

**WILLIAMSBURG LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY  
Single Audit  
For the Fiscal Year Ended June 30, 2014**

***Perry & Associates***  
Certified Public Accountants, A.C





# Dave Yost • Auditor of State

Board of Education  
Williamsburg Local School District  
549-A West Main Street  
Williamsburg, Ohio 45176

We have reviewed the *Independent Auditor's Report* of the Williamsburg Local School District, Clermont County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2013 through June 30, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

March 15, 2015

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**WILLIAMSBURG LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY**

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***Perry & Associates***  
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**INDEPENDENT AUDITOR'S REPORT**

December 30, 2014

Williamsburg Local School District  
Clermont County  
549-A West Main Street  
Williamsburg, Ohio 45176

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 the **Williamsburg Local School District**, Clermont 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 accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the 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 opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Williamsburg Local School District, Clermont County, Ohio, as of June 30, 2014, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

The Federal Award Receipts and Expenditures Schedule presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 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 cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.  
*Marietta, Ohio*

**Williamsburg Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

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As management of the Williamsburg Local School District (the School District), we offer the readers of the School District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the additional information that we have provided in the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

The management's discussion and analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", issued June 1999. Certain comparative information between the current fiscal year and the prior fiscal year is required to be presented in the MD&A.

### **Financial Highlights**

- The assets of the School District exceeded its liabilities at June 30, 2014 by \$9,226,817.
- The School District's net position increased \$277,609 during this fiscal year's operations.
- General revenues accounted for \$8,440,804 or 73 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions and interest accounted for \$3,149,531 or 27 percent of total revenues of \$11,590,335.
- The School District had \$11,312,726 in expenses related to governmental activities; only \$3,149,531 of these expenses were offset by program specific charges for services and sales, grants, contributions and interest.

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

This report consists of a series of financial statements and notes to the basic financial statements. These statements are organized so the reader can understand the School District as a whole, an entire operating entity.

The statement of net position and the statement of activities provide information about the activities of the School District as a whole, and present a longer term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as what remains for future spending. The fund financial statements also look at the School District's major funds, with all other nonmajor funds presented in total in one column. The major funds for the School District are the general fund and the debt service fund.

### **Reporting the School District as a Whole**

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2014?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These government-wide financial statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

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

**Williamsburg Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

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

**Fund Financial Statements**

The analysis of the School District's major funds begins on page 8. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

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

**Fiduciary Funds** - The School District's fiduciary funds consist of an agency fund and a private purpose trust fund. All of the School District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

**Williamsburg Local School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2014  
Unaudited

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**The School District as a Whole**

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for the fiscal years ending June 30, 2014 and 2013:

(Table 1)  
Net Position  
Governmental Activities

	2014	2013
Assets		
Current and Other Assets	\$6,737,109	\$6,813,223
Capital Assets, Net	9,648,256	9,838,965
Total Assets	16,385,365	16,652,188
Deferred Outflows	11,820	14,447
Liabilities		
Other Liabilities	963,714	1,176,581
Long-Term Liabilities	3,270,521	3,494,533
Total Liabilities	4,234,235	4,671,114
Deferred Inflows	2,936,133	3,046,313
Net Position		
Net Investment in Capital Assets	7,574,413	7,466,536
Restricted	1,007,895	965,359
Unrestricted	644,509	517,313
Total Net Position	\$9,226,817	\$8,949,208

Total net position increased \$277,609. This increase was primarily due to a decrease in contracts payable of \$228,319 and long-term liabilities of \$224,012, which was partially offset by a decrease in capital assets of \$190,709. Contracts payable decreased primarily due to the completion of a significant portion of the track project in 2013. Long-term liabilities decreased due primarily to principal retirements. Capital assets decreased as a result of depreciation expense and disposals in excess of additions.

Table 2 shows the highlights of the School District's revenues and expenses. These two main components are subtracted to yield the change in net position. This table uses the full accrual method of accounting.

Revenue is divided into two major components: Program revenues and general revenues. Program revenues are defined as charges for services and sales and restricted operating grants, capital grants, contributions, and interest. General revenues include taxes and unrestricted grants, such as State foundation support, gifts and donations, investment earnings, and miscellaneous.

