



Dave Yost • Auditor of State

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Cash Basis – June 30, 2014	15
Statement of Activities – Cash Basis – For the Fiscal Year Ended June 30, 2014	16
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Cash Balances – Governmental Funds – June 30, 2014 ...	17
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Funds – For the Fiscal Year Ended June 30, 2014.....	18
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Budget and Actual (Budgetary Basis) - General Fund – For the Fiscal Year Ended June 30, 2014	19
Statement of Fiduciary Net Position – Cash Basis – Fiduciary Fund – June 30, 2014.....	20
Notes to the Basic Financial Statements	21
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By <i>Government Auditing Standards</i>	45
Schedule of Findings.....	47
Schedule of Prior Audit Findings.....	48

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Waynesfield-Goshen Local School District
Auglaize County
500 North Westminster Street
Waynesfield, Ohio 45896

To the Board of Education:

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 Waynesfield-Goshen Local School District, Auglaize County, Ohio (the School District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School 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 the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for 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 School 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 School 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Waynesfield-Goshen Local School District, Auglaize County, Ohio, as of June 30, 2014, and the respective changes in cash financial position and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

Ohio Administrative Code § 117-2-03 (B) requires the School District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As described in Note 3C, the School District restated the fund balance in the General Fund budgetary statement to report only the legally budgeted general fund amounts.

Other Matters

Supplemental and Other Information

We audited to opine on the School District's financial statements that collectively comprise its basic financial statements.

Management's Discussion & Analysis includes tables of net position – cash basis, changes in net position – cash basis, governmental activities, major and non-major funds fund cash balances, general fund receipts and disbursements and long-term obligations. This information provides additional analysis and is not a required part of the basic financial statements.

These tables are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2014, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 School District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

November 4, 2014

This page intentionally left blank.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)**

The management's discussion and analysis of the Waynesfield-Goshen Local School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. 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 cash-basis financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- The total net position of the School District decreased \$57,186 or 1.38% from fiscal year 2013.
- General receipts accounted for \$5,653,555 or 81.14% of total governmental activities receipts. Program specific receipts accounted for \$1,314,269 or 18.86% of total governmental activities receipts.
- The School District had \$7,025,010 in disbursements related to governmental activities; \$1,314,269 of these disbursements were offset by program specific charges for services, grants or contributions. General receipts of \$5,653,555 were not adequate to provide for these programs.
- The School District's major funds are the general fund and the bond retirement fund. The general fund, the School District's largest major fund, had total receipts of \$5,720,493 in 2014. The disbursements of the general fund, totaled \$5,575,815 in 2014. The general fund's balance increased \$144,678 or 5.93% from 2013 to 2014.
- The bond retirement fund had total receipts of \$410,238 in 2014. The disbursements of the bond retirement fund, totaled \$316,624 in 2014. The bond retirement fund's balance increased \$93,614 or 12.80% from 2013 to 2014.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the School District's cash basis of accounting. The statement of net position - cash basis and statement of activities - cash basis provide information about the activities of the whole School District, presenting an aggregate view of the School District's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the School District, the general fund is by far the most significant fund.

Basis of Accounting

The School District has elected to present its financial statements on a cash basis of accounting. This cash basis of accounting is a comprehensive basis of accounting other than generally accepted accounting principles. The cash basis of accounting involves the measurement of cash and cash equivalents and changes in cash and cash equivalents resulting from cash receipt and disbursement transactions.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)
(Continued)

Essentially, the only assets reported on this strictly cash receipts and disbursement basis presentation in a statement of net position will be equity in pooled cash and investments. The statement of activities reports cash receipts and disbursements, or in other words, the sources and uses of cash and cash equivalents. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the School District as a Whole

Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis

The statement of net position – cash basis and statement of activities – cash basis reflect how the School District did financially during fiscal year 2014, within the limitations of the cash basis of accounting. The statement of net position presents the cash balances and investments of the governmental type activities of the School District at the fiscal year end. The statement of activities compares cash disbursements with program receipts of each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of the particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the School District's general receipts.

These statements report the School District's net cash position and the changes in cash position. Keeping in mind the limitations of the cash basis accounting, you can think of these changes as one way to measure the School District's financial health. Over time, increases or decreases in the School District's cash position is one indicator of whether the School District's financial health is improving or deteriorating. When evaluating the School District's financial condition, you should also consider other nonfinancial factors as well such as the School District's property tax base, the condition of the School District's capital assets and infrastructure, the extent of the School District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes. In the statement of net position – cash basis and statement of activities – cash basis, the governmental activities include the School District's programs and services including instruction, support services, operation and maintenance, pupil transportation, extracurricular activities and food service operations.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the bond retirement 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 the year-end available for spending in future periods. The governmental fund financial statements provide a detailed view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be readily spent to finance various School District programs. The School District's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in a single column.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)
(Continued)

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The School District's only fiduciary fund is an agency fund.

Notes to the Financial Statements

The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

The School District as a Whole

The table below provides a summary of the School District's net position for 2014 and 2013.

	Governmental Activities 2014	Governmental Activities 2013
<u>Assets</u>		
Equity in pooled cash and investments	\$ 4,095,181	\$ 4,152,367
Total assets	\$ 4,095,181	\$ 4,152,367
<u>Net Cash Position</u>		
Restricted	\$ 1,488,492	\$ 1,712,630
Unrestricted	2,606,689	2,439,737
Total net cash position	\$ 4,095,181	\$ 4,152,367

The total net position of the School District decreased \$57,186, which represents a 1.38% decrease from fiscal year 2013. The balance of government-wide unrestricted net position of \$2,606,689 may be used to meet the government's ongoing obligations to citizens and creditors.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)
(Continued)

The table below shows the changes in net position for fiscal years 2014 and 2013.

