<u>\$12,905,267</u>	<u>\$13,760,993</u>	<u>\$13,285,734</u>	<u>\$17,110,153</u>	<u>\$17,400,911</u>
73.08%	75.85%	75.75%	81.95%	83.22%
\$196,223	\$201,583	\$194,876	\$231,997	\$232,320
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$196,223</u>	<u>\$201,583</u>	<u>\$194,876</u>	<u>\$231,997</u>	<u>\$232,320</u>
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, 2008

	General Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
General Obligation Bonds	\$5,320,000	100.00%	\$5,320,000
Capital Leases	448,000	100.00%	448,000
Total Direct	<u>5,768,000</u>		<u>5,768,000</u>
Overlapping:			
Brown County General Obligation Bonds	2,011,603	34.79%	699,862
Southern Hills Joint Vocational School District	3,465,997	31.68%	1,097,866
Village of Mt. Orab	<u>3,654,160</u>	100.00%	3,654,160
Total Overlapping	<u>9,131,760</u>		<u>5,451,888</u>
Total	<u><u>\$14,899,760</u></u>		<u><u>\$11,219,888</u></u>

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

Percentages were determined by dividing the total assessed valuation of the School District by each overlapping subdivision's assessed valuation within the School District.

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)
1999	12,347	\$131,668,408	\$10,664	N/A	5.30%
2000	15,717	268,477,794	17,082	\$41,045	5.90%
2001	15,717	268,477,794	17,082	41,045	5.50%
2002	15,717	268,477,794	17,082	41,045	7.20%
2003	15,717	268,477,794	17,082	41,045	6.20%
2004	15,717	268,477,794	17,082	41,045	6.20%
2005	15,717	268,477,794	17,082	41,045	6.50%
2006	15,717	268,477,794	17,082	41,045	6.20%
2007	15,717	268,477,794	17,082	41,045	6.60%
2008	15,717	268,477,794	17,082	41,045	7.30%

Sources: (1) National Center for Education Statistics
1999 from 1990 U.S. Census Data
2000-2008 from 2000 U.S. Census Data
1999 Median Household Income not available.

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

(3) Ohio Department of Jobs and Family Services

Western Brown Local School District
Principal Employers
2008 and 2006

		2008	
Employer	Nature of Business	Number of Employees	Rank
Western Brown Local School District	Education	335	1
Kroger	Retail Grocer	289	2
Cincinnati Milacron	Plastic Injection	255	3
McDonald's	Food Service	129	4
N A L Company	Paper Products	47	5
Kibler Lumber	Retail Lumber	45	6
Liberty Sheet Metal	Manufacturing	44	7
Cincinnati Wood & Dowel	Wood Products	41	8
Stevens Plumbing & Mechanical	Commercial Plumbing & Fabrication	40	9
Hawkline Nevada	Farm Implements	36	10
Village of Mt. Orab	Government	33	11
Mt. Orab Ford	Auto Sales	29	12
Total		1,323	

		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
1999	3,312	\$17,469,237	\$5,275	N/A	N/A
2000	3,381	35,585,442	10,525	\$16,095,937	\$4,761
2001	3,287	43,306,581	13,175	19,550,807	5,948
2002	3,335	27,136,783	8,137	22,875,295	6,859
2003	3,356	23,746,035	7,076	24,899,220	7,419
2004	3,365	24,562,128	7,299	25,859,155	7,685
2005	3,383	25,257,200	7,466	26,896,751	7,951
2006	3,367	26,501,894	7,871	28,706,102	8,526
2007	3,314	26,074,597	7,868	28,032,527	8,459
2008	3,356	26,960,282	8,033	28,981,565	8,636

Source: Western Brown Local School District Records

(1) Excludes debt service expenditures

(2) The School District implemented GASB Statement No. 34 in fiscal year 2000.
The Total Expenses do not include interest and fiscal charges.

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

Function/Program	1999	2000	2001	2002
Regular Instruction				
Elementary Classroom Teachers	88	89	89	132
High School Classroom Teachers	29	29	35	35
Special Instruction				
Elementary Classroom Teachers	11	11	11	11
High School Classroom Teachers	4	4	4	4
Vocational Instruction				
High School Classroom Teachers	3	3	3	3
Pupil Support Services				
Guidance Counselors	5	5	5	5
Librarians	3	3	3	3
Psychologists	0	0	0	0
Speech and Language Pathologists	0	0	0	0
Nurses	2	2	2	2
Aides	13	13	13	13
Administrators				
Elementary	6	6	6	6
High School	3	3	3	3
District	13	13	13	13
Secretaries	4	4	4	4
Secretaries' Assistants	4	4	4	4
Fiscal Services	4	4	4	4
Operation and Maintenance of Plant				
Custodians	14	14	16	23
Maintenance	2	2	2	2
Pupil Transportation				
Bus Drivers	34	35	38	38
Bus Aides	2	2	2	2
Van Drivers	0	0	0	0
Food Service Program				
Elementary Cooks	12	12	12	12
High School Cooks	6	6	6	6
Totals:	<u>262</u>	<u>264</u>	<u>275</u>	<u>325</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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
130	130	129	129	125	125
35	35	36	36	36	36
11	11	13	14	14	14
4	4	5	5	6	6
3	3	3	3	3	3
5	5	5	5	5	5
3	3	3	3	3	3
0	0	0	1	1	1
0	0	0	0	0	0
2	2	2	2	1	1
13	13	13	13	13	13
6	6	6	6	6	6
3	3	3	3	3	3
13	13	13	13	13	13
4	4	4	4	4	4
4	4	4	4	4	4
4	4	4	4	4	4
27	27	26	26	26	26
2	2	3	3	3	3
39	39	39	39	38	38
3	3	3	3	3	3
0	0	0	0	0	0
18	18	18	18	18	18
<u>6</u>	<u>6</u>	<u>0</u>	<u>6</u>	<u>6</u>	<u>6</u>
<u>335</u>	<u>335</u>	<u>332</u>	<u>340</u>	<u>335</u>	<u>335</u>