Since the School District did not prepare its financial statements following generally accepted accounting principles for fiscal year 2013, revenue and expense comparisons to fiscal year 2013 are not available. This table will present two fiscal years in side-by-side comparisons in subsequent reporting years.

**Williamsburg Local School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2014  
Unaudited

(Table 2)  
Change in Net Position  
Governmental Activities

	2014
Revenues	
Program Revenues	
Charges for Services and Sales	\$1,612,425
Operating Grants, Contributions, and Interest	1,364,706
Capital Grants, Contributions, and Interest	172,400
Total Program Revenues	3,149,531
General Revenues	
Property Taxes	3,928,593
Grants and Entitlements not Restricted to Specific Programs	4,211,416
Investment Earnings	15,504
Miscellaneous	285,291
Total General Revenues	8,440,804
Total Revenues	11,590,335
Program Expenses	
Instruction	
Regular	4,689,329
Special	2,302,083
Vocational	85,994
Other	8,615
Support Services	
Pupils	385,667
Instructional Staff	102,255
Board of Education	19,161
Administration	633,101
Fiscal	346,155
Operation and Maintenance of Plant	1,165,691
Pupil Transportation	584,705
Central	11,479
Operation of Non-Instructional Services	532,811
Extracurricular Activities	370,960
Interest and Fiscal Charges	74,720
Total Expenses	11,312,726
Change in Net Position	277,609
Net Position at Beginning of Year-Restated	8,949,208
Net Position at Ending of Year	\$9,226,817

**Governmental Activities**

Grants and entitlements not restricted to specific programs made up 34 percent of total revenues for governmental activities of the School District for fiscal year 2014. Property taxes made up 36 percent of total revenues for governmental activities for a total of 70 percent of total revenues coming from property taxes and grants and entitlements not restricted to specific programs.

**Williamsburg Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

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Instruction comprises 63 percent of governmental program expenses, with regular instruction and special instruction comprising 41 percent and 20 percent, respectively, of program expenses. Support services expenses make up 29 percent of governmental program expenses.

The statement of activities shows the cost of program services and the charges for services and sales, grants, contributions and interest offsetting those services. In Table 3, the total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Net costs are costs that must be covered by unrestricted state aid (state foundation) or local taxes. The difference in these two columns would represent charges for services and sales, restricted grants, donations and restricted interest.

Since the School District did not prepare its financial statements following generally accepted accounting principles for fiscal year 2013, revenue and expense comparisons to fiscal year 2013 are not available. This table will present two fiscal years in side-by-side comparisons in subsequent reporting years.

(Table 3)  
 Governmental Activities

	Total Cost of Services 2014	Net Cost of Services 2014
Instruction	\$7,086,021	\$5,253,401
Support Services	3,248,214	2,536,201
Operation of Non-Instructional Services	532,811	100,287
Extracurricular Activities	370,960	198,586
Interest and Fiscal Charges	74,720	74,720
Total Expenses	\$11,312,726	\$8,163,195

**The School District's Funds**

Information about the School District's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$11,588,815 and expenditures of \$11,344,199. The net change in fund balance for the fiscal year was most significant in the general fund, an increase of \$291,098.

**General Fund - Budget Highlights**

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. During the course of fiscal year 2014, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

The School District's ending unobligated cash balance was \$59,464 above the final budgeted amount in the general fund.

For the general fund, original budgeted revenues were \$8,896,329 and final budgeted revenues were \$9,064,457. This represents an increase in estimated revenue of \$168,128 due largely to an increase in expected property taxes and miscellaneous revenues. The difference between actual budget basis revenues and final budget basis revenues was \$2,801.

**Williamsburg Local School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2014  
Unaudited

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Original budgeted expenditures in the general fund were \$8,844,841 and final budgeted expenditures were \$8,944,269. This represents an increase in estimated expenditures of \$99,428, or one percent. The difference between actual budget basis expenditures and final budgeted expenditures was \$62,265 due mainly to spending less than the budgeted amounts for regular and special instruction and operation and maintenance of plant.

**Capital Assets and Debt Administration**

***Capital Assets***

The School District's investment in capital assets as of June 30, 2014 was \$9,648,256. This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. Table 4 shows fiscal year 2014 balances compared to fiscal year 2013:

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

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	2014	2013
Land	\$99,200	\$99,200
Construction in Progress	668,972	536,182
Land Improvements	156,694	177,935
Buildings and Improvements	8,101,457	8,358,792
Furniture, Fixtures and Equipment	503,398	508,122
Vehicles	118,535	158,734
Totals	\$9,648,256	\$9,838,965

Net capital assets decreased \$190,709 from the prior fiscal year. This was due to depreciation expense and disposals exceeding capital assets additions.