	Change in Net Position	
	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>
Cash receipts:		
Program cash receipts:		
Charges for services and sales	\$ 593,815	\$ 600,795
Operating grants and contributions	<u>720,454</u>	<u>526,268</u>
Total program cash receipts	<u>1,314,269</u>	<u>1,127,063</u>
General receipts:		
Property taxes	1,530,276	1,537,782
Income tax	620,817	570,416
Unrestricted grants	3,422,269	3,599,616
Investment earnings	14,648	7,665
Bond issuance	-	3,483,625
Other	<u>65,545</u>	<u>72,155</u>
Total general receipts	<u>5,653,555</u>	<u>9,271,259</u>
Total cash receipts	<u>\$ 6,967,824</u>	<u>\$ 10,398,322</u>

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)
(Continued)**

	Change in Net Position	
	(Continued)	
	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>
Cash disbursements:		
Instruction:		
Regular	\$ 2,329,019	\$ 2,256,526
Special	710,550	678,901
Vocational	193,655	173,362
Other	382,994	393,460
Support services:		
Pupil	152,512	279,818
Instructional staff	323,373	313,185
Board of education	17,335	16,064
Administration	530,810	499,393
Fiscal	242,200	201,312
Business	45,413	33,338
Operations and maintenance	827,026	668,952
Pupil transportation	435,654	277,815
Central	8,792	6,193
Food service operations	226,398	232,705
Other non instructional services	1,887	-
Extracurricular	229,303	220,737
Facilities acquisition and construction	58,796	27,886
Debt service:		
Principal retirement	220,000	180,000
Interest and fiscal charges	89,293	80,681
Bond issuance costs	-	69,880
Payment to refunded bond escrow	-	3,413,745
Total cash disbursements	<u>7,025,010</u>	<u>10,023,953</u>
Change in net cash position	(57,186)	374,369
Net cash position at beginning of year	<u>4,152,367</u>	<u>3,777,998</u>
Net cash position at end of year	<u>\$ 4,095,181</u>	<u>\$ 4,152,367</u>

Governmental Activities

Governmental assets decreased by \$57,186 in 2014 from 2013. Total governmental disbursements of \$7,025,010 were offset by program receipts of \$1,314,269 and general receipts of \$5,653,555. Program receipts supported 18.71% of the total governmental disbursements.

The primary sources of receipts for governmental activities are derived from property taxes, income taxes and grants and entitlements. These receipt sources represent 79.99% of total governmental receipts. Real estate property is reappraised every six years.

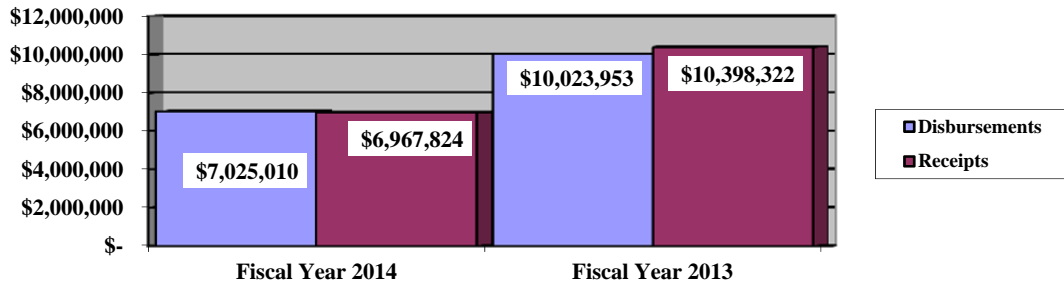
The largest disbursement of the School District is for instructional programs. Instructional disbursements totaled \$3,616,218 or 51.48% of total governmental disbursements for fiscal year 2014.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)
(Continued)

The graph below presents the School District's governmental activities receipts and disbursements for fiscal years 2014 and 2013.

Governmental Activities - Total Receipts vs. Total Disbursements



The statement of activities – cash basis shows the cost of program services and the charges for services and grants offsetting those services. The following table 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 grants and entitlements.

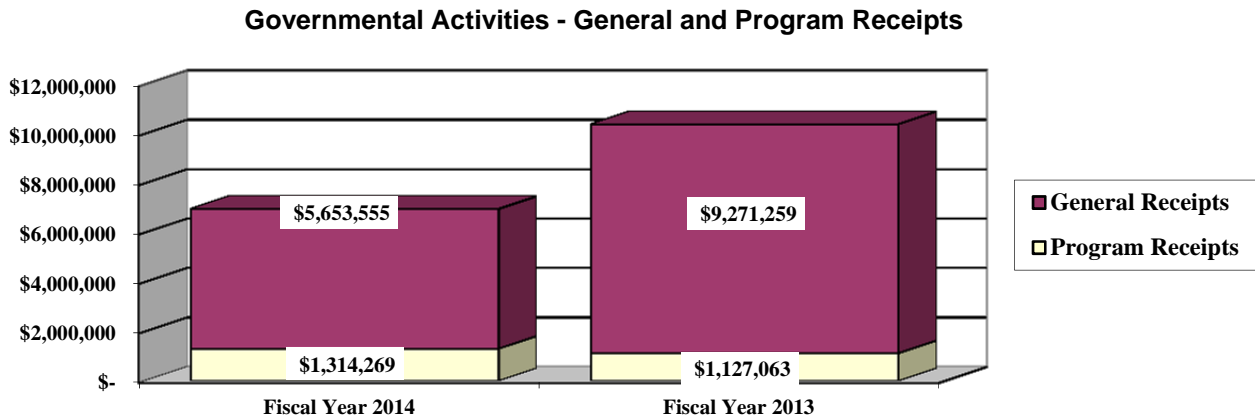
	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2014</u>	<u>2014</u>	<u>2013</u>	<u>2013</u>
Cash disbursements:				
Instruction:				
Regular	\$ 2,329,019	\$ 1,943,393	\$ 2,256,526	\$ 1,860,119
Special	710,550	170,617	678,901	395,582
Vocational	193,655	167,263	173,362	133,453
Other	382,994	382,994	393,460	393,460
Support services:				
Pupil	152,512	152,512	279,818	279,818
Instructional staff	323,373	310,030	313,185	294,807
Board of education	17,335	17,335	16,064	16,064
Administration	530,810	530,810	499,393	499,393
Fiscal	242,200	242,200	201,312	197,712
Business	45,413	45,413	33,338	33,338
Operations and maintenance	827,026	827,026	668,952	645,413
Pupil transportation	435,654	409,323	277,815	258,808
Central	8,792	8,715	6,193	6,193
Other non instructional services	1,887	287	-	-
Food service operations	226,398	(6,835)	232,705	(7,934)
Extracurricular	229,303	141,569	220,737	118,472
Facilities acquisition and construction	58,796	58,796	27,886	27,886
Debt service:				
Principal retirement	220,000	220,000	180,000	180,000
Interest and fiscal charges	89,293	89,293	80,681	80,681
Bond issuance costs	-	-	69,880	69,880
Payment to refunded bond escrow	-	-	3,413,745	3,413,745
Total	<u>\$ 7,025,010</u>	<u>\$ 5,710,741</u>	<u>\$ 10,023,953</u>	<u>\$ 8,896,890</u>

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)
(Continued)

The dependence upon general receipts for instructional activities is apparent; with 73.68% of disbursements supported through taxes and other general receipts during 2014. For all governmental activities, general receipts support is 81.29%. The School District's taxpayers and unrestricted grants and entitlements from the State of Ohio, are the primary support of the School District's students.

