

**BIG WALNUT LOCAL SCHOOL DISTRICT**  
**DELWARE COUNTY**  
**SINGLE AUDIT**  
**JULY 1, 2010 - JUNE 30, 2011**







# Dave Yost • Auditor of State

Board of Trustees  
Big Walnut Local School District  
PO Box 218  
70 North Walnut Street  
Galena, Ohio 43201

We have reviewed the *Independent Auditors' Report* of the Big Walnut Local School District, Delaware County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Big Walnut Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Robert R. Hinkle".

Robert R. Hinkle, CPA  
Chief Deputy Auditor

January 9, 2012

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**BIG WALNUT LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES	1
NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES	2
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT</i> <i>AUDITING STANDARDS</i>	3
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES	5
SCHEDULE OF FINDINGS AND RESPONSES – OMB CIRCULAR A-133§.505	8
SCHEDULE OF PRIOR AUDIT FINDINGS – OMB CIRCULAR A-133§.505	10
INDEPENDENT AUDITORS’ REPORT ON APPLYING AGREED-UPON PROCEDURES	11

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**BIG WALNUT LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i>	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b> <i>Passed Through Ohio Department of Education</i>					
Nutrition Cluster					
National School Breakfast Program	10.553	\$ 33,223	\$ -	\$ 33,223	\$ -
National School Lunch Program	10.555	238,734	59,210	238,734	59,210
Special Milk Program	10.556	78	-	78	-
Total Nutrition Cluster		<u>272,035</u>	<u>59,210</u>	<u>272,035</u>	<u>59,210</u>
Total U.S. Department of Agriculture		<u>272,035</u>	<u>59,210</u>	<u>272,035</u>	<u>59,210</u>
<b>U.S. DEPARTMENT OF EDUCATION</b> <i>Passed Through Ohio Department of Education</i>					
Title I Cluster:					
Title I Grants to Local Educational Agencies	84.010	279,987	-	275,605	-
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	89,783	-	90,245	-
Total Title I Cluster		<u>369,770</u>	<u>-</u>	<u>365,850</u>	<u>-</u>
Special Education Cluster:					
Special Education Grants to States	84.027	467,161	-	487,198	-
Special Education Preschool Grants	84.173	10,935	-	10,935	-
ARRA Special Education Grants to States, Recovery Act	84.391	53,202	-	99,617	-
Total Special Education Cluster		<u>531,298</u>	<u>-</u>	<u>597,750</u>	<u>-</u>
Education Technology State Grants	84.318	87	-	996	-
Improving Teacher Quality State Grants	84.367	74,511	-	83,580	-
ARRA - State Fiscal Stabilization Fund - Education State Grants	84.394	373,073	-	387,232	-
ARRA - State Fiscal Stabilization Fund - Race to the Top	84.395	29,594	-	29,244	-
Education Jobs Fund	84.410	80,786	-	80,171	-
Total U.S. Department of Education		<u>1,459,119</u>	<u>-</u>	<u>1,544,823</u>	<u>-</u>
<b>Total Federal Awards</b>		<u>\$ 1,731,154</u>	<u>\$ 59,210</u>	<u>\$ 1,816,858</u>	<u>\$ 59,210</u>

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

**BIG WALNUT LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) is a summary of the activity of the School District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

The School District reports commodities consumed on the Schedule at entitlement value. The School District allocated donated commodities to the respective program that benefited from use of those donated food commodities.





**Report on Internal Control over Financial Reporting and on Compliance and Other Matters**  
**Based on an Audit of Financial Statements Performed in Accordance with**  
**Government Auditing Standards**

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Big Walnut Local School District, Delaware County, Ohio (the School District) as of and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 30, 2011 wherein we noted the School District implemented GASB Statement No. 54 which resulted in a restatement of fund balances and net assets as disclosed in Note 3. 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 School District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the School District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School District's internal control over financial reporting.

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

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

*Wilson, Shannon & Snow, Inc.*

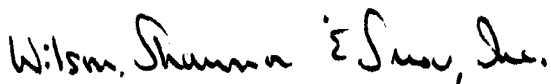
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**Compliance and Other Matters**

As part of reasonably assuring whether the School 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*.

However, we noted matters involving internal control over financial reporting or compliance and other matters not requiring inclusion in this report, that we reported to the School District's management in a separate letter dated November 30, 2011.

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



November 30, 2011



**Report on Compliance with Requirements Applicable to Each Major Federal Program  
and Internal Control over Compliance in Accordance with OMB Circular A-133  
and the Schedule of Federal Awards Receipts and Expenditures**

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

**Compliance**

We have audited the compliance of the Big Walnut Local School District, Delaware County (the School District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the School District's major federal programs for the fiscal year ended June 30, 2011. The summary of auditor's results section of the accompanying schedule of findings identifies the School District's major federal programs. The School 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 School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the Big Walnut Local School District, Delaware County complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the fiscal year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying Schedule of Findings and Responses lists this instance as Finding 2011-001.

*Wilson, Shannon & Snow, Inc.*

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### **Internal Control over Compliance**

The School 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 School District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School District's internal control over compliance.

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

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

We also noted another matter involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the School District's management in a separate letter dated November 30, 2011.

The School District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the School District's response and, accordingly, we express no opinion on it.

**Schedule of Federal Awards Receipts and Expenditures**

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Big Walnut Local School District, Delaware County (the School District) as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 30, 2011 wherein we noted the School District implemented GASB Statement No. 54, as disclosed in Note 3. Our audit was performed to form opinions on the financial statements that collectively comprise the School District's basic financial statements taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This Schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Wilson, Shuman & Snow, Inc.*

November 30, 2011

**BIG WALNUT LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
OMB CIRCULAR A-133 §.505**

**JUNE 30, 2011**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other significant deficiencies reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for each major federal program?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other significant deficiencies in its internal control for each major federal program?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	Yes
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	<b>Title I Cluster:</b> Title I Grants to Local Educational Agencies\CFDA #84.010; ARRA – Title I Grants to Local Educational Agencies, Recovery Act\CFDA #84.389  State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act \CFDA #84.394.
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

**BIG WALNUT LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES  
OMB CIRCULAR A-133 §.505**

**JUNE 30, 2011**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None.

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

Finding Number	2011-001
CFDA Title and Number	State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act \CFDA #84.394
Federal Award Number/Year	2011
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

**Period of Availability**

The requirements for the period of availability of Federal funds are contained in the A-102 Common Rule Section .23, OMB Circular A-110 (2 CFR sections 215.28 and 215.71), program legislation, Federal awarding agency regulations, and the terms and conditions of the award. The Ohio Department of Education (ODE) is the pass-through entity for the State Fiscal Stabilization Fund grant. Based on ODE provisions, the period of obligation for this grant extended to September 30, 2011, by this date, all funds received for this grant are to be liquidated. The District must obligate funds during the 27 months of the grant period of availability that ranged from July 1, 2009 through September 30, 2011. Goods and services must be received by the end of the liquidation period as well.

At June 30, 2011, the School District had a fund balance in the State Fiscal Stabilization Fund (fund 532) of \$26,300.62. The balance was to be used to cover electric utility bills for the school buildings which would be received in July for June 2011 usage. At September 30, 2011, the balance of \$26,300.62 remains in the State Fiscal Stabilization Fund. The Treasurer plans to reclassify the utility expense paid from the General fund to the State Fiscal Stabilization Fund.

The reclassification of expense did not occur before the period of availability end date of September 30, 2011. We recommend with future grants that all grant expenses be posted to the appropriate grant fund prior to the period of availability end date.

**Officials Response:** The School District Treasurer has reclassified building utility expenses paid in July 2011 from the General fund to the State Fiscal Stabilization grant fund in the amount of \$26,300.62 on December 13, 2011.

**BIG WALNUT LOCAL SCHOOL DISTRICT  
DELAWARE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A-133 §.505**

**JUNE 30, 2011**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected</u>	Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken, or Finding <u>No Longer Valid: <b>Explain</b></u>
2010-01	Ohio Revised Code Section 5705.41(B) states that expenditures may not exceed appropriations.	Yes	N/A.





## Independent Auditors' Report on Applying Agreed-Upon Procedures

Big Walnut Local School District  
Delaware County  
70 N. Walnut Street  
Galena, Ohio 43021

To the Board of Education:

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

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

1. We noted the School District amended its anti-harassment policy at its meeting on February 14, 2011 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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

*Wilson, Shannon & Snow, Inc.*

Newark, Ohio  
November 30, 2011

*Wilson, Shannon & Snow, Inc.*

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

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ended  
June 30, 2011**

**INTRODUCTORY  
SECTION**

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

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For The Fiscal Year Ended June 30, 2011

Prepared By:

Treasurer's Office

**Felicia Drummey, Treasurer**

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**BIG WALNUT LOCAL SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Title Page.....	i
Table of Contents .....	iii
Letter of Transmittal.....	vii
Certificate of Achievement.....	xi
Organizational Chart .....	xii
Big Walnut Local School District Principal Officials .....	xiii

**FINANCIAL SECTION**

Independent Auditors’ Report .....	1
General Purpose External Financial Statements	
Management’s Discussion and Analysis.....	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets .....	11
Statement of Activities.....	12
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities .....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	16
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities.....	17
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual: General Fund .....	19

**TABLE OF CONTENTS**

(continued)

**FINANCIAL SECTION** (continued)

Statement of Fiduciary Assets and Liabilities - Agency Funds .....	20
Notes to the Basic Financial Statements .....	21
Combining Statements and Individual Fund Schedules .....	55
Combining Statements - Nonmajor Special Revenue Funds	
Fund Descriptions.....	57
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	59
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	63
Combining Statements - Agency Funds	
Fund Descriptions.....	67
Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	68
Individual Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual .....	69
Major Funds .....	70
Nonmajor Funds .....	76

**STATISTICAL SECTION**

Net Assets - Last Six Fiscal Years .....	S-2
Changes in Net Assets - Last Six Fiscal Years .....	S-4
Fund Balances - Governmental Funds - Last Six Fiscal Years .....	S-6
Changes in Fund Balances - Governmental Funds - Last Six Fiscal Years .....	S-8



**TABLE OF CONTENTS**

(continued)

**STATISTICAL SECTION** (continued)

Assessed and Estimated Actual Value of Taxable Property - Last Ten Years.....	S-10
Property Tax Rates - Direct and All Overlapping Governments - Last Ten Years.....	S-12
Real Property Tax Levies and Collections - Last Ten Years.....	S-16
Tangible Personal Property Tax Levies and Collections - Last Ten Years.....	S-17
Principal Taxpayers - Real Property - Current Year and Seven Years Ago .....	S-18
Principal Taxpayers - Public Utility Personal Property - Current Year and Seven Years Ago .....	S-19
Ratios of Outstanding Debt by Type - Last Six Fiscal Years .....	S-20
Ratio of General Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita - Last Six Fiscal Years .....	S-21
Computation of Direct and Overlapping Debt .....	S-23
Computation of Legal Debt Margin - Last Six Fiscal Years .....	S-24
Demographic Statistics - Last Ten Years.....	S-26
Principal Employers - Current Year and Nine Years Ago .....	S-27
School District Employees by Program - Last Ten Fiscal Years .....	S-28
Per Pupil Cost - Last Six Fiscal Years .....	S-31
School Building Statistics - Last Ten Fiscal Years .....	S-32
Full-Time Equivalent Teachers by Education - Last Nine Fiscal Years .....	S-34

**TABLE OF CONTENTS**

(continued)

**STATISTICAL SECTION** (continued)

Teacher's Salaries - Last Ten Fiscal Years .....	S-36
Enrollment Statistics - Last Ten Fiscal Years .....	S-37
Percentage of Students Who Receive Free and Reduced Lunches - Last Ten Fiscal Years .....	S-38
Attendance and Graduation Rates - Last Ten Fiscal Years .....	S-40

# BIG WALNUT LOCAL SCHOOL DISTRICT

70 N. Walnut Street • Galena, OH 43021 • 740.965.3010 • (fax) 740.965.4688

November 30, 2011

To the Citizens and  
Board of Education of the  
Big Walnut Local School District

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Big Walnut Local School District for the fiscal year ended June 30, 2011. This Comprehensive Annual Financial Report contains financial statements, supplemental statements, and statistical information conforming with generally accepted accounting principles as applicable to governmental entities. It provides complete and full disclosure of all material financial aspects of the School District.

This report enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires preparing financial statements in accordance with generally accepted accounting principles and Ohio Revised Code Section 117.38, which requires the School District to file an unaudited annual report with the Auditor of State within one hundred fifty days of fiscal year end.

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

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The firm of Wilson, Shannon, & Snow, Inc. has issued an unqualified opinion on Big Walnut Local School District's financial statements for the fiscal year ended June 30, 2011. The Independent Auditors' Report is located at the front of the financial section of this report.

## **Profile of the School District**

Big Walnut Local School District is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state and federal guidelines.

The School District was established in 1951. The School District is the 164th largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by one hundred twelve classified employees, one hundred sixty-five certified employees (one hundred fifty-nine teachers and six others) and fourteen administrative employees who provide services to 2,994 students and other community members. The School District currently operates three elementary schools, a middle school, and a high school.

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board of Education of the School District.

The Treasurer is the chief financial officer of the School District and is directly responsible to the Board of Education for all financial operations, investments, and custody of all School District funds and assets. The Treasurer also serves as Secretary to the Board of Education.

Annually, the School District approves a temporary budget prior to the start of the fiscal year and a permanent budget before October 1<sup>st</sup>. The annual budget serves as the foundation of the School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

### **Local Economy**

The School District encompasses one hundred ten square miles in Delaware County, in central Ohio. The County is located approximately ten miles north of Columbus, the State capital. This central location is strategically positioned for the future development of business and industry.

Delaware County is a suburban community in central Ohio with a generally low unemployment rate. The unemployment rate for June 2011 was 6.6 percent and the estimated population of Delaware County, according to the U.S. Census, was 174,214. Delaware County remains the fastest growing county in Ohio.

### **Long-Term Financial Planning**

The School District has four bargaining units. Current contracts with the Big Walnut Education Association, the Big Walnut Professional Support Staff, and the OAPSE Local 524 provided for a 3 percent base salary increase for fiscal years 2010 and 2011. The Ohio Education Association has agreed to a freeze on the base for fiscal year 2012, thereby extending the contract to June 30, 2012. The administrative staff has received no increase in compensation for fiscal years 2010 and 2011, and will not receive an increase in fiscal year 2012. The current contract with the OAPSE Local 696 provides for 2 percent increases annually and is scheduled to expire on June 30, 2012.

During fiscal year 2012, the School District will benefit from the collection of revenue on the Sunbury Meadows Community Development Authority. The Community Development Authority is an additional 4 mill charge levied upon new construction within the Authority. The charge will continue for twenty years from the date of first collection. Projected revenue for fiscal year 2012 is \$27,400.

At least semi-annually, the Board of Education approves a five-year financial forecast.

The Board of Education was successful in passing a five-year 7.5 mill emergency levy in November 2010 that will generate approximately \$4,900,000 annually. The tax assessment was retroactive to the tax lien date of January 1, 2010. The first collection is one year in arrears with actual distribution in March 2011 for approximately half of the annual amount.

### **Relevant Financial Policies**

In an effort to move toward program-based budgeting, the School District has adopted a modified zero-based budgeting approach, replacing the past practice of incremental or formula budgeting. Pure zero-based budgeting calls for administrators and principals to evaluate their needs anew each year and to make budget requests by answering the question “What do I need to achieve desired results?” While School District needs will always exceed available resources, the most critical needs to achieve results are funded. Expenditure levels are still monitored on a per pupil basis to achieve equity among buildings.

Another issue the School District is encountering is House Bill 66. In June 2005, House Bill 66 was signed and put into law. This bill phases out the tangible personal property tax for school districts. Governor Kasich’s biennial budget accelerated the phase out of tangible personal property taxes contributing to a reduction in revenue for fiscal years 2012 through 2016 as the reimbursement is completely phased out in 2013.

### **Major Initiatives**

The School District achieved a rating of Excellent on the State Report Card. This was the 6th year in a row that the School District has received an excellent rating from the Ohio Department of Education. The School District has also established a Development Committee to study current facilities, improve enrollment projections, and to make recommendations on the future facility needs of the School District.

The Development Committee studied student enrollment and current facilities during fiscal year 2008. Based on recommendations of the Development Committee, the Board of Education placed a 2.9 mill, \$30 million bond levy on the November 2008 ballot which was approved by the voters. The successful passage allowed the School District to open General Rosecrans Elementary school in the fall of 2010 and a new middle school in the fall of 2011. The School District’s current middle school has been temporarily closed but is intended to reopen to house 5<sup>th</sup> and 6<sup>th</sup> grades as enrollment increases. The facilities will allow the School District to deal with growth projected in the next five years. Given the slowed economic development, construction of new homes has stalled as well as enrollment resulting in budget constraints that required Harrison Street Elementary School to be temporarily closed in the fall of 2010 and Big Walnut Middle School to be closed in the summer of 2011.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Big Walnut Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

Sincere gratitude goes to the Big Walnut Board of Education, Diana Butts, James Hildreth, Allison Fagan, Pam Lillie, and Verna Hines, where the commitment to excellence begins, for their support in granting funds for this project. Special acknowledgment is extended to the Auditor of State's Local Government Services Section as well as the staff of the Treasurer's Office for their efforts and contributions in the preparation of this Comprehensive Annual Financial Report.

Respectfully submitted,

  
Felicia R. Drummey  
Treasurer

  
Steve Mazzi  
Superintendent

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Big Walnut Local School District  
Ohio

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

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



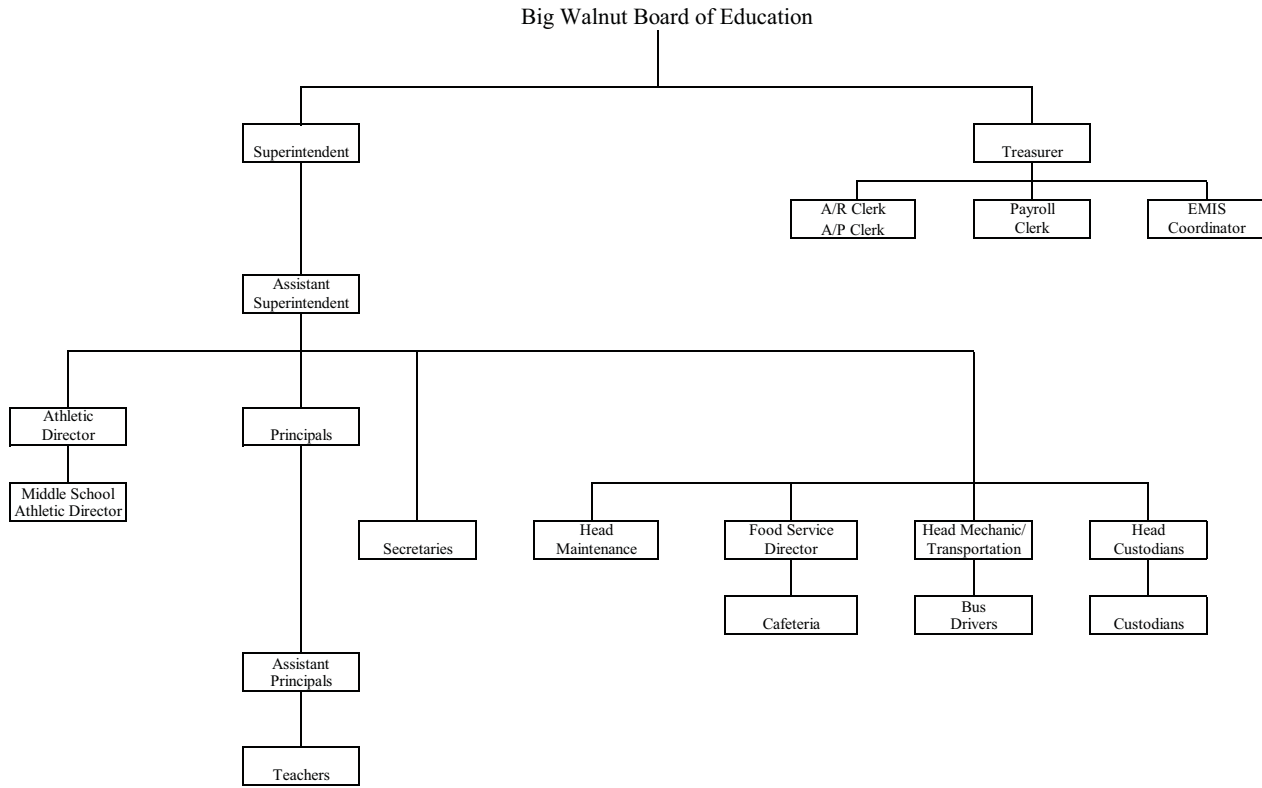
*Linda C. Davison*

President

*Jeffrey R. Emer*

Executive Director

# BIG WALNUT LOCAL SCHOOL DISTRICT ORGANIZATIONAL CHART





BIG WALNUT LOCAL SCHOOL DISTRICT

PRINCIPAL OFFICIALS  
JUNE 30, 2011

ELECTED OFFICIALS

President, Board of Education ..... Diana Butts  
Vice President, Board of Education..... Pamula Lillie  
Board Member ..... Allison Fagan  
Board Member ..... James Hildreth  
Board Member ..... Verna Hines

APPOINTED OFFICIALS

Superintendent ..... Steve Mazzi  
Treasurer ..... Felicia Drummey

ADMINISTRATIVE STAFF

Assistant Superintendent..... Gary Barber  
Principal, High School..... Steve Fujii  
Assistant Principal, High School ..... Brad Felkey  
Assistant Principal, High School/Middle School..... Penny Sturtevant  
Principal, Middle School ..... Angie Pollock  
Principal, Big Walnut Elementary ..... Lynn Kaszynski  
Principal, Hylan Souders Elementary ..... Joe Jude  
Principal, General Rosecrans Elementary..... Peggy McMurry  
Athletic Director ..... Steve Glesenkamp  
Special Education Director ..... Karen Hall  
Technology Coordinator ..... Wayne Thompson

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FINANCIAL  
SECTION

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

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Big Walnut Local School District, Delaware County, Ohio (the School District), as of and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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, each major fund, and the aggregate remaining fund information of the Big Walnut Local School District, Delaware County, Ohio, as of June 30, 2011, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 3, the School District restated fund balances and net assets based on implementing Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2011, on our consideration of the School 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.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**

Ten West Locust Street

Newark, Ohio 43055

(740) 345-6611

1-800-523-6611

FAX (740) 345-5635

Big Walnut Local School District  
Delaware County  
Independent Auditors' Report

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

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

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
November 30, 2011

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
Unaudited

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The discussion and analysis of Big Walnut Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

### **Highlights**

Highlights for fiscal year 2011 are as follows:

In total, net assets increased \$5,774,276, or 65 percent from the prior fiscal year. This increase can be attributed to a 13 percent increase in revenues (due to collection on the 7.5 mill emergency levy and additional income taxes from an improving economy) and a 2 percent decrease in expenses (largely due to staff reductions).