For more information on capital assets, refer to note 7 of the notes to the basic financial statements.

***Debt***

At June 30, 2014, the School District had \$2,073,843 in bonds and loans outstanding with \$346,461 due within one year. Table 5 summarizes bonds outstanding:

(Table 5)  
Outstanding Debt at June 30  
Governmental Activities

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	2014	2013
General Obligation Bonds		
2008 School Improvement Bonds 3.846%	\$1,426,000	\$1,677,000
Premium on Debt Issue	18,729	22,927
Energy Conservation Bonds		
2012 Energy Conservation Bonds 1.150%-2.750%	455,000	490,000
Premium on Debt Issue	16,888	18,213
2007 Energy Conservation Loan 2.61%	157,226	205,429
Totals	\$2,073,843	\$2,413,569

**Williamsburg Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

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The School District's overall legal debt margin was \$10,119,898 with an unvoted debt margin of \$119,928 and an energy conservation debt limit of \$467,127 at June 30, 2014.

In June 2008, the School District issued \$2,780,000 in voted general obligation bonds for the purpose of a current refunding of the 1996 School Improvement General Obligation Bonds. In June 2007, the School District issued an energy conservation loan for an energy efficiency project. In March 2012, the School District issued energy conservation bonds for an energy efficiency project.

For more information on debt, refer to Note 12 of the notes to the basic financial statements.

### **School District Challenges for the Future**

Williamsburg Schools are committed to maintaining fiscal stewardship. Williamsburg is a small district that typically receives about 50 percent of its general fund revenue as state support. In 2010, state revenues fell by 10 percent. However, federal stimulus money filled this gap for two years. In 2012, federal stimulus revenue expired, leaving schools to feel the state's cuts. Williamsburg's state revenues fell from a high of \$3,995,500 in 2009 to \$3,650,000 in 2012. In addition, the state cut another \$166,000 in tangible personal property allocations that year. These cuts to state revenues make us even more thankful for our stable local revenues. In 2010, given advance notice of state cuts, the School District began to make cuts to stay within its declining budget.

In fiscal year 2014, with a new state funding formula, Williamsburg's state funding has increased. Finally, in fiscal year 2015, our state funding will be as high as 2009 with all state sources considered.

The School District continues to stay within budget and the current five-year forecast shows a balanced budget for this year and next. The three following years of the forecast are not balanced due to expected state revenue drops in funding because of lower student counts. If our student counts do fall, we will need to make budget cuts. If student counts stabilize, our state funding will cover our budget needs.

Further back in our fiscal history, prior to 1999, the School District received 35 percent of total tax revenue from personal property taxes paid by businesses. Budget Bill (HB66) was passed by the State Legislature in 2005. This legislation mandated that the personal property tax assessment rate imposed on machinery, equipment and inventories of manufacturers be reduced at the rate of about one fourth each year until it was phased out in fiscal year 2009. Given the School District's significant reliance on this source of revenue, its elimination had a significant impact.

The Williamsburg Board of Education and administration remain committed to being fiscally responsible and continue to adjust budgets and make cuts as state revenues continue to fall. The School District has seen 25 percent in savings in the past five years for electric usage from browning out, updating old equipment, and negotiating lower rates with electric suppliers. The School District shares services with Batavia for transportation and Bethel-Tate for gifted services. Williamsburg has seen savings in transportation from the shared services and still offers full service bus service. Our per-pupil spending was the lowest in the county for fiscal year 2014 and we expect that to continue.

School District personnel continue to make strides in the area of educating students. Their efforts assured that the School District achieved Excellent on the State Report Card in the 2010-2011 and 2011-2012 school years. The rating for 2012-2013 was "B" which is equivalent to the Excellent category in the old rating system. The Department of Education continues to change the district report card rating system and Williamsburg's curriculum adjusts accordingly. Teaching and non-teaching staff remain focused on providing a quality education to students, without many of the resources available to larger school districts.

