



# Balestra, Harr & Scherer, CPAs, Inc.

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Accounting, Auditing and Consulting Services for Federal, State and Local Governments

[www.bhscpas.com](http://www.bhscpas.com)

BETHEL-TATE LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY

SINGLE AUDIT

For the Year Ended June 30, 2013  
Fiscal Year Audited Under GAGAS: 2013





# Dave Yost • Auditor of State

Board of Education  
Bethel-Tate Local School District  
675 West Plane Street  
Bethel, Ohio 45106

We have reviewed the *Independent Auditor's Report* of the Bethel-Tate Local School District, Clermont County prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2012 through June 30, 2013. 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 Bethel-Tate Local School District is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

March 12, 2014

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**BETHEL-TATE LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY**

**BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**TABLE OF CONTENTS**

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor’s Report .....	1
Management’s Discussion and Analysis .....	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	11
Statement of Activities.....	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	13
Reconciliation of Total Governmental Funds Balances To Net Position of Governmental Activities.....	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund.....	17
Statement of Fiduciary Net Position - Fiduciary Funds .....	18
Statement of Changes in Fiduciary Net Position - Fiduciary Fund .....	19
Notes to the Basic Financial Statements .....	20
Schedule of Federal Awards Receipts and Expenditures.....	47
Notes to the Schedule of Federal Awards Receipts and Expenditures.....	48
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Governmental Auditing Standards</i> .....	49
Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133 .....	51
Schedule of Findings OMB Circular A-133 Section §.505 .....	53
Independent Auditor’s Report on Applying Agreed Upon Procedures .....	54



# Balestra, Harr & Scherer, CPAs, Inc.

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## Independent Auditor's Report

Members of the Board of Education  
Bethel-Tate Local School District  
675 West Plane Street  
Bethel, Ohio 45106

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bethel-Tate Local School District, Clermont County, Ohio (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

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 Bethel-Tate Local School District, Clermont County, Ohio, as of June 30, 2013, and the respective changes in financial position thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 19 to the financial statements, during the year ended June 30, 2013, the District adopted the provisions of Governmental Accounting Standard No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and No. 65, Items Previously Reported as Assets and Liabilities. We did not modify our opinion regarding this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

***Supplementary Information***

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The Schedule of Federal Award Receipts and Expenditures presents additional analysis as 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 financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedules 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 schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Balestra, Harr & Scherer, CPAs*

Balestra, Harr & Scherer, CPAs, Inc.  
Piketon, Ohio  
November 25, 2013

**Bethel-Tate Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2013*  
*(Unaudited)*

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Bethel-Tate Local School District's (the School District) discussion and analysis of the annual financial report provides a review of the financial performance for the fiscal year ended June 30, 2013. 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 notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**FINANCIAL HIGHLIGHTS**

- The School District's assets exceeded its liabilities at June 30, 2013 by \$19,417,444.
- The School District's net position of governmental activities decreased \$1,548,704.
- General revenues accounted for \$13,206,816 in revenue or 81 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,029,498 or 19 percent of total revenues of \$16,236,314.
- The School District had \$17,785,018 in expenses plus a special item related to governmental activities; \$3,029,498 of these expenses plus a special item were offset by program specific charges for services and sales, grants, or contributions.

**USING THIS ANNUAL FINANCIAL REPORT**

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the Bethel-Tate Local School District's financial situation as a whole and also give a detailed view of the School District's financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. The major funds of Bethel-Tate Local School District are the General Fund and the Bond Retirement Debt Service Fund.

**REPORTING THE SCHOOL DISTRICT AS A WHOLE**

The analysis of the School District as a whole begins with the Statement of Net Position and the Statement of Activities. These reports provide information that will help the reader to determine whether the School District is financially improving or declining as a result of the year's financial activities. These statements include all assets, liabilities and deferred inflows/outflows of resources using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School District's net position and changes to that position. This change informs the reader whether the School District's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the user of these financial statements needs to take into account non-financial factors that also impact the School District's financial well-being. Some of these factors include the School District's tax base, current property tax laws in Ohio restricting revenue growth, the condition of capital assets, and required educational programs.

**Bethel-Tate Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2013*  
*(Unaudited)*

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In the Statement of Net Position and the Statement of Activities, the School District has only one kind of activity.

· **Governmental Activities.** All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of capital assets, pupil transportation, and extracurricular activities.

**REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS**

**Fund Financial Statements**

The analysis of the School District's major funds begins on page 9. Fund financial statements provide detailed information about the School District's major funds – not the School District as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Treasurer with approval from the Board to help control, manage and report money received for a particular purpose or to show that the School District is meeting legal responsibilities for use of grants. The major funds of the School District are the General Fund and the Bond Retirement Debt Service Fund.

**Governmental Funds.** Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily 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 to determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Fiduciary Funds.** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements. The School District's fiduciary funds consist of a private purpose trust fund and an agency fund which are used to maintain financial activity of the School District's college scholarship donations and student managed activities.

**Bethel-Tate Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2013*  
*(Unaudited)*

**THE SCHOOL DISTRICT AS A WHOLE**

As stated previously, the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position as of June 30, 2013 compared to 2012.

Table 1  
 Net Position  
 Governmental Activities

	Governmental Activities	
	2013	2012*
<b>Assets</b>		
Current and Other Assets	\$8,628,603	\$9,186,071
Capital Assets, Net	22,823,630	24,006,674
<b>Total Assets</b>	<b>31,452,233</b>	<b>33,192,745</b>
<b>Deferred Outflows of Resources</b>		
Unamortized Deferred Amount on Refunding	34,396	52,416
<b>Total Deferred Outflows of Resources</b>	<b>34,396</b>	<b>52,416</b>
<b>Liabilities</b>		
Current and Other Liabilities	1,944,196	1,750,670
Long-Term Liabilities	7,050,272	7,466,427
<b>Total Liabilities</b>	<b>8,994,468</b>	<b>9,217,097</b>
<b>Deferred Inflows of Resources</b>		
Property Taxes not Levied to Finance Current Year Operations	3,074,717	3,061,916
<b>Total Deferred Inflows of Resources</b>	<b>3,074,717</b>	<b>3,061,916</b>
<b>Net Position</b>		
Net Investment in Capital Assets	17,068,572	17,790,219
Restricted	2,511,186	2,459,705
Unrestricted	(162,314)	716,224
<b>Total Net Position</b>	<b>\$19,417,444</b>	<b>\$20,966,148</b>

\*As Restated See Note 19

Total net position of the School District as a whole decreased \$1,548,704. The decrease to capital assets, net is due primarily to the current year depreciation expense, which was partially offset by current year additions. The decrease to current and other assets is primarily due to decreases in equity in pooled cash and investments at June 30. Current and Other Liabilities increased primarily due to step increases to employee salaries which resulted in increases in accrued wages and benefits. Long-Term Liabilities decreased due to current year principal payments made by the School District.

**Bethel-Tate Local School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2013  
(Unaudited)

Table 2 shows the changes in net position for the fiscal year ended June 30, 2013 compared to 2012.

	Table 2 Change in Net Position Governmental Activities	
	2013	2012*
Revenues		
Program Revenues:		
Charges for Services and Sales	\$ 1,692,755	\$ 1,937,487
Operating Grants & Contributions	1,336,743	1,938,001
Total Program Revenues	3,029,498	3,875,488
General Revenues:		
Grants and Entitlements, Not Restricted to Specific Programs	9,702,419	9,744,372
Gifts and Donations, Not Restricted to Specific Programs	10,926	11,581
Investment Earnings	3,429	9,908
Miscellaneous	45,745	44,848
Gain on Sale of Capital Assets	3,565	-
Property Taxes	3,440,732	2,832,479
Total General Revenues	13,206,816	12,643,188
Total Revenues	16,236,314	16,518,676
Program Expenses		
Instruction		
Regular	8,904,219	8,610,457
Special	1,907,712	1,652,226
Vocational	103,536	88,299
Other	101,775	19,985
Support Services		
Pupils	802,313	613,190
Instructional Staff	395,836	691,278
Board of Education	31,074	27,383
Administration	1,173,274	1,193,851
Fiscal	368,347	345,441
Operation and Maintenance of Plant	1,442,965	1,539,028
Pupil Transportation	864,405	841,700
Central	112,716	155,963
Operation of Non-Instructional Services	613,788	566,057
Extracurricular Activities	408,703	440,609
Interest and Fiscal Charges	355,418	402,004
Total Expenses	17,586,081	17,187,471
Special Item:		
Refund of OFCC Monies	(198,937)	0
Increase (Decrease) in Net Position	(1,548,704)	(668,795)
Net Position at Beginning of Year, As Restated	20,966,148	21,634,943
Net Position at End of Year	\$ 19,417,444	\$ 20,966,148

\*As Restated See Note 19

**Bethel-Tate Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2013*  
*(Unaudited)*

Property taxes increased due to amounts available as an advance and an increase in delinquent taxes. Charges for sales and service decreased primarily due to a decrease in tuition and fees. Operating grants and contributions decreased as a result of a decrease in monies received by the School District for the Education Jobs program. Special instruction increased due to increases in the Title VI-B program. Other instruction increased due to additional Title I program costs. Pupils support services increased due to a 2% increase in employee wages. Instructional staff decreased due to the decrease in monies in the Education Job program.