General revenues were \$32,431,830, or 90 percent of total revenues, and reflect the School District's substantial dependence on local taxes and State funding.

The School District's five-year forecast is approved by the Board of Education at least semi-annually. The forecast illustrates the School District's vulnerability to the fixed sum fixed term emergency levy cycle. This fixed levy cycle demonstrates the ebb and flow of revenues as in the early years of a levy revenues exceed expenditures resulting in surplus cash balances that are depleted when as expenditure begin to outpace revenues in the later years as costs rise. Consequently, expenditures are predicted to outpace revenues in year three of the forecast (i.e. fiscal year 2013) and creating a deficit General Fund cash balance for fiscal year 2015.

On November 2, 2010, the voters of the School District approved an emergency levy for a period of five years (i.e. calendar years 2010-2014). The levy will generate approximately \$4.9 million annually. The levy assessment was effective retroactive to January 1, 2010, with collection one year later on January 1, 2011. Accordingly, fiscal year 2011 reflects real estate tax collections of only the 1<sup>st</sup> half of calendar 2010 (i.e. January-June) with the 2<sup>nd</sup> half of calendar 2010 (i.e. July-December) being collected in fiscal year 2012.

### **Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand Big Walnut Local School District as a financial whole, or as an entire operating entity.

The statement of net assets and the statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds, with all other nonmajor funds presented in total in a single column. For Big Walnut Local School District, the General Fund, the Bond Retirement debt service fund, and the Building capital projects fund are the most significant funds.

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
Unaudited

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**Reporting the School District as a Whole**

The statement of net assets and the statement of activities reflect how the School District did financially during fiscal year 2011. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader whether the financial position of the School District as a whole has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Nonfinancial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the statement of net assets and the statement of activities, all of the School District activities are reported as governmental activities, including instruction, support services, non-instructional services, and extracurricular activities.

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

Fund financial statements provide detailed information about the School District's major funds. While the School District uses many funds to account for its financial transactions, the fund financial statements focus on the School District's most significant funds. The School District's major funds are the General Fund, the Bond Retirement debt service fund, and the Building capital projects fund.

Governmental Funds - All of the School District's programs are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.



Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
Unaudited

**The School District as a Whole**

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

Table 1 Net Assets		Governmental Activities	
	2011	2010	Change
<u>Assets</u>			
Current and Other Assets	\$35,529,974	\$40,131,783	(\$4,601,809)
Capital Assets, Net	47,969,372	36,275,006	11,694,366
Total Assets	<u>83,499,346</u>	<u>76,406,789</u>	<u>7,092,557</u>
<u>Liabilities</u>			
Current and Other Liabilities	21,897,709	18,852,408	(3,045,301)
Long-Term Liabilities	46,977,454	48,704,474	1,727,020
Total Liabilities	<u>68,875,163</u>	<u>67,556,882</u>	<u>(1,318,281)</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	8,765,794	9,138,600	(372,806)
Restricted	2,488,004	2,566,305	(78,301)
Unrestricted (Deficit)	3,370,385	(2,854,998)	6,225,383
Total Net Assets	<u>\$14,624,183</u>	<u>\$8,849,907</u>	<u>\$5,774,276</u>

A review of the above table demonstrates several significant changes from the prior fiscal year. During fiscal year 2011, the School District continued to spend proceeds from the general obligation bonds issued in fiscal year 2010 for facilities construction and improvement. This resulted in a net decrease in cash and cash equivalents (reflected within current and other assets) of over \$10 million (note the increase in net capital assets reflecting the resources spent for construction). However, there were also several significant increases within current and other assets, those being an increase in property taxes receivable of over \$4.8 million due to the emergency levy and of almost \$564,000 in the receivable for income taxes as modest improvements in the economy have resulted in some folks returning to work. There was a fairly sizable increase in current and other liabilities. A portion of this increase is also related to construction activities with payables to contractors outstanding as of fiscal year end. In addition, a portion of this increase is related to the deferred portion of the receivable for property taxes. A combination of factors, additional cash with the General Fund from levy collections as well as the net increase in the receivables for property and income taxes led to the increase in unrestricted net assets. The School District also had the good fortune of receiving an additional one-time receipt of nearly \$1 million in income taxes resulting from a resident winning the lottery. This too contributed to the increase in unrestricted net assets.

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
Unaudited

Table 2 reflects the change in net assets for fiscal year 2011 and fiscal year 2010.

Table 2  
Change in Net Assets

	Governmental Activities		Change
	2011	2010	
<u>Revenues</u>			
Program Revenues			
Charges for Services	\$1,570,530	\$1,183,452	\$387,078
Operating Grants, Contributions, and Interest	2,129,873	2,222,925	(93,052)
Capital Grants and Contributions	19,005	0	19,005
Total Program Revenues	<u>3,719,408</u>	<u>3,406,377</u>	<u>313,031</u>
General Revenues			
Property Taxes Levied for General Purposes	15,073,552	12,632,397	2,441,155
Property Taxes Levied for Debt Service Purposes	2,690,225	3,017,525	(327,300)
Income Taxes Levied for General Purposes	6,202,194	4,418,135	1,784,059
Grants and Entitlements	8,051,168	7,851,550	199,618
Interest	85,705	102,607	(16,902)
Gifts and Donations	175,496	150,323	25,173
Miscellaneous	153,490	414,056	(260,566)
Total General Revenues	<u>32,431,830</u>	<u>28,586,593</u>	<u>3,845,237</u>
Total Revenues	<u>36,151,238</u>	<u>31,992,970</u>	<u>4,158,268</u>
<u>Expenses</u>			
Instruction			
Regular	13,570,840	13,227,046	(343,794)
Special	2,357,267	2,410,093	52,826
Vocational	103,403	308,959	205,556
Support Services			
Pupils	1,180,712	1,428,226	247,514
Instructional Staff	1,540,737	1,830,485	289,748
Board of Education	122,235	132,398	10,163
Administration	2,471,483	2,624,405	152,922
Fiscal	974,751	829,078	(145,673)
Business	61,444	257,499	196,055
Operation and Maintenance of Plant	2,348,454	2,181,680	(166,774)
Pupil Transportation	1,850,810	2,035,825	185,015
Central	672	13,076	12,404
Non-Instructional Services	1,222,178	1,202,563	(19,615)
Extracurricular Activities	637,595	715,823	78,228
Interest and Fiscal Charges	1,934,381	1,933,711	(670)
Total Expenses	<u>30,376,962</u>	<u>31,130,867</u>	<u>753,905</u>
Increase in Net Assets	5,774,276	862,103	4,912,173
Net Assets Beginning of Year	<u>8,849,907</u>	<u>7,987,804</u>	<u>862,103</u>
Net Assets End of Year	<u>\$14,624,183</u>	<u>\$8,849,907</u>	<u>\$5,774,276</u>

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
Unaudited

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Program revenues, which are primarily represented by tuition and fees, charges for extracurricular activities, food service sales, and restricted intergovernmental revenues, represented 10 percent of total revenues for fiscal year 2011, similar to the prior fiscal year. There was an increase in charges for services due to doubling the pay to participate athletic fee. This resulted in additional charges of more than \$300,000. The pay to participate fees have subsequently been reduced by half with the passage of the emergency levy in fiscal year 2010.

The primary sources of general revenues are property taxes, income taxes, and unrestricted State resources (generally State Foundation monies). The increase in property taxes is due to the passage of the emergency levy. The first half collections were received in March 2011 and were approximately \$2.45 million. An improving job market and reemployment contributed to the increase in income taxes as well as a one-time receipt due to a local resident's lottery winnings.

Expenses decreased 2 percent from the prior fiscal year with the implementation of a reduction in force involving the layoff of forty-two staff members. Although most of the layoffs centered on the instructional staff, who deliver educational services such as art, music, and physical education, the layoffs also included three administrators and multiple support staff positions. The overall decrease in salaries from staff layoffs was offset by guaranteed step increases that averaged 3 percent, or approximately \$343,000.

As expected, the School District's major program expense continues to be for instruction, which accounts for 53 percent of all expenses. The instruction category, however, does not include all activities associated with educating students as pupils, instructional staff, and pupil transportation costs have a significant role in delivering education. These programs represent 15 percent of total expenses.

Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted state entitlements.

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
Instruction				
Regular	\$13,570,840	\$13,227,046	\$12,391,453	\$13,016,018
Special	2,357,267	2,410,093	1,477,483	737,163
Vocational	103,403	308,959	85,165	298,240
Support Services				
Pupils	1,180,712	1,428,226	1,175,712	1,417,005
Instructional Staff	1,540,737	1,830,485	1,540,737	1,830,485
Board of Education	122,235	132,398	122,235	132,398

(continued)

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
Unaudited

Table 3  
Governmental Activities  
(continued)

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
Support Services (continued)				
Administration	\$2,471,483	\$2,624,405	\$2,465,935	\$2,619,781
Fiscal	974,751	829,078	974,751	829,078
Business	61,444	257,499	61,444	257,499
Operation and Maintenance of Plant	2,348,454	2,181,680	2,348,454	2,181,680
Pupil Transportation	1,850,810	2,035,825	1,808,239	1,969,811
Central	672	13,076	672	13,076
Non-Instructional Services	1,222,178	1,202,563	(6,260)	(12,962)
Extracurricular Activities	637,595	715,823	277,153	501,507
Interest and Fiscal Charges	1,934,381	1,933,711	1,934,381	1,933,711
Total Expenses	<u>\$30,376,962</u>	<u>\$31,130,867</u>	<u>\$26,657,554</u>	<u>\$27,724,490</u>

As demonstrated again in the above table, general revenues are relied upon to bear the burden of the costs of programs provided by the School District. In fiscal year 2011, general revenues provided for 88 percent of the costs of programs provided. Only a very few of the School District's programs receive a significant amount of program revenues to offset their costs. One of these programs is special instruction which provided for 37 percent of program costs through program revenues, much of this in the form of operating grants restricted for special instruction purposes. Grant funding for special instruction was less in fiscal year 2011 due to additional resources obtained in the prior fiscal year through the American Recovery and Reinvestment Act. The entire non-instructional services program was provided for through program revenues. This is primarily due to cafeteria sales, and state and federal subsidies and donated commodities for food service. In addition, this program includes resources received and spent on behalf of the parochial school located within the School District. Approximately 57 percent of extracurricular activities expenses are covered by program revenues. This is the result of music and athletic fees, ticket sales, and gate receipts. Fiscal year 2011 also reflects the additional athletic fees resulting from the increase in the pay to participate receipts.

**The School District's Funds**

The School District's governmental funds are accounted for using the modified accrual basis of accounting. For the General Fund, fund balance increased over \$6 million from the prior fiscal year eliminating the deficit which existed at June 30, 2010. Revenues increased over \$4.7 million reflecting the collections from the emergency levy and the increase in income taxes due to the one-time receipt from the lottery recipient and modest restoration of economic conditions. In addition, expenditures decreased by \$1.7 million from staff reductions and other cost cutting measures.

Fund balance decreased 27 percent in the Bond Retirement debt service fund due to principal and interest requirements exceeding tax collections during the fiscal year.

There was a significant decrease in fund balance in the Building capital projects fund, the result of continued construction on the School District's building and renovation project.

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
Unaudited

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**General Fund Budgeting Highlights**

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

During fiscal year 2011, the School District amended its General Fund budget as needed. For revenues, significant changes from the original budget to the final budget included increases in the estimates for property taxes and income taxes. For property taxes, the School District did not rely on the passage of the emergency levy in the original estimates and economic conditions required a conservative estimate for income taxes. Changes from the final budget to actual revenues received were not significant. For expenditures, the final budget increased \$1.5 million from the original budget. A portion of this change can be attributed to the emergency levy approval. Once approved, the School District restored some staffing and programs which were not considered at the time the original budget was prepared. Another factor contributing to the increase was related to activities that had been provided for in the prior fiscal year with stimulus resources within other funds. Restoring this activity to the General Fund was also not considered in the original budget. Changes from the final budget to actual expenditures were not significant.

**Capital Assets and Debt Administration**

Capital Assets

At the end of fiscal year 2011, the School District had \$47,969,372 invested in capital assets (net of accumulated depreciation). The most significant addition for fiscal year 2011 was the continued construction on the new elementary school and middle school. Significant disposals included the sale of the old bus garage and a pickup truck. For further information regarding the School District's capital assets, refer to Note 10 to the basic financial statements.

Debt

The School District's outstanding debt at June 30, 2011, consisted of general obligation bonds, in the amount of \$45,357,906, and capital leases, in the amount of \$30,210. During the fiscal year, the School District's debt activity was limited to scheduled principal and interest payments. The School District's long-term obligations also include compensated absences.

For further information regarding the School District's long-term obligations, refer to Notes 17 and 18 to the basic financial statements.

**Current Issues**

The School District's five-year forecast submitted to the Ohio Department of Education in May 2011 revealed that the School District would have a cash balance of approximately \$3.9 million at the end of fiscal year 2012. The positive cash balance is a direct result of passing the \$4,900,000 emergency levy. The 2011/2012 school year began with the restoration of instructional programs and extension of the school day that required rehiring twelve teaching staff and six support staff that were laid off in the prior fiscal year.

Big Walnut Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
Unaudited

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Given the expiration and non-replacement of federal stimulus monies, the General Fund expenditures are projected to increase significantly in the purchased services category as those funds are used to pay electric bills and special education costs that must continue despite the lost revenue stream.

The Big Walnut Education Association, the Big Walnut Professional Support Staff, and the OAPSE #524 have agreed to extend the current contract period for one year to June 30, 2012, with no increase to the base pay. The administrative staff will also forgo raises in fiscal year 2012 for the third straight year to help extend the use of levy revenue. The only exception is the OAPSE Local 696 for the cafeteria that will receive its annual 2 percent salary increase.

The Board of Education placed a \$30 million bond levy on the November 2008 ballot which was approved by the voters. The successful passage allowed the School District to open a new Middle School in the fall of 2011. The School District's current middle school was closed the summer of 2011 and is intended to be used to house grades 5 and 6 as enrollment increases. This facility will allow the School District to deal with growth over the next five years by occupying these facilities as strategically as necessary.

The School District is engaged in the development of GIS mapping data. This data will allow the School District to more accurately predict growth, assist in the efficient use of capital investments, and be used in the planning of future capital investments.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Felicia Drummey, Treasurer, Big Walnut Local School District, PO Box 218, 70 North Walnut Street, Galena, Ohio 43201.

Big Walnut Local School District  
Statement of Net Assets  
June 30, 2011

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$11,877,563
Cash and Cash Equivalents with Fiscal Agent	9,919
Accounts Receivable	161,565
Accrued Interest Receivable	10,491
Intergovernmental Receivable	480,342
Due from External Party	6,650
Income Taxes Receivable	2,640,799
Inventory Held for Resale	8,806
Materials and Supplies Inventory	4,127
Property Taxes Receivable	19,981,137
Unamortized Issuance Costs	348,575
Nondepreciable Capital Assets	16,343,564
Depreciable Capital Assets, Net	31,625,808
 Total Assets	 83,499,346
<u>Liabilities</u>	
Accounts Payable	130,819
Contracts Payable	1,260,482
Accrued Wages and Benefits Payable	2,190,029
Intergovernmental Payable	861,448
Matured Bonds and Interest Payable	9,919
Accrued Interest Payable	153,661
Deferred Revenue	16,978,709
Retainage Payable	312,642
Long-Term Liabilities	
Due Within One Year	1,033,757
Due in More Than One Year	45,943,697
 Total Liabilities	 68,875,163
<u>Net Assets</u>	
Invested in Capital Assets, Net of Related Debt	8,765,794
Restricted For	
Debt Service	1,023,224
Capital Projects	554,136
Textbooks	343,611
Other Purposes	567,033
Unrestricted	3,370,385
 Total Net Assets	 \$14,624,183

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2011

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
<u>Governmental Activities</u>				
Instruction				
Regular	\$13,570,840	\$400,689	\$769,693	\$9,005
Special	2,357,267	71,424	808,360	0
Vocational	103,403	0	18,238	0
Support Services				
Pupils	1,180,712	0	5,000	0
Instructional Staff	1,540,737	0	0	0
Board of Education	122,235	0	0	0
Administration	2,471,483	5,548	0	0
Fiscal	974,751	0	0	0
Business	61,444	0	0	0
Operation and Maintenance of Plant	2,348,454	0	0	0
Pupil Transportation	1,850,810	0	42,571	0
Central	672	0	0	0
Non-Instructional Services	1,222,178	756,372	472,066	0
Extracurricular Activities	637,595	336,497	13,945	10,000
Interest and Fiscal Charges	1,934,381	0	0	0
Total Governmental Activities	<u>\$30,376,962</u>	<u>\$1,570,530</u>	<u>\$2,129,873</u>	<u>\$19,005</u>

General Revenues

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

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year - Restated (Note 3)

Net Assets End of Year

See Accompanying Notes to the Basic Financial Statements



Net (Expense) Revenue  
and Change in Net Assets

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Governmental  
Activities

---

(\$12,391,453)  
(1,477,483)  
(85,165)

(1,175,712)  
(1,540,737)  
(122,235)  
(2,465,935)  
(974,751)  
(61,444)  
(2,348,454)  
(1,808,239)  
(672)  
6,260  
(277,153)  
(1,934,381)

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(26,657,554)

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15,073,552  
2,690,225  
6,202,194  
8,051,168  
85,705  
175,496  
153,490

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32,431,830

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5,774,276

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8,849,907

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\$14,624,183

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Big Walnut Local School District  
Balance Sheet  
Governmental Funds  
June 30, 2011

	General	Bond Retirement	Building	Other Governmental	Total
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$3,142,466	\$1,298,637	\$6,505,634	\$540,166	\$11,486,903
Cash and Cash Equivalents with Fiscal Agent	0	9,919	0	0	9,919
Accounts Receivable	158,861	0	0	2,704	161,565
Accrued Interest Receivable	10,491	0	0	0	10,491
Interfund Receivable	42,026	0	0	0	42,026
Intergovernmental Receivable	111,711	0	0	368,631	480,342
Due from External Party	6,650	0	0	0	6,650
Income Taxes Receivable	2,640,799	0	0	0	2,640,799
Inventory Held for Resale	0	0	0	8,806	8,806
Materials and Supplies Inventory	0	0	0	4,127	4,127
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	390,660	0	0	0	390,660
Property Taxes Receivable	17,185,086	2,796,051	0	0	19,981,137
<b>Total Assets</b>	<b>\$23,688,750</b>	<b>\$4,104,607</b>	<b>\$6,505,634</b>	<b>\$924,434</b>	<b>\$35,223,425</b>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Accounts Payable	\$78,033	\$0	\$18,324	\$34,462	\$130,819
Contracts Payable	0	0	1,260,482	0	1,260,482
Accrued Wages and Benefits Payable	1,976,744	0	0	213,285	2,190,029
Interfund Payable	0	0	0	42,026	42,026
Intergovernmental Payable	794,189	0	0	67,259	861,448
Matured Bonds and Interest Payable	0	9,919	0	0	9,919
Deferred Revenue	15,411,236	2,429,168	0	228,300	18,068,704
Retainage Payable	0	0	312,642	0	312,642
<b>Total Liabilities</b>	<b>18,260,202</b>	<b>2,439,087</b>	<b>1,591,448</b>	<b>585,332</b>	<b>22,876,069</b>
<u>Fund Balances</u>					
Nonspendable	0	0	0	12,933	12,933
Restricted	390,689	1,665,520	4,914,186	339,752	7,310,147
Assigned	364,639	0	0	0	364,639
Unassigned (Deficit)	4,673,220	0	0	(13,583)	4,659,637
<b>Total Fund Balances</b>	<b>5,428,548</b>	<b>1,665,520</b>	<b>4,914,186</b>	<b>339,102</b>	<b>12,347,356</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$23,688,750</b>	<b>\$4,104,607</b>	<b>\$6,505,634</b>	<b>\$924,434</b>	<b>\$35,223,425</b>