**Williamsburg Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

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In conclusion, the Williamsburg Local School District's system of financial planning, budgeting and internal financial controls are well regarded. Uncertainties in funding, those described above along with an economy in recession, require management to plan carefully and prudently to provide the resources to meet student needs over the next several years. The School District plans to continue its sound fiscal management to meet the challenges of the future and to provide the best educational opportunities to its children.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Julie Kamphaus, Treasurer, at Williamsburg Local School District, 549-A West Main Street, Williamsburg, Ohio 45176, or email at [kamphaus\\_ju@burgschools.org](mailto:kamphaus_ju@burgschools.org).

**Williamsburg Local School District**  
*Statement of Net Position*  
*June 30, 2014*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$2,690,854
Materials and Supplies Inventory	3,073
Accrued Interest Receivable	631
Accounts Receivable	60,770
Intergovernmental Receivable	126,318
Prepaid Items	25,375
Property Taxes Receivable	3,830,088
Capital Assets:	
Nondepreciable Capital Assets	768,172
Depreciable Capital Assets, Net	8,880,084
<i>Total Assets</i>	16,385,365
<b>Deferred Outflows of Resources</b>	11,820
<b>Liabilities</b>	
Accounts Payable	85,025
Accrued Wages and Benefits	706,266
Intergovernmental Payable	167,269
Accrued Interest Payable	5,154
Long-Term Liabilities:	
Due Within One Year	466,717
Due in More Than One Year	2,803,804
<i>Total Liabilities</i>	4,234,235
<b>Deferred Inflows of Resources</b>	2,936,133
<b>Net Position</b>	
Net Investment in Capital Assets	7,574,413
Restricted For:	
Debt Service	752,368
Capital Outlay	41,925
Other Purposes	213,602
Unrestricted	644,509
<i>Total Net Position</i>	\$9,226,817

See the accompanying notes to the basic financial statements.

**Williamsburg Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2014

	Program Revenues				Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest		
<b>Governmental Activities</b>					
Instruction					
Regular	\$4,689,329	\$533,211	\$83,505	\$0	(\$4,072,613)
Special	2,302,083	207,325	986,451	0	(1,108,307)
Vocational	85,994	11,478	9,603	0	(64,913)
Other	8,615	1,047	0	0	(7,568)
Support Services					
Pupils	385,667	46,684	83	0	(338,900)
Instructional Staff	102,255	14,464	0	0	(87,791)
Board of Education	19,161	2,330	0	0	(16,831)
Administration	633,101	77,805	0	0	(555,296)
Fiscal	346,155	41,054	0	0	(305,101)
Operation and Maintenance of Plant	1,165,691	278,616	9,334	172,400	(705,341)
Pupil Transportation	584,705	64,892	0	0	(519,813)
Central	11,479	4,351	0	0	(7,128)
Operation of Non-Instructional Services	532,811	167,639	264,885	0	(100,287)
Extracurricular Activities	370,960	161,529	10,845	0	(198,586)
Interest and Fiscal Charges	74,720	0	0	0	(74,720)
<b>Total Governmental Activities</b>	<b>\$11,312,726</b>	<b>\$1,612,425</b>	<b>\$1,364,706</b>	<b>\$172,400</b>	<b>(8,163,195)</b>
<b>General Revenues</b>					
Property Taxes Levied for					
General Purposes					
					3,591,350
Debt Service					
					288,037
Capital Outlay					
					49,206
Grants and Entitlements not Restricted to Specific Programs					
					4,211,416
Investment Earnings					
					15,504
Miscellaneous					
					285,291
<b>Total General Revenues</b>					
					<b>8,440,804</b>
<b>Change in Net Position</b>					
					<b>277,609</b>
<b>Net Position Beginning of Year-Restated (See Note 19)</b>					
					<b>8,949,208</b>
<b>Net Position End of Year</b>					
					<b>\$9,226,817</b>

See the accompanying notes to the basic financial statements.