The graph below presents the School District's governmental activities receipts for fiscal year 2014 and 2013.



The School District's Funds

The School District's governmental funds reported a combined fund cash balance of \$4,095,181, which is \$57,186 less than last year's total of \$4,152,367. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2014 and June 30, 2013, for all major and non-major governmental funds.

	Fund Cash Balance <u>June 30, 2014</u>	Fund Cash Balance <u>June 30, 2013</u>	Increase/ (Decrease)
General	\$ 2,584,415	\$ 2,439,737	\$ 144,678
Bond retirement fund	825,025	731,411	93,614
Other governmental funds	<u>685,741</u>	<u>981,219</u>	<u>(295,478)</u>
Total	<u>\$ 4,095,181</u>	<u>\$ 4,152,367</u>	<u>\$ (57,186)</u>

General Fund

The general fund, the School District's largest major fund, had total receipts of \$5,720,493 in 2014. The disbursements of the general fund, totaled \$5,575,815 in 2014. The general fund's balance increased \$144,678 or 5.93% from 2013 to 2014.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)
(Continued)

The table that follows assists in illustrating the receipts of the general fund.

	2014 <u>Amount</u>	2013 <u>Amount</u>	Percentage <u>Change</u>
<u>Receipts:</u>			
Taxes	\$ 1,593,008	\$ 1,545,566	3.07 %
Tuition	334,785	366,293	(8.60) %
Earnings on investments	14,648	5,811	152.07 %
Other local revenues	137,903	32,628	322.65 %
Intergovernmental - State	<u>3,640,149</u>	<u>3,571,714</u>	1.92 %
Total	<u>\$ 5,720,493</u>	<u>\$ 5,522,012</u>	3.59 %

Earnings on investments increased due to higher interest earnings on investments. Other local revenues increased primarily due to increased classroom materials and fees receipts and extracurricular receipts. All other revenue remained comparable to 2013.

The table that follows assists in illustrating the disbursements of the general fund.

	2014 <u>Amount</u>	2013 <u>Amount</u>	Percentage <u>Change</u>
<u>Disbursements</u>			
Instruction	\$ 3,372,421	\$ 3,220,342	4.72 %
Support services	2,047,272	2,031,392	0.78 %
Other non-instructional services	1,135	1,987	(42.88)
Extracurricular	<u>154,987</u>	<u>143,297</u>	8.16 %
Total	<u>\$ 5,575,815</u>	<u>\$ 5,397,018</u>	3.31 %

All disbursements remained comparable to 2013 with the overall increase of \$178,797 due in part to increases in wages and benefit costs.

Bond Retirement Fund

The bond retirement fund had total receipts of \$410,238 in 2014. The disbursements of the bond retirement fund, totaled \$316,624 in 2014. The bond retirement fund's balance increased \$93,614 or 12.80% from 2013 to 2014.

Budgeting Highlights - General Fund

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

For the general fund, actual receipts and other financing sources of \$5,697,264 were higher than final budgeted receipts and other financing sources by \$18,340. The final budgeted disbursements of \$5,710,097 were lower than original budgeted disbursements of \$5,930,054. The actual budgeted disbursements of \$5,571,081 were \$139,016 lower than the final budgeted disbursements.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)
(Continued)

Capital Assets and Debt Administration

Capital Assets

The School District does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as disbursements; however, the School District does track its capital assets through an excel spreadsheet.

Debt Administration

The School District had the following long-term obligations outstanding at June 30, 2014 and 2013:

	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>
1995 School improvement bonds	\$ 90,000	\$ 105,000
2006 OSFC Current interest bonds	-	120,000
2006 OSFC Capital appreciation bonds	205,497	168,066
2013 Current issue bonds - school facilities refunding	2,915,000	3,000,000
2013 Capital appreciation bonds - school facilities refunding	<u>95,682</u>	<u>49,996</u>
Total long-term obligations	<u>\$ 3,306,179</u>	<u>\$ 3,443,062</u>

For further information regarding the School District's debt, refer to Note 10 to the financial statements.

Current Financial Related Activities

The School District is holding its own in the state of a declining economy and uncertainty in State funding. Waynesfield is a small rural community of 850 people in northwest Ohio. It has a number of small and medium businesses with agriculture having a contributing influence on the economy.

The School District Board of Education approved new three-year agreements through June 30, 2016, with the teachers (Waynesfield Goshen Education Association – "WGEA") and with the classified staff (OAPSE Local #599) during September 2013.

Over sixty percent of the School District's general fund revenue is received from the State. Therefore, the School District must continually be aware of any changes that are being introduced into the funding calculations in order to plan carefully to meet the needs of students now and in the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Tonia Hovest, Treasurer, Waynesfield-Goshen Local School District, 500 North Westminster Street, Waynesfield, Ohio 45896.

This page intentionally left blank.

WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY

STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2014

	Governmental Activities
Assets:	
Equity in pooled cash and investments	<u>\$4,095,181</u>
Total assets	<u>4,095,181</u>
Net cash position:	
Restricted for:	
Capital projects	173,006
Classroom facilities maintenance	389,870
Debt service	825,025
Federally funded programs	1,579
Student activities	13,861
Other purposes	85,151
Unrestricted	<u>2,606,689</u>
Total net cash position	<u><u>\$4,095,181</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Cash Disbursements	Program Cash Receipts		Net (Cash Disbursements) Cash Receipts and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$2,329,019	\$384,100	\$1,526	(\$1,943,393)
Special	710,550		539,933	(170,617)
Vocational	193,655		26,392	(167,263)
Other	382,994			(382,994)
Support services:				
Pupil	152,512			(152,512)
Instructional staff	323,373		13,343	(310,030)
Board of education	17,335			(17,335)
Administration	530,810			(530,810)
Fiscal	242,200			(242,200)
Business	45,413			(45,413)
Operations and maintenance	827,026			(827,026)
Pupil transportation	435,654		26,331	(409,323)
Central	8,792	8	69	(8,715)
Operation of non-instructional services:				
Other non-instructional services	1,887		1,600	(287)
Food service operations	226,398	123,935	109,298	6,835
Extracurricular activities	229,303	85,772	1,962	(141,569)
Facilities acquisitions and construction	58,796			(58,796)
Debt service:				
Principal retirement	220,000			(220,000)
Interest and fiscal charges	89,293			(89,293)
Total governmental activities	\$7,025,010	\$593,815	\$720,454	(5,710,741)