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District  
 Reconciliation of Total Governmental Fund Balances  
 to Net Assets of Governmental Activities  
 June 30, 2011

Total Governmental Fund Balances \$12,347,356

Amounts reported for governmental activities on the statement of net assets are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 47,969,372

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

Accounts Receivable	218,678	
Intergovernmental Receivable	225,596	
Income Taxes Receivable	243,854	
Property Taxes Receivable	401,867	
		1,089,995

Unamortized issuance costs are deferred charges which do not provide current financial resources and, therefore, are not reported in the funds. 348,575

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

Accrued Interest Payable	(153,661)	
General Obligation Bonds Payable	(45,357,906)	
Compensated Absences Payable	(1,589,338)	
Capital Leases Payable	(30,210)	
		(47,131,115)

Net Assets of Governmental Activities \$14,624,183

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2011

	General	Bond Retirement	Building	Other Governmental	Total
<u>Revenues</u>					
Property Taxes	\$15,076,074	\$2,713,310	\$0	\$0	\$17,789,384
Income Taxes	6,176,875	0	0	0	6,176,875
Intergovernmental	7,385,043	386,937	0	2,086,318	9,858,298
Interest	64,440	0	26,329	321	91,090
Tuition and Fees	337,203	0	0	0	337,203
Extracurricular Activities	1,461	0	0	327,491	328,952
Charges for Services	27,989	0	0	756,372	784,361
Gifts and Donations	234,168	0	0	432,995	667,163
Miscellaneous	164,364	0	0	6,427	170,791
<b>Total Revenues</b>	<b>29,467,617</b>	<b>3,100,247</b>	<b>26,329</b>	<b>3,609,924</b>	<b>36,204,117</b>
<u>Expenditures</u>					
Current:					
Instruction					
Regular	11,886,390	0	0	453,752	12,340,142
Special	1,542,269	0	0	772,857	2,315,126
Vocational	93,861	0	0	0	93,861
Support Services					
Pupils	1,099,648	0	0	64,192	1,163,840
Instructional Staff	1,355,750	0	0	183,227	1,538,977
Board of Education	122,235	0	0	0	122,235
Administration	2,323,875	0	0	115,924	2,439,799
Fiscal	853,690	42,563	0	79,255	975,508
Business	75,127	0	4,104	455	79,686
Operation and Maintenance of Plant	2,008,566	0	0	335,531	2,344,097
Pupil Transportation	1,818,841	0	0	0	1,818,841
Central	7,460	0	0	0	7,460
Non-Instructional Services	0	0	0	1,174,095	1,174,095
Extracurricular Activities	39,656	0	0	563,229	602,885
Capital Outlay	0	0	13,207,951	0	13,207,951
Debt Service:					
Principal Retirement	24,820	1,367,796	0	0	1,392,616
Interest and Fiscal Charges	2,295	1,860,315	0	0	1,862,610
Interest on Capital Appreciation Bonds	0	457,204	0	0	457,204
<b>Total Expenditures</b>	<b>23,254,483</b>	<b>3,727,878</b>	<b>13,212,055</b>	<b>3,742,517</b>	<b>43,936,933</b>
Excess of Revenues Over (Under) Expenditures	6,213,134	(627,631)	(13,185,726)	(132,593)	(7,732,816)
<u>Other Financing Sources (Uses)</u>					
Sale of Capital Assets	160,000	0	0	0	160,000
Transfers In	0	0	0	316,447	316,447
Transfers Out	(316,447)	0	0	0	(316,447)
<b>Total Other Financing Sources (Uses)</b>	<b>(156,447)</b>	<b>0</b>	<b>0</b>	<b>316,447</b>	<b>160,000</b>
Changes in Fund Balances	6,056,687	(627,631)	(13,185,726)	183,854	(7,572,816)
Fund Balances (Deficit) Beginning of Year - Restated (Note 3)	(628,139)	2,293,151	18,099,912	155,248	19,920,172
<b>Fund Balances End of Year</b>	<b>\$5,428,548</b>	<b>\$1,665,520</b>	<b>\$4,914,186</b>	<b>\$339,102</b>	<b>\$12,347,356</b>

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District  
 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to Statement of Activities  
 For the Fiscal Year Ended June 30, 2011

Changes in Fund Balances - Total Governmental Funds (\$7,572,816)

Amounts reported for governmental activities on the statement of activities are different because of the following:

Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current fiscal year:

Nondepreciable Capital Assets	12,230,323	
Depreciable Capital Assets	41,493	
Capital Contributions	9,005	
Depreciation	<u>(579,079)</u>	
		11,701,742

The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net assets and is offset against the proceeds from the sale of capital assets resulting in a gain on disposal of capital assets on the statement of activities

Proceeds from Sale of Capital Assets	(160,000)	
Gain on Disposal of Capital Assets	<u>152,624</u>	
		(7,376)

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

Property Taxes	(25,607)	
Income Taxes	25,319	
Intergovernmental	(101,523)	
Interest	(5,064)	
Tuition and Fees	115,040	
Gifts and Donations	(57,722)	
Miscellaneous	<u>(12,327)</u>	
		(61,884)

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

General Obligation Bonds	1,367,796	
Capital Leases	<u>24,820</u>	
		1,392,616

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net assets. Premiums and discounts are reported as revenues and expenditures when the debt is first issued; however, these amounts are deferred and amortized on the statement of activities.

Accrued Interest Payable	2,731	
Annual Accretion on Capital Appreciation Bonds	(88,235)	
Payment of Accretion on Capital Appreciation Bonds	457,204	
Amortization of Premium	29,162	
Amortization of Discount	<u>(288)</u>	
		400,574

(continued)

Big Walnut Local School District  
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to Statement of Activities  
For the Fiscal Year Ended June 30, 2011  
(continued)

Issuance costs are reported as an expenditure when paid in the governmental funds but are amortized over the life of the debt on the statement of activities.	(\$15,141)
Compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>(63,439)</u>
Change in Net Assets of Governmental Activities	<u><u>\$5,774,276</u></u>
See Accompanying Notes to the Basic Financial Statements	

Big Walnut Local School District  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$13,764,723	\$14,426,992	\$14,107,794	(\$319,198)
Income Taxes	4,139,903	5,638,241	5,638,238	(3)
Intergovernmental	7,780,004	7,768,345	7,385,043	(383,302)
Interest	11,500	6,500	5,372	(1,128)
Tuition and Fees	287,220	366,032	337,203	(28,829)
Extracurricular Activities	1,100	1,534	1,461	(73)
Charges for Services	24,715	37,022	27,989	(9,033)
Gifts and Donations	25,000	175,315	173,600	(1,715)
Miscellaneous	154,950	111,258	73,739	(37,519)
<b>Total Revenues</b>	<b>26,189,115</b>	<b>28,531,239</b>	<b>27,750,439</b>	<b>(780,800)</b>
<u>Expenditures</u>				
Current:				
Instruction				
Regular	12,114,967	12,389,899	12,253,425	136,474
Special	1,681,218	1,713,371	1,599,750	113,621
Vocational	110,493	128,681	119,644	9,037
Support Services				
Pupils	1,016,268	1,256,165	1,218,551	37,614
Instructional Staff	1,366,865	1,506,111	1,467,636	38,475
Board of Education	149,800	172,361	135,025	37,336
Administration				
Fiscal	720,892	845,859	841,375	4,484
Business	138,166	133,547	117,505	16,042
Operation and Maintenance of Plant	2,234,604	2,109,457	1,956,193	153,264
Pupil Transportation				
Central	5,448	6,788	6,788	0
Extracurricular Activities	154,669	58,918	56,146	2,772
<b>Total Expenditures</b>	<b>23,367,025</b>	<b>24,873,530</b>	<b>24,205,537</b>	<b>667,993</b>
<b>Excess of Revenues Over Expenditures</b>	<b>2,822,090</b>	<b>3,657,709</b>	<b>3,544,902</b>	<b>(112,807)</b>
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	146,410	160,000	13,590
Refund of Prior Year Expenditures	38,000	80,045	78,905	(1,140)
Refund of Prior Year Receipts	0	(13,416)	(1,278)	12,138
Advances Out	0	(42,026)	(42,026)	0
Transfers In	155,000	155,259	0	(155,259)
Transfers Out	(75,000)	(316,447)	(316,447)	0
<b>Total Other Financing Sources (Uses)</b>	<b>118,000</b>	<b>9,825</b>	<b>(120,846)</b>	<b>(130,671)</b>
<b>Changes in Fund Balance</b>	<b>2,940,090</b>	<b>3,667,534</b>	<b>3,424,056</b>	<b>(243,478)</b>
Fund Balance (Deficit) Beginning of Year	(246,443)	(246,443)	(246,443)	0
Prior Year Encumbrances Appropriated	7,248	7,248	7,248	0
<b>Fund Balance End of Year</b>	<b>\$2,700,895</b>	<b>\$3,428,339</b>	<b>\$3,184,861</b>	<b>(\$243,478)</b>

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2011

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$91,340</u></u>
 <u>Liabilities</u>	
Undistributed Assets	\$5,468
Due to Students	79,222
Due to External Party	<u>6,650</u>
Total Liabilities	<u><u>\$91,340</u></u>

See Accompanying Notes to the Basic Financial Statements



**Note 1 - Description of the School District and Reporting Entity**

Big Walnut Local School District (the “School District”) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state and federal guidelines.

The School District was established in 1951. The School District serves an area of approximately one hundred ten square miles and is located in Delaware County. The School District is the 164<sup>th</sup> largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by one hundred twelve classified employees, one hundred sixty-five certified employees (one hundred fifty-nine teachers and six others), and fourteen administrative employees who provide services to 2,994 students and other community members. The School District currently operates three elementary schools, a middle school, and a high school.

**Reporting Entity**

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

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

The following activity is included within the School District’s reporting entity:

Within the School District boundaries, Genoa Christian Academy is operated as a private school. Current state legislation provides funding to this parochial school. The monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. This activity is reflected in a special revenue fund for financial reporting purposes by the School District.

The School District participates in four jointly governed organizations and an insurance pool, and is associated with a related organization. These organizations are the Tri-Rivers Educational Computer Association, Delaware Area Career Center, Village of Sunbury Community Park Joint Recreation Board, Metropolitan Educational Council, Ohio Association of School Business Officials Workers’ Compensation Group Rating Plan, and the Sunbury Community Library. These organizations are presented in Notes 22, 23, and 24 to the basic financial statements.

**Note 2 - Summary of Significant Accounting Policies**

The basic financial statements of Big Walnut Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the School District's accounting policies.

**A. Basis of Presentation**

The School District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental activities (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). However, the School District has no business-type activities.

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

**Fund Financial Statements**

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**B. Fund Accounting**

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are divided into two categories, governmental and fiduciary.

**Note 2 - Summary of Significant Accounting Policies** (continued)

**Governmental Funds**

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

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

**Bond Retirement Fund** - The Bond Retirement Fund is used to account for and report property taxes and related revenues restricted for the payment of principal and interest on general obligation bonds.

**Building Fund** - The Building Fund is used to account for and report debt proceeds and other resources restricted for improvements to the three elementary schools, the middle school, and a portion of the high school addition. In addition, this fund accounts for construction of a new elementary school and a middle school.

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

**Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are not available to support the School District's own programs. The School District did not have any trust funds in fiscal year 2011. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds account for various staff-related and student-managed activities, payroll withholdings and deductions, and the Sunbury Meadows Community Development Authority.

**C. Measurement Focus**

**Government-Wide Financial Statements**

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets.

**Note 2 - Summary of Significant Accounting Policies** (continued)

**Fund Financial Statements**

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

**D. Basis of Accounting**

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

**Revenues - Exchange and Nonexchange Transactions**

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

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

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, income taxes, grants, interest, tuition, student fees, and charges for services.

**Note 2 - Summary of Significant Accounting Policies** (continued)

**Deferred Revenues**

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

Property taxes for which there was an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2012 operations, are recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

**Expenses/Expenditures**

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

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

**E. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternative tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternative tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of budgetary control is at the fund level for all funds. Budgetary allocations at the function and object level within all funds are made by the School District Treasurer.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources requested by the School District prior to fiscal year end.

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

**Note 2 - Summary of Significant Accounting Policies** (continued)

**F. Cash and Investments**

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Cash and cash equivalents held for the School District by The Delaware County Bank and Trust, who services the School District’s bond/coupon account, are included on the financial statements as “Cash and Cash Equivalents with Fiscal Agent”.

During fiscal year 2011, the School District invested in nonnegotiable and negotiable certificates of deposit, mutual funds, and STAR Ohio. Investments are reported at fair value, which is based on quoted market price or current share price. STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on June 30, 2011.

The Board of Education has allocated interest earnings according to State statutes. Interest revenue credited to the General Fund during fiscal year 2011 was \$64,440, which includes \$26,648 assigned from other School District funds.

Investments of the School District’s cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

**G. Inventory**

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of administrative supplies and donated and purchased food.

**H. 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. Restricted assets in the General Fund include amounts required by State statute to be set aside to create a reserve for the purchase of textbooks and instructional materials, unexpended revenues restricted for bus purchases, and unclaimed monies.

**I. Capital Assets**

All of the School District’s capital assets are general capital assets generally resulting from expenditures in governmental funds. These assets are reported in the governmental activities column on the government-wide statement of net assets but are not reported on the fund financial statements.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

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**Note 2 - Summary of Significant Accounting Policies** (continued)

All capital assets are capitalized at cost and updated for additions and reductions during the fiscal year. Donated capital assets are recorded at their fair market value on the date donated. The School District maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Description	Useful Lives
Land Improvements	10 - 40 years
Buildings and Building Improvements	20 - 100 years
Furniture, Fixtures, and Equipment	5 - 40 years
Vehicles	10 - 12 years

**J. Interfund Assets/Liabilities**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables/Payables". Interfund balances within governmental activities are eliminated on the statement of net assets.

**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 the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees after ten years of service.

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

All payables, accrued liabilities, and long-term obligations are reported on the government-wide 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 are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds and capital leases are recognized as a liability on the fund financial statements when due.

**Note 2 - Summary of Significant Accounting Policies** (continued)

**M. Unamortized Issuance Costs, Premiums, and Discounts**

On government-wide financial statements, issuance costs, premiums, and discounts are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Issuance costs are recorded as deferred charges and are generally paid from debt proceeds. Bond premiums are presented as an addition to the face amount of bonds payable. Bond discounts are presented as a reduction of the face amount of bonds payable.

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

**N. Capital Contributions**

Capital contributions arise from contributions of capital assets from outside sources.

**O. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for food service operations, music and athletic programs, and federal and state grants.

The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**P. Fund Balance**

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

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

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

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



**Note 2 - Summary of Significant Accounting Policies** (continued)

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

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

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

**Q. Interfund Transactions**

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

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

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

**R. Estimates**

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

**Note 3 - Change in Accounting Principles and Restatement of Fund Balance/Net Assets**

**A. Change in Accounting Principles**

For fiscal year 2011, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". GASB Statement No. 54 provides fund balance classifications that can be more consistently applied and clarifies the existing governmental fund type definitions. The requirements of this statement classify fund balance as nonspendable, restricted, committed, assigned, and/or unassigned.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

**Note 3 - Change in Accounting Principles and Restatement of Fund Balance/Net Assets** (continued)

**B. Restatement of Fund Balance/Net Assets**

The restatement due to the implementation of GASB Statement No. 54 had the following effect on fund balance of the major and nonmajor funds of the School District as they were previously reported.

	General	Bond Retirement	Building	Other Governmental	Total Governmental Funds
Fund Balance (Deficit) at June 30, 2010	(\$649,927)	\$2,293,151	\$18,099,912	\$175,017	\$19,918,153
Change in Fund Structure	21,788	0	0	(19,769)	2,019
Adjusted Fund Balance (Deficit) at June 30, 2010	(\$628,139)	\$2,293,151	\$18,099,912	\$155,248	\$19,920,172

The restatement had the following effect on net assets.

	Total Governmental Activities
Net Assets at June 30, 2010	\$8,847,888
Change in Fund Structure	2,019
Restated Net Assets at June 30, 2010	\$8,849,907

In addition to the above restatement, certain agency funds presented in the Combining Statement of Changes in Assets and Liabilities - Agency Funds and Individual Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance (Non-GAAP Budgetary Basis) and Actual for the General Fund and the Athletic and Music special revenue fund reflect adjusted beginning fund balances as a result of the implementation of GASB Statement No. 54.

**Note 4 - Accountability and Compliance**

**A. Accountability**

At June 30, 2011, the Education Jobs and Title VI-B special revenue funds had deficit fund balances, in the amount of \$489 and \$13,094, respectively, resulting from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**B. Compliance**

The following funds had appropriations in excess of estimated resources plus available balances for the fiscal year ended June 30, 2011.

Fund	Estimated Resources plus Available Balances	Appropriations	Excess
Special Revenue Funds			
Education Jobs	\$81,000	\$81,328	\$328
Fiscal Stabilization	438,690	447,208	8,518

The Treasurer will review budgetary activity to ensure that appropriations are within estimated resources.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

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**Note 5 - Budgetary Basis of Accounting**

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

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

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

Changes in Fund Balance	
GAAP Basis	\$6,056,687
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 2010, Received in Cash FY 2011	3,186,618
Accrued FY 2011, Not Yet Received in Cash	(4,702,362)
Expenditure Accruals:	
Accrued FY 2010, Paid in Cash FY 2011	(3,473,788)
Accrued FY 2011, Not Yet Paid in Cash	2,848,966
Cash Adjustments:	
Unrecorded Cash Activity FY 2010	(101,774)
Unrecorded Cash Activity FY 2011	(20,755)
Advances In	(42,026)
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(327,510)
Budget Basis	\$3,424,056

**Note 6 - Deposits and Investments**

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

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

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

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

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

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

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

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**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. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$2,120,072 of the School District's bank balance of \$10,934,421 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments

As of June 30, 2011, the School District had the following investments:

	Total	Less Than Six Months	Six Months to One Year	One Year to Two Years
Negotiable Certificates of Deposit	\$3,333,718	\$1,070,914	\$2,009,989	\$252,815
Mutual Funds	2,770,988	2,770,988	0	0
STAR Ohio	6,190	6,190	0	0
Total	<u>\$6,110,896</u>	<u>\$3,848,092</u>	<u>\$2,009,989</u>	<u>\$252,815</u>

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

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

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**Note 6 - Deposits and Investments** (continued)

The negotiable certificates of deposit are insured by the FDIC. The mutual funds carry a rating of Aaa by Moody's. STAR Ohio carries a rating of AAA by Standard and Poor's. The School District's policy indicates that credit risk will be minimized by (1) diversifying assets by issuer; (2) ensuring that required minimum credit quality ratings exist prior to the purchase of commercial paper, bankers' acceptances, and corporate medium term notes; and (3) maintaining adequate collateralization of certificates of deposit. Ohio law requires that mutual funds must be rated, at the time of purchase, in the highest category by at least one nationally recognized standard rating service, and STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service.

The School District places no limit on the amount of its interim monies it may invest in a particular security.

**Note 7 - Receivables**

Receivables at June 30, 2011, consisted of accounts (student fees and billings for user charged services), accrued interest, interfund, intergovernmental, due from external party, income taxes, and property taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except income taxes and property taxes, are expected to be collected within one year. Income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
General Fund	
Tuition	\$111,711
Other Governmental Funds	
Education Jobs	148,114
Race to the Top	3,441
Title VI-B	113,037
Title II-D	731
Title I	77,333
Title II-A	25,975
Total Other Governmental Funds	368,631
Total Intergovernmental Receivables	\$480,342

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

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**Note 8 - Income Taxes**

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

**Note 9 - Property Taxes**

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

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the School District. Real property tax revenues received in calendar year 2011 represent the collection of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed values as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2011 represent the collection of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien on December 31, 2009, were levied after April 1, 2010, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2011 (other than public utility property) represent the collection of calendar year 2011 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Delaware County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2011, are available to finance fiscal year 2011 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

**Note 9 - Property Taxes** (continued)

Accrued property taxes receivable represents real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2011, and for which there was an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2011, was \$2,233,678 in the General Fund and \$366,883 in the Bond Retirement debt service fund. The amount available as an advance at June 30, 2010, was \$1,265,398 in the General Fund and \$290,327 in the Bond Retirement debt service fund.