**Williamsburg Local School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2014*

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$1,748,082	\$680,140	\$262,632	\$2,690,854
Materials and Supplies Inventory	0	0	3,073	3,073
Accrued Interest Receivable	631	0	0	631
Accounts Receivable	60,313	0	457	60,770
Interfund Receivable	20,000	0	0	20,000
Intergovernmental Receivable	62,428	0	63,890	126,318
Prepaid Items	25,375	0	0	25,375
Property Taxes Receivable	3,505,301	277,129	47,658	3,830,088
<i>Total Assets</i>	<u>\$5,422,130</u>	<u>\$957,269</u>	<u>\$377,710</u>	<u>\$6,757,109</u>
<b>Liabilities</b>				
Accounts Payable	\$63,273	\$0	\$21,752	\$85,025
Accrued Wages and Benefits	612,286	0	93,980	706,266
Interfund Payable	0	0	20,000	20,000
Intergovernmental Payable	139,269	0	28,000	167,269
<i>Total Liabilities</i>	814,828	0	163,732	978,560
<b>Deferred Inflows of Resources</b>				
Property Taxes not Levied to Finance Current Year Operations	2,688,058	211,567	36,508	2,936,133
Unavailable Revenue	100,443	6,762	31,875	139,080
<i>Total Deferred Inflows of Resources</i>	2,788,501	218,329	68,383	3,075,213
<b>Fund Balances</b>				
Nonspendable	25,375	0	3,073	28,448
Restricted	0	738,940	183,614	922,554
Committed	64,470	0	0	64,470
Assigned	33,989	0	0	33,989
Unassigned	1,694,967	0	(41,092)	1,653,875
<i>Total Fund Balances</i>	<u>1,818,801</u>	<u>738,940</u>	<u>145,595</u>	<u>2,703,336</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$5,422,130</u>	<u>\$957,269</u>	<u>\$377,710</u>	<u>\$6,757,109</u>

See the accompanying notes to the basic financial statements.

**Williamsburg Local School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2014*

Total Governmental Fund Balances		\$2,703,336
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		9,648,256
Some of the School District's revenues will be collected after fiscal year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred		
Property taxes	108,455	
Intergovernmental	30,625	
Total	139,080	139,080
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, as interest expenditure is reported when due.		(5,154)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds payable	(1,881,000)	
Premium on refunding	(35,617)	
Deferred loss on refunding	11,820	
Loan payable	(157,226)	
Compensated absences	(1,196,678)	
Total	(3,258,701)	(3,258,701)
Net Position of Governmental Activities		\$9,226,817

See the accompanying notes to the basic financial statements.

**Williamsburg Local School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2014*

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$3,617,597	\$290,530	\$49,571	\$3,957,698
Intergovernmental	4,509,277	45,167	981,125	5,535,569
Interest	15,467	0	37	15,504
Tuition and Fees	1,091,962	0	0	1,091,962
Rent	201,755	0	0	201,755
Extracurricular Activities	14,545	0	138,683	153,228
Gifts and Donations	3,433	0	178,895	182,328
Customer Sales and Services	135	0	165,345	165,480
Miscellaneous	250,531	0	34,760	285,291
<i>Total Revenues</i>	9,704,702	335,697	1,548,416	11,588,815
<b>Expenditures</b>				
Current				
Instruction				
Regular	4,226,677	0	72,836	4,299,513
Special	1,651,016	0	615,628	2,266,644
Vocational	81,115	0	1,330	82,445
Other	8,615	0	0	8,615
Support Services				
Pupils	352,303	0	4,711	357,014
Instructional Staff	118,970	0	0	118,970
Board of Education	19,161	0	0	19,161
Administration	639,956	0	0	639,956
Fiscal	337,675	5,660	784	344,119
Operation and Maintenance of Plant	965,621	0	136,206	1,101,827
Pupil Transportation	533,746	0	0	533,746
Central	35,786	0	0	35,786
Operation of Non-Instructional Services	18,238	0	494,994	513,232
Extracurricular Activities	110,308	0	231,851	342,159
Capital Outlay	89,575	0	178,821	268,396
Debt Service				
Principal Retirement	83,203	251,000	0	334,203
Interest and Fiscal Charges	15,639	62,774	0	78,413
<i>Total Expenditures</i>	9,287,604	319,434	1,737,161	11,344,199
<i>Excess of Revenues Over (Under) Expenditures</i>	417,098	16,263	(188,745)	244,616
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	126,000	126,000
Transfers Out	(126,000)	0	0	(126,000)
<i>Total Other Financing Sources (Uses)</i>	(126,000)	0	126,000	0
<i>Net Change in Fund Balances</i>	291,098	16,263	(62,745)	244,616
<i>Fund Balances Beginning of Year-Restated</i>	1,527,703	722,677	208,340	2,458,720
<i>Fund Balances End of Year</i>	\$1,818,801	\$738,940	\$145,595	\$2,703,336

See the accompanying notes to the basic financial statements.