General receipts:

Property taxes levied for:	
General purposes	972,191
Capital outlay	169,433
Debt service	354,275
School facilities	34,377
Income taxes levied for:	
General purposes	620,817
Grants and entitlements not restricted to specific programs	3,422,269
Investment earnings	14,648
Miscellaneous	65,545
Total general receipts	5,653,555
Change in net cash position	(57,186)
Net cash position at beginning of year	4,152,367
Net cash position at end of year	\$4,095,181

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND CASH BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	<u>General</u>	<u>Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash assets:				
Equity in pooled cash and investments	\$2,584,415	\$825,025	\$685,741	\$4,095,181
Total cash basis assets	<u>2,584,415</u>	<u>825,025</u>	<u>685,741</u>	<u>4,095,181</u>
Fund cash balances:				
Restricted:				
Debt service		\$825,025		\$825,025
Capital improvements			\$173,006	173,006
Classroom facilities maintenance			389,870	389,870
Food service operations			85,151	85,151
Special education			1,579	1,579
Extracurricular			13,861	13,861
Committed:				
Other purposes			23,538	23,538
Assigned:				
Student instruction	\$23,938			23,938
Student and staff support	28,465			28,465
Unassigned (deficit)	2,532,012		(1,264)	2,530,748
Total fund cash balances	<u>\$2,584,415</u>	<u>\$825,025</u>	<u>\$685,741</u>	<u>\$4,095,181</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>General</u>	<u>Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash receipts:				
From local sources:				
Property taxes	\$972,191	\$354,275	\$203,810	\$1,530,276
Income taxes	620,817			620,817
Tuition	334,785			334,785
Earnings on investments	14,648		457	15,105
Charges for services			123,935	123,935
Extracurricular	23,230		62,737	85,967
Classroom materials and fees	49,128			49,128
Contributions and donations			2,960	2,960
Other local revenues	65,545		2,197	67,742
Intergovernmental - state	3,640,149	55,963	62,044	3,758,156
Intergovernmental - federal			378,953	378,953
Total cash receipts	<u>5,720,493</u>	<u>410,238</u>	<u>837,093</u>	<u>6,967,824</u>
Cash disbursements:				
Current:				
Instruction:				
Regular	2,324,519		4,500	2,329,019
Special	471,253		239,297	710,550
Vocational	193,655			193,655
Other	382,994			382,994
Support services:				
Pupil	152,512			152,512
Instructional staff	256,164		67,209	323,373
Board of education	17,335			17,335
Administration	530,810			530,810
Fiscal	230,077	7,331	4,792	242,200
Business	45,413			45,413
Operations and maintenance	530,992		296,034	827,026
Pupil transportation	275,177		160,477	435,654
Central	8,792			8,792
Operation of non-instructional services:				
Other non-instructional services	1,135		752	1,887
Food service operations			226,398	226,398
Extracurricular activities	154,987		74,316	229,303
Facilities acquisition and construction			58,796	58,796
Debt service:				
Principal retirement		220,000		220,000
Interest and fiscal charges		89,293		89,293
Total cash disbursements	<u>5,575,815</u>	<u>316,624</u>	<u>1,132,571</u>	<u>7,025,010</u>
Net change in fund cash balances	144,678	93,614	(295,478)	(57,186)
Fund cash balances at beginning of year	<u>2,439,737</u>	<u>731,411</u>	<u>981,219</u>	<u>4,152,367</u>
Fund cash balances at end of year	<u>\$2,584,415</u>	<u>\$825,025</u>	<u>\$685,741</u>	<u>\$4,095,181</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN
FUND CASH BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
From local sources:				
Property taxes	\$963,547	\$972,191	\$972,191	\$0
Income taxes	563,629	620,817	620,817	0
Tuition	330,323	334,785	334,785	0
Earnings on investments	5,751	13,600	14,648	1,048
Classroom materials and fees	50,495	48,828	49,128	300
Other local revenues	11,602	7,941	18,464	10,523
Intergovernmental - state	3,557,701	3,633,680	3,640,149	6,469
Total budgetary basis receipts	<u>5,483,048</u>	<u>5,631,842</u>	<u>5,650,182</u>	<u>18,340</u>
Budgetary basis disbursements:				
Current:				
Instruction:				
Regular	2,448,728	2,350,181	2,314,668	35,513
Special	722,523	504,160	480,893	23,267
Vocational	204,995	201,839	199,556	2,283
Other	398,155	384,028	382,994	1,034
Support services:				
Pupil	96,099	159,813	153,769	6,044
Instructional staff	323,273	286,556	260,207	26,349
Board of education	18,808	18,397	18,249	148
Administration	530,471	542,576	531,950	10,626
Fiscal	207,688	233,907	230,377	3,530
Business	35,027	48,340	45,413	2,927
Operations and maintenance	530,570	548,297	532,757	15,540
Pupil transportation	271,724	288,805	279,010	9,795
Central	9,741	9,353	8,792	561
Other operation of non-instructional services	778	1,692	1,135	557
Extracurricular activities	131,474	132,153	131,311	842
Total budgetary basis disbursements	<u>5,930,054</u>	<u>5,710,097</u>	<u>5,571,081</u>	<u>139,016</u>
Excess (deficiency) of budgetary basis receipts over (under) budgetary basis disbursements	<u>(447,006)</u>	<u>(78,255)</u>	<u>79,101</u>	<u>157,356</u>
Other financing sources:				
Refund of prior year's expenditures	50,368	47,082	47,082	0
Total other financing sources	<u>50,368</u>	<u>47,082</u>	<u>47,082</u>	<u>0</u>
Net change in fund balances	(396,638)	(31,173)	126,183	157,356
Fund balance				
at beginning of year (restated)	2,302,006	2,302,006	2,302,006	0
Prior year encumbrances appropriated	103,823	103,823	103,823	0
Fund balance at end of year	<u>\$2,009,191</u>	<u>\$2,374,656</u>	<u>\$2,532,012</u>	<u>\$157,356</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUND
JUNE 30, 2014

	<u>Agency</u>
Assets:	
Equity in pooled cash and investments	<u>\$27,121</u>
Total assets	<u>27,121</u>
Net cash position:	
Held for student activities	<u>27,121</u>
Total net cash position	<u><u>\$27,121</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

Waynesfield-Goshen 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 during 1958 through the consolidation of existing land areas and school districts. The School District serves an area of approximately ninety-four square miles. It is located in Allen, Auglaize, and Logan Counties, and includes all of the Village of Waynesfield, and Wayne and Goshen Townships, and parts of Union and Clay Townships.