**Governmental Activities**

Unrestricted grants and entitlements comprised 60 percent of revenue for governmental activities of the Bethel-Tate Local School District for fiscal year 2013 and represent the largest source of revenue.

Property taxes comprised 21 percent of revenue for governmental activities of the School District for fiscal year 2013.

Operating grants and contributions and charges for services and sales comprised 8 percent and 10 percent of revenue for governmental activities, respectively, during 2013.

As indicated by governmental program expenses, total instruction is emphasized. Total instruction comprised 63 percent of governmental program expenses with support services comprising 30 percent of governmental expenses. The Board of Education relies on State revenues to support increased student achievement within the School District.

The Statement of Activities shows the cost of program services and the charges for services and sales, and grants and contributions offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3  
 Total and Net Cost of Program Services  
 Governmental Activities

	2013		2012	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 11,017,242	\$ 9,792,949	\$ 10,370,967	\$ 8,709,917
Support Services	5,190,930	4,594,650	5,407,834	4,385,395
Operation of Non-Instructional Services	613,788	(46,129)	566,057	(121,381)
Extracurricular Activities	408,703	(121,299)	440,609	(48,612)
Interest and Fiscal Charges	355,418	336,412	402,004	386,664
<b>Total Expenses</b>	<b>\$ 17,586,081</b>	<b>\$ 14,556,583</b>	<b>\$ 17,187,471</b>	<b>\$ 13,311,983</b>

**Bethel-Tate Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2013*  
*(Unaudited)*

**THE SCHOOL DISTRICT'S FUNDS**

Information about the School District's major governmental funds begins on page 12. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$16,828,402 and expenditures and other financing uses of \$17,274,402 and a special item use of \$198,937. The net change in fund balance for the year was most significant in the General Fund.

The fund balance of the General Fund decreased by \$813,767. This decrease is primarily due to a lift in budget restrictions by the School District that increased spending during the current year.

The fund balance of the Bond Retirement Fund decreased by \$18,202. This decrease was due to the payments for debt within the fund being higher than revenues.

**General Fund Budgeting Highlights**

The School District's budget is adopted at the fund level for all funds except the General Fund. Before the budget is adopted, the Board of Education reviews the detailed information supporting of each activity within the General Fund and then adopts the budget at the function level.

During 2013, there were revisions made to the General Fund budget. In part, the revisions increased revenues by \$366,330 primarily due to intergovernmental revenue. Actual revenues and other financing sources were above final estimates in the amount of \$66,470. The primary reasons for this variance were intergovernmental was less than anticipated by \$681,822 while transfers in was more than anticipated by \$817,682. The revisions increased the appropriations by \$431,784. Final budgeted appropriations were \$305,236 above actual expenditures due to the School District maintaining tight fiscal control over expenditures. The School District's ending unobligated cash balance was \$2,020,393.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2013, the School District had \$22,823,630 invested in its capital assets. Table 4 shows the fiscal year 2013 balances compared to 2012.

Table 4  
 Capital Assets  
 (Net of Accumulated Depreciation)  
 Governmental Activities

	Governmental Activities	
	2013	2012
Land	\$ 1,117,851	\$ 1,117,851
Library Books	594,334	594,334
Land Improvements	886,423	932,738
Buildings and Improvements	19,107,011	20,007,097
Furniture and Equipment	736,092	929,997
Vehicles	230,303	257,899
Books	84,913	94,300
Infrastructure	66,703	72,458
	\$ 22,823,630	\$ 24,006,674

**Bethel-Tate Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2013*  
*(Unaudited)*

Changes in capital assets from the prior year resulted from additions, disposals and depreciation expense. The most significant change to capital assets was due to depreciation. For additional information regarding capital assets, please see Note 8 to the Basic Financial Statements.

**Debt**

At June 30, 2013, the School District had \$6,061,530 in bonds, capital leases and certificates of participation outstanding at fiscal year-end with \$415,914 due within one year. Table 5 summarizes the School District's outstanding debt:

Table 5  
 Outstanding Debt at Year End  
 Governmental Activities

	2013	2012
2000 Classroom Facilities Improvement - 5.73%	\$ 485,000	\$ 765,000
2007 General Obligation Refunding Bonds - 3.7%-4.00%	2,650,000	2,710,000
Premium	191,685	210,246
2007 Capital Appreciation Bonds - 16.99%	150,000	150,000
Accretion on Capital Appreciation Bonds	272,076	205,339
Total Long-Term Bonds	3,748,761	4,040,585
Capital Leases	177,769	240,625
Certificate of Participation Payable	2,135,000	2,193,000
Total Long Term Debt	\$ 6,061,530	\$ 6,474,210

At June 30, 2013 the School District's overall legal debt margin was \$8,595,637 with an unvoted debt margin of \$155,729. For additional information regarding the debt of the School District, please see Note 11 to the Basic Financial Statements.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the School District's financial status and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Amy M. Wells, Treasurer/CFO, Bethel-Tate Local School District, 675 West Plane Street, Bethel, Ohio 45106-1308.

**Bethel-Tate Local School District**  
*Statement of Net Position*  
*June 30, 2013*

	Governmental Activities
<b>ASSETS</b>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 4,740,742
Accrued Interest Receivable	1,310
Accounts Receivable	2,512
Interfund Receivable	521
Intergovernmental Receivable	180,738
Taxes Receivable	3,702,780
Noncurrent Assets:	
Non-Depreciable Capital Assets	1,712,185
Depreciable Capital Assets, net	21,111,445
<i>Total Assets</i>	31,452,233
 <b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Unamortized Deferred Amount on Refunding	34,396
<i>Total Deferred Outflows of Resources</i>	34,396
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	1,648
Accrued Wages and Benefits	1,589,836
Intergovernmental Payable	338,232
Accrued Interest Payable	14,480
Noncurrent Liabilities:	
Long-Term Liabilities:	
Due Within One Year	514,818
Due in More Than One Year	6,535,454
<i>Total Liabilities</i>	8,994,468
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes not Levied to Finance Current Year Operations	3,074,717
<i>Total Deferred Inflows of Resources</i>	3,074,717
 <b>NET POSITION</b>	
Net Investment in Capital Assets	17,068,572
Restricted for Debt Service	1,295,777
Restricted for Capital Outlay	325,401
Restricted for Lunchroom Services	431,879
Restricted for Other Purposes	458,129
Unrestricted	(162,314)
<i>Total Net Position</i>	\$ 19,417,444

See accompanying notes to the basic financial statements.

**Bethel-Tate Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2013

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>				
Instruction:				
Regular	\$ 8,904,219	\$ 626,810	\$ 218,087	\$ (8,059,322)
Special	1,907,712	136,947	169,834	(1,600,931)
Vocational	103,536	8,292	-	(95,244)
Other	101,775	543	63,780	(37,452)
Support Services:				
Pupils	802,313	65,102	-	(737,211)
Instructional Staff	395,836	28,240	-	(367,596)
Board of Education	31,074	2,574	-	(28,500)
Administration	1,173,274	86,953	45,255	(1,041,066)
Fiscal	368,347	30,331	708	(337,308)
Operation and Maintenance of Plant	1,442,965	94,687	102,970	(1,245,308)
Pupil Transportation	864,405	62,550	66,127	(735,728)
Central	112,716	10,783	-	(101,933)
Operation of Non-Instructional Services	613,788	255,833	404,084	46,129
Extracurricular Activities	408,703	272,216	257,786	121,299
Interest and Fiscal Charges	355,418	10,894	8,112	(336,412)
<i>Total Governmental Activities</i>	<u>\$ 17,586,081</u>	<u>\$ 1,692,755</u>	<u>\$ 1,336,743</u>	(14,556,583)
<b>GENERAL REVENUES</b>				
Grants and Entitlements not Restricted to Specific Programs				9,702,419
Gifts and Donations not Restricted to Specific Programs				10,926
Investment Earnings				3,429
Miscellaneous				45,745
Gain on Sale of Capital Assets				3,565
Property Taxes Levied for:				
General Purposes				2,976,282
Special Purposes				55,757
Debt Service				408,693
<i>Total General Revenues</i>				<u>13,206,816</u>
Special Item:				
Refund of OFCC Monies				<u>(198,937)</u>
<i>Total General Revenues and Special Item</i>				13,007,879
Change in Net Position				(1,548,704)
<i>Net Position Beginning of Year - As Restated See Note 19</i>				<u>20,966,148</u>
<i>Net Position End of Year</i>				<u>\$ 19,417,444</u>

See accompanying notes to the basic financial statements.