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

The assessed values upon which fiscal year 2011 taxes were collected are:

	2010 Second- Half Collections		2011 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$638,340,020	97.45%	\$639,705,800	97.27%
Public Utility Personal	16,671,790	2.55	17,978,350	2.73
Total Assessed Value	<u>\$655,011,810</u>	<u>100.00%</u>	<u>\$657,684,150</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$34.51		\$41.82	

On November 2, 2010, the voters approved a 7.5 mill emergency levy. Collections began January 1, 2011.

**Note 10 - Capital Assets**

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

	Balance at 6/30/10	Additions	Reductions	Balance at 6/30/11
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$1,762,898	\$0	\$0	\$1,762,898
Construction in Progress	10,682,176	12,230,323	(8,331,833)	14,580,666
Total Nondepreciable Capital Assets	<u>12,445,074</u>	<u>12,230,323</u>	<u>(8,331,833)</u>	<u>16,343,564</u>

(continued)



Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

**Note 10 - Capital Assets** (continued)

	Balance at 6/30/10	Additions	Reductions	Balance at 6/30/11
Governmental Activities (continued)				
Depreciable Capital Assets				
Land Improvements	\$652,117	\$10,600	\$0	\$662,717
Buildings and Building Improvements	27,457,385	8,331,833	(38,153)	35,751,065
Furniture, Fixtures, and Equipment	405,430	39,898	0	445,328
Vehicles	2,343,997	0	(14,222)	2,329,775
Total Depreciable Capital Assets	<u>30,858,929</u>	<u>8,382,331</u>	<u>(52,375)</u>	<u>39,188,885</u>
Less Accumulated Depreciation				
Land Improvements	(122,961)	(25,475)	0	(148,436)
Buildings and Building Improvements	(5,115,587)	(357,107)	30,777	(5,441,917)
Furniture, Fixtures, and Equipment	(260,216)	(39,454)	0	(299,670)
Vehicles	(1,530,233)	(157,043)	14,222	(1,673,054)
Total Accumulated Depreciation	<u>(7,028,997)</u>	<u>(579,079)</u>	<u>44,999</u>	<u>(7,563,077)</u>
Depreciable Capital Assets, Net	<u>23,829,932</u>	<u>7,803,252</u>	<u>(7,376)</u>	<u>31,625,808</u>
Governmental Activities, Capital Assets, Net	<u>\$36,275,006</u>	<u>\$20,033,575</u>	<u>(\$8,339,209)</u>	<u>\$47,969,372</u>

During fiscal year 2011, the School District accepted contributions of depreciable capital assets from outside sources with a fair value of \$9,005.

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$231,283
Special	32,452
Vocational	9,542
Support Services:	
Pupils	4,266
Instructional Staff	2,077
Administration	16,172
Fiscal	89
Operation and Maintenance of Plant	41,409
Pupil Transportation	171,286
Non-Instructional Services	35,793
Extracurricular Activities	34,710
Total Depreciation Expense	<u>\$579,079</u>

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

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**Note 11 - Interfund**

At June 30, 2011, the General Fund had an interfund receivable, in the amount of \$42,026, from other governmental funds for short-term loans made to those funds. All amounts are expected to be repaid within one year.

**Note 12 - Risk Management**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2011, the School District contracted for the following insurance coverage.

Coverage provided by Ohio Casualty Insurance:

Buildings and Contents	\$65,404,576
Auto Liability	1,000,000
General Liability	
Each Occurrence	1,000,000
Aggregate	2,000,000
Umbrella	3,000,000

Coverage provided by The Netherlands Insurance Company:

Builder's Risk	12,500,000
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Settled claims have not exceeded this commercial coverage in any of the past three fiscal years, and there has been no significant reduction in insurance coverage from the prior fiscal year.

The School District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The intent of the Plan is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the Plan. The third party administrator, Sheakley Uniservice, Inc., reviews each participants' claims experience and determines the rating tier for that participant. A common premium rate is applied to all participants in a given rating tier. Each participant pays its workers' compensation premium to the State based on the rate for their rating tier rather than its individual rate. Sheakley Uniservice, Inc. provides administrative, cost control, and actuarial services to the Plan.

**Note 13 - Contractual Commitments**

The School District has several outstanding contracts for professional services. The following amounts remain on these contracts as of June 30, 2011:

Vendor	Contract Amount	Amount Paid as of 6/30/11	Outstanding Balance
Fanning Howey Associates, Inc.	\$873,822	\$757,332	\$116,490
Gaylor, Inc.	2,055,400	1,587,645	467,755
General Temperature Control	2,313,000	2,068,793	244,207
Robertson Construction Service	8,301,802	6,432,386	1,869,416

**Note 14 - Defined Benefit Pension Plans**

**A. 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 system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that can be obtained by writing to the State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

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

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

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

The School District's required contribution to STRS Ohio for the DBP and for the defined benefit portion of the CP were \$1,433,528 and \$37,034 for the fiscal year ended June 30, 2011, \$1,512,512 and \$45,042 for the fiscal year ended June 30, 2010, and \$1,557,762 for the fiscal year ended June 30, 2009. For fiscal year 2011, 83 percent has been contributed for both the DBP and the CP, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

The contribution to STRS Ohio for the DCP for fiscal year 2011 was \$29,685 made by the School District and \$21,203 made by the plan members. In addition, member contributions of \$26,453 were made for fiscal year 2011 for the defined contribution portion of the CP.

**Note 14 - Defined Benefit Pension Plans** (continued)

**B. School Employees Retirement System**

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirement of plan members and employers is 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. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the system's funds (pension trust fund, death benefit fund, Medicare B fund, and health care fund). For the fiscal year ended June 30, 2011, the allocation to pension and death benefits was 11.81 percent. The remaining 2.19 percent of the 14 percent employer contribution rate was allocated to the Medicare B and health care funds. The School District's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 was \$382,845, \$459,979, and \$357,280, respectively. For fiscal year 2011, 16 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 2011, four of the Board of Education members have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**Note 15 - Postemployment Benefits**

**A. State Teachers Retirement System**

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

**Note 15 - Postemployment Benefits** (continued)

Funding Policy - Chapter 3307 of the Ohio Revised Code authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions. For fiscal year 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to postemployment health care. The School District's contribution for health care for the fiscal years ended June 30, 2011, 2010, and 2009 was \$115,404, \$124,011, and \$122,926, respectively. For fiscal year 2011, 83 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

**B. School Employees Retirement System**

Plan Description - The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System (SERS) for classified retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians fees through several types of plans including HMO's, PPO's, and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under employers/audit resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each fiscal year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount. For fiscal year 2011, this amount was \$35,800. For fiscal year 2011, the School District paid \$61,500 in surcharge.

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

The School District's contribution for health care for the fiscal years ended June 30, 2011, 2010, and 2009 was \$46,356, \$16,556, and \$163,508, respectively. For fiscal year 2011, 16 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For fiscal year 2011, this actuarially required allocation was .76 percent of covered payroll. The School District's contribution for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 was \$24,637, \$27,354, and \$29,479, respectively. For fiscal year 2011, 16 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

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**Note 16 - Other Employee Benefits**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of two hundred forty days for teachers, administrators, support staff, and food service employees, and two hundred sixty days for maintenance, custodial, and transportation employees. Upon retirement, payment is made for one-fourth of accrued but unused sick leave credit to a maximum of sixty days for teachers, administrators, support staff, and food service employees and sixty-five days for maintenance, custodial, and transportation employees.

**B. Health Care Benefits**

The School District offers employee medical benefits through Medical Mutual of Ohio. Depending upon the plan chosen, the employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract. The School District offers life insurance to all employees through Met Life. Dental insurance is offered to all employees through Delta Dental.

**Note 17 - Long-Term Obligations**

Changes in the School District's long-term obligations during fiscal year 2011 were as follows:

	Balance at 6/30/10	Additions	Reductions	Balance at 6/30/11	Amounts Due Within One Year
Governmental Activities					
General Long-Term Obligations					
Refunding School Improvement Bonds FY 1998					
Capital Appreciation Bonds 19.5-23%	\$87,734	0	\$32,796	\$54,938	\$28,957
Accretion on Capital Appreciation Bonds	1,243,712	9,641	457,204	796,149	0
Refunding School Improvement Bonds FY 2004					
Serial Bonds 2-3.7%	2,980,000	0	670,000	2,310,000	645,000
Bond Premium	123,823	0	27,839	95,984	0
School Facilities Construction and Improvement Bonds FY 2005					
Term Bonds 4.5-5%	9,305,000	0	0	9,305,000	0
Serial Bonds 2.5-3.65%	1,870,000	0	25,000	1,845,000	135,000
Bond Premium	172,693	0	386	172,307	0

(continued)

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

**Note 17 - Long-Term Obligations** (continued)

	Balance at 6/30/10	Additions	Reductions	Balance at 6/30/11	Amounts Due Within One Year
Governmental Activities (continued)					
School Facilities Construction and Improvement Bonds FY 2009					
Term Bonds 4.5-5%	\$4,960,000	\$0	\$0	\$4,960,000	\$0
Serial Bonds 2.5-3.65%	4,905,000	0	25,000	4,880,000	25,000
Capital Appreciation Bonds					
3.19%	109,926	0	0	109,926	0
Accretion on Capital					
Appreciation Bonds	34,959	35,692	0	70,651	0
Bond Premium	373,968	0	937	373,031	0
Bond Discount	(114,769)	0	(288)	(114,481)	0
Refunding School Improvement Bonds FY 2010					
Serial Bonds 2-2.5%	910,000	0	275,000	635,000	20,000
Capital Appreciation Bonds 25%	140,626	0	0	140,626	0
Accretion on Capital					
Appreciation Bonds	20,873	42,902	0	63,775	0
School Facilities Construction and Improvement Bonds (Group C) FY 2010					
Term Bonds 6.125-6.375%	10,000,000	0	0	10,000,000	0
School Facilities Construction and Improvement Bonds (Group D) FY 2010					
Term Bonds 1.650%	10,000,000	0	340,000	9,660,000	75,000
Total General Long-Term Obligations	47,123,545	88,235	1,853,874	45,357,906	928,957
Compensated Absences	1,525,899	187,798	124,359	1,589,338	78,160
Capital Leases	55,030	0	24,820	30,210	26,640
Total Governmental Activities Long-Term Obligations	<u>\$48,704,474</u>	<u>\$276,033</u>	<u>\$2,003,053</u>	<u>\$46,977,454</u>	<u>\$1,033,757</u>

FY 1998 Refunding School Improvement Bonds - On December 4, 1997, the School District issued bonds, in the amount of \$4,993,809, to refund bonds previously issued for improving and constructing school buildings and facilities and constructing a library. The refunding bond issue included serial, term, and capital appreciation bonds, in the original amount of \$3,775,000, \$1,055,000, and \$183,809, respectively. The bonds were issued for an eighteen fiscal year period, with final maturity in fiscal year 2016. The term bonds were fully retired in fiscal year 2010, with the proceeds of the fiscal year 2010 refunding school improvement bonds.

The refunded bonds are fully retired.

The capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds mature in fiscal years 2009 through 2013. The maturity amount of the bonds is \$2,535,000. For fiscal year 2011, \$9,641 was accreted and \$490,000 was retired for a total bond value of \$851,087 at fiscal year end.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

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**Note 17 - Long-Term Obligations** (continued)

FY 2004 Refunding School Improvement Bonds - On November 12, 2003, the School District issued bonds, in the amount of \$4,404,981, to refund bonds previously issued for improving and constructing school buildings and facilities. The refunding bond issue included serial and capital appreciation bonds, in the original amount of \$3,970,000 and \$434,981, respectively. The bonds were issued for an eleven fiscal year period, with final maturity in fiscal year 2015. The bonds are being retired through the Bond Retirement debt service fund.

As of June 30, 2011, \$1,780,000 of the refunded bonds was still outstanding.

The serial bonds are subject to prior redemption on or after December 1, 2013, by and at the sole option of the School District, either in whole on any date or in part on any interest payment date, and in integral multiples of \$5,000, at 100 percent of the original principal amount redeemed plus accrued interest to the redemption date.

FY 2005 School Facilities Construction and Improvement Bonds - On December 29, 2004, the School District issued \$12,999,993 in voted general obligation bonds for constructing a bus maintenance facility, an addition to the high school, and renovating and improving school facilities. The bond issue included serial, term, and capital appreciation bonds, in the original amount of \$3,310,000, \$9,305,000, and \$384,993, respectively. The bonds were issued for a twenty-eight fiscal year period, with final maturity in fiscal year 2033. The bonds are being retired through the Bond Retirement debt service fund.

The bonds maturing on December 1, 2019, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2017	\$395,000
2018	415,000

The remaining principal, in the amount of \$440,000, will be paid at stated maturity on December 1, 2019.

The bonds maturing on December 1, 2022, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2020	\$460,000
2021	485,000

The remaining principal, in the amount of \$505,000, will be paid at stated maturity on December 1, 2022.

The bonds maturing on December 1, 2025, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2023	\$530,000
2024	560,000



Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

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**Note 17 - Long-Term Obligations** (continued)

The remaining principal, in the amount of \$585,000, will be paid at stated maturity on December 1, 2025.

The bonds maturing on December 1, 2029, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2026	\$615,000
2027	645,000
2028	670,000

The remaining principal, in the amount of \$700,000, will be paid at stated maturity on December 1, 2029.

The bonds maturing on December 1, 2032, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2030	\$735,000
2031	765,000

The remaining principal, in the amount of \$800,000, will be paid at stated maturity on December 1, 2032.

The capital appreciation bonds matured and were fully retired in fiscal year 2010.

FY 2009 School Facilities Construction and Improvement Bonds - On April 1, 2009, the School District issued \$9,999,926 in voted general obligation bonds for constructing, renovating, and improving school facilities, and acquiring land. The bond issue included serial, term, and capital appreciation bonds, in the original amount of \$4,930,000, \$4,960,000, and \$109,926, respectively. The bonds were issued for a twenty-eight fiscal year period, with final maturity in fiscal year 2037. The bonds are being retired through the Bond Retirement debt service fund.

The bonds maturing on December 1, 2033, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2029	\$520,000
2030	545,000
2031	575,000
2032	600,000

The remaining principal, in the amount of \$630,000, will be paid at stated maturity on December 1, 2033.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

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**Note 17 - Long-Term Obligations** (continued)

The bonds maturing on December 1, 2036, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2034	\$665,000
2035	695,000

The remaining principal, in the amount of \$730,000, will be paid at stated maturity on December 1, 2036.

The capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2017 and 2018. The maturity amount of the bonds is \$660,000. For fiscal year 2011, \$35,692 was accreted on the capital appreciation bonds for a total value of \$180,577 at fiscal year end.

FY 2010 Refunding School Improvement Bonds - On December 1, 2009, the School District issued current refunding general obligation bonds, in the amount of \$1,050,626, to refund the remaining balance of the FY 1998 Refunding School Improvement Bonds. The refunding bond issue includes serial and capital appreciation bonds, in the original amount of \$910,000 and \$140,626, respectively. The bonds were issued for a six fiscal year period, with final maturity in fiscal year 2016. The bonds are being retired through the Bond Retirement debt service fund.

The capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2015 and 2016. The maturity amount of the bonds is \$485,000. For fiscal year 2011, \$42,902 was accreted on the capital appreciation bonds for a total value of \$204,401 at fiscal year end.

FY 2010 School Facilities Construction and Improvement Bonds (Group C) - On December 1, 2009, the School District issued \$10,000,000 in voted general obligation bonds for constructing, renovating, and improving school facilities, and acquiring land. The bond issue consists of term bonds, in the amount of \$10,000,000. The bonds were issued for a twenty-eight fiscal year period, with final maturity in fiscal year 2038. The bonds are being retired through the Bond Retirement debt service fund.

The bonds maturing on December 1, 2029, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2025	\$275,000
2026	290,000
2027	305,000
2028	330,000

The remaining principal, in the amount of \$350,000, will be paid at stated maturity on December 1, 2029.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

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**Note 17 - Long-Term Obligations** (continued)

The bonds maturing on December 1, 2037, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2030	\$370,000
2031	390,000
2032	420,000
2033	1,270,000
2034	1,360,000
2035	1,450,000
2036	1,540,000

The remaining principal, in the amount of \$1,650,000, will be paid at stated maturity on December 1, 2037.

The bonds are subject to prior redemption on or after December 1, 2019, by and at the sole option of the School District, either in whole on any date or in part on any interest payment date, and in integral multiples of \$5,000, at 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

The bonds are subject to extraordinary optional redemption, by and at the sole option of the School District, either in whole on any date or in part on any interest payment date, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date in the event that the Build America payments from the federal government cease or are in an amount less than 35 percent of the corresponding interest payable on the bonds.

FY 2010 School Facilities Construction and Improvement Bonds (Group D) - On December 1, 2009, the School District issued \$10,000,000 in voted general obligation bonds for constructing, renovating, and improving school facilities, and acquiring land. The bond issue consists of term bonds, in the amount of \$10,000,000. The bonds were issued for a fifteen fiscal year period, with final maturity in fiscal year 2025. The bonds are being retired through the Bond Retirement debt service fund.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

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**Note 17 - Long-Term Obligations** (continued)

The bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2010	\$340,000
2011	75,000
2012	85,000
2013	425,000
2014	525,000
2015	680,000
2016	695,000
2017	710,000
2018	720,000
2019	920,000
2020	935,000
2021	945,000
2022	965,000
2023	985,000

The remaining principal, in the amount of \$995,000, will be paid at stated maturity on December 1, 2024.

As of June 30, 2011, the School District had unspent bond proceeds, in the amount of \$4,360,050.

Compensated absences will be paid from the General Fund and the Food Service special revenue fund. Capital leases will be paid from the General Fund.

The School District's overall debt margin was \$15,338,552 with an unvoted debt margin of \$639,706 at June 30, 2011.

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

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**Note 17 - Long-Term Obligations** (continued)

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2011, were as follows:

Fiscal Year Ending June 30,	General Obligation Bonds				
	Serial	Term	Capital Appreciation	Interest	Total
2012	\$825,000	\$75,000	\$28,957	\$2,324,908	\$3,253,865
2013	960,000	85,000	25,981	2,247,089	3,318,070
2014	1,415,000	425,000	0	1,757,578	3,597,578
2015	935,000	525,000	107,779	1,954,790	3,522,569
2016	690,000	680,000	32,847	1,776,785	3,179,632
2017-2021	1,410,000	5,690,000	109,926	8,392,779	15,602,705
2022-2026	2,010,000	6,830,000	0	6,533,138	15,373,138
2027-2031	1,425,000	6,075,000	0	4,876,005	12,376,005
2032-2036	0	9,620,000	0	2,655,818	12,275,818
2037-2038	0	3,920,000	0	225,119	4,145,119
	<u>\$9,670,000</u>	<u>\$33,925,000</u>	<u>\$305,490</u>	<u>\$32,744,009</u>	<u>\$76,644,499</u>

**Note 18 - Capital Leases - Lessee Disclosure**

The School District has entered into capitalized leases for equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures on the statement of revenues, expenditures, and changes in fund balances for the governmental funds. Principal payments in fiscal year 2011 were \$24,820.

	Governmental Activities
Equipment	\$129,090
Less Accumulated Depreciation	(100,473)
Total June 30, 2011	<u>\$28,617</u>

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

Fiscal Year	Principal	Interest
2012	\$26,640	\$1,052
2013	3,570	41
	<u>\$30,210</u>	<u>\$1,093</u>

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

**Note 19 - Fund Balance**

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balance	General	Bond Retirement	Building	Other Governmental	Total Governmental Funds
Nonspendable for:					
Inventory Held for Resale	\$0	\$0	\$0	\$8,806	\$8,806
Materials and Supplies Inventory	0	0	0	4,127	4,127
<b>Total Nonspendable</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,933</b>	<b>12,933</b>
Restricted for:					
Athletics and Music	0	0	0	85,292	85,292
Building Construction	0	0	4,914,186	0	4,914,186
Bus Purchase	27,131	0	0	0	27,131
Debt Retirement	0	1,665,520	0	0	1,665,520
Education Management Information Systems	0	0	0	4,809	4,809
Food Service Operations	0	0	0	132,541	132,541
Network Connectivity	0	0	0	6,375	6,375
Regular Instruction	29	0	0	104,256	104,285
Special Instruction	0	0	0	6,479	6,479
Textbooks and Instructional Materials	343,611	0	0	0	343,611
Unclaimed Monies	19,918	0	0	0	19,918
<b>Total Restricted</b>	<b>390,689</b>	<b>1,665,520</b>	<b>4,914,186</b>	<b>339,752</b>	<b>7,310,147</b>
Assigned for:					
Educational Activities	32,051	0	0	0	32,051
Extracurricular Activities	12,342	0	0	0	12,342
Regular Instruction	448	0	0	0	448
Unpaid Obligations	319,798	0	0	0	319,798
<b>Total Assigned</b>	<b>364,639</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>364,639</b>
Unassigned (Deficit):	4,673,220	0	0	(13,583)	4,659,637
<b>Total Fund Balance</b>	<b>\$5,428,548</b>	<b>\$1,665,520</b>	<b>\$4,914,186</b>	<b>\$339,102</b>	<b>\$12,347,356</b>

Big Walnut Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

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**Note 20 - Set Asides**

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

The following cash basis information identifies the changes in the fund balance reserves for textbooks and capital improvements during fiscal year 2011.