During fiscal year 2014, the School District was staffed by 22 non-certified employees, 38 certified teaching personnel and 10 administrators who provided services to 584 students and other community members.

Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes general operations and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's Governing Board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; or (3) 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 (4) 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. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the School District has no component units. The basic financial statements of the reporting entity include only those of the School District (the primary government).

The School District is associated with five jointly governed organizations and two public entity risk pools. These organizations are the Western Ohio Computer Organization (WOCO), Ohio Hi-Point Joint Vocational School, Auglaize County Local Professional Development Committee, West Central Regional Professional Development Center, the Southwestern Ohio Educational Purchasing Council, Mercer Auglaize Employee Benefit Trust and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 12 and 13 to the basic financial statements.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.A, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The following are the more significant of the School District's accounting policies.

A. Basis of Accounting

Although Ohio Administrative Code Section 117-2-03 (B) requires the School District's financial report to follow generally accepted accounting principles (GAAP), the School District chooses to prepare its financial statements and notes in accordance with the cash basis of accounting. The School District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. As a result of the use of this cash basis of accounting, certain assets and their related receipts (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved). Differences between disbursements reported in the government-wide and fund financial statements versus budgetary disbursements result from encumbrances outstanding at the beginning and end of the fiscal year.

B. Basis of Presentation

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

Government-Wide Financial Statements - The statement of net position - cash basis and the statement of activities - cash basis 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 - cash basis presents the cash balance of the governmental activities of the School District at fiscal year end. The statement of activities - cash basis compares disbursements with program receipts for each function or program of the School District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the School District's general receipts.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. 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 type.

C. Fund Accounting

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

GOVERNMENTAL FUNDS

The School District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The general fund and the bond retirement fund are the School District's major governmental funds during 2014.

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

Bond retirement fund - The bond retirement fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

Other governmental funds of the School District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds account for various student-managed activities. The School District does not have any trust funds.

D. Budgetary Process

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

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

The legal level of budgetary control selected by the Board is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Budgetary allocations at the function and object level within funds are made by the School District Treasurer.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

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

1. Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of disbursements on the budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Disbursements plus encumbrances may not legally exceed appropriations.

2. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not re-appropriated.

E. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "equity in pooled cash and investments."

During fiscal year 2014, the School District's investments consisted of negotiable certificates of deposit and the State of Ohio Treasury Asset Reserve of Ohio (STAR Ohio).

The School District invested funds in STAR Ohio during fiscal year 2014. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2014.

As authorized by Ohio statutes, the Board of Education has specified the funds to receive an

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2014 amounted to \$14,648, which includes \$5,510 assigned from other School District funds.

For presentation on the cash basis basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

F. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

G. Compensated Absences

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the School District.

H. Long-Term Obligations

Cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when disbursements are made.

I. Employer Contributions to Cost-Sharing Pension Plans

The School District recognizes the disbursements for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for post-retirement health care benefits.

J. Net Cash Position

Net cash position is reported as restricted when there are limitations imposed on its 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. The amount restricted for other purposes represents amounts restricted for food service operations.

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

K. Interfund Activity

Transfers within governmental activities are eliminated on the government-wide financial statements. 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. Loans between funds are reported as advances. The School District did not have any interfund activity during the fiscal year.

L. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

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 spendable form or legally required to be maintained intact.

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

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 (the highest level of decision making authority). 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 nor 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, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Compliance

Ohio Administrative Code, Section 117-2-03 (B), requires the School District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the School District has prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)

United States of America. The accompanying financial statements omit assets, liabilities, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The School District can be fined and various other administrative remedies may be taken against the School District.

B. Change in Accounting Principles

For fiscal year 2014, the School District has implemented GASB Statement No. 67, "Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25", and GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

GASB Statement No. 67 improves the usefulness of pension information included in the general purpose external financial reports of state and local governmental pension plans for making decisions and assessing accountability. The implementation of GASB Statement No. 67 did not have an effect on the financial statements of the School District.

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the School District.

C. Budgetary Prior Period Adjustment

In prior years certain funds that are legally budgeted in separate special revenue funds were considered part of the general fund on a budgetary basis. The School District elected to report only the legally budgeted general fund in the budgetary statement; therefore, a restatement to the beginning budgetary balance is required. The restatement of the general fund's budgetary-basis fund balance at June 30, 2013 is as follows:

Budgetary Basis	<u>General Fund</u>
Fund balance at June 30, 2013	\$ 2,336,291
Funds budgeted elsewhere	(33,908)
Encumbrances not recorded	<u>(377)</u>
Restated fund balance at July 1, 2013	<u>\$ 2,302,006</u>

D. Deficit Fund Cash Balances

Fund cash balances at June 30, 2014 included the following individual fund cash deficit:

<u>Nonmajor special revenue fund</u>	<u>Deficit</u>
Title I disadvantaged children	\$ 1,264

The general fund is liable for any cash deficits in this fund and provides transfers when cash is required. The deficit fund cash balance resulted from outstanding project cash requests for individual grants at year end.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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 monies deposited with the institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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); and,

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

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

A. Deposits

At fiscal year-end 2014, the carrying amount of the School District's deposits was \$3,212,300. Based on the criteria described in GASB Statement 40, "Deposits and Investments Risk Disclosure," as of June 30, 2014, \$1,612,114 of the School District's bank balance of \$3,313,198 was exposed to custodial risk as discussed below, while \$1,701,084 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the School District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the School District. The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

B. Investments

As of June 30, 2014, the School District had the following investments and maturities:

<u>Investment type</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
			<u>6 months or less</u>	<u>7 to 12 months</u>
Negotiable CD's	\$ 900,000	\$ 901,031	\$ 750,950	\$ 150,081
STAR Ohio	10,002	10,002	10,002	-
Total	<u>\$ 910,002</u>	<u>\$ 911,033</u>	<u>\$ 760,952</u>	<u>\$ 150,081</u>

The weighted average maturity of investments is 0.45 years.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School District's investment policy and State statute require that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable certificates of deposit were not rated. The School District has no investment policy dealing with investments credit risk beyond the requirements in State statutes.