**Bethel-Tate Local School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2013*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 2,243,855	\$ 1,223,222	\$ 1,273,665	\$ 4,740,742
Accrued Interest Receivable	1,310	-	-	1,310
Accounts Receivable	2,512	-	-	2,512
Interfund Receivable	3,321	-	-	3,321
Intergovernmental Receivable	65,839	-	114,899	180,738
Taxes Receivable	3,200,339	442,225	60,216	3,702,780
<i>Total Assets</i>	<u>\$ 5,517,176</u>	<u>\$ 1,665,447</u>	<u>\$ 1,448,780</u>	<u>\$ 8,631,403</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,648	\$ -	\$ -	\$ 1,648
Accrued Wages and Benefits	1,432,431	-	157,405	1,589,836
Interfund Payable	-	-	2,800	2,800
Intergovernmental Payable	288,709	-	49,523	338,232
<i>Total Liabilities</i>	<u>1,722,788</u>	<u>-</u>	<u>209,728</u>	<u>1,932,516</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes not levied to finance current year operations	2,654,852	369,670	50,195	3,074,717
Unavailable Revenue - Delinquent Taxes	126,687	16,955	2,321	145,963
Unavailable Revenue - Grants	-	-	30,239	30,239
<i>Total Deferred Inflows of Resources</i>	<u>2,781,539</u>	<u>386,625</u>	<u>82,755</u>	<u>3,250,919</u>
<b>FUND BALANCES</b>				
Restricted	-	1,278,822	1,175,895	2,454,717
Assigned	231,904	-	-	231,904
Unassigned	780,945	-	(19,598)	761,347
<i>Total Fund Balances</i>	<u>1,012,849</u>	<u>1,278,822</u>	<u>1,156,297</u>	<u>3,447,968</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 5,517,176</u>	<u>\$ 1,665,447</u>	<u>\$ 1,448,780</u>	<u>\$ 8,631,403</u>

See accompanying notes to the basic financial statements.

**Bethel-Tate Local School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2013*

<b>Total Governmental Fund Balances</b>		\$ 3,447,968
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		22,823,630
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Taxes	145,963	
Intergovernmental	30,239	
Total		176,202
Accrued interest payable on long-term debt is not reported in the funds.		(14,480)
Long-term liabilities and deferred outflows of resources, including bonds, certificates of participation, capital lease obligations, and the long-term portion of compensated absences are not due and payable in the current period and therefore are not reported in the funds.		
Capital Lease Obligations	(177,769)	
Compensated Absences	(988,742)	
Certificates of Participation	(2,135,000)	
General Obligation Refunding Bonds	(2,650,000)	
Capital Appreciation Bonds	(150,000)	
Accreted Debt from Capital Appreciation Bonds	(272,076)	
Unamortized Deferred Amount on Refunding	34,396	
General Obligation Bonds	(485,000)	
Premium from Refunding Bonds	(191,685)	
Total		(7,015,876)
<b>Net Position of Governmental Activities</b>		<b>\$ 19,417,444</b>

See accompanying notes to the basic financial statements.

**Bethel-Tate Local School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2013*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 3,002,514	\$ 412,171	\$ 56,276	\$ 3,470,961
Intergovernmental	9,712,019	69,087	1,316,901	11,098,007
Interest	2,332	-	1,097	3,429
Tuition and Fees	1,135,275	-	-	1,135,275
Rent	11,036	-	-	11,036
Extracurricular Activities	45,097	-	226,729	271,826
Customer Sales and Services	18,785	-	255,833	274,618
Gifts and Donations	10,926	-	31,525	42,451
Miscellaneous	36,461	-	9,284	45,745
<i>Total Revenues</i>	<u>13,974,445</u>	<u>481,258</u>	<u>1,897,645</u>	<u>16,353,348</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular	7,542,560	-	352,806	7,895,366
Special	1,648,752	-	273,004	1,921,756
Vocational	100,099	-	-	100,099
Other	6,564	-	95,211	101,775
Support Services:				
Pupils	763,000	-	2,683	765,683
Instructional Staff	345,573	-	4,084	349,657
Board of Education	31,074	-	-	31,074
Administration	1,026,625	-	68,566	1,095,191
Fiscal	358,216	-	1,057	359,273
Operation and Maintenance of Plant	1,144,396	-	162,755	1,307,151
Pupil Transportation	752,368	-	26,641	779,009
Central	130,167	-	-	130,167
Operation of Non-Instructional Services	-	-	590,657	590,657
Extracurricular Activities	4,704	-	337,761	342,465
Capital Outlay	285,706	-	-	285,706
Debt Service:				
Principal	120,856	340,000	-	460,856
Interest and Fiscal Charges	131,503	159,460	-	290,963
<i>Total Expenditures</i>	<u>14,392,163</u>	<u>499,460</u>	<u>1,915,225</u>	<u>16,806,848</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(417,718)</u>	<u>(18,202)</u>	<u>(17,580)</u>	<u>(453,500)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	17,815	-	449,739	467,554
Proceeds from the Sale of Capital Assets	7,500	-	-	7,500
Transfers Out	(421,364)	-	(46,190)	(467,554)
<i>Total Other Financing Sources(Uses)</i>	<u>(396,049)</u>	<u>-</u>	<u>403,549</u>	<u>7,500</u>
Special Item:				
Refund of OFCC Monies	-	-	(198,937)	(198,937)
<i>Net Change in Fund Balances</i>	(813,767)	(18,202)	187,032	(644,937)
<i>Fund Balances Beginning of Year</i>	<u>1,826,616</u>	<u>1,297,024</u>	<u>969,265</u>	<u>4,092,905</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,012,849</u>	<u>\$ 1,278,822</u>	<u>\$ 1,156,297</u>	<u>\$ 3,447,968</u>

See accompanying notes to the basic financial statements.

**Bethel-Tate Local School District**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2013*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	(644,937)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However in 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 depreciation exceeded capital asset additions in the current period.</p>		
Capital Asset Additions	285,706	
Current Year Depreciation	<u>(1,464,815)</u>	
Total		(1,179,109)
<p>Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities a gain or loss is reported for each disposal.</p>		
Proceeds from the Sale of Capital Assets	(7,500)	
Gain on Disposal of Capital Assets	<u>3,565</u>	
Total		(3,935)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Taxes	(30,229)	
Intergovernmental	<u>(90,370)</u>	
Total		(120,599)
<p>The amortization of premium from the sale of bonds is recorded as a reduction of liability in the statement of net position, but does not result in an expenditure in the governmental funds.</p>		
		18,561
<p>Deferred amounts on refunding are included as expenditures in the funds, but are deferred and amortized over the life of the bonds in the government-wide financial statements.</p>		
		(18,020)
<p>Repayment of bond principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net position and does not result in an expense in the statement of activities.</p>		
		340,000
<p>Repayment of capital lease obligations are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net position and does not result in an expense in the statement of activities.</p>		
		62,856
<p>Repayment of certificate of participation obligations are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net position and does not result in an expense in the statement of activities.</p>		
		58,000
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Decrease in Compensated Absences	3,475	
Decrease in Interest Payable	1,741	
Increase in Accreted Debt	<u>(66,737)</u>	
Total		<u>(61,521)</u>
<b>Net Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>(1,548,704)</u></b>

See accompanying notes to the basic financial statements.