	Textbooks	Capital Improvements
Balance June 30, 2010	\$112,378	\$0
Current Year Set Aside Requirement	444,773	444,773
Qualifying Expenditures	(213,540)	(444,773)
Balance June 30, 2011	\$343,611	\$0

**Note 21 - Interfund Transfers**

During fiscal year 2011, the General Fund made transfers to other governmental funds, in the amount of \$316,447, to subsidize operations in other funds.

**Note 22 - Jointly Governed Organizations**

**A. Tri-Rivers Educational Computer Association**

The School District is a participant in the Tri-Rivers Educational Computer Association (TRECA), which is a computer consortium. TRECA is an association of public school districts within the boundaries of Delaware, Knox, Marion, Morrow, Muskingum, and Wyandot Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of TRECA consists of one representative from each county elected by majority vote of all charter member school districts within each county, one representative from the city school districts, and the superintendent from the Tri-Rivers Joint Vocational School. During fiscal year 2011, the School District paid \$48,958 to TRECA for various services. Financial information can be obtained from TRECA, 100 Executive Drive, Marion, Ohio 43302.

**Note 22 - Jointly Governed Organizations** (continued)

**B. Delaware Area Career Center**

The Delaware Area Career Center is a distinct political subdivision of the State of Ohio which provides vocational education. The Career Center operates under the direction of a Board consisting of one representative from each of the ten participating school district's Boards of Education. The Board possesses its own budgeting and taxing authority. The degree of control exercised by the School District is limited to its representation on the Board. Financial information can be obtained from the Delaware Area Career Center, 4565 Columbus Pike Road, Delaware, Ohio 43015.

**C. Village of Sunbury Community Park Joint Recreation Board**

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

**D. Metropolitan Educational Council**

The Metropolitan Educational Council (MEC) is a purchasing cooperative made up of one hundred seventy school districts, libraries, and related agencies in thirty-seven counties. The purpose of the MEC is to obtain prices for quality merchandise and services commonly used by the participants. The governing board of the MEC consists of one representative from each member. All members must pay all fees, charges, or other assessments as established by the MEC. Financial information can be obtained from the Metropolitan Educational Council, 2100 Citygate Drive, Columbus, Ohio 43219.

**Note 23 - Insurance Pool**

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials (OASBO) Workers' Compensation Group Rating Plan (Plan) was established through the Ohio Association of School Business Officials as an insurance purchasing pool. The Plan's business and affairs are conducted by the five member OASBO Board of Directors. Each year, the participants pay an enrollment fee to the Plan to cover the costs of administering the program.

**Note 24 - Related Organization**

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



**Note 25 - 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, 2011.

**B. Litigation**

There are currently no matters in litigation with the School District as defendant.

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**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

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### **Nonmajor Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes, other than for debt service or capital projects. Following is a description of the School District's nonmajor special revenue funds:

#### Food Service

To account for grants and charges for services restricted for the School District's food service operations.

#### Other Local Grants

To account for local grants restricted for purposes outlined by the grant.

#### High School Multi-Handicapped

To account for donations restricted for a multi-handicapped unit room.

#### Athletic and Music

To account for gate receipts and other revenues from athletic events restricted to expenditure for the School District's athletic and music programs (except for supplemental coaching contracts).

#### Auxiliary Services

To account for State resources restricted to providing services and materials to students attending non-public schools within the School District.

#### Education Management Information Systems

To account for grants restricted for hardware and software development or for other costs associated with the management information system.

#### Network Connectivity

To account for grants restricted for the installation and ongoing support of data communication links connecting public school buildings to the statewide network and to the internet.

#### Miscellaneous State Grants

To account for State grants restricted for purposes outlined by the grant.

#### Education Jobs Fund

To account for Federal grants restricted to saving or creating education jobs for the 2010-2011 school year.

#### Race to the Top

To account for Federal grants restricted to help reduce achievement gaps, increase high school graduation rates, and increase college enrollment.

(continued)

**Nonmajor Special Revenue Funds  
(continued)**

Title VI-B

To account for Federal grants restricted to assisting the School District in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Fiscal Stabilization

To account for Federal grants restricted to help stabilize local budgets in order to minimize and avoid reductions in education and other essential services.

Title II-D

To account for Federal grants restricted to providing professional development programs and to purchasing equipment to enhance the technology of the School District.

Title I

To account for Federal grants restricted to assisting the School District in meeting the special needs of educationally deprived children.

Early Childhood Special Education

To account for Federal grants restricted to supporting the improvement and expansion of services for handicapped children ages three to five.

Title II-A

To account for Federal grants restricted to hiring additional classroom teachers in grades 1 through 3 so that the number of students per teacher will be reduced.

Big Walnut Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2011

	Food Service	Other Local Grants	High School Multi- Handicapped	Athletic and Music
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$228,436	\$97,408	\$893	\$98,046
Accounts Receivable	0	0	0	2,704
Intergovernmental Receivable	0	0	0	0
Inventory Held for Resale	8,806	0	0	0
Materials and Supplies Inventory	4,127	0	0	0
Total Assets	<u>\$241,369</u>	<u>\$97,408</u>	<u>\$893</u>	<u>\$100,750</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Accounts Payable	\$6,160	\$2,016	\$0	\$11,043
Accrued Wages and Benefits Payable	59,622	42,790	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	30,113	7,091	0	1,711
Deferred Revenue	0	0	0	2,704
Total Liabilities	<u>95,895</u>	<u>51,897</u>	<u>0</u>	<u>15,458</u>
<u>Fund Balances</u>				
Nonspendable	12,933	0	0	0
Restricted	132,541	45,511	893	85,292
Unassigned (Deficit)	0	0	0	0
Total Fund Balances (Deficit)	<u>145,474</u>	<u>45,511</u>	<u>893</u>	<u>85,292</u>
Total Liabilities and Fund Balances	<u>\$241,369</u>	<u>\$97,408</u>	<u>\$893</u>	<u>\$100,750</u>

(continued)

Big Walnut Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2011  
(continued)

	Auxiliary Services	Education Management Information Systems	Network Connectivity	Miscellaneous State Grants
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$39,111	\$5,000	\$6,375	\$4,008
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Total Assets	<u>\$39,111</u>	<u>\$5,000</u>	<u>\$6,375</u>	<u>\$4,008</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Accounts Payable	\$13,126	\$0	\$0	\$0
Accrued Wages and Benefits Payable	2,517	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	4,722	191	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>20,365</u>	<u>191</u>	<u>0</u>	<u>0</u>
<u>Fund Balances</u>				
Nonspendable	0	0	0	0
Restricted	18,746	4,809	6,375	4,008
Unassigned (Deficit)	0	0	0	0
Total Fund Balances (Deficit)	<u>18,746</u>	<u>4,809</u>	<u>6,375</u>	<u>4,008</u>
Total Liabilities and Fund Balances	<u>\$39,111</u>	<u>\$5,000</u>	<u>\$6,375</u>	<u>\$4,008</u>



<u>Education Jobs</u>	<u>Race to the Top</u>	<u>Title VI-B</u>	<u>Fiscal Stabilization</u>	<u>Title II-D</u>	<u>Title I</u>
\$615	\$350	\$5,650	\$26,301	\$1,545	\$18,418
0	0	0	0	0	0
148,114	3,441	113,037	0	731	77,333
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$148,729</u>	<u>\$3,791</u>	<u>\$118,687</u>	<u>\$26,301</u>	<u>\$2,276</u>	<u>\$95,751</u>
\$0	\$0	\$0	\$0	\$517	\$0
19,371	0	61,297	0	0	27,688
0	0	16,849	0	758	17,347
6,375	0	10,574	0	0	5,488
123,472	3,441	43,061	0	731	39,642
<u>149,218</u>	<u>3,441</u>	<u>131,781</u>	<u>0</u>	<u>2,006</u>	<u>90,165</u>
0	0	0	0	0	0
0	350	0	26,301	270	5,586
(489)	0	(13,094)	0	0	0
<u>(489)</u>	<u>350</u>	<u>(13,094)</u>	<u>26,301</u>	<u>270</u>	<u>5,586</u>
<u>\$148,729</u>	<u>\$3,791</u>	<u>\$118,687</u>	<u>\$26,301</u>	<u>\$2,276</u>	<u>\$95,751</u>

(continued)

Big Walnut Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2011  
(continued)

	Title II-A	Total
<u>Assets</u>		
Equity in Pooled Cash and Cash Equivalents	\$8,010	\$540,166
Accounts Receivable	0	2,704
Intergovernmental Receivable	25,975	368,631
Inventory Held for Resale	0	8,806
Materials and Supplies Inventory	0	4,127
	<u>\$33,985</u>	<u>\$924,434</u>
 <u>Liabilities and Fund Balances</u>		
<u>Liabilities</u>		
Accounts Payable	\$1,600	\$34,462
Accrued Wages and Benefits Payable	0	213,285
Interfund Payable	7,072	42,026
Intergovernmental Payable	994	67,259
Deferred Revenue	15,249	228,300
	<u>24,915</u>	<u>585,332</u>
 <u>Fund Balances</u>		
Nonspendable	0	12,933
Restricted	9,070	339,752
Unassigned (Deficit)	0	(13,583)
	<u>9,070</u>	<u>339,102</u>
Total Liabilities and Fund Balances	<u>\$33,985</u>	<u>\$924,434</u>

Big Walnut Local School District  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011

	Food Service	Other Local Grants	High School Multi- Handicapped	Athletic and Music
<u>Revenues</u>				
Intergovernmental	\$338,763	\$0	\$0	\$0
Interest	321	0	0	0
Extracurricular Activities	0	0	0	327,491
Charges for Services	756,372	0	0	0
Gifts and Donations	0	420,000	0	12,995
Miscellaneous	984	0	0	4,974
<b>Total Revenues</b>	<b>1,096,440</b>	<b>420,000</b>	<b>0</b>	<b>345,460</b>
<u>Expenditures</u>				
Current:				
Instruction				
Regular	0	355,357	0	0
Special	0	0	0	0
Support Services				
Pupils	0	9,132	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Business	455	0	0	0
Operation and Maintenance of Plant	0	10,600	0	0
Non-Instructional Services	1,038,426	0	0	0
Extracurricular Activities	0	0	0	563,229
<b>Total Expenditures</b>	<b>1,038,881</b>	<b>375,089</b>	<b>0</b>	<b>563,229</b>
Excess of Revenues Over (Under) Expenditures	57,559	44,911	0	(217,769)
<u>Other Financing Sources</u>				
Transfers In	0	600	0	230,986
Changes in Fund Balances	57,559	45,511	0	13,217
Fund Balances (Deficit) Beginning of Year	87,915	0	893	72,075
Fund Balances (Deficit) End of Year	<u>\$145,474</u>	<u>\$45,511</u>	<u>\$893</u>	<u>\$85,292</u>

(continued)

Big Walnut Local School District  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011  
(continued)

	Auxiliary Services	Education Management Information Systems	Network Connectivity	Miscellaneous State Grants
<u>Revenues</u>				
Intergovernmental	\$132,982	\$5,000	\$11,375	\$0
Interest	0	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0	0	0	469
Total Revenues	132,982	5,000	11,375	469
<u>Expenditures</u>				
Current:				
Instruction				
Regular	0	0	0	3
Special	0	0	0	0
Support Services				
Pupils	0	0	0	0
Instructional Staff	0	0	6,432	305
Administration	0	0	0	0
Fiscal	5,006	74,249	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Non-Instructional Services	135,669	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	140,675	74,249	6,432	308
Excess of Revenues Over (Under) Expenditures	(7,693)	(69,249)	4,943	161
<u>Other Financing Sources</u>				
Transfers In	0	79,466	0	5,395
Changes in Fund Balances	(7,693)	10,217	4,943	5,556
Fund Balances (Deficit) Beginning of Year	26,439	(5,408)	1,432	(1,548)
Fund Balances (Deficit) End of Year	\$18,746	\$4,809	\$6,375	\$4,008

<u>Education Jobs</u>	<u>Race to the Top</u>	<u>Title VI-B</u>	<u>Fiscal Stabilization</u>	<u>Title II-D</u>	<u>Title I</u>
\$105,428	\$29,594	\$590,339	\$373,073	\$87	\$403,505
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
<u>105,428</u>	<u>29,594</u>	<u>590,339</u>	<u>373,073</u>	<u>87</u>	<u>403,505</u>
55,830	0	0	42,562	0	0
0	0	444,039	0	0	317,883
0	0	53,546	0	0	1,514
0	29,244	1,359	0	517	59,197
50,087	0	65,837	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	324,931	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>105,917</u>	<u>29,244</u>	<u>564,781</u>	<u>367,493</u>	<u>517</u>	<u>378,594</u>
(489)	350	25,558	5,580	(430)	24,911
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(489)	350	25,558	5,580	(430)	24,911
<u>0</u>	<u>0</u>	<u>(38,652)</u>	<u>20,721</u>	<u>700</u>	<u>(19,325)</u>
<u>(\$489)</u>	<u>\$350</u>	<u>(\$13,094)</u>	<u>\$26,301</u>	<u>\$270</u>	<u>\$5,586</u>

(continued)

Big Walnut Local School District  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011  
(continued)

	Early Childhood Special Education	Title II-A	Total
<u>Revenues</u>			
Intergovernmental	\$10,935	\$85,237	\$2,086,318
Interest	0	0	321
Extracurricular Activities	0	0	327,491
Charges for Services	0	0	756,372
Gifts and Donations	0	0	432,995
Miscellaneous	0	0	6,427
		0	
Total Revenues	10,935	85,237	3,609,924
<u>Expenditures</u>			
Current:			
Instruction			
Regular	0	0	453,752
Special	10,935	0	772,857
Support Services			
Pupils	0	0	64,192
Instructional Staff	0	86,173	183,227
Administration	0	0	115,924
Fiscal	0	0	79,255
Business	0	0	455
Operation and Maintenance of Plant	0	0	335,531
Non-Instructional Services	0	0	1,174,095
Extracurricular Activities	0	0	563,229
Total Expenditures	10,935	86,173	3,742,517
Excess of Revenues Over (Under) Expenditures	0	(936)	(132,593)
<u>Other Financing Sources</u>			
Transfers In	0	0	316,447
Changes in Fund Balances	0	(936)	183,854
Fund Balances (Deficit) Beginning of Year	0	10,006	155,248
Fund Balances (Deficit) End of Year	\$0	\$9,070	\$339,102

Big Walnut Local School District  
Combining Statements - Agency Funds

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Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

**Agency Funds**

Sunbury Meadows Community Development Authority (9001-9002)

To account for the funds of the Sunbury Meadows Community Development Authority for which the Treasurer serves as ex-officio fiscal agent.

High School Advanced Placement

To account for student fees to take an advanced placement test.

Teachers

To account for resources collected from vending machines for teachers to purchase flowers, balloons, etc. for various personal events.

Student Activities

To account for student activity programs which have student participation in the activity and student involvement in the management of the program.

Local Professional Development Committee (LPDC)

To account for resources collected from teachers to pay for license renewals.

Payroll

To account for the School District's payroll and withholdings.

Big Walnut Local School District  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2011

	Balance at 6/30/10	Additions	Reductions	Balance at 6/30/11
<u>Sunbury Meadows Community Development Authority</u>				
<u>Assets</u>	\$0	\$0	\$0	\$0
<u>Liabilities</u>				
Undistributed Assets	(\$22,087)	\$34,414	\$18,977	(\$6,650)
Due to External Party	22,087	6,650	22,087	\$6,650
	<u>\$0</u>	<u>\$41,064</u>	<u>\$41,064</u>	<u>\$0</u>
<u>High School Advanced Placement</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,682	\$1,708	\$0	\$3,390
<u>Liabilities</u>				
Undistributed Assets	\$1,682	\$1,708	\$0	\$3,390
<u>Teachers</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$7,073	\$0	\$808	\$6,265
<u>Liabilities</u>				
Undistributed Assets	\$7,073	\$0	\$808	\$6,265
<u>Student Activities</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$85,943	\$0	\$6,721	\$79,222
<u>Liabilities</u>				
Due to Students	\$85,943	\$0	\$6,721	\$79,222
<u>LPDC</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,885	\$570	\$0	\$2,455
<u>Liabilities</u>				
Undistributed Assets	\$1,885	\$570	\$0	\$2,455
<u>Payroll</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$19	\$0	\$11	\$8
<u>Liabilities</u>				
Undistributed Assets	\$19	\$0	\$11	\$8
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$96,602	\$2,278	\$7,540	\$91,340
<u>Liabilities</u>				
Undistributed Assets	(\$11,428)	\$36,692	\$19,796	\$5,468
Due to Students	85,943	0	6,721	79,222
Due to External Party	22,087	6,650	22,087	6,650
	<u>\$96,602</u>	<u>\$43,342</u>	<u>\$48,604</u>	<u>\$91,340</u>



**INDIVIDUAL FUND SCHEDULES  
OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

Big Walnut Local School District  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$13,764,723	\$14,426,992	\$14,107,794	(\$319,198)
Income Taxes	4,139,903	5,638,241	5,638,238	(3)
Intergovernmental	7,780,004	7,768,345	7,385,043	(383,302)
Interest	11,500	6,500	5,372	(1,128)
Tuition and Fees	287,220	366,032	337,203	(28,829)
Extracurricular Activities	1,100	1,534	1,461	(73)
Charges for Services	24,715	37,022	27,989	(9,033)
Gifts and Donations	25,000	175,315	173,600	(1,715)
Miscellaneous	154,950	111,258	73,739	(37,519)
<b>Total Revenues</b>	<b>26,189,115</b>	<b>28,531,239</b>	<b>27,750,439</b>	<b>(780,800)</b>
<u>Expenditures</u>				
Current:				
Instruction				
Regular				
Salaries	7,963,196	8,160,937	8,132,872	28,065
Fringe Benefits	3,375,991	3,099,149	3,066,697	32,452
Purchased Services	504,290	851,973	829,605	22,368
Materials and Supplies	238,460	239,110	196,276	42,834
Capital Outlay	33,030	38,730	27,975	10,755
<b>Total Regular</b>	<b>12,114,967</b>	<b>12,389,899</b>	<b>12,253,425</b>	<b>136,474</b>
Special				
Salaries	972,742	938,095	935,773	2,322
Fringe Benefits	352,147	462,970	364,732	98,238
Purchased Services	343,522	302,627	293,966	8,661
Materials and Supplies	11,853	8,725	4,779	3,946
Capital Outlay	954	954	500	454
<b>Total Special</b>	<b>1,681,218</b>	<b>1,713,371</b>	<b>1,599,750</b>	<b>113,621</b>
Vocational				
Salaries	70,166	80,895	80,895	0
Fringe Benefits	37,257	44,716	38,161	6,555
Purchased Services	3,070	3,070	588	2,482
<b>Total Vocational</b>	<b>110,493</b>	<b>128,681</b>	<b>119,644</b>	<b>9,037</b>
<b>Total Instruction</b>	<b>13,906,678</b>	<b>14,231,951</b>	<b>13,972,819</b>	<b>259,132</b>

(continued)

Big Walnut Local School District  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011  
(continued)

	Original Budget	Budget	Actual	Variance Over (Under)
Support Services				
Pupils				
Salaries	\$410,377	\$423,229	\$421,955	\$1,274
Fringe Benefits	182,036	215,901	185,261	30,640
Purchased Services	415,077	608,092	604,797	3,295
Materials and Supplies	8,778	8,943	6,538	2,405
Total Pupils	1,016,268	1,256,165	1,218,551	37,614
Instructional Staff				
Salaries	756,687	788,202	787,224	978
Fringe Benefits	476,333	574,822	549,212	25,610
Purchased Services	102,211	111,453	104,132	7,321
Materials and Supplies	11,963	11,963	8,484	3,479
Other	19,671	19,671	18,584	1,087
Total Instructional Staff	1,366,865	1,506,111	1,467,636	38,475
Board of Education				
Salaries	10,000	7,600	7,600	0
Fringe Benefits	5,867	2,501	2,430	71
Purchased Services	104,351	127,251	90,427	36,824
Other	29,582	35,009	34,568	441
Total Board of Education	149,800	172,361	135,025	37,336
Administration				
Salaries	1,337,772	1,375,495	1,375,252	243
Fringe Benefits	549,599	671,186	654,621	16,565
Purchased Services	113,105	373,315	361,660	11,655
Materials and Supplies	39,418	18,413	8,366	10,047
Other	5,895	5,895	3,662	2,233
Capital Outlay	5,581	8,366	5,522	2,844
Total Administration	2,051,370	2,452,670	2,409,083	43,587
Fiscal				
Salaries	293,545	302,495	302,495	0
Fringe Benefits	104,515	142,686	135,266	7,420
Purchased Services	6,433	5,833	18,904	(13,071)
Materials and Supplies	1,865	2,665	2,362	303
Other	312,534	390,180	382,348	7,832
Capital Outlay	2,000	2,000	0	2,000
Total Fiscal	720,892	845,859	841,375	4,484

(continued)

Big Walnut Local School District  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011  
(continued)