Custodial Credit Risk - For an investment, 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. 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.

Concentration of Credit Risk - The School District places no limit on the amount it may invest in any one issuer, however School District policy and State statute limits investments in commercial paper and bankers' acceptances to 25% of the interim monies available for investment at any one time.

The following table includes the percentage of each investment type held by the School District at June 30, 2014:

<u>Investment type</u>	<u>Carrying Value</u>	<u>% of total</u>
Negotiable CD's	\$ 900,000	98.90
STAR Ohio	<u>10,002</u>	<u>1.10</u>
Total	<u>\$ 910,002</u>	<u>100.00</u>

C. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash as reported on the statement of net position as of June 30, 2014:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,212,300
Investments	<u>910,002</u>
Total	<u>\$ 4,122,302</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 4,095,181
Agency funds	<u>27,121</u>
Total	<u>\$ 4,122,302</u>

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 the first half of the following fiscal year.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and certain tangible personal (used in business) property located in the School District. Real property tax revenues received in calendar year 2014 represent the collection of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed values as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2014 represent the collection of calendar year 2013 taxes. Public utility real and tangible personal property taxes received in calendar year 2014 became a lien on December 31, 2012, were levied after April 1, 2013, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in the School District's fiscal year ended June 30, 2014 (other than public utility property) generally represent the collection of calendar year 2013 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2013 were levied after October 1, 2012 on the value as of December 31, 2012. Amounts paid by multi-county taxpayers were due September 20, 2013. Single county taxpayers could pay annually or semiannually. If paid semiannually, the first payment was due April 30, with the remainder payable by September 20.

The School District receives property taxes from Auglaize, Allen and Logan Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2014, are available to finance fiscal year 2014 operations. The amount available to be advanced can vary based on the date tax bills are sent.

The assessed values upon which the fiscal year 2014 taxes were collected are:

	2013 Second Half Collections		2014 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Commercial/Industrial	\$ 2,184,080	4.03	\$ 2,179,000	3.95
Residential/Agricultural	50,821,810	93.86	51,852,240	94.06
Public utilities	<u>1,142,940</u>	<u>2.11</u>	<u>1,097,640</u>	<u>1.99</u>
Total	<u>\$ 54,148,830</u>	<u>100.00</u>	<u>\$ 55,128,880</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 46.18		\$ 46.20	

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 6 - INCOME TAX

The School District levies a voted tax of 1 percent for general operations on the income of residents and of estates. The tax was effective in May 2011, renewed to be effective January 1, 2012 and will continue for five years. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

NOTE 7 - RISK MANAGEMENT

A. Property and Liability Insurance

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2014, the School District contracted for the following insurance coverages. Property and fleet coverages provided by Southwestern Ohio Educational Purchasing Council Liability, Fleet and Property Program are as follows:

	Maximum Deductible	Coverage
Building and Contents - replacement cost (Includes boiler and machinery)	\$ 3,500	\$ 250,000,000
Commercial Auto/Business Auto	1,000	1,000,000
Musical Instruments	1,000	-
Audio Visual Equipment/Radios	1,000	-
Computers	1,000	-
Miscellaneous Schedule Property	1,000	-
General Liability		
Per Occurrence	N/A	\$ 1,000,000
Total Per Year	N/A	3,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in coverage from the prior fiscal year.

B. Insurance Risk Pool

The School District participates in the Mercer Auglaize Employee Benefit Trust (the "Trust"), a public entity shared risk pool consisting of eleven local school districts and two educational service centers. The School District pays monthly premiums to the Trust for employee medical and dental insurance coverage. The Trust is responsible for the management and operations of the program. Upon withdrawal from the Trust, a participant is responsible for the payment of all Trust liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal. For additional information see Note 13.A.

C. Workers' Compensation Group Rating Plan

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (the Plan), an insurance purchasing pool. The Plan's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA.

The Executive Director of the OSBA, or his designee, serves as coordinator of the plan.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 7 - RISK MANAGEMENT - (Continued)

Each year, the participating districts pay an enrollment fee to the Program to cover the costs of administering the plan.

The intent of the Plan is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the Program. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan.

Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Plan. A participant will then either receive money from or be required to contribute to the "equity pooling fund."

The "equity pooling" arrangement insures that each participant shares equally in the overall performance of the Program. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. For additional information see Note 13.B.

NOTE 8 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, 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 to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2014, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS Retirement Board up to a statutory maximum amount of 14 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2014, 2013 and 2012 were \$109,718, \$130,736 and \$116,608, respectively; 77.31 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 8 - PENSION PLANS - (Continued)

B. State Teachers Retirement System of Ohio

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

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

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

Funding Policy - For fiscal year 2014, plan members were required to contribute 11 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. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 14 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014, 2013 and 2012 were \$301,605, \$297,426 and \$318,950, respectively; 84.70 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2014 certain members of the Board of Education have elected Social Security. The School District's liability is 6.2 percent of wages paid.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 9 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The School District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, 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 Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. 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 monthly premium for calendar year 2014 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2014, 0.14 percent of covered payroll was allocated to health care. 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 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the actuarially determined amount was \$20,250.