Western Brown Local School District
Building Statistics
Last Ten Fiscal Years

	1999	2000	2001	2002
<u>Mt. Orab Elementary/Middle School:</u>				
Constructed in 1971				
Additions in 1988 and 1998				
Total Building Square Footage	87,370	100,965	100,965	100,965
Enrollment Grades K-8 1997 - 2001	1,549	1,577	1,527	0
Enrollment Grades K-4 2002 - Present	N/A	N/A	N/A	855
Student Capacity	1,100	1,100	1,100	1,100
Regular Instruction Classrooms	54	54	54	44
Regular Instruction Teachers	54	54	54	38
Special Instruction Classrooms	7	7	7	4
Special Instruction Teachers	7	7	7	2
<u>Mt. Orab Middle School:</u>				
Converted from the old High School				
Constructed in 1957				
Additions in 1971, 1984, 1992 and 1998				
Total Building Square Footage	N/A	N/A	N/A	94,851
Enrollment Grades K-8	N/A	N/A	N/A	672
Student Capacity	N/A	N/A	N/A	1,000
Regular Instruction Classrooms	N/A	N/A	N/A	34
Regular Instruction Teachers	N/A	N/A	N/A	29
Special Instruction Classrooms	N/A	N/A	N/A	7
Special Instruction Teachers	N/A	N/A	N/A	5
<u>Hamersville Elementary School:</u>				
Constructed in 1922				
Additions in 1940, 1957, 1960 and 1968				
Total Building Square Footage	151,250	151,250	151,250	N/A
Enrollment Grades K-8	870	886	858	N/A
Student Capacity	675	675	675	N/A
Regular Instruction Classrooms	35	35	35	N/A
Regular Instruction Teachers	34	35	35	N/A
Special Instruction Classrooms	4	4	4	N/A
Special Instruction Teachers	4	4	4	N/A
<u>Hamersville Elementary & Middle School:</u>				
Constructed in 2002				
Total Building Square Footage	N/A	N/A	N/A	129,780
Enrollment Grades K-8	N/A	N/A	N/A	859
Student Capacity	N/A	N/A	N/A	1,100
Regular Instruction Classrooms	N/A	N/A	N/A	36
Regular Instruction Teachers	N/A	N/A	N/A	35
Special Instruction Classrooms	N/A	N/A	N/A	8
Special Instruction Teachers	N/A	N/A	N/A	4
<u>Western Brown High School:</u>				
Constructed in 1957				
Additions in 1971, 1984, 1992 and 1998				
Total Building Square Footage	64,085	64,085	64,085	N/A
Enrollment Grades 9-12	893	918	902	N/A
Student Capacity	564	564	564	N/A
Regular Instruction Classrooms	26	26	26	N/A
Regular Instruction Teachers	26	26	26	N/A
Special Instruction Classrooms	4	4	4	N/A
Special Instruction Teachers	4	4	4	N/A
<u>Western Brown High School:</u>				
Constructed in 2002				
<i>Extraordinary Item - Insurance Settlement</i>				
Total Building Square Footage	N/A	N/A	N/A	189,729
Enrollment Grades 9-12	N/A	N/A	N/A	949
Student Capacity	N/A	N/A	N/A	1,200
Regular Instruction Classrooms	N/A	N/A	N/A	40
Regular Instruction Teachers	N/A	N/A	N/A	35
Special Instruction Classrooms	N/A	N/A	N/A	5
Special Instruction Teachers	N/A	N/A	N/A	4

Source: Western Brown Local School District records.

2003	2004	2005	2006	2007	2008
100,965	100,965	100,965	100,965	100,965	100,965
0	0	0	0	0	0
853	871	859	883	851	865
1,100	1,100	1,100	1,100	1,100	1,100
44	44	44	44	44	44
38	37	37	38	38	38
4	4	4	4	4	4
2	2	2	3	3	3
94,851	94,851	94,851	94,851	94,851	94,851
727	755	769	728	744	743
1,000	1,000	1,000	1,000	1,000	1,000
34	34	34	34	34	34
29	29	30	32	32	32
7	7	7	7	7	7
5	5	6	6	6	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
819	783	768	701	663	676
1,100	1,100	1,100	1,100	1,100	1,100
36	36	36	36	36	36
35	34	32	32	32	32
8	8	8	8	8	8
4	4	5	5	5	4
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
189,729	189,729	189,729	189,729	189,729	187,729
957	956	1,024	1,055	1,056	1,072
1,200	1,200	1,200	1,200	1,200	1,200
40	40	40	40	40	40
35	35	36	36	36	36
5	5	5	5	5	5
4	4	5	5	5	5

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

Year	Average Number of Students per Teacher (1)	State Average (2)
1999	24.5	18.6
2000	24.9	18.1
2001	23.1	18.0
2002	18.0	16.9
2003	18.3	16.5
2004	18.4	18.5
2005	18.2	18.5
2006	18.0	18.6
2007	18.0	19.6
2008	18.2	18.6

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

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

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

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

Information prior to 2002 was not available.

Source: Ohio Department of Education

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Mary Taylor, CPA
Auditor of State

WESTERN BROWN LOCAL SCHOOL DISTRICT

BROWN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 13, 2009**