	Original Budget	Budget	Actual	Variance Over (Under)
<b>Business</b>				
Salaries	\$71,071	\$71,138	\$70,905	\$233
Fringe Benefits	21,135	22,899	7,191	15,708
Purchased Services	4,447	4,447	4,447	0
Materials and Supplies	41,513	35,063	34,962	101
<b>Total Business</b>	<b>138,166</b>	<b>133,547</b>	<b>117,505</b>	<b>16,042</b>
<b>Operation and Maintenance of Plant</b>				
Salaries	751,885	765,500	764,259	1,241
Fringe Benefits	305,075	391,227	384,894	6,333
Purchased Services	1,086,261	837,716	715,594	122,122
Materials and Supplies	84,590	107,971	88,274	19,697
Capital Outlay	6,793	7,043	3,172	3,871
<b>Total Operation and Maintenance of Plant</b>	<b>2,234,604</b>	<b>2,109,457</b>	<b>1,956,193</b>	<b>153,264</b>
<b>Pupil Transportation</b>				
Salaries	866,600	932,371	930,581	1,790
Fringe Benefits	494,529	642,050	601,903	40,147
Purchased Services	47,655	74,712	61,307	13,405
Materials and Supplies	198,665	283,484	270,391	13,093
Other	5,000	5,000	5,000	0
Capital Outlay	9,816	162,086	155,234	6,852
<b>Total Pupil Transportation</b>	<b>1,622,265</b>	<b>2,099,703</b>	<b>2,024,416</b>	<b>75,287</b>
<b>Central</b>				
Purchased Services	5,448	6,788	6,788	0
<b>Total Support Services</b>	<b>9,305,678</b>	<b>10,582,661</b>	<b>10,176,572</b>	<b>406,089</b>
<b>Extracurricular Activities</b>				
<b>Academic and Subject Oriented Activities</b>				
Salaries	66,355	50,028	48,439	1,589
Fringe Benefits	7,425	2,832	2,277	555
Purchased Services	1,253	2,600	2,414	186
<b>Total Academic and Subject Oriented Activities</b>	<b>75,033</b>	<b>55,460</b>	<b>53,130</b>	<b>2,330</b>

(continued)

Big Walnut Local School District  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011  
(continued)

	Original Budget	Budget	Actual	Variance Over (Under)
Sport Oriented Activities				
Salaries	\$79,636	\$0	\$0	\$0
Fringe Benefits	0	3,458	3,016	442
Total Sport Oriented Activities	79,636	3,458	3,016	442
Total Extracurricular Activities	154,669	58,918	56,146	2,772
Total Expenditures	23,367,025	24,873,530	24,205,537	667,993
Excess of Revenues Over Expenditures	2,822,090	3,657,709	3,544,902	(112,807)
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	146,410	160,000	13,590
Refund of Prior Year Expenditures	38,000	80,045	78,905	(1,140)
Refund of Prior Year Receipts	0	(13,416)	(1,278)	12,138
Advances Out	0	(42,026)	(42,026)	0
Transfers In	155,000	155,259	0	(155,259)
Transfers Out	(75,000)	(316,447)	(316,447)	0
Total Other Financing Sources (Uses)	118,000	9,825	(120,846)	(130,671)
Changes in Fund Balance	2,940,090	3,667,534	3,424,056	(243,478)
Fund Balance (Deficit) Beginning of Year	(246,443)	(246,443)	(246,443)	0
Prior Year Encumbrances Appropriated	7,248	7,248	7,248	0
Fund Balance End of Year	\$2,700,895	\$3,428,339	\$3,184,861	(\$243,478)

Big Walnut Local School District  
Bond Retirement Debt Service Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$2,726,173	\$2,636,754	(\$89,419)
Intergovernmental	400,431	386,937	(13,494)
Total Revenues	<u>3,126,604</u>	<u>3,023,691</u>	<u>(102,913)</u>
<u>Expenditures</u>			
Current:			
Support Services			
Fiscal			
Other	42,563	42,563	0
Debt Service:			
Principal Retirement	1,385,344	1,367,796	17,548
Interest and Fiscal Charges	2,281,830	1,777,815	504,015
Interest on Capital Appreciation Bonds	457,204	457,204	0
Total Debt Service	<u>4,124,378</u>	<u>3,602,815</u>	<u>521,563</u>
Total Expenditures	<u>4,166,941</u>	<u>3,645,378</u>	<u>521,563</u>
Changes in Fund Balance	(1,040,337)	(621,687)	418,650
Fund Balance Beginning of Year	<u>1,920,324</u>	<u>1,920,324</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$879,987</u></u>	<u><u>\$1,298,637</u></u>	<u><u>\$418,650</u></u>

Big Walnut Local School District  
Building Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$126,729	\$26,329	(\$100,400)
<u>Expenditures</u>			
Current:			
Support Services			
Business			
Salaries	4,104	4,104	0
Central			
Purchased Services	9,942	9,942	0
Total Support Services	14,046	14,046	0
Capital Outlay			
Architecture and Engineering Services			
Purchased Services	627,957	476,863	151,094
Facilities Acquisition Services			
Purchased Services	1,815,366	447,601	1,367,765
Other	66,865	66,865	0
Capital Outlay	16,322,827	15,309,841	1,012,986
Total Facilities Acquisition Services	18,205,058	15,824,307	2,380,751
Building Improvement Services			
Capital Outlay	226,278	225,571	707
Total Capital Outlay	19,059,293	16,526,741	2,532,552
Total Expenditures	19,073,339	16,540,787	2,532,552
Excess of Revenues Under Expenditures	(18,946,610)	(16,514,458)	2,432,152
<u>Other Financing Uses</u>			
Other Financing Uses	(735,000)	0	735,000
Changes in Fund Balance	(19,681,610)	(16,514,458)	3,167,152
Fund Balance Beginning of Year	5,473,542	5,473,542	0
Prior Year Encumbrances Appropriated	14,435,869	14,435,869	0
Fund Balance End of Year	\$227,801	\$3,394,953	\$3,167,152

Big Walnut Local School District  
Food Service Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$279,771	\$278,114	(\$1,657)
Interest	321	321	0
Charges for Services	840,022	756,372	(83,650)
Miscellaneous	980	984	4
	<hr/>	<hr/>	<hr/>
Total Revenues	1,121,094	1,035,791	(85,303)
<u>Expenditures</u>			
Current:			
Support Services			
Business			
Fringe Benefits	912	455	457
	<hr/>	<hr/>	<hr/>
Non-Instructional Services			
Salaries	340,207	339,621	586
Fringe Benefits	200,089	195,321	4,768
Purchased Services	47,031	33,879	13,152
Materials and Supplies	458,397	428,046	30,351
Other	1,465	1,428	37
Capital Outlay	2,378	9	2,369
	<hr/>	<hr/>	<hr/>
Total Non-Instructional Services	1,049,567	998,304	51,263
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,050,479	998,759	51,720
	<hr/>	<hr/>	<hr/>
Changes in Fund Balance	70,615	37,032	(33,583)
	<hr/>	<hr/>	<hr/>
Fund Balance Beginning of Year	191,404	191,404	0
	<hr/>	<hr/>	<hr/>
Fund Balance End of Year	\$262,019	\$228,436	(\$33,583)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



Big Walnut Local School District  
Other Local Grants Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Gifts and Donations	\$420,000	\$420,000	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Salaries	194,517	194,517	0
Fringe Benefits	65,827	63,770	2,057
Purchased Services	4,942	4,942	0
Materials and Supplies	5,384	4,895	489
Capital Outlay	80,244	53,504	26,740
Total Instruction	350,914	321,628	29,286
Support Services			
Pupils			
Purchased Services	8,284	8,284	0
Materials and Supplies	1,716	1,492	224
Total Pupils	10,000	9,776	224
Operation and Maintenance of Plant			
Capital Outlay	10,600	10,600	0
Total Support Services	20,600	20,376	224
Total Expenditures	371,514	342,004	29,510
Excess of Revenues Over Expenditures	48,486	77,996	29,510
<u>Other Financing Sources</u>			
Transfers In	600	600	0
Changes in Fund Balance	49,086	78,596	29,510
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$49,086	\$78,596	\$29,510

Big Walnut Local School District  
High School Multi-Handicapped Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	893	893	0
Fund Balance End of Year	\$893	\$893	\$0

Big Walnut Local School District  
Athletic and Music Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Extracurricular Activities	\$349,978	\$330,801	(\$19,177)
Gifts and Donations	12,995	12,995	0
Miscellaneous	4,974	4,974	0
<b>Total Revenues</b>	<b>367,947</b>	<b>348,770</b>	<b>(19,177)</b>
<u>Expenditures</u>			
Current:			
Support Services			
Administration			
Fringe Benefits	301	0	301
Extracurricular Activities			
Academic and Subject			
Oriented Activities			
Purchased Services	3,820	3,269	551
Materials and Supplies	1,800	1,489	311
<b>Total Academic and Subject</b>			
<b>    Oriented Activities</b>	<b>5,620</b>	<b>4,758</b>	<b>862</b>
Sport Oriented Activities			
Salaries	308,547	307,336	1,211
Fringe Benefits	51,258	47,014	4,244
Purchased Services	144,358	134,793	9,565
Materials and Supplies	72,153	46,976	25,177
Capital Outlay	32,255	28,750	3,505
<b>Total Sport Oriented Activities</b>	<b>608,571</b>	<b>564,869</b>	<b>43,702</b>
<b>Total Extracurricular Activities</b>	<b>614,191</b>	<b>569,627</b>	<b>44,564</b>
<b>Total Expenditures</b>	<b>614,492</b>	<b>569,627</b>	<b>44,865</b>
Excess of Revenues			
Under Expenditures	(246,545)	(220,857)	25,688
<u>Other Financing Sources</u>			
Transfers In	230,727	230,986	259
Changes in Fund Balance	(15,818)	10,129	25,947
Fund Balance Beginning of Year	64,011	64,011	0
Prior Year Encumbrances Appropriated	5,896	5,896	0
<b>Fund Balance End of Year</b>	<b>\$54,089</b>	<b>\$80,036</b>	<b>\$25,947</b>

Big Walnut Local School District  
Auxiliary Services Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$148,805	\$144,883	(\$3,922)
<u>Expenditures</u>			
Current:			
Support Services			
Fiscal			
Purchased Services	5,006	5,006	0
Non-Instructional Services			
Salaries	20,013	20,013	0
Fringe Benefits	3,426	3,141	285
Purchased Services	45,320	45,320	0
Materials and Supplies	69,130	65,762	3,368
Capital Outlay	22,259	22,179	80
Total Non-Instructional Services	160,148	156,415	3,733
Total Expenditures	165,154	161,421	3,733
Changes in Fund Balance	(16,349)	(16,538)	(189)
Fund Balance Beginning of Year	7,249	7,249	0
Prior Year Encumbrances Appropriated	15,917	15,917	0
Fund Balance End of Year	\$6,817	\$6,628	(\$189)

Big Walnut Local School District  
Education Management Information Systems Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$8,000	\$5,000	(\$3,000)
<u>Expenditures</u>			
Current:			
Support Services			
Fiscal			
Salaries	53,869	51,658	2,211
Fringe Benefits	30,349	27,808	2,541
Total Expenditures	84,218	79,466	4,752
Excess of Revenues Under Expenditures	(76,218)	(74,466)	1,752
<u>Other Financing Sources</u>			
Transfers In	83,313	79,466	(3,847)
Changes in Fund Balance	7,095	5,000	(2,095)
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	<u>\$7,095</u>	<u>\$5,000</u>	<u>(\$2,095)</u>

Big Walnut Local School District  
 Network Connectivity Special Revenue Fund

Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$6,375	\$11,375	\$5,000
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Purchased Services	6,432	6,432	0
Changes in Fund Balance	(57)	4,943	5,000
Fund Balance Beginning of Year	1,432	1,432	0
Fund Balance End of Year	<u>\$1,375</u>	<u>\$6,375</u>	<u>\$5,000</u>

Big Walnut Local School District  
Miscellaneous State Grants Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Miscellaneous	\$0	\$469	\$469
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Fringe Benefits	3	3	0
Support Services			
Instructional Staff			
Purchased Services	305	305	0
Total Expenditures	308	308	0
Excess of Revenues Over (Under) Expenditures	(308)	161	469
<u>Other Financing Sources</u>			
Transfers In	5,864	5,395	(469)
Changes in Fund Balance	5,556	5,556	0
Fund Balance (Deficit) Beginning of Year	(1,848)	(1,848)	0
Prior Year Encumbrances Appropriated	300	300	0
Fund Balance End of Year	<u>\$4,008</u>	<u>\$4,008</u>	<u>\$0</u>

Big Walnut Local School District  
Education Jobs Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$81,000	\$80,786	(\$214)
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Salaries	31,341	31,341	0
Fringe Benefits	12,118	11,721	397
Total Instruction	43,459	43,062	397
Support Services			
Administration			
Salaries	27,376	26,970	406
Fringe Benefits	10,493	10,139	354
Total Support Services	37,869	37,109	760
Total Expenditures	81,328	80,171	1,157
Changes in Fund Balance	(328)	615	943
Fund Balance Beginning of Year	0	0	0
Fund Balance (Deficit) End of Year	<u>(\$328)</u>	<u>\$615</u>	<u>\$943</u>



Big Walnut Local School District  
Race to the Top Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$33,035	\$29,594	(\$3,441)
<u>Expenditures</u>			
Current:			
Support Services			
Pupils			
Purchased Services	1,950	1,600	350
Capital Outlay	27,644	27,644	0
Total Expenditures	29,594	29,244	350
Changes in Fund Balance	3,441	350	(3,091)
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	<u>\$3,441</u>	<u>\$350</u>	<u>(\$3,091)</u>

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

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$637,941	\$520,363	(\$117,578)
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Salaries	354,354	354,354	0
Fringe Benefits	101,517	96,006	5,511
Materials and Supplies	1,762	0	1,762
Total Instruction	457,633	450,360	7,273
Support Services			
Pupils			
Salaries	53,114	53,114	0
Fringe Benefits	363	181	182
Purchased Services	2,100	2,100	0
Total Pupils	55,577	55,395	182
Instructional Staff			
Purchased Services	8,000	1,359	6,641
Materials and Supplies	6,845	0	6,845
Total Instructional Staff	14,845	1,359	13,486
Administration			
Salaries	11,199	11,199	0
Fringe Benefits	4,805	4,423	382
Purchased Services	128,996	57,234	71,762
Materials and Supplies	6,845	6,845	0
Total Administration	151,845	79,701	72,144
Total Support Services	222,267	136,455	85,812
Total Expenditures	679,900	586,815	93,085
Excess of Revenues			
Under Expenditures	(41,959)	(66,452)	(24,493)
<u>Other Financing Sources</u>			
Advances In	0	16,849	16,849
Changes in Fund Balance	(41,959)	(49,603)	(7,644)
Fund Balance Beginning of Year	45,917	45,917	0
Prior Year Encumbrances Appropriated	9,336	9,336	0
Fund Balance End of Year	\$13,294	\$5,650	(\$7,644)

Big Walnut Local School District  
Fiscal Stabilization Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$398,230	\$373,073	(\$25,157)
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Purchased Services	56,848	42,562	14,286
Support Services			
Operation and Maintenance of Plant			
Purchased Services	390,360	344,670	45,690
Total Expenditures	447,208	387,232	59,976
Changes in Fund Balance	(48,978)	(14,159)	34,819
Fund Balance Beginning of Year	32,302	32,302	0
Prior Year Encumbrances Appropriated	8,158	8,158	0
Fund Balance (Deficit) End of Year	<u>(\$8,518)</u>	<u>\$26,301</u>	<u>\$34,819</u>

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

Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$1,516	\$87	(\$1,429)
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Materials and Supplies	629	629	0
Support Services			
Instructional Staff			
Purchased Services	1,912	1,912	0
Total Expenditures	<u>2,541</u>	<u>2,541</u>	<u>0</u>
Excess of Revenues Under Expenditures	(1,025)	(2,454)	(1,429)
<u>Other Financing Sources</u>			
Advances In	<u>0</u>	<u>758</u>	<u>758</u>
Changes in Fund Balance	(1,025)	(1,696)	(671)
Fund Balance Beginning of Year	500	500	0
Prior Year Encumbrances Appropriated	<u>1,196</u>	<u>1,196</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$671</u></u>	<u><u>\$0</u></u>	<u><u>(\$671)</u></u>

Big Walnut Local School District  
Title I Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$447,702	\$369,770	(\$77,932)
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Salaries	205,358	201,200	4,158
Fringe Benefits	45,473	43,968	1,505
Purchased Services	16,425	12,630	3,795
Materials and Supplies	103,622	75,907	27,715
Total Instruction	370,878	333,705	37,173
Support Services			
Pupils			
Salaries	1,431	1,431	0
Fringe Benefits	44	44	0
Materials and Supplies	1,500	28	1,472
Total Pupils	2,975	1,503	1,472
Instructional Staff			
Salaries	38,142	38,142	0
Fringe Benefits	10,173	10,173	0
Purchased Services	90	90	0
Total Instructional Staff	48,405	48,405	0
Total Support Services	51,380	49,908	1,472
Total Expenditures	422,258	383,613	38,645
Excess of Revenues Over (Under) Expenditures	25,444	(13,843)	(39,287)
<u>Other Financing Sources</u>			
Advances In	0	17,347	17,347
Changes in Fund Balance	25,444	3,504	(21,940)
Fund Balance (Deficit) Beginning of Year	(3,236)	(3,236)	0
Prior Year Encumbrances Appropriated	389	389	0
Fund Balance End of Year	\$22,597	\$657	(\$21,940)

Big Walnut Local School District  
Early Childhood Special Education Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$10,935	\$10,935	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Purchased Services	10,935	10,935	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Fiscal Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$107,841	\$74,511	(\$33,330)
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Salaries	34,967	31,051	3,916
Fringe Benefits	4,588	4,411	177
Purchased Services	63,263	55,151	8,112
Materials and Supplies	10,000	976	9,024
Total Expenditures	112,818	91,589	21,229
Excess of Revenues Under Expenditures	(4,977)	(17,078)	(12,101)
<u>Other Financing Sources</u>			
Advances In	0	7,072	7,072
Changes in Fund Balance	(4,977)	(10,006)	(5,029)
Fund Balance Beginning of Year	120	120	0
Prior Year Encumbrances Appropriated	9,886	9,886	0
Fund Balance End of Year	\$5,029	\$0	(\$5,029)

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STATISTICAL  
SECTION

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**Big Walnut Local School District  
Statistical Section**

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

<b>Contents</b>	<b>Page</b>
Financial Trends.....	S-2
These schedules contain trend information to help the reader understand how the School District’s financial performance and well-being have changed over time.	
Revenue Capacity .....	S-10
These schedules contain information to help the reader assess the School District’s most significant local revenue sources.	
Debt Capacity.....	S-20
These schedules present information to help the reader assess the affordability of the School District’s current levels of outstanding debt and the School District’s ability to issue additional debt in the future.	
Demographic and Economic Information.....	S-26
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District’s financial activities take place.	
Operating Information .....	S-28
These schedules contain service data to help the reader understand how the information in the School District’s financial report relates to the services the School District provides and the activities it performs.	