**Bethel-Tate Local School District**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	\$3,061,441	\$3,041,935	\$2,998,714	(\$43,221)
Intergovernmental	9,850,657	10,349,518	9,667,696	(681,822)
Interest	8,000	8,000	7,856	(144)
Tuition and Fees	1,232,800	1,113,400	1,088,953	(24,447)
Miscellaneous	16,325	22,700	32,665	9,965
Total Revenues	<u>14,169,223</u>	<u>14,535,553</u>	<u>13,795,884</u>	<u>(739,669)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Regular	7,352,171	7,517,092	7,465,621	51,471
Special	1,559,514	1,682,090	1,613,789	68,301
Vocational	133,381	128,637	118,813	9,824
Other	3,442	9,302	5,446	3,856
Support Services:				
Pupils	596,418	778,419	727,312	51,107
Instructional Staff	777,229	444,727	435,291	9,436
Board of Education	26,478	45,289	31,005	14,284
Administration	960,751	970,809	968,026	2,783
Fiscal	346,169	372,118	361,830	10,288
Operation and Maintenance of Plant	1,331,184	1,310,318	1,247,068	63,250
Pupil Transportation	853,689	804,765	786,621	18,144
Central	168,475	134,304	131,722	2,582
Debt Service:				
Principal	58,000	58,000	58,000	0
Interest	118,051	118,051	118,051	0
Total Expenditures	<u>14,284,952</u>	<u>14,373,921</u>	<u>14,068,595</u>	<u>305,326</u>
Excess of Revenues Over (Under) Expenditures	<u>(115,729)</u>	<u>161,632</u>	<u>(272,711)</u>	<u>(434,343)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Sale of Capital Assets	7,500	7,500	7,500	0
Transfers In	20,000	20,000	837,682	817,682
Refund of Prior Year Expenditures	20,000	20,000	8,457	(11,543)
Transfers Out	(103,549)	(446,364)	(446,364)	0
Total Other Financing Sources and Uses	<u>(56,049)</u>	<u>(398,864)</u>	<u>407,275</u>	<u>806,139</u>
Net Change in Fund Balances	(171,778)	(237,232)	134,564	371,796
Fund Balance at Beginning of Year	1,778,495	1,778,495	1,778,495	0
Prior Year Encumbrances Appropriated	107,334	107,334	107,334	0
Fund Balance at End of Year	<u>\$1,714,051</u>	<u>\$1,648,597</u>	<u>\$2,020,393</u>	<u>\$371,796</u>

See accompanying notes to the basic financial statements.

**Bethel-Tate Local School District**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2013*

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	<u>Private Purpose Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS:</b>		
Equity in Pooled Cash and Investments	<u>\$ 708</u>	<u>\$ 44,422</u>
<b>LIABILITIES:</b>		
Interfund Payable		\$ 521
Undistributed Monies	<u>-</u>	<u>43,901</u>
<i>Total Liabilities</i>		<u>\$ 44,422</u>
<b>NET POSITION:</b>		
Held in Trust for Scholarships	<u>708</u>	
<i>Total Net Position</i>	<u>\$ 708</u>	

See accompanying notes to the basic financial statements.

**Bethel-Tate Local School District**  
*Statement of Changes in Fiduciary Net Position*  
*Fiduciary Fund*  
*For the Fiscal Year Ended June 30, 2013*

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	Private Purpose Trust Fund
ADDITIONS:	
Gifts and Contributions	<u>\$ 1,550</u>
<i>Total Additions</i>	1,550
DEDUCTIONS:	
Payments in Accordance with Trust Agreements	<u>2,211</u>
Change in Net Position	(661)
<i>Net Position Beginning of Year</i>	<u>1,369</u>
<i>Net Position End of Year</i>	<u><u>\$ 708</u></u>

See accompanying notes to the basic financial statements.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Bethel-Tate 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 statute and/or federal guidelines.

The School District was established in the early 1800s through the consolidation of existing land areas and school districts. The School District serves an area of approximately 48.04 square miles. It is located in Clermont County, and includes the Village of Bethel and Tate Township. It is staffed by 66 non-certificated employees, 110 certificated full-time teaching personnel and 11 administrative employees who provide services to 1,767 students and other community members. The School District currently operates 4 instructional buildings, 1 Central Office/Transportation Building, and 1 maintenance garage.

*Reporting Entity:*

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Bethel-Tate 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 organizations governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

The following organizations which perform activities within the School District's boundaries for the benefits of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these organizations nor are they fiscally dependent on the School District.

- Boosters Clubs
- Parent-Teacher Organizations

The School District is associated with five organizations, three of which are defined as jointly governed organizations, one as a public entity shared risk pool, and one as an insurance purchasing pool. These organizations are the Hamilton/Clermont Cooperative Association/Unified Purchasing Association, the U.S. Grant Joint Vocational School, the Hamilton/Clermont Cooperative Association, the Clermont County Health Consortium, and the Sheakley Workers' Comp and Safety Group Retrospective Rating Plan. These organizations and the School District's participation are discussed in Notes 12, 13 and 14 to the Basic Financial Statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America 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 more significant of the School District's accounting policies are described below.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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

Fund Accounting

The School District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific School District's functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose 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, liabilities and deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

General Fund

The General Fund is the general operating fund of the School District and is used to account for all financial resources not accounted for and reported in another fund. The General Fund is available to the School District for any purpose provided it is expended or transferred according to the school laws of Ohio.

Bond Retirement Fund

The Bond Retirement Fund is a debt service fund used to account for the accumulation of financial resources restricted, committed, or assigned for the payment of general long-term debt. The major source of revenue for this fund is tax levy proceeds.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

The School District's fiduciary funds consist of a private purpose trust fund and an agency fund which are used to maintain financial activity of the School District's college scholarship donations and student managed activities.

Basis of Presentation

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

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of governmental activities of the School District at 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 and contributions 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. 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 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 fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

**Measurement Focus**

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred inflows/outflows of resources and all liabilities associated with the operation of the School District are included on the statement of net position. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

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, deferred inflows/outflows of resources and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

**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. The fund financial statements are prepared using either the modified accrual basis of accounting for governmental funds or the accrual basis of accounting for fiduciary funds. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows of resources, and in the presentation of expenses versus expenditures.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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

**Revenues – Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means that the resources 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 60 days of year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 5). 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 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 expenditures requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available as an advance, investment earnings, tuition, grants, and fees.

**Deferred Outflows and Deferred Inflows of Resources**

As more fully described in Note 19 to the basic financial statements, the School District has implemented both GASB Statement No. 63 and GASB Statement No. 65, effective for fiscal year 2013. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expenses) until then. The School District recorded a deferred outflow of resources for the unamortized portion of the net loss on refunding of bonds as of June 30, 2013. The School District also reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the School District these amounts consist of taxes and grants which are not collected in the available period. The difference between deferred inflows on the Statement of Net Position and the Balance Sheet is due to delinquent property taxes and grants not received during the available period. These were reported as revenues on the Statement of Activities and not recorded as deferred inflows on the Statement of Net Position.

**Expenses/Expenditures**

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) principal and interest on general long-term debt and capital lease obligations, which is recorded when due and (2) the costs of accumulated unpaid vacation, personal leave and sick leave are reported as fund liabilities as payments come due each period upon the occurrence of employee resignations and retirements. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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

**Budgetary Process**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2013.

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

**Cash and Investments**

Cash received by the School District is deposited into one of several bank accounts with individual fund balance integrity maintained. Balances of all funds are maintained in these accounts or are temporarily used to purchase certificates of deposit or investments. All investment earnings accrue to the General Fund except those specifically related to those funds deemed appropriate according to Board of Education policy. Interest earned amounted to \$3,429 in which \$2,332 was recorded in the General Fund and \$1,097 was recorded in the other governmental funds.

The School District records all its investments at fair value. For presentation on the financial statements, investments of the cash management pool and investments with original maturities of three month or less at the time they are purchased by the School District are presented as Equity in Pooled Cash and Investments on the financial statements. The School District has invested in a money market funds, STAROhio, U.S. Treasury Security, and U.S. Governmental Agency securities.

During fiscal year 2013, the School District invested funds in the State Treasury Asset Reserve of Ohio (STAROhio). STAROhio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2013.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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

**Capital Assets and Depreciation**

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,000.

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. The School District does not capitalize interest.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10-25 years
Building and Improvements	10-50 years
Furniture and Equipment	5-20 years
Vehicles	7-15 years
Books	5-20 years
Infrastructure	10-15 years

**Compensated Absences**

Vacation and personal leave benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate its employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method.

The liability includes the employees who are currently eligible to receive severance benefits and those the School District has identified as probable of receiving payment in the future. The School District records an accrual for sick leave to the extent it is probable that benefits will result in termination payments. The accrual amount is based upon an estimate of the School District's past experience of making termination payments.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee will be paid. As of June 30, 2013, the School District did not have any matured compensated absences payable.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in 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, claims and judgments and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year and will be paid with available financial resources. Bonds, long-term loans, and capital leases are recognized as a liability on the government-wide financial statements when due.