Active members do not contribute to the postemployment benefit plans. The 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 on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2014, 2013 and 2012 were \$11,968, \$14,544 and \$21,909, respectively; 77.31 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012 were \$6,365, \$7,385 and \$6,886, respectively; 77.31 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 9 - POSTEMPLOYMENT BENEFITS – (Continued)

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2014, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2014, 2013 and 2012 were \$23,200, \$22,879 and \$22,782, respectively; 84.70 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

NOTE 10 - LONG-TERM OBLIGATIONS

The June 30, 2013 balances have been adjusted from the prior year audited report to account for capital appreciation bonds and the remainder of bonds that had been refunded in prior years. Changes in long-term obligations of the School District during fiscal year 2014 were as follows:

	Balance Outstanding <u>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance Outstanding <u>June 30, 2014</u>	Amounts Due in <u>One Year</u>
Governmental Activities:					
School improvement bonds:					
1995 school improvement bonds - 5.85 - 8.25%	\$ 105,000	\$ -	\$ (15,000)	\$ 90,000	\$ 15,000
2006 OSFC project bonds 3.50 - 4.30%					
Current issue bonds	120,000	-	(120,000)	-	-
Capital appreciation bonds	39,999	-	-	39,999	22,005
Accreted interest	128,067	37,431	-	165,498	102,995
2013 school facilities Refunding bond issue 1.00- 3.25%					
Current issue bonds	3,000,000	-	(85,000)	2,915,000	55,000
Capital appreciation bonds	49,996	-	-	49,996	-
Accreted interest	-	45,686	-	45,686	-
Total long-term obligations	<u>\$ 3,443,062</u>	<u>\$ 83,117</u>	<u>\$ (220,000)</u>	<u>\$ 3,306,179</u>	<u>\$ 195,000</u>

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

1995 School Improvement Bonds - On March 1, 1995, the School District issued \$260,000 in voted general obligation bonds for a building addition. The bonds were issued for a twenty-four year period, with final maturity in fiscal year 2019. The bonds are being retired through the bond retirement debt service fund.

2006 School Facilities Bonds - On April 13, 2006, the School District issued \$3,750,000 in voted general obligation bonds for classroom additions. The bonds were issued for a twenty-seven year period, with final maturity in fiscal year 2033. The bonds consisted of \$890,000 of serial coupon bonds, \$2,820,000 in term bonds, and \$39,999 in capital appreciation bonds. The bonds are being retired through the bond retirement debt service fund. A portion of these bonds were retired with proceeds from the 2013 refunding bond issue.

2013 School Facilities Refunding Bonds - On March 11, 2013, the School District issued \$3,049,996 in voted general obligation bonds for refunding the 2006 School Facilities Bonds. The bonds were issued for a twenty year period, with final maturity in fiscal year 2033. The bonds consisted of \$2,200,000 of serial coupon bonds, \$800,000 in term bonds, and \$49,996 in capital appreciation bonds. The bonds are being retired through the bond retirement debt service fund.

Legal Debt Margin: The Ohio Revised Code provides that voted net general obligation debt of the School District shall never exceed 9% of the total assessed valuation of the School District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the School District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the School District. The assessed valuation used in determining the School District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the School District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2014, are a voted debt margin of \$2,691,629 (including available funds of \$825,025) and an unvoted debt margin of \$55,129.

The current interest term bonds maturing on December 1, 2015 are subject to mandatory sinking fund redemption in the following amounts on the following dates:

Date (December 1)	Mandatory Sinking Fund Redemption Requirement
2014	\$ 55,000
2015	55,000

The current interest term bonds maturing on December 1, 2025 are subject to mandatory sinking fund redemption in the following amounts on the following dates:

Date (December 1)	Mandatory Sinking Fund Redemption Requirement
2024	\$ 200,000
2025	215,000

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The current interest term bonds maturing on December 1, 2027 are subject to mandatory sinking fund redemption in the following amounts on the following dates:

Date (December 1)	Mandatory Sinking Fund Redemption Requirement
2026	\$ 210,000
2027	215,000

The current interest term bonds maturing on December 1, 2029 are subject to mandatory sinking fund redemption in the following amounts on the following dates:

Date (December 1)	Mandatory Sinking Fund Redemption Requirement
2028	\$ 225,000
2029	225,000

The current interest term bonds maturing on December 1, 2032 are subject to mandatory sinking fund redemption in the following amounts on the following dates:

Date (December 1)	Mandatory Sinking Fund Redemption Requirement
2030	\$ 235,000
2031	240,000
2032	90,000

The interest payment dates on the current interest term bonds is June 1 and December 1, each year.

The capital appreciation bonds will mature on December 1 in fiscal years 2016 through 2018 and have the original principal amounts and mature with the accreted values at maturity, as follows:

Maturity Date	Original Principal Amount	Accreted Value at Maturity
2016	\$ 25,711	\$ 180,000
2017	15,359	185,000
2018	8,926	185,000

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire general long-term obligations at June 30, 2014, were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Current Interest Bonds - Refunding 2013</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 55,000	\$ 73,635	\$ 128,635
2016	55,000	73,085	128,085
2017	-	72,810	72,810
2018	-	72,810	72,810
2019	-	72,810	72,810
2020 - 2024	950,000	319,923	1,269,923
2025 - 2029	1,065,000	200,990	1,265,990
2030 - 2033	<u>790,000</u>	<u>44,570</u>	<u>834,570</u>
Total	<u>\$ 2,915,000</u>	<u>\$ 930,633</u>	<u>\$ 3,845,633</u>

<u>Fiscal Year Ending June 30,</u>	<u>Capital Appreciation Bonds - Refunding 2013</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ -	\$ -	\$ -
2016	-	-	-
2017	25,711	154,289	180,000
2018	15,359	169,641	185,000
2019	8,926	176,074	185,000
2020 - 2024	-	-	-
2025 - 2029	-	-	-
2030 - 2033	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 49,996</u>	<u>\$ 500,004</u>	<u>\$ 550,000</u>

<u>Fiscal Year Ending June 30,</u>	<u>School Improvement Bonds - 1995</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 15,000	\$ 5,186	\$ 20,186
2016	15,000	4,249	19,249
2017	20,000	3,150	23,150
2018	20,000	1,890	21,890
2019	<u>20,000</u>	<u>630</u>	<u>20,630</u>
Total	<u>\$ 90,000</u>	<u>\$ 15,105</u>	<u>\$ 105,105</u>

<u>Fiscal Year Ending June 30,</u>	<u>Capital Appreciation Bonds - 2006</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 22,005	\$ 102,995	\$ 125,000
2016	<u>17,994</u>	<u>107,006</u>	<u>125,000</u>
Total	<u>\$ 39,999</u>	<u>\$ 210,001</u>	<u>\$ 250,000</u>

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 11 - SET-ASIDES

The School District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Disbursements exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2013	\$ -
Current year set-aside requirement	94,180
Current year offsets	<u>(94,180)</u>
Set-aside balance June 30, 2014	<u>\$ -</u>

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS

A. Western Ohio Computer Organization

The School District is a participant in the Western Ohio Computer Organization (WOCO), which is a computer consortium. WOCO is an association of public school districts within the boundaries of Auglaize, Champaign, Hardin, Logan, and Shelby 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 Organization is governed by a board of directors consisting of 14 members: the Superintendent of the Fiscal Agent, two Superintendents from each county that is represented, one treasurer representative, a student services representative, and non-voting independent district representative.