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

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Invested in Capital Assets, Net of Related Debt	\$8,765,794	\$9,138,600	\$8,781,299	\$7,054,170
Restricted for				
Debt Service	1,023,224	1,669,886	1,358,370	1,245,230
Capital Projects	554,136	267,664	607,425	1,870,203
Set Asides	343,611	112,378	0	0
Other Purposes	567,033	516,377	180,248	129,858
Unrestricted (Deficit)	<u>3,370,385</u>	<u>(2,854,998)</u>	<u>(2,939,538)</u>	<u>(938,272)</u>
Total Net Assets	<u>\$14,624,183</u>	<u>\$8,849,907</u>	<u>\$7,987,804</u>	<u>\$9,361,189</u>

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

<u>2007</u>	<u>2006</u>
\$7,865,501	\$7,377,670
698,462	919,694
445,216	0
128,199	69,164
147,562	233,850
<u>(102,051)</u>	<u>(97,820)</u>
<u>\$9,182,889</u>	<u>\$8,502,558</u>

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

	2011	2010	2009	2008
<u>Expenses</u>				
<u>Instruction</u>				
Regular	\$13,570,840	\$13,227,046	\$12,618,709	\$12,151,170
Special	2,357,267	2,410,093	3,749,804	3,293,665
Vocational	103,403	308,959	368,712	402,201
<u>Support Services</u>				
Pupils	1,180,712	1,428,226	1,236,627	1,330,211
Instructional Staff	1,540,737	1,830,485	1,215,386	1,075,658
Board of Education	122,235	132,398	236,519	203,318
Administration	2,471,483	2,624,405	2,560,097	2,390,141
Fiscal	974,751	829,078	895,813	884,013
Business	61,444	257,499	281,761	221,413
Operation and Maintenance of Plant	2,348,454	2,181,680	2,197,437	2,193,705
Pupil Transportation	1,850,810	2,035,825	1,925,545	1,944,429
Central	672	13,076	29,416	7,283
Non-Instructional Services	1,222,178	1,202,563	1,161,952	990,184
Extracurricular Activities	637,595	715,823	776,510	711,089
Interest and Fiscal Charges	1,934,381	1,933,711	1,117,813	850,009
Total Expenses	<u>30,376,962</u>	<u>31,130,867</u>	<u>30,372,101</u>	<u>28,648,489</u>
<u>Program Revenues</u>				
<u>Charges for Services</u>				
Regular	400,689	106,812	294,260	211,854
Special	71,424	77,742	87,902	51,117
Administration	5,548	4,624	5,805	3,420
Non-Instructional Services	756,372	782,811	793,208	718,600
Extracurricular Activities	336,497	211,463	205,867	220,158
Total Charges for Services	<u>1,570,530</u>	<u>1,183,452</u>	<u>1,387,042</u>	<u>1,205,149</u>
Operating Grants, Contributions, and Interest	2,129,873	2,222,925	1,338,135	1,279,558
Capital Grants and Contributions	19,005	0	19,360	44,731
Total Program Revenues	<u>3,719,408</u>	<u>3,406,377</u>	<u>2,744,537</u>	<u>2,529,438</u>
Net Expense	<u>(26,657,554)</u>	<u>(27,724,490)</u>	<u>(27,627,564)</u>	<u>(26,119,051)</u>
<u>General Revenues and Other Changes in Net Assets</u>				
Property Taxes Levied for General Purposes	15,073,552	12,632,397	11,433,389	12,336,291
Property Taxes Levied for Debt Service Purposes	2,690,225	3,017,525	2,649,715	2,018,917
Income Taxes Levied for General Purposes	6,202,194	4,418,135	4,346,558	4,430,022
Grants and Entitlements not Restricted to Specific Programs	8,051,168	7,851,550	7,350,791	6,968,875
Interest	85,705	102,607	286,958	347,757
Gifts and Donations	175,496	150,323	28,643	5,553
Miscellaneous	153,490	414,056	158,125	189,936
Total General Revenues	<u>32,431,830</u>	<u>28,586,593</u>	<u>26,254,179</u>	<u>26,297,351</u>
Changes in Net Assets	<u>\$5,774,276</u>	<u>\$862,103</u>	<u>(\$1,373,385)</u>	<u>\$178,300</u>

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

2007	2006
\$10,766,134	\$10,640,482
2,952,259	2,310,234
380,318	361,900
1,240,150	1,217,465
886,296	1,112,190
184,257	159,106
1,943,266	1,644,074
748,515	708,063
251,600	229,590
1,891,168	1,859,258
1,763,719	1,809,895
57,179	41,406
958,656	810,128
631,834	658,180
853,300	1,005,545
25,508,651	24,567,516
188,569	245,254
53,857	0
0	0
656,422	617,845
201,425	220,414
1,100,273	1,083,513
1,300,892	1,373,899
22,841	21,659
2,424,006	2,479,071
(23,084,645)	(22,088,445)
10,140,434	11,310,488
1,889,652	2,258,006
4,358,466	4,545,105
6,548,534	6,191,456
535,992	664,609
195,436	26,653
96,462	105,791
23,764,976	25,102,108
\$680,331	\$3,013,663

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

	2011	2010	2009	2008
General Fund				
Reserved	\$0	\$0	\$801,898	\$2,212,745
Unreserved (Deficit)	0	0	(1,166,807)	(79,139)
Restricted	390,689	159,456	n/a	n/a
Assigned	364,639	38,522	n/a	n/a
Unassigned (Deficit)	4,673,220	(826,117)	n/a	n/a
<b>Total General Fund (Deficit)</b>	<b>5,428,548</b>	<b>(628,139)</b>	<b>(364,909)</b>	<b>2,133,606</b>
All Other Governmental Funds				
Reserved	0	0	2,291,217	392,250
Unreserved, Reported in				
Special Revenue Funds (Deficit)	0	0	96,747	64,241
Debt Service Fund	0	0	1,720,489	1,107,110
Capital Projects Fund	0	0	8,025,988	1,822,402
Nonspendable	12,933	14,199	n/a	n/a
Restricted	6,919,458	20,599,045	n/a	n/a
Unassigned (Deficit)	(13,583)	(64,933)	n/a	n/a
<b>Total All Other Governmental Funds</b>	<b>6,918,808</b>	<b>20,548,311</b>	<b>12,134,441</b>	<b>3,386,003</b>
<b>Total Governmental Funds</b>	<b>\$12,347,356</b>	<b>\$19,920,172</b>	<b>\$11,769,532</b>	<b>\$5,519,609</b>

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

Note: The School District implemented GASB Statement No. 54 in 2011.



2007	2006
\$2,446,701	\$3,545,417
818,705	189,573
n/a	n/a
n/a	n/a
n/a	n/a
<u>3,265,406</u>	<u>3,734,990</u>
1,031,406	6,145,307
(90,069)	155,890
553,922	574,050
1,749,322	2,476,479
n/a	n/a
n/a	n/a
n/a	n/a
<u>3,244,581</u>	<u>9,351,726</u>
<u>\$6,509,987</u>	<u>\$13,086,716</u>

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

	2011	2010	2009	2008
<u>Revenues</u>				
Property Taxes	\$17,789,384	\$15,748,370	\$13,975,143	\$14,253,531
Income Taxes	6,176,875	4,378,961	4,367,830	4,454,107
Intergovernmental	9,858,298	9,748,448	8,715,851	8,278,358
Interest	91,090	97,564	287,274	347,757
Tuition and Fees	337,203	272,375	327,724	224,087
Extracurricular Activities	328,952	211,330	206,095	219,930
Charges for Services	784,361	793,442	799,013	722,020
Gifts and Donations	667,163	25,960	46,242	37,851
Miscellaneous	170,791	395,079	158,125	189,936
<b>Total Revenues</b>	<b>36,204,117</b>	<b>31,671,529</b>	<b>28,883,297</b>	<b>28,727,577</b>
<u>Expenditures</u>				
Current:				
Instruction				
Regular	12,340,142	12,611,011	11,949,498	11,269,817
Special	2,315,126	2,432,415	3,684,912	3,273,814
Vocational	93,861	299,416	359,169	416,015
Support Services				
Pupils	1,163,840	1,408,284	1,222,872	1,324,018
Instructional Staff	1,538,977	1,818,766	1,207,259	957,272
Board of Education	122,235	132,398	236,519	203,318
Administration	2,439,799	2,564,264	2,485,192	2,446,647
Fiscal	975,508	828,018	906,794	895,653
Business	79,686	256,270	290,335	219,046
Operation and Maintenance of Plant	2,344,097	2,148,120	2,154,632	2,151,577
Pupil Transportation	1,818,841	1,945,087	1,779,954	1,970,238
Central	672	13,076	29,416	10,425
Non-Instructional Services	1,180,883	1,173,563	1,125,544	958,385
Extracurricular Activities	602,885	681,466	742,534	679,741
Capital Outlay	13,207,951	11,667,097	1,985,236	1,329,008
Debt Service:				
Principal Retirement	1,392,616	2,212,892	897,845	1,029,372
Interest and Fiscal Charges	1,862,610	1,786,579	890,279	712,699
Interest on Capital Appreciation Bonds	457,204	592,793	816,158	0
Issuance Costs	0	0	129,000	0
<b>Total Expenditures</b>	<b>43,936,933</b>	<b>44,571,515</b>	<b>32,893,148</b>	<b>29,847,045</b>
Excess of Revenues Under Expenditures	(7,732,816)	(12,899,986)	(4,009,851)	(1,119,468)
<u>Other Financing Sources (Uses)</u>				
Bond Anticipation Notes Issued	0	0	10,000,000	0
Current Refunding	0	0	(10,000,000)	0
General Obligation Bonds Issued	0	21,050,626	9,999,926	0
Premium on Bonds Issued	0	0	374,905	0
Discount on Bonds Issued	0	0	(115,057)	0
Inception of Capital Lease	0	0	0	129,090
Sale of Capital Assets	160,000	0	0	0
Transfers In	316,447	137,625	163,827	189,961
Transfers Out	(316,447)	(137,625)	(163,827)	(189,961)
<b>Total Other Financing Sources (Uses)</b>	<b>160,000</b>	<b>21,050,626</b>	<b>10,259,774</b>	<b>129,090</b>
<b>Changes in Fund Balances</b>	<b>(\$7,572,816)</b>	<b>\$8,150,640</b>	<b>\$6,249,923</b>	<b>(\$990,378)</b>
Debt Service as a Percentage of Noncapital Expenditures	11.72%	13.84%	8.75%	5.98%

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

2007	2006
\$11,930,590	\$13,704,069
4,327,411	4,351,442
7,851,774	7,559,035
535,992	664,609
301,629	179,283
207,366	221,494
656,287	616,695
28,928	29,510
96,462	105,791
<u>25,936,439</u>	<u>27,431,928</u>
10,518,030	10,192,517
2,924,910	2,337,477
372,096	380,121
1,234,650	1,236,937
842,513	862,615
184,257	159,106
1,912,326	1,733,322
740,005	703,051
229,266	236,558
1,856,934	1,846,738
1,791,030	1,862,780
204,590	547,164
948,697	831,495
601,644	628,096
5,750,571	3,894,119
995,973	967,234
741,649	775,295
664,027	692,766
0	0
<u>32,513,168</u>	<u>29,887,391</u>
<u>(6,576,729)</u>	<u>(2,455,463)</u>
0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	8,790
0	(8,790)
0	0
<u>(\$6,576,729)</u>	<u>(\$2,455,463)</u>
9.04%	9.35%

Big Walnut Local School District  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Years

Collection Year	Real Property			Public Utility Personal Property	
	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial Public Utility			
2011	\$593,432,290	\$46,273,510	\$1,827,730,857	\$17,978,350	\$20,429,943
2010	589,584,540	48,755,480	1,823,828,628	16,671,790	18,945,216
2009	580,943,790	45,940,700	1,791,098,542	16,386,590	18,621,125
2008	567,913,753	44,036,150	1,748,428,294	15,407,230	17,508,216
2007	548,213,100	41,135,700	1,683,853,714	14,127,090	16,053,511
2006	526,122,170	41,412,640	1,621,528,029	14,765,900	16,779,432
2005	428,144,990	37,973,310	1,331,766,571	14,628,330	16,623,102
2004	410,933,990	37,893,770	1,282,365,029	14,799,900	16,818,068
2003	386,123,210	35,476,310	1,204,570,057	14,381,260	16,342,341
2002	325,677,740	30,089,260	1,016,477,143	11,439,100	12,998,977

Source: Delaware County Auditor

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

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. Personal property tax was assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of actual value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent of actual value for machinery and equipment and 23 percent for inventory. The general business tangible personal property tax was phased out beginning in 2006. The assessment percentage was 12.5 percent for 2007, 6.25 for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out on the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2010 or thereafter from general business taxpayers, except telephone companies whose last year to pay tangible personal property tax was 2010.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent, and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property was eliminated.

Tangible Personal Property		Total		Percentage of Total Assessed Value to Total Estimated Actual Value	Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$657,684,150	\$1,848,160,800	35.59%	\$33.62
0	0	655,011,810	1,842,773,844	35.54	24.40
0	0	643,271,080	1,809,719,667	35.55	24.16
7,288,281	116,612,496	634,645,414	1,882,549,006	33.71	24.83
14,756,290	118,050,320	618,232,180	1,817,957,545	34.01	25.62
19,711,620	105,128,640	602,012,330	1,743,436,101	34.53	24.38
23,781,497	108,097,714	504,528,127	1,456,487,387	34.64	26.02
27,128,658	117,950,687	490,756,318	1,417,133,784	34.63	24.39
27,818,949	115,912,288	463,799,729	1,336,824,686	34.69	24.67
33,000,222	132,000,888	400,206,322	1,161,477,008	34.46	24.44

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

Collection Year	2011	2010	2009	2008	2007
Big Walnut Local School District					
Voted Millage					
1976 Current Expense					
Effective Millage Rates					
Residential/Agricultural Real	\$8.9919	\$8.9727	\$8.9565	\$8.9565	\$8.9565
Commercial/Industrial/Public Utility Real	9.0921	8.9565	9.0211	8.9565	8.9565
Tangible/Public Utility Personal	13.9000	13.9000	13.9000	13.9000	13.9000
1985 Current Expense					
Effective Millage Rates					
Residential/Agricultural Real	6.4690	6.4552	6.4435	6.4435	6.4435
Commercial/Industrial/Public Utility Real	6.5411	6.4435	6.4900	6.4435	6.4435
Tangible/Public Utility Personal	10.0000	10.0000	10.0000	10.0000	10.0000
1990 Bond \$16,500,000	1.6800	1.6800	1.5000	1.7800	2.2500
1991 Bond/Library \$1,500,000	0.1800	0.1800	0.2700	0.2900	0.4900
2004 Bond \$13,000,000	0.9500	1.1000	1.0000	1.2700	1.2600
2006 Emergency \$750,000	1.1500	1.1500	1.1700	1.1900	1.2200
2008 Bond \$30,000,000	1.9000	1.9000	2.9000	n/a	n/a
2010 Emergency \$4,900,000	7.4600	n/a	n/a	n/a	n/a
Total Voted Millage					
Total Effective Voted Millage by Type of Property					
Residential/Agricultural Real	28.7809	19.5379	19.3400	19.9300	20.6200
Commercial/Industrial/Public Utility Real	28.9532	19.5100	19.4511	19.9300	20.6200
Tangible/Public Utility Personal	37.2200	29.9100	30.7400	28.4300	29.1200
Unvoted Millage					
General	4.6000	4.6000	4.6000	4.6000	4.6000
Total Millage					
Total Effective Millage by Type of Property					
Residential/Agricultural Real	33.3809	24.1379	23.9400	24.5300	25.2200
Commercial/Industrial/Public Utility Real	33.5532	24.1100	24.0511	24.5300	25.2200
Tangible/Public Utility Personal	41.8200	34.5100	35.3400	33.0300	33.7200
Delaware County	5.0500	5.0400	4.2500	4.2500	4.2500
Delaware Area Career Center	3.2000	3.2000	3.2000	3.2000	3.2000
Village of Galena	3.7000	3.7000	3.7000	3.7000	3.7000
Village of Sunbury	2.5000	2.5000	2.5000	2.5000	2.5000
Berkshire Township	0.8000	0.8000	0.8000	0.8000	0.0800
Genoa Township	11.3000	9.4000	9.4000	9.4000	9.4000
Harlem Township	10.0000	10.0000	10.0000	10.0000	10.0000
Kingston Township	2.3000	2.3000	2.3000	2.3000	2.3000
Porter Township	2.5000	2.5000	2.5000	2.5000	2.5000
Trenton Township	2.5000	2.5000	2.5000	2.5000	2.5000

2006	2005	2004	2003	2002
\$8.9565	\$8.9565	\$8.9565	\$8.9565	\$8.9565
8.9565	8.9565	8.9565	8.9565	8.9565
13.9000	13.9000	13.9000	13.9000	13.9000
6.4435	6.4435	6.4435	6.4435	6.4435
6.4435	6.4435	6.4435	6.4435	6.4435
10.0000	10.0000	10.0000	10.0000	10.0000
2.5000	3.3500	3.5000	3.5000	3.2100
0.0500	0.3600	0.1600	0.4000	0.2900
1.3400	1.6600	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
19.2900	20.7700	19.0600	19.3000	18.9000
19.2900	20.7700	19.0600	19.3000	18.9000
27.7900	29.2700	27.5600	27.8000	27.4000
4.6000	4.6000	4.6000	4.6000	4.6000
23.8900	25.3700	23.6600	23.9000	23.5000
23.8900	25.3700	23.6600	23.9000	23.5000
32.3900	33.8700	32.1600	32.4000	32.0000
4.2700	3.9000	3.9000	3.9000	3.9000
3.2000	3.2000	3.2000	3.2000	3.2000
3.7000	3.7000	3.7000	3.7000	3.7000
2.5000	2.5000	2.5000	2.5000	2.5000
0.0800	0.0800	0.0800	0.0800	0.0800
9.4000	12.1000	12.1000	12.1000	12.1000
7.1200	7.2600	7.3200	6.3200	6.4000
2.3000	2.3000	2.3000	2.3000	2.3000
2.5000	2.5000	2.5000	2.5000	2.5000
2.5000	2.5000	2.5000	2.5000	2.5000

(continued)

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

Collection Year	2011	2010	2009	2008	2007
Delaware County 911 District	\$0.4500	\$0.4500	\$0.4500	\$0.4500	\$0.4500
Delaware County Health Department	0.7000	0.7000	0.7000	0.7000	0.7000
Delaware-Morrow Mental Health District	1.0000	1.0000	1.0000	1.0000	1.0000
Preservation Park District	0.6000	0.6000	0.6000	0.4000	0.4000
BST and G Fire Department	2.0000	2.0000	2.0000	2.0000	2.0000
Kingston-Porter Fire District	7.5000	7.6800	7.6700	7.7000	7.7200
Big Walnut LSD Library District	1.0000	1.0000	n/a	n/a	n/a

Source: Ohio Department of Taxation

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The basic property rate can be increased only by a majority vote of the School District's residents.

Overlapping rates are those of local and county governments that apply to property owners within the School District. Property tax rates for all overlapping governments are based upon the original voted levy.

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



2006	2005	2004	2003	2002
\$0.3100	\$0.3100	\$0.3100	\$0.3100	\$0.3100
0.7000	1.0000	0.7000	0.7000	0.7000
1.0000	1.0000	1.0000	1.0000	1.0000
0.4000	0.4000	0.4000	0.4000	0.4000
2.0000	2.0000	2.0000	2.0000	2.0000
7.6900	7.7500	7.7200	7.8200	6.3700
n/a	n/a	n/a	n/a	n/a

Big Walnut Local School District  
Real Property Tax Levies and Collections  
Last Ten Years

Collection Year (1)	Current Tax Levy (2)	Current Tax Collections	Percentage of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Total Tax Levy
2010	\$17,218,026	\$16,619,027	96.52%	\$562,563	\$17,181,590	99.79%
2009	17,405,684	16,835,914	96.73	428,385	17,264,299	99.19
2008	15,337,175	14,929,123	97.34	351,766	15,280,889	99.63
2007	15,043,314	14,663,046	97.47	332,649	14,995,695	99.68
2006	14,002,586	13,668,807	97.62	287,046	13,955,853	99.67
2005	12,135,010	11,896,464	98.03	294,735	12,191,199	100.46
2004	11,021,055	10,799,738	97.99	329,283	11,129,021	100.98
2003	10,363,611	10,110,676	97.56	469,714	10,580,390	102.09
2002	8,620,090	8,322,805	96.55	273,363	8,596,168	99.72
2001	9,016,060	8,855,444	98.22	259,000	9,114,444	101.09

Source: Delaware County Auditor

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

(2) State reimbursement of rollback and homestead exemptions are included.

Note: The County does not identify delinquent collections by tax year.

Big Walnut Local School District  
Tangible Personal Property Tax Levies and Collections  
Last Ten Years

Collection Year (1)	Current Tax Levy (2)	Current Tax Collections	Percentage of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Total Tax Levy
2010	\$13,749	\$11,390	82.84%	\$22,309	\$33,699	245.10%
2009	24,415	4,888	20.02	126,902	131,790	539.79
2008	238,618	150,902	63.24	5,426	156,328	65.51
2007	464,702	478,805	103.03	10,241	489,046	105.24
2006	622,489	651,397	104.64	93,921	745,318	119.73
2005	777,583	789,443	101.53	26,686	816,129	104.96
2004	836,496	821,587	98.22	3,579	825,166	98.65
2003	894,351	809,324	90.49	3,550	812,874	90.89
2002	1,050,879	1,102,603	104.92	146,887	1,249,490	118.90
2001	1,001,347	908,970	90.77	23,234	932,204	93.10

Source: Delaware County Auditor

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

(2) The \$10,000 personal property exemption is included.

Note: The County does not identify delinquent collections by tax year.