**Interfund Balances**

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year, are referred to as either “due to/from other funds” or as “interfund receivable/payable.” All unpaid reimbursements between funds are report as “due to/from other funds”. These amounts are generally eliminated in the governmental activities column of the statement of net position. The Interfund receivable in the Statement of Net Position and the Interfund payable in the Agency Funds represents a deficit cash balance.

**Net Position**

Net position represents the difference between asset, liabilities and deferred inflows/outflows of resources. Net investment in capital assets; consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes represents balances in special revenue funds for grants received which are restricted as to their use by grantors.

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

The government-wide statement of net position reports \$2,511,186 in restricted net position, none of which is restricted by enabling legislation.

**Interfund Transactions**

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. Transfers between governmental activities are eliminated on the statement of activities.

**Fund Balance**

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

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

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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

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

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

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the School District 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 applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the School District and that are either unusual in nature or infrequent in occurrence. The School District had no extraordinary items. The School District reported one special item for the refund of prior year OFCC monies. The School District received notice during fiscal year 2013 that they were required to return monies to the Ohio Facilities Construction Commission (OFCC). The monies being returned are due to the OFCC closing out the School District's building project. As a result of closing the project, all remaining funds including interest were split based on project percentages. The amount to be returned by the School District was \$198,937.

**Estimates**

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

**NOTE 3 - BUDGET TO GAAP RECONCILIATION**

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis, as provided by law, and described above, 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 and Actual (Non-GAAP Budgetary Basis), for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

**NOTE 3 - BUDGET TO GAAP RECONCILIATION (Continued)**

The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budgetary basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a restriction, commitment or assignment of fund balance for governmental fund types (GAAP basis).
4. Funds treated as General Fund equivalents on the GAAP basis are not included on the budget basis.

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

	Net Change in Fund Balance
GAAP Basis	\$(813,767)
Adjustments:	
Revenue Accruals	756,217
Expenditure Accruals	304,730
Perspective Difference:	
Activity of Funds Reclassed for GAAP Reporting Purposes	12,354
Encumbrances	(124,970)
Budget Basis	\$134,564

**NOTE 4 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the School District into three categories.

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

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must be either 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 moneys. Interim moneys are those moneys that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim moneys may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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**NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

2. Bonds, notes, debentures, or other obligations or securities 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, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. Interim deposits in the eligible institutions applying for interim money as provided in section 135.08 of the Revised Code;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time;
9. Linked deposits as authorized by ordinance adopted pursuant to section 135.80 of the Revised Code;
10. Commercial paper notes issued by any entity that is defined in division (D) of section 1705.01 of the Revised Code and has assets exceeding five hundred million dollars, and to which notes are rated at the time of purchase in the highest classification established by at least two standard rating services; the aggregate value of the notes does not exceed ten percent of the aggregate value of the outstanding commercial paper of the issuing corporation; the notes mature no later than one hundred eighty days after purchase; and
11. Bankers' acceptances of banks that are members of the federal deposit insurance corporation to which obligations both the following apply: obligations are eligible for purchase by the Federal Reserve System and the obligations mature no later than one hundred eighty days after purchase.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public money deposited with the institution.

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.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2013

**NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

Investments may only be made through specified dealers and institutions. Payment for investments may be made to the treasurer or qualified trustee only upon delivery of the securities representing the investments or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Deposits** Custodial credit risk is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The School District’s policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of June 30, 2013, the School District’s bank balance of \$2,969,865 was either covered by FDIC or collateralized by the financial institution’s public entity deposit pool in the manner described above.

**Investments** At June 30, 2013, the School District had the following investments:

Investment Type	Fair Value	Less Than One Year	1-2 Years	3-5 Years
Money Market Funds	\$6,581	\$6,581	\$-	\$-
STAROhio	430,571	430,571	-	-
FHLB Notes	550,186	550,186	-	-
FNMA Notes	737,560	100,293	238,224	399,043
FHLMC Bonds	339,232	-	339,232	-
US Treasury Bill	55,036	55,036	-	-
<b>Total</b>	<b>\$2,119,166</b>	<b>\$1,142,667</b>	<b>\$577,456</b>	<b>\$399,043</b>

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the School District’s investment policy, the School District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District’s policy places limitations on the types of investments the School District may invest in. The School District’s policy authorizes investment in allowable securities as outlined in Ohio Revised Code Section 135. The School District’s investments in FHLB, FNMA, and FHLMC were each rated AAA and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively. The Money Market Funds and STAR Ohio were rated AAAM by Standard & Poor’s. The US Treasury Bill has been rated Aaa by Standard & Poor’s.

**Concentration of Credit Risk.** The School District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of total of each investment type held by the School District at June 30, 2013:

Investment Type	Fair Value	% of Total
Money Market Funds	\$6,581	0.3%
STAROhio	430,571	20.3%
FHLB Notes	550,186	26.0%
FNMA Notes	737,560	34.8%
FHLMC Bonds	339,232	16.0%
US Treasury Bill	55,036	2.6%
<b>Total</b>	<b>\$2,119,166</b>	<b>100.0%</b>

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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**NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District's securities are either insured and registered in the name of the School District or at least registered in the name of the School District. The School District has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

**NOTE 5 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2013 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2013 represents collections of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien on December 31, 2011, were levied after April 1, 2012, and are collected in 2013 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Clermont and Brown Counties. 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, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2013. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2013, was \$418,800 in the General Fund, \$55,600 in the Debt Service Fund, and \$7,700 in Other Governmental Funds.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

**NOTE 5 - PROPERTY TAXES (Continued)**

The assessed values upon which fiscal year 2013 taxes were collected are:

	2012 Second- Half Collections		2013 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 151,033,500	97.20%	\$ 151,285,990	97.15%
Public Utility	4,346,090	2.80%	4,443,310	2.85%
Total Assessed Value	<u>\$ 155,379,590</u>	<u>100.00%</u>	<u>\$ 155,729,300</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$ 36.86		\$ 36.86	

**NOTE 6 - RECEIVABLES**

Receivables at June 30, 2013, consisted of accounts, property taxes, interest, interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	Receivable Amount
Major Fund:	
General Fund	\$65,839
Non-major Special Revenue Funds:	
Food Services	765
Classroom Facility Maintenance	213
District Managed Students	677
EMIS	324
HSTW	273
Education Jobs	1,149
Resident Educator	2,800
Title VI B	35,524
Title I	71,306
Title II-A	1,868
Total Non-major Special Revenue Funds	<u>114,899</u>
Total Receivable	<u>\$180,738</u>

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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**NOTE 7 - RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2013, the School District contracted with Argonaut Insurance for coverage for liability, real property, building and contents, and vehicles. Vehicles policies include liability coverage for bodily injury and property damage. Coverage provided is as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$44,233,183
Automobile Liability (No deductible)	1,000,000
Uninsured Motorists (No deductible)	1,000,000
General Liability	
Per occurrence	1,000,000
Total per year	3,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from the prior year.

For fiscal year 2013, the School District participated in the Sheakley Workers' Compensation and Safety Group Retrospective Rating Plan (Plan), an insurance purchasing pool (Note 14). The intent of the GRP is to reward participants that are able to keep their claims cost low. School districts continue to pay their individual premium directly to the Ohio Bureau of Workers' Compensation (BWC). School districts will then have future premium adjustments (refunds or assessments) at the end of each of the three evaluation periods. For the 2013 Plan, the evaluation periods will be January 2015, January 2016 and January 2017. Refunds or assessments will be calculated by the Ohio BWC, based on the pro-rata share of the districts individual premium compared to the overall Plan premium.

Participation in the Group Retrospective Rating Plan is limited to school districts that can meet the programs selection criteria. The firm of Sheakley UniService Inc. provides administrative, cost control and actuarial services to the Plan.