The degree of control exercised by any participating member is limited to its representation on the board. Financial information can be obtained from the Treasurer, Shelby County Educational Service Center (fiscal agent to the Western Ohio Computer Organization,) 129 E. Court St., Sidney, Ohio 45365.

B. Ohio Hi-Point Joint Vocational School

The Ohio Hi-Point Joint Vocational School (JVS) is a distinct political subdivision of the State of Ohio that provides vocational education to students. The JVS is operated under the direction of a Board consisting of one representative from each of the eleven participating school districts' elected boards. The degree of control exercised by the School District is limited to its representation on the Board. The Board possesses its own budgeting and taxing authority. Financial information can be obtained from the Ohio Hi-Point Joint Vocational School, Eric Adelsberger, who serves as Treasurer, 2280 State Route 540, Bellefontaine, Ohio 43311.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

C. Auglaize County Local Professional Development Committee

The Auglaize County Local Professional Development Committee (LPDC) was established to plan, promote, and facilitate effective and efficient professional educator license renewal standards and staff development activities. The LPDC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its members. The degree of control exercised by any participating school district is limited to its representation on the governing board. Financial information can be obtained from the Auglaize County Educational Service Center, who serves as fiscal agent, 1045 Dearbaugh Street, Wapakoneta, Ohio 45895.

D. West Central Regional Professional Development Center

The West Central Regional Professional Development Center (the Center) is a jointly governed organization among the school districts in Allen, Auglaize, Hancock, Hardin, Mercer, Paulding, Putnam, and Van Wert Counties.

The organization was formed to establish an articulated regional structure for professional development in which school districts, the business community, higher education, and other groups cooperatively plan and implement effective professional development activities that are tied directly to school improvement, and in particular, to improvements in instructional programs.

The Center is governed by a fifty-two member board made up representatives from the participating school districts, the business community, and two institutions of higher learning. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained from Greg Spiess, Hancock County Educational Service Center, 7746 County Road 140, Findlay, Ohio 45840.

E. Southwestern Ohio Educational Purchasing Council (SOEPC)

The Southwestern Ohio Educational Purchasing Cooperative (SOEPC) was established in 1986 among educational entities located in southwestern Ohio to purchase instructional and operational supplies and materials.

The SOEPC is organized under Ohio law as a regional council of governments pursuant to a written agreement entered into by its member educational entities and bylaws adopted by the representatives of the member educational entities. The SOEPC is governed by an elected Board consisting of ten representatives of the educational entities and the superintendent from the Montgomery County Educational Service Center. The Board, except for the superintendent from the Montgomery County Educational Service Center, is elected from an Assembly consisting of a representative from each participating educational entity. Financial information can be obtained from the Southwestern Ohio Educational Purchasing Council, 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 13 - GROUP PURCHASING POOLS

A. Mercer Auglaize Employee Benefit Trust

The Mercer Auglaize Employee Benefit Trust (the Trust) is a public entity shared risk pool consisting of eleven local school districts and two educational service centers. The Trust is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, and vision benefits to the employees of the participants.

Each participant's superintendent is appointed to an Administrative Committee, which advises the Trustee, Huntington, concerning aspects of the administration of the Trust.

Each participant decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information can be obtained from Corporate One Benefits, 200 Perry Street, Suite 200, PO Box 906, Fostoria, Ohio 44830.

B. Ohio School Boards Association Workers' Compensation Group Rating Plan

The School District participates in a group-rating plan for worker's compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), was established through the Ohio School Boards Association (OSBA) as an insurance purchasing pool. The GRP's business and affairs are conducted by a three-member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the GRP. Each year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 14 - CONTINGENCIES

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, 2014, if applicable, cannot be determined at this time.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations and changes in fund balances on the cash basis, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of cash receipts, cash disbursements and changes in fund cash balance - budget and actual (budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budget basis and the cash basis is the outstanding year end encumbrances are treated as disbursements (budget) rather than a reservation of fund balance (cash).

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING – (Continued)

The following table summarizes the adjustments necessary to reconcile the budgetary basis statement to the cash basis statement for the general fund:

	<u>General fund</u>
Budget basis	\$ 126,183
Funds budgeted elsewhere **	(18,695)
Adjustment for encumbrances	<u>37,190</u>
Cash basis	<u>\$ 144,678</u>

** As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies fund and public school support fund.

This page intentionally left blank.



Dave Yost • Auditor of State

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

Waynesfield-Goshen Local School District
Auglaize County
500 North Westminster Street
Waynesfield, Ohio 45896

To the Board of Education:

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 Waynesfield-Goshen Local School District, Auglaize County, (the School District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 4, 2014, wherein we noted the School District uses a special purpose framework other than generally accepted accounting principles. We also noted that fund balance was restated on the General Fund budgetary statement to report only legally budgeted general fund amounts.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the School 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 opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the School 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 School 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 School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2014-001.

Entity's Response to Findings

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

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 School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

November 4, 2014

WAYNESFIELD GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY

SCHEDULE OF FINDINGS
JUNE 30, 2014

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

FINDING NUMBER 2014-001

Noncompliance

Ohio Rev. Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Admin. Code Section 117-2-03 further clarifies the requirements of Ohio Rev. Code Section 117.38.

Ohio Admin. Code Section 117-2-03(B) requires the school district to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP). The School District prepared its financial statements in accordance with the cash accounting basis. The accompanying financial statements omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Rev. Code Section 117.38 the School District may be fined and subject to various other administrative remedies for its failure to file the required financial report.

The School District should prepare the annual financial statements according to generally accepted accounting principles to help provide the users with more meaningful and useful financial statements.

Official's Response:

The Board of Education has elected not to prepare its annual financial reports in accordance with the generally accepted accounting principles (GAAP) to save the School District the additional costs required to prepare and audit GAAP financial statements. We believe that the OCBOA (Other Comprehensive Basis of Accounting) statements meet the alternative requirements of financial reporting

**WAYNESFIELD GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Ohio Rev. Code Section 117.38 and Ohio Admin. Code Section 117-2-03 (B) – Failure to prepare financial statements in accordance with GAAP	No	Repeated as Finding 2014-001



Dave Yost • Auditor of State

WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT

AUGLAIZE 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
DECEMBER 11, 2014**