Big Walnut Local School District  
Principal Taxpayers - Real Property  
Current Year and Seven Years Ago

Taxpayer	2011	
	Real Property Assessed Valuation	Percentage of Total School District Assessed Valuation (2011 Collection Year)
Northstar, LLC	\$4,954,170	0.77%
American Showa, Inc	2,961,720	0.47
Homewood Corporation	1,876,820	0.30
Ohashi Technica USA, Inc	1,872,500	0.29
Sunbury Realty, LLC	1,722,000	0.27
EPEC, LLC	1,579,590	0.25
Dominion Homes, Inc	1,483,090	0.23
Nature Haven Partners	1,481,870	0.23
Continental Investments and Property Management	1,235,860	0.19
Siemer Land, LLC	1,214,920	0.19
Total	20,382,540	3.19
All Other Taxpayers	619,323,260	96.81
Total Assessed Valuation	\$639,705,800	100.00%

Taxpayer	2004	
	Real Property Assessed Valuation	Percentage of Total School District Assessed Valuation (2004 Collection Year)
NGP Realty Sub, LP	\$3,054,330	0.68%
American Showa, Inc	2,630,710	0.59
EPEC, LLC	1,385,380	0.31
Northstar, LLC	1,352,410	0.30
Ohashi Technica USA, Inc	1,330,010	0.30
Big Walnut Plaza Partnership	1,182,620	0.26
Continental Investments and Property Management	1,163,020	0.26
CFS Properties	1,151,890	0.26
Carter Jones Lumber Company	1,099,780	0.24
Sunbury Mills Development LTD	1,085,010	0.24
Total	15,435,160	3.44
All Other Taxpayers	433,392,600	96.56
Total Assessed Valuation	\$448,827,760	100.00%

Source: Delaware County Auditor

Note: Information prior to 2004 is not available

Big Walnut Local School District  
Principal Taxpayers - Public Utility Personal Property  
Current Year and Seven Years Ago

2011		
Taxpayer	Assessed Valuation	Percentage of Total School District Assessed Valuation (2011 Collection Year)
Columbus Southern Power Company	\$10,818,210	60.17%
Columbia Gas of Ohio	4,221,200	23.48
Consolidated Electric Cooperative	1,790,750	9.96
Ohio Power Company	818,960	4.56
Suburban Natural Gas Company	122,780	0.68
Total	17,771,900	98.85
All Other Taxpayers	206,450	1.15
Total Assessed Valuation	\$17,978,350	100.00%

2004		
Taxpayer	Total Assessed Valuation	Percentage of Total School District Assessed Valuation (2005 Collection Year)
Columbus Southern Power Company	\$7,947,820	53.70%
United Telephone Company of Ohio	2,714,760	18.34
Consolidated Electric Cooperative	1,392,840	9.41
Ohio Power Company	891,380	6.03
Total	12,946,800	87.48
All Other Taxpayers	1,853,100	12.52
Total Assessed Valuation	\$14,799,900	100.00%

Source: Delaware County Auditor

Note: Information prior to 2004 is not available.

Big Walnut Local School District  
Ratios of Outstanding Debt by Type  
Last Six Fiscal Years

Fiscal Year	General Obligation Bonds	Capital Leases	Total Debt	Per Capita (1)	Percentage of Personal Income (1)
2011	\$45,357,906	\$30,210	\$45,388,116	\$2,499	9.56%
2010	47,123,545	55,030	47,178,575	3,190	12.20
2009	28,794,053	80,715	28,874,768	1,952	7.46
2008	20,043,659	104,718	20,148,377	1,362	5.21
2007	20,915,691	0	20,915,691	1,414	5.41
2006	22,412,906	0	22,412,906	1,515	5.79

Source: School District Records

(1) See Schedule on S-26 for population and personal income.

Note: Information prior to 2006 is not available.

Big Walnut Local School District  
Ratio of General Bonded Debt to Estimated Actual Value  
and Bonded Debt Per Capita  
Last Six Fiscal Years

Fiscal Year	Population (1)	Estimated Actual Value	General Bonded Debt	General Bonded Debt to Estimated Actual Value	General Bonded Debt Per Capita
2011	18,160	\$1,848,160,800	\$45,357,906	2.45%	\$2,498
2010	14,790	1,842,773,844	47,123,545	2.56	3,186
2009	14,790	1,809,719,667	28,794,053	1.59	1,947
2008	14,790	1,882,549,006	20,043,659	1.06	1,355
2007	14,790	1,817,957,545	20,915,691	1.15	1,414
2006	14,790	1,743,436,101	22,412,906	1.29	1,515

Source: School District Records

(1) United States Census Bureau - 2010 U.S. Census Data

Note: Information prior to 2006 is not available.

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Big Walnut Local School District  
 Computation of Direct and Overlapping Debt  
 June 30, 2011

Political Subdivision	Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Big Walnut Local School District	<u>\$45,388,116</u>	100.00%	<u>\$45,388,116</u>
Delaware County	40,455,100	10.30	4,166,875
Village of Galena	657,600	100.00	657,600
Village of Sunbury	2,503,600	100.00	2,503,600
Delaware Career Center	<u>50,000</u>	12.93	<u>6,465</u>
Total Overlapping Debt	<u>43,666,300</u>		<u>7,334,540</u>
Total	<u><u>\$89,054,416</u></u>		<u><u>\$52,722,656</u></u>

Source: Delaware County Auditor

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the political subdivision. The valuations used were for the 2011 collection year.

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

	2011	2010	2009	2008
Total Assessed Valuation	\$657,684,150	\$655,011,810	\$643,271,080	\$634,645,414
Less:				
Public Utility Tangible Personal Property	(17,978,350)	(16,671,790)	(16,386,590)	(15,407,230)
Tangible Personal Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>(7,288,281)</u>
Total Assessed Valuation used to calculate Legal Debt Margin	639,705,800	638,340,020	626,884,490	611,949,903
Overall Debt Limitation - 9 Percent of Assessed Valuation	<u>57,573,522</u>	<u>57,450,602</u>	<u>56,419,604</u>	<u>55,075,491</u>
Gross Indebtedness	43,900,490	45,268,286	26,404,867	17,278,783
Less Fund Balance in Debt Service Fund	<u>1,665,520</u>	<u>2,293,151</u>	<u>1,889,802</u>	<u>1,430,243</u>
Net Debt Within 9 Percent Limitation	<u>42,234,970</u>	<u>42,975,135</u>	<u>24,515,065</u>	<u>15,848,540</u>
Legal Debt Margin Within 9 Percent Limitation	<u>\$15,338,552</u>	<u>\$14,475,467</u>	<u>\$31,904,539</u>	<u>\$39,226,951</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	26.64%	25.20%	56.55%	71.22%
Unvoted Debt Limitation - .10 Percent of Assessed Valuation	\$639,706	\$638,340	\$626,884	\$611,950
Gross Indebtedness	0	0	0	0
Less Debt Outside Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Debt Within .10 Percent Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin Within .10 Percent Limitation	<u>\$639,706</u>	<u>\$638,340</u>	<u>\$626,884</u>	<u>\$611,950</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: School District Records

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

Information prior to 2006 is not available.

<u>2007</u>	<u>2006</u>
\$618,232,180	\$602,012,330
(14,127,090)	(14,765,900)
<u>(14,756,290)</u>	<u>(19,711,620)</u>
589,348,800	567,534,810
<u>53,041,392</u>	<u>51,078,133</u>
18,283,783	19,279,756
<u>898,975</u>	<u>574,050</u>
<u>17,384,808</u>	<u>18,705,706</u>
<u>\$35,656,584</u>	<u>\$32,372,427</u>
67.22%	63.38%
\$589,349	\$567,535
0	0
<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>
<u>\$589,349</u>	<u>\$567,535</u>
100.00%	100.00%

Big Walnut Local School District  
Demographic Statistics  
Last Ten Years

Year	Population (1)	Total Personal Income (3)	Personal Income Per Capita (2)	Delaware County Unemployment Rate (4)
2011	18,160	\$474,956,640	\$26,154	6.60%
2010	14,790	386,817,660	26,154	7.60
2009	14,790	386,817,660	26,154	7.50
2008	14,790	386,817,660	26,154	5.20
2007	14,790	386,817,660	26,154	4.20
2006	14,790	386,817,660	26,154	3.90
2005	14,790	386,817,660	26,154	3.80
2004	14,790	386,817,660	26,154	4.00
2003	14,790	386,817,660	26,154	3.60
2002	14,790	386,817,660	26,154	3.30

Source: (1) United States Census Bureau from 2010 U.S. Census Data

(2) National Center for Education Statistics from 2000 U.S. Census Data  
2010 Census Date not yet available

(3) Computation of per capita personal income multiplied by population

(4) Ohio Department of Job and Family Services/Ohio Labor Market

Big Walnut Local School District  
Principal Employers  
Current Year and Nine Years Ago

Employer (1)	2011			2002		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
JP Morgan Chase	9,200	1	9.97%	6,500	1	10.87%
Kroger Company	1,975	2	2.14	700	4	1.17
Olentangy Local School District	1,891	3	2.05	773	3	1.29
Delaware County	1,130	4	1.22	858	2	1.43
Delaware City School District	738	5	0.80	570	7	0.95
Meijer, Inc	732	6	0.79			
Big Walnut Local School District	661	7	0.72			
Ohio Wesleyan University	558	8	0.60	495	9	0.83
American Showa, Inc	531	9	0.58	500	8	0.84
Grady Memorial Hospital	509	10	0.55			
Wal-Mart				660	5	1.10
CIGNA				640	6	1.07
PPG Industries, Inc				410	10	0.69
Total	<u>17,925</u>		<u>19.42</u>	<u>12,106</u>		<u>20.24</u>
Total Employment Within Delaware County	<u>92,300</u>			<u>59,800</u>		

Source: Delaware County Office of Economic Development

(1) Specific information for the School District is not available, therefore, the information is for Delaware County.

Big Walnut Local School District  
School District Employees by Program  
Last Ten Fiscal Years

Program	2011	2010	2009	2008	2007
<b>Instruction</b>					
<b>Regular</b>					
Elementary School Classroom Teachers	57.0	67.0	68.0	61.0	51.0
Middle School Classroom Teachers	29.0	31.0	34.0	33.0	33.0
High School Classroom Teachers	47.0	45.0	50.0	40.0	41.0
<b>Special</b>					
Elementary School Classroom Teachers	9.0	15.0	19.0	18.0	17.0
Middle School Classroom Teachers	7.0	7.0	8.0	10.0	8.0
High School Classroom Teachers	8.0	9.0	9.0	8.0	7.0
<b>Vocational</b>					
High School Classroom Teachers	2.0	5.0	6.0	6.0	6.0
<b>Support Services</b>					
<b>Pupils</b>					
Guidance Counselors	4.0	6.0	8.0	8.0	6.0
Librarians	1.0	1.0	1.0	1.0	1.0
Dean of Students	1.0	1.0	1.0	2.0	1.0
Drug Free	0.0	0.0	2.0	2.0	2.0
Athletic Coordinator	1.0	1.0	1.0	1.0	1.0
Social Workers	0.0	1.0	1.0	2.0	1.0
<b>Instructional Staff</b>					
Technology	1.0	1.0	1.0	0.0	0.0
Teaching Assistants	23.0	23.0	26.0	23.0	21.0
Library Assistants	0.0	4.0	5.0	5.0	5.0
<b>Administration</b>					
Elementary School	3.0	3.0	3.0	3.0	3.0
Middle School	1.5	2.0	2.0	2.0	2.0
High School	2.5	3.0	3.0	2.0	2.0
Administration Office	6.0	8.0	8.0	6.0	6.0
Administrator Assistance	3.0	3.0	3.0	4.0	3.0
Secretaries	13.0	14.0	13.0	13.0	13.0
<b>Fiscal</b>					
Fiscal Office	3.0	3.0	3.0	3.0	2.0
EMIS Coordinator	1.0	1.0	1.0	1.0	1.0
<b>Operation and Maintenance of Plant</b>					
Custodians	17.0	15.0	17.0	16.0	16.0
Maintenance	2.0	2.0	2.0	2.0	2.0
<b>Pupil Transportation</b>					
Bus Drivers	23.0	28.0	30.0	30.0	31.0
Bus Aides	1.0	2.0	2.0	1.0	0.0
Bus Mechanics	2.0	2.0	2.0	2.0	2.0
Secretary	1.0	1.0	1.0	1.0	1.0
<b>Non-Instructional Services</b>					
Elementary School Cooks	10.0	10.0	10.0	10.0	9.0
Middle School Cooks	6.0	6.0	6.0	6.0	6.0
High School Cooks	6.0	8.0	8.0	8.0	8.0

Source: School District Records

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee.

n/a - not available

2006	2005	2004	2003	2002
56.0	57.0	58.0	64.0	60.0
32.0	32.0	33.0	33.0	36.0
41.0	41.0	41.0	40.0	39.0
15.0	13.0	12.0	10.0	12.0
8.0	8.0	7.0	7.0	7.0
8.0	8.0	7.0	8.0	7.0
6.0	6.0	6.0	6.0	6.0
6.0	6.0	n/a	n/a	n/a
1.0	1.0	n/a	n/a	n/a
1.0	1.0	n/a	n/a	n/a
2.0	2.0	n/a	n/a	n/a
1.0	1.0	n/a	n/a	n/a
1.0	1.0	n/a	n/a	n/a
0.0	0.0	n/a	n/a	n/a
9.0	6.0	n/a	n/a	n/a
4.0	4.0	n/a	n/a	n/a
3.0	3.0	n/a	n/a	n/a
2.0	2.0	n/a	n/a	n/a
2.0	2.0	n/a	n/a	n/a
4.0	4.0	n/a	n/a	n/a
3.0	3.0	n/a	n/a	n/a
13.0	13.0	n/a	n/a	n/a
1.5	1.5	n/a	n/a	n/a
1.0	1.0	n/a	n/a	n/a
13.0	13.5	n/a	n/a	n/a
2.0	2.0	n/a	n/a	n/a
30.0	30.0	n/a	n/a	n/a
0.0	0.0	n/a	n/a	n/a
2.0	2.0	n/a	n/a	n/a
1.0	1.0	n/a	n/a	n/a
8.0	8.0	n/a	n/a	n/a
6.0	6.0	n/a	n/a	n/a
5.0	5.0	n/a	n/a	n/a

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Big Walnut Local School District  
 Per Pupil Cost  
 Last Six Fiscal Years  
 (Accrual Basis of Accounting)

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Teaching Staff	Pupil/Teacher Ratio
2011	\$30,376,962	2,994	\$10,146	159	18.83
2010	31,130,867	2,979	10,450	179	16.64
2009	30,372,101	2,879	10,550	194	14.84
2008	28,648,489	2,739	10,459	176	15.56
2007	25,508,651	2,779	9,179	163	17.05
2006	24,567,516	2,732	8,993	166	16.46

Source: School District Records

Note: Information prior to 2006 is not available.

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

	2011	2010	2009	2008	2007
<b>Big Walnut Elementary</b>					
Total Square Footage	36,700	36,700	36,700	36,700	36,700
Enrollment	497	563	538	442	476
Student Capacity	575	575	575	575	575
Regular Instruction Classrooms	19	21	27	20	20
Regular Instruction Teachers	19	26	27	25	20
Special Instruction Classrooms	3	4	5	5	9
Special Instruction Teachers	3	4	5	5	5
<b>Harrison Street Elementary</b>					
Total Square Footage	36,200	36,200	36,200	36,200	36,200
Enrollment	0	335	327	307	318
Student Capacity	475	475	475	475	475
Regular Instruction Classrooms	0	18	19	16	16
Regular Instruction Teachers	0	18	19	16	13
Special Instruction Classrooms	0	3	6	3	3
Special Instruction Teachers	0	4	6	6	7
<b>Hylen Souders Elementary</b>					
Total Square Footage	42,493	42,493	42,493	42,493	42,493
Enrollment	356	457	420	420	424
Student Capacity	725	725	725	725	725
Regular Instruction Classrooms	18	23	22	20	20
Regular Instruction Teachers	18	23	22	20	18
Special Instruction Classrooms	2	4	8	7	7
Special Instruction Teachers	2	7	8	7	5
<b>General Rosecrans Elementary</b>					
Total Square Footage	59,620	n/a	n/a	n/a	n/a
Enrollment	540	n/a	n/a	n/a	n/a
Student Capacity	500	n/a	n/a	n/a	n/a
Regular Instruction Classrooms	20	n/a	n/a	n/a	n/a
Regular Instruction Teachers	20	n/a	n/a	n/a	n/a
Special Instruction Classrooms	4	n/a	n/a	n/a	n/a
Special Instruction Teachers	4	n/a	n/a	n/a	n/a
<b>Big Walnut Middle School</b>					
Total Square Footage	69,680	69,680	69,680	69,680	69,680
Enrollment	656	660	648	670	652
Student Capacity	660	660	660	660	660
Regular Instruction Classrooms	29	29	29	29	29
Regular Instruction Teachers	29	31	34	33	33
Special Instruction Classrooms	3	3	3	3	3
Special Instruction Teachers	7	7	8	10	8
<b>Big Walnut High School</b>					
Total Square Footage	180,000	180,000	180,000	180,000	148,000
Enrollment	945	964	946	900	909
Student Capacity	1,100	1,100	1,100	1,100	875
Regular Instruction Classrooms	47	45	46	46	38
Regular Instruction Teachers	49	50	56	46	47
Special Instruction Classrooms	8	8	8	8	5
Special Instruction Teachers	8	9	9	8	7

Source: School District Records

n/a - not available

2006	2005	2004	2003	2002
36,700	36,700	36,700	36,700	36,700
460	430	420	414	414
575	575	575	575	575
20	20	20	20	20
21	21	21	24	21
9	9	9	9	9
5	4	4	2	3
36,200	36,200	36,200	36,200	36,200
280	284	281	278	287
475	475	475	475	475
16	16	16	16	16
15	15	16	17	17
3	3	3	3	3
4	4	3	4	4
42,493	42,493	42,493	42,493	42,493
425	413	433	441	433
725	725	725	725	725
20	20	20	20	20
20	21	21	23	22
7	7	7	7	7
6	5	5	4	5
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
69,680	69,680	69,680	69,680	69,680
637	617	619	638	640
660	660	660	660	660
29	29	29	29	29
32	32	33	33	36
3	3	3	3	3
8	8	7	7	7
148,000	148,000	148,000	148,000	148,000
930	877	880	897	469
875	875	875	875	875
38	38	38	38	38
47	47	47	46	45
5	5	5	5	5
8	8	7	8	7

Big Walnut Local School District  
 Full-Time Equivalent Teachers by Education  
 Last Nine Fiscal Years

Degree	2011	2010	2009	2008	2007
Bachelor's Degree	16	19	33	28	19
Bachelor + 15	23	27	24	25	31
Bachelor + 30	19	24	31	25	28
Master's Degree	53	62	61	56	46
Master's + 15	30	30	31	27	22
Master's + 30	18	17	14	15	17
Total	<u>159</u>	<u>179</u>	<u>194</u>	<u>176</u>	<u>163</u>

Source: School District Records

Note: Information prior to 2003 is not available.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
22	24	24	32
33	32	38	43
27	35	33	27
47	41	40	40
20	19	15	14
<u>17</u>	<u>14</u>	<u>14</u>	<u>12</u>
<u>166</u>	<u>165</u>	<u>164</u>	<u>168</u>

Big Walnut Local School District  
Teacher's Salaries  
Last Ten Fiscal Years

Fiscal Year	Minimum Salary (1)	Maximum Salary (2)	Average Salary Comparable Disticts (3)	Statewide Average Salary (3)
2011	\$34,035	\$80,323	\$58,867	\$56,715
2010	34,035	80,323	57,190	55,958
2009	32,082	75,714	56,749	54,565
2008	31,072	73,330	52,167	53,410
2007	30,314	70,177	50,985	50,772
2006	29,647	67,299	49,801	49,438
2005	29,066	64,672	47,774	47,659
2004	28,151	62,636	45,038	45,645
2003	27,265	60,664	43,354	73,755
2002	26,091	58,052	n/a	42,995

Source: School District Records

- (1) Starting teacher with no experience.
- (2) Teacher with Master's Degree and more than 30 years of experience.
- (3) Provided by the Ohio Department of Education.

Note: n/a - not available

Big Walnut Local School District  
 Enrollment Statistics  
 Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle School	High School	Total
2011	1,393	656	945	2,994
2010	1,355	660	964	2,979
2009	1,285	648	946	2,879
2008	1,169	670	900	2,739
2007	1,218	652	909	2,779
2006	1,165	637	930	2,732
2005	1,127	617	877	2,621
2004	1,134	619	880	2,633
2003	1,133	638	897	2,668
2002	1,134	640	869	2,643

Source: School District Records

Big Walnut Local School District  
 Percentage of Students Who Receive Free and Reduced Lunches  
 Last Ten Fiscal Years

District Buildings	2011	2010	2009	2008	2007
Big Walnut Elementary	17.49%	14.00%	19.00%	15.00%	13.00%
Harrison Street Elementary	0.00	36.00	20.00	16.00	16.00
Hylen Souders Elementary	16.24	21.00	26.00	14.00	24.00
General Rosecrans Elementary	15.05	n/a	n/a	n/a	n/a
Big Walnut Middle School	25.82	12.00	19.00	18.00	18.00
Big Walnut High School	25.40	17.00	17.00	14.00	11.00

Source: School District Records

n/a - not available



2006	2005	2004	2003	2002
16.00%	15.00%	15.00%	18.00%	19.00%
18.00	21.00	18.00	18.00	18.00
31.00	16.00	21.00	21.00	19.00
n/a	n/a	n/a	n/a	n/a
17.00	13.00	11.00	13.00	12.00
10.00	8.00	6.00	7.00	7.00

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

Fiscal Year	Attendance Rate	State Average	Graduation Rate	State Average
2011	94.70%	94.50%	97.40%	84.30%
2010	94.90	94.30	97.90	83.00
2009	95.40	94.30	96.20	84.60
2008	95.40	94.20	95.10	86.90
2007	95.50	94.10	95.10	86.10
2006	95.50	94.10	98.00	86.10
2005	95.70	94.30	94.60	86.20
2004	95.50	94.50	93.30	85.90
2003	95.20	94.50	90.90	84.30
2002	95.20	94.30	93.20	82.70

Source: Ohio Department of Education, Local Report Cards



# Dave Yost • Auditor of State

**BIG WALNUT LOCAL SCHOOL DISTRICT**

**DELAWARE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 19, 2012**