The School District is a member of the Clermont County Health Consortium, a public entity shared risk pool (Note 13), consisting of a number of school districts and an educational service center within the County offering health, dental, life and/or other insurance benefits to their employees. During fiscal year 2013, monthly premiums were paid to the Clermont County Health Consortium, who paid the claims on the School District's behalf. Monthly premiums are paid to the Clermont County Educational Service Center, as fiscal agent for the Clermont County Health Consortium, who in turns pays the claims on the School District's behalf. The Consortium is responsible for the management and operations of the program. Upon termination from the Consortium, the School District shall have no obligation under the plan beyond paying a withdrawal fee in an amount equal to two months' premiums at the School District's then current rates. However, notification of termination from the Consortium must be at least one hundred eighty days prior to the July 1 anniversary date of the Consortium's health plan. Any claims and expenses through the anniversary date of the Consortium's health plan shall be paid from the funds of the Consortium.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2013

**NOTE 8 – CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2013, was as follows:

	Ending Balance 06/30/12	Additions	Deletions	Ending Balance 06/30/13
Governmental Activities				
Capital Assets, Not Being Depreciated				
Library Books	\$ 594,334	\$ -	\$ -	\$ 594,334
Land	1,117,851	-	-	1,117,851
Total Capital Assets, Not Being Depreciated	<u>1,712,185</u>	<u>-</u>	<u>-</u>	<u>1,712,185</u>
Capital Assets Being Depreciated				
Land Improvements	1,591,362	-	(49,745)	1,541,617
Buildings and Improvements	36,612,286	20,215	-	36,632,501
Furniture and Equipment	3,394,048	242,491	(35,409)	3,601,130
Vehicles	1,098,609	23,000	(173,018)	948,591
Books	374,407	-	-	374,407
Infrastructure	131,576	-	-	131,576
Total Capital Assets, Being Depreciated	<u>43,202,288</u>	<u>285,706</u>	<u>(258,172)</u>	<u>43,229,822</u>
Less Accumulated Depreciation:				
Land Improvements	(658,624)	(46,315)	49,745	(655,194)
Buildings and Improvements	(16,605,189)	(920,301)	-	(17,525,490)
Furniture and Equipment	(2,464,051)	(432,461)	31,474	(2,865,038)
Vehicles	(840,710)	(50,596)	173,018	(718,288)
Books	(280,107)	(9,387)	-	(289,494)
Infrastructure	(59,118)	(5,755)	-	(64,873)
Total Accumulated Depreciation	<u>(20,907,799)</u>	<u>(1,464,815)</u>	<u>254,237</u>	<u>(22,118,377)</u>
Total Capital Assets Being Depreciated, Net	<u>22,294,489</u>	<u>(1,179,109)</u>	<u>(3,935)</u>	<u>21,111,445</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,006,674</u>	<u>\$ (1,179,109)</u>	<u>\$ (3,935)</u>	<u>\$ 22,823,630</u>

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

**NOTE 8 – CAPITAL ASSETS (continued)**

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 1,012,459
Special	980
Vocational	3,437
Support Services:	
Pupils	20,519
Instructional Staff	62,168
Administration	56,032
Fiscal	1,140
Operation and Maintenance of Plant	146,206
Pupil Transportation	82,675
Central	2,487
Operation of Non-Instructional Services	10,474
Extracurricular Activities	66,238
Total Depreciation Expense	\$ 1,464,815

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The School District contributes to 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 publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website, at [www.ohsers.org](http://www.ohsers.org), under *Employer/Audit Resources*.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year 2013, the allocation to pension and death benefits is 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's contributions to SERS for the fiscal years ended June 30, 2013, 2012 and 2011 were \$278,429, \$244,745, and \$293,724, respectively; 17 percent has been contributed for fiscal year 2013 and 100 percent for the fiscal years 2012 and 2011. \$48,524 represents the unpaid contribution for fiscal year 2013 and is recorded as a liability within the respective funds.

**B. State Teachers Retirement System**

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 is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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**NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)**

**B. State Teachers Retirement System (Continued)**

**Plan Options** - New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment choices. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

**DB Plan Benefits** – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation of every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

**DC Plan Benefits** – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

**Combined Plan Benefits** – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for Defined Benefit Plan participants.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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**NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)**

**B. State Teachers Retirement System (Continued)**

The Defined Benefit and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A Defined Benefit or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

For the fiscal years ended June 30, 2013, 2012, and 2011, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012, and 2011 were \$931,476, \$800,646, and \$844,515, respectively; 86 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. \$129,005 represents the unpaid contribution for fiscal year 2013 and is recorded as a liability within the respective funds.

STRS Ohio issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771 or by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2013, none of the members of the Board of Education had elected Social Security. The Board's liability is 6.2 percent of wages paid.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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**NOTE 10 - POSTEMPLOYMENT BENEFITS**

**A. State Teachers Retirement System**

STRS Ohio administers a pension plan that is comprised of: a defined benefit plan; a self-directed defined contribution plan; and a combined plan which is a hybrid of the defined benefit and defined contribution plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to Section 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Financial Annual Report by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free 1-888-227-7877.

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2013, 2012 and 2011. The 14 percent employer contribution rate is the maximum rate established under Ohio law. For the School District, these amounts equaled \$66,534, \$64,401, and \$66,193, for fiscal years 2013, 2012, and 2011, respectively, which equaled the required allocation for each year.

**B. School Employees Retirement System**

In addition to a cost-sharing, multiple-employer defined benefit pension plan, the School Employees Retirement System (SERS) administers two post employment benefit plans.

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal years 2013, 2012, and 2011, the actuarially required allocation was 0.74 percent, 0.75 percent, and 0.76 percent. For the School District, contributions for the years ended June 30, 2013, 2012, and 2011, were \$14,717, \$15,880, and \$15,946, which equaled the required contributions for those years.

Health Care Plan

Ohio Revised Code 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS' post-employment benefits through employer contributions. Active members do not make contributions to the post-employment benefit plans.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2013

**NOTE 10 - POSTEMPLOYMENT BENEFITS** (continued)

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e).

Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. At June 30, 2013, 2012, and 2011, the health care allocations were 0.16 percent, 0.55 percent, and 1.43 percent, respectively. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the minimum compensation level was established at \$20,525. The surcharge when added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. For the School District, the amounts contributed to fund health care benefits, including the surcharge, during the 2013, 2012, and 2011 fiscal years equaled \$23,707, \$50,812, and \$72,434, respectively, which equaled the required allocations for those years.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending upon the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained on SERS website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

**NOTE 11 - LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 2013 were as follows:

	Principal Outstanding 06/30/12*	Additions	Deductions	Principal Outstanding 06/30/13	Due in One Year
2000 Classroom Facilities					
Improvement Bonds 5.73%	\$ 765,000	\$ -	\$ 280,000	\$ 485,000	\$ 230,000
2007 General Obligation Refunding					
Bonds 3.70%-4.00%	2,710,000	-	60,000	2,650,000	60,000
Premium	210,246	-	18,561	191,685	-
Capital Appreciation Bonds 16.99%	150,000	-	-	150,000	-
Accretion on Capital Appreciation Bonds	<u>205,339</u>	<u>66,737</u>	<u>-</u>	<u>272,076</u>	<u>-</u>
Total Long-Term Bonds	4,040,585	66,737	358,561	3,748,761	290,000
Capital Leases	240,625	-	62,856	177,769	65,914
Certificate of Participation Payable	2,193,000	-	58,000	2,135,000	60,000
Compensated Absences	<u>992,217</u>	<u>592,570</u>	<u>596,045</u>	<u>988,742</u>	<u>98,904</u>
Total Long-Term Obligations	<u>\$ 7,466,427</u>	<u>\$ 659,307</u>	<u>\$ 1,075,462</u>	<u>\$ 7,050,272</u>	<u>\$ 514,818</u>

\* Restated, see note disclosure on next page.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2013

**NOTE 11 - LONG-TERM OBLIGATIONS (Continued)**

*Classroom Facilities Improvement Bonds* - On April 1, 2000, Bethel-Tate Local School District issued \$6,075,500 in unvoted general obligation bonds for the purpose of purchasing land, building a gym, and classroom improvements. The bonds were issued for a twenty-two year period with a final maturity during fiscal year 2023. During fiscal year 2007, a portion of these bonds were refunded. The bonds are being retired from the debt service fund.

*General Obligation Refunding Bonds* – On August 30, 2006, Bethel-Tate Local School District issued \$3,175,000 in refunding bonds for the purpose of repaying a portion of the classroom facilities improvement bonds issued in 2000. The refunding bonds consisted of \$3,025,000 in current interest bonds and \$150,000 in capital appreciation bonds. The interest bonds were issued for a fifteen year period with a final maturity in December 2022. The current interest bonds are being retired from the debt service funds. The capital appreciation bonds will mature in 2016 and 2017 and will be retired from the debt service fund.

The serial bonds, issued at \$3,025,000 maturing on or after December 1, 2017, are subject to optional redemption, in whole or in part on any date at the option of the Issuer on or after June 1, 2017 at par, which is 100% of the face value of the Current Interest Refunding Bonds.

The capital appreciation bonds, issued at \$150,000, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2016 and 2017. The maturity amount of the capital appreciation bonds is \$705,000. For fiscal year 2013, the capital appreciation bonds were accreted \$66,737. Total accretion as of June 30, 2013 was \$272,076.

The bond issuance costs of \$83,698 were originally capitalized as an asset and were being amortized over the life of the bonds. Due to the implementation of GASB’s Statement 63 and Statement 65, the School District has recorded a prior period adjustment to eliminate this asset. The net loss on the refunding of the bonds in the amount of \$275,196 was originally recorded as a reduction of the bonds and was being amortized (added to) the bond liability over the life of the refunded Bonds. Due to the implementation of GASB’s Statement No. 63 and Statement No. 65, the unamortized portion of the net loss is now recorded as a deferred outflow of resources on the Statement of Net Position and no longer is reported as part of the debt.

Compensated absences will be paid from the fund from which the employees’ salaries are paid, with the General Fund being the most significant.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2013, are as follows:

Fiscal Year Ending June 30,	2000 Classroom Facilities Principal	2000 Classroom Facilities Interest	2007 Capital Appreciation Principal	2007 Current Interest Bonds Principal	2007 Current Interest Bonds Interest
2014	\$230,000	\$24,605	\$0	\$60,000	\$107,825
2015	255,000	8,479	0	65,000	105,325
2016	0	0	350,000	0	104,025
2017	0	0	355,000	365,000	96,269
2018	0	0	0	405,000	79,906
2019-2023	0	0	0	1,755,000	214,556
Total	\$485,000	\$33,084	\$705,000	\$2,650,000	\$707,906

The above amortization schedule for the 2007 Capital Appreciation Bonds does not agree with the amount outstanding on the previous page due to accretion of such bonds.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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**NOTE 11 - LONG-TERM OBLIGATIONS (Continued)**

**Capital Lease Obligation**

During previous fiscal years, the School District entered into capital leases for copiers and a postage machine. During prior fiscal years, the lease was upgraded as more equipment was added. These leases meet 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. The capital lease payments for all these leases will be classified as debt service in the General Fund in the fund financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. The capital assets acquired by the leases have been capitalized in the statement of net position for governmental activities in the amount of \$389,396. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net position for governmental activities. Principal payments in fiscal year 2013 totaled \$62,856. For the leased assets related to the Governmental Funds, a portion of the capital assets acquired by the lease have been capitalized in the government wide financial statements. The lease obligations are being repaid from the General Fund.

The School District's future minimum lease payments under capital lease obligations for Governmental Activities as of June 30, 2013 are as follows:

Fiscal Year Ending June 30,	Payments
2014	\$76,308
2015	76,308
2016	74,604
2017	<u>6,218</u>
	233,438
Less: Interest	<u>(55,669)</u>
Present Value of Minimum Lease Payments	<u>\$177,769</u>

**Certificates of Participation**

In previous fiscal years, the School District entered into certificates of participation to finance a variety of projects including a portion of the classroom facilities project, as well as, several other construction projects, the acquisition of new school buses, computers and computer related software, and for the construction of a new transportation facility. During fiscal year 2006 and 2007, the School District entered into certificates of participation to finance the construction of a new Central Office/Transportation Building. The School District is leasing the projects from Columbus Regional Airport Authority. Columbus Regional Airport Authority will retain title to the project during the certificate term. Columbus Regional Airport Authority has assigned US Bank as trustee. US Bank deposited \$511,000 in the School District's name with an escrow agent for the construction of the facility. Amounts were paid to contractors by the School District as the work progressed. As of June 30, 2013 no retainage was owed to contractors. The School District is making semi-annual payments to US Bank. Principal payments in fiscal year 2013 totaled \$58,000 in the governmental funds. This debt is being repaid from the General Fund.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2013

**NOTE 11 - LONG-TERM OBLIGATIONS (Continued)**

**Certificates of Participation (Continued)**

The following table represents the payments required on the Certificate of Participation for the amount outstanding at June 30, 2013:

Fiscal Year Ending June 30:	Principal	Interest	Total
2014	\$60,000	\$111,441	\$171,441
2015	63,000	108,259	171,259
2016	66,000	104,917	170,917
2017	70,000	101,416	171,416
2018	73,000	97,756	170,756
2019-2023	424,000	426,088	850,088
2024-2028	548,000	298,961	846,961
2029-2033	602,000	134,351	736,351
2034-2037	229,000	21,226	250,226
Total	<u>\$2,135,000</u>	<u>\$1,404,415</u>	<u>\$3,539,415</u>

The School District's voted legal debt margin was \$8,595,637 with an unvoted debt margin of \$155,729 at June 30, 2013.

**NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS**

*Hamilton/Clermont Cooperative Association/Unified Purchasing Association* - The Hamilton/Clermont Cooperative Association/Unified Purchasing Association is a jointly governed organization among a two county consortium of school districts. The Unified Purchasing Cooperative was organized under the Hamilton/Clermont Cooperative Association to benefit member districts with a more economically sound purchasing mechanism for general school, office and cafeteria supplies. The Unified Purchasing Cooperative organization is governed by representatives from each of the governments that created the organization, but there is no ongoing financial interest or responsibility by the participating governments.

*U.S. Grant Joint Vocational School* - The U.S. Grant Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the four participating school districts' elected boards with an additional representative rotated among the four schools. The Vocational School possesses its own budgeting and taxing authority. To obtain financial information write to the U.S. Grant Joint Vocational School, Patricia Patten, who serves as Treasurer, at 3046 State Route 125, Bethel, Ohio 45106.

*Hamilton/Clermont Cooperative Association* - The School District is a participant in the Hamilton/Clermont Cooperative Association (H/CCA) which is a computer consortium. H/CCA is an association of 37 public school districts within the boundaries of Hamilton and Clermont 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 H/CCA consists of the superintendents and/or treasurers of the participating members. H/CCA is not accumulating significant financial resources nor is it experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. The School District paid H/CCA \$88,154 for services provided during the year. Financial information can be obtained from the H/CCA of Boards of Education, Dave Horine, Executive Director, at 7615 Harrison Avenue, Cincinnati, Ohio 45231-3107.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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**NOTE 13 - PUBLIC ENTITY SHARED RISK POOL**

*Clermont County Health Consortium* - The School District is a member of the Clermont County Health Consortium, a public entity shared risk pool. A number of Clermont County school districts and the Clermont County Educational Service Center have entered into an agreement to form the Clermont County Health Consortium. The overall objectives of the Consortium are to formulate and administer a program of health, dental, life and/or other insurance benefits for the Consortium members' employees and their dependents. The Consortium's business and affairs are managed by a Board of Directors, consisting of the superintendents (or their designee) from each of the participating school districts and the educational service center.

The School District pays premiums based on what the Consortium estimates will cover the costs of all claims for which the Consortium is obligated. If the School District's claims exceed its premiums, there is no individual supplemental assessment; on the other hand, if the School District's claims are low, it will not receive a refund. The Consortium views its activities in the aggregate, rather than on an individual entity basis. To obtain financial information, write to the current fiscal agent, Clermont County Educational Service Center at 2400 Clermont Center Drive, Suite 100, Batavia, Ohio 45103.

**NOTE 14 – INSURANCE PURCHASING POOLS**

*Sheakley Workers' Compensation and Safety Group Retrospective Rating Plan* - The School District participates in the Sheakley Workers' Compensation and Safety Group Retrospective Rating Plan (Plan), an insurance purchasing pool. The Plan's business and affairs are conducted by Sheakley UniService, Inc. Each year, the participating school districts pay an enrollment fee to Sheakley to cover the costs of administering the program.

**NOTE 15 - CONTINGENCIES**

**A. Litigation**

The School District is not party to legal proceedings.

**B. 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 are 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, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2013, if applicable, cannot be determined at this time.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2013

**NOTE 16 - STATUTORY RESERVES**

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

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

	Capital Maintenance Reserve
Set Aside Reserve Balance June 30, 2012	\$0
Required Set-Aside	311,954
Current Year Offset	(120,728)
Prior Year Offset from Bond Proceeds	(64,308)
Current Year Qualifying Expenditures	(126,918)
Total	\$0
Balance Carried Forward to Fiscal Year 2014	\$0
Set Aside Reserve Balance June 30, 2013	\$0

The School District had offsets during the year that reduced the set-aside amount to zero in the Capital Acquisition Reserve. The carryover amount in the Capital Acquisition Reserve is limited to the balance of the offsets attributed to bond or tax levy proceeds. The School District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$3,414 at June 30, 2013.

**NOTE 17 – INTERFUND ACTIVITY**

**Interfund Transfers**

Transfers made during the year ended June 30, 2013, were as follows:

Fund	Transfer From	Transfer To
<i>Major Fund</i>		
General	\$421,364	\$17,815
<i>Non-Major Funds</i>		
Permanent Improvement	0	325,000
Ohio School Facilities Project	46,190	0
Classroom Facilities Maintenance	0	46,190
District Managed Student Activities	0	78,549
Total Non-Major Funds	46,190	449,739
Total	\$467,554	\$467,554

Transfers were made from the General Fund to move unrestricted balances to support programs and projects accounted for in other funds. Transfers were made from Non-major funds to the General Fund for activities that were closed out due to inactivity. A transfer was made from the Ohio School Facilities Project Non-major fund to the Classroom Facilities Maintenance Non-major fund to close out the project.

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2013*

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

**Interfund Balances**

Interfund balances at June 30, 2013, consist of the following individual fund receivables and payables:

	Interfund Receivable	Interfund Payable
Major Fund:		
General	\$3,321	\$0
Non Major Fund:		
Resident Educator	0	2,800
Total Non Major Fund	0	2800
Agency Funds:		
Athletic Tournaments	0	521
Total Agency Funds	0	521
Total	\$3,321	\$3,321

The interfund receivables in the General fund are partially the result of the School District moving unrestricted monies to support funds whose grants operate on a reimbursement basis. The General fund will be reimbursed when funds become available in the non-major special revenue funds. The Interfund receivable from the Agency fund is due to a deficit cash balance in that fund.

**NOTE 18 – ACCOUNTABILITY**

At June 30, 2013, the Title VI-B and Reducing Class Size Funds had fund balance deficits of \$9,548, and \$10,050, respectively which were created by the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 19 – CHANGES IN ACCOUNTING PRINCIPLES**

For 2013 the School District implemented GASB Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,” GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position” and GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities”.

Statement No. 62 incorporated into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. GASB 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position.

Statement No. 65 provides guidance on how to properly classify items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. In addition, guidance is provided on recognizing certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

**Bethel-Tate Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2013

**NOTE 19 – CHANGES IN ACCOUNTING PRINCIPLES (Continued)**

The implementation of GASB Statement No. 62 had no effect on the financial statements.

The implementation of GASB Statements No. 63 and 65 had the following effect on beginning net position; beginning net position decreased from \$21,015,110 as of June 30, 2012 to \$20,966,148 as of July 1, 2012. The \$48,962 restatement is due to the removal of the remaining amount of bond issuance costs that had not yet been amortized.

**NOTE 20 – FUND BALANCES**

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

Fund Balances	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Restricted for</b>				
Food Service Operations	\$0	\$0	\$458,424	\$458,424
Other Purposes	0	0	12,934	12,934
Athletics	0	0	120,435	120,435
Capital Improvements	0	0	325,401	325,401
Debt Services Payments	0	1,278,822	0	1,278,822
Classroom Maintenance	0	0	258,701	258,701
Total Restricted	<u>0</u>	<u>1,278,822</u>	<u>1,175,895</u>	<u>2,454,717</u>
<b>Assigned to</b>				
Other Purposes	<u>231,904</u>	<u>0</u>	<u>0</u>	<u>231,904</u>
<b>Unassigned (Deficit)</b>	<u>780,945</u>	<u>0</u>	<u>(19,598)</u>	<u>761,347</u>
Total Fund Balances	<u>\$1,012,849</u>	<u>\$1,278,822</u>	<u>\$1,156,297</u>	<u>\$3,447,968</u>

**NOTE 21 – SUBSEQUENT EVENTS**

The School District is currently in the process of filing with the OFCC for a HB 264 energy conservation project. Items included in the project include; lighting, DX unit at the high school, 3-way valves for the boilers, turbocor rooftop unit at the primary school, VFD's and occupancy sensors at a cost of \$1 million. In addition, the School District is replacing the HVAC controls system through the State Term process at a cost of \$900,000. Total cost with interest is \$1.9 million. The School District intends to sell bonds and certificates of participation to fund this project.

Bethel-Tate Local School District  
Clermont County

Schedule of Federal Awards Receipts and Expenditures  
For the Fiscal Year Ended June 30, 2013

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>United States Department of Agriculture</b>						
<i>Passed through Ohio Department of Education</i>						
<i>Nutrition Cluster:</i>						
School Breakfast Program	3L70	10.553	\$ 59,509	\$ -	\$ 59,509	\$ -
National School Lunch Program	3L60	10.555	298,252	43,495	298,252	43,495
Total Nutrition Cluster			<u>357,761</u>	<u>43,495</u>	<u>357,761</u>	<u>43,495</u>
<b>Total United States Department of Agriculture</b>			357,761	43,495	357,761	43,495
<b>United States Department of Education</b>						
<i>Passed through Ohio Department of Education</i>						
<i>Title I, Part A Cluster</i>						
Title I Grants to Local Education Agencies	3M00	84.010	367,346	-	387,879	-
<i>Special Education Cluster:</i>						
Special Education_ Grants to States	3M20	84.027	324,523	-	312,018	-
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants	3FD0	84.395	-	-	2,800	-
Education Jobs Fund	3ET0	84.410	81,234	-	84,776	-
Education Technology State Grants	3S20	84.318	2,561	-	1,739	-
Improving Teacher Quality State Grants	3Y60	84.367	61,545	-	59,935	-
<b>Total United States Department of Education</b>			837,209	-	849,147	-
<b>Total Federal Financial Assistance</b>			<u>\$ 1,194,970</u>	<u>\$ 43,495</u>	<u>\$ 1,206,908</u>	<u>\$ 43,495</u>

N/A - Not Available

See accompanying notes to the Schedule of Federal Awards Receipts and Expenditures

**BETHEL-TATE LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – FOOD DONATION**

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

**NOTE C – NATIONAL SCHOOL LUNCH AND BREAKFAST PROGRAMS**

Federal funds received from the National School Lunch and Breakfast Programs were commingled with state subsidy and local revenue from the sale of meals. It was assumed that federal dollars were expended first.



## Balestra, Harr & Scherer, CPAs, Inc.

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### **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

Members of the Board of Education  
Bethel-Tate Local School District  
675 West Plane Street  
Bethel, Ohio 45106

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bethel-Tate Local School District, Clermont County, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Government's basic financial statements and have issued our report thereon dated November 25, 2013 wherein we noted the District implemented Government Accounting Standard No.63 and No.65.

#### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

*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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining 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*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Balestra, Harr & Scherer, CPAs*

Balestra, Harr & Scherer, CPAs, Inc.  
Piketon, Ohio  
November 25, 2013



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## **Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133**

Members of the Board of Education  
Bethel-Tate Local School District  
675 West Plane Street  
Bethel, Ohio 45106

### ***Report on Compliance for Each Major Federal Program***

We have audited the Bethel-Tate Local School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Bethel-Tate Local School District's major federal program for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal program.

### ***Management's Responsibility***

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on the Major Federal Program***

In our opinion, the Bethel-Tate Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2013.

***Report on Internal Control Over Compliance***

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

*Balestra, Harr & Scherer, CPAs*

Balestra, Harr & Scherer, CPAs, Inc.  
Piketon, Ohio  
November 25, 2013

**Bethel-Tate Local School District  
Clermont County, Ohio**

**Schedule of Findings  
OMB Circular A-133 Section §.505  
June 30, 2013**

**1. SUMMARY OF AUDIT RESULTS**

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant internal control deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under §.510(a)?	No
(d)(1)(vii)	Major Programs (list):	Title I- CFDA#84.010
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

**None noted**

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**None noted**



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## Independent Auditor's Report on Applying Agreed Upon Procedure

Bethel-Tate Local School District  
Clermont County  
675 West Plane Street  
Bethel, Ohio 45106

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

1. We noted the Board amended its anti-harassment policy at its meeting on April 16, 2012 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act";.

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.

*Balestra, Harr & Scherer, CPAs*

Balestra, Harr & Scherer, CPAs, Inc.  
Piketon, Ohio  
November 25, 2013

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# Dave Yost • Auditor of State

**BETHEL-TATE LOCAL SCHOOL DISTRICT**

**CLERMONT 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  
MARCH 25, 2014**