**Williamsburg Local School District**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balances of Governmental Funds to the Statement of Activities*  
For the Fiscal Year Ended June 30, 2014

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Net Change in Fund Balances - Total Governmental Funds \$244,616

Amounts reported for governmental activities in the statement of activities are different

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital asset additions	268,396	
Depreciation expense	(446,759)	
Total	(178,363)	(178,363)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount by which the loss on the sale of capital assets exceeded the proceeds from the sale of those assets. (12,346)

Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the

Delinquent property taxes	(29,105)	
Intergovernmental	30,625	
Total	1,520	1,520

Governmental funds report premiums as expenditures, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of bond premium	5,523	
Total	5,523	5,523

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

Bond principal retirement	286,000	
Loan principal retirement	48,203	
Total	334,203	334,203

In the statement of activities, interest accrued on outstanding bonds and the loss on refunding are amortized over the terms of the bonds, whereas in the governmental funds, the expenditure is reported when the bonds are issued:

Decrease in accrued interest	797	
Amortization of deferred amount on refunding	(2,627)	
Total	(1,830)	(1,830)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	(115,714)	
Total	(115,714)	(115,714)

Change in Net Position of Governmental Activities \$277,609

See the accompanying notes to the basic financial statements.

**Williamsburg Local School District**  
*Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$3,264,271	\$3,384,898	\$3,384,897	(\$1)
Intergovernmental	4,460,956	4,473,363	4,472,223	(1,140)
Interest	12,891	13,105	13,850	745
Tuition and Fees	1,081,211	1,056,979	1,055,051	(1,928)
Rent	1,000	2,167	1,755	(412)
Miscellaneous	76,000	133,945	133,880	(65)
<i>Total Revenues</i>	8,896,329	9,064,457	9,061,656	(2,801)
<b>Expenditures</b>				
Current				
Instruction				
Regular	5,143,860	4,179,396	4,148,448	30,948
Special	1,618,676	1,651,020	1,643,924	7,096
Vocational	2,210	81,179	81,100	79
Other	7,555	8,801	8,680	121
Support Services				
Pupils	672,758	348,913	344,281	4,632
Instructional Staff	19,551	131,630	131,473	157
Board of Education	10,325	23,071	22,955	116
Administration	616,732	645,660	642,737	2,923
Fiscal	169,570	341,785	339,266	2,519
Operation and Maintenance of Plant	388,308	762,758	753,283	9,475
Pupil Transportation	90,008	543,393	539,540	3,853
Central	1,049	44,613	44,537	76
Operation of Non-Instructional Services	0	335	228	107
Extracurricular Activities	0	86,635	86,475	160
Capital Outlay	104,239	95,080	95,077	3
<i>Total Expenditures</i>	8,844,841	8,944,269	8,882,004	62,265
<i>Excess of Revenues Over Expenditures</i>	51,488	120,188	179,652	59,464
<b>Other Financing Sources (Uses)</b>				
Transfers In	50,000	50,000	50,000	0
Transfers Out	(201,565)	(208,250)	(208,250)	0
Advances Out	0	(20,000)	(20,000)	0
<i>Total Other Financing Sources (Uses)</i>	(151,565)	(178,250)	(178,250)	0
<i>Net Change in Fund Balance</i>	(100,077)	(58,062)	1,402	59,464
<i>Fund Balances Beginning of Year</i>	1,305,253	1,305,253	1,305,253	0
<i>Prior Year Encumbrances Appropriated</i>	73,880	73,880	73,880	0
<i>Fund Balances End of Year</i>	\$1,279,056	\$1,321,071	\$1,380,535	\$59,464

See the accompanying notes to the basic financial statements.

**Williamsburg Local School District**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2014*

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	Private Purpose Trust	
	Scholarship	Agency
<b>Assets</b>		
Equity in Pooled Cash and Investments	\$7,770	\$41,852
<b>Liabilities</b>		
Undistributed Monies		\$41,852
<b>Net Position</b>		
Held in Trust for Scholarships	\$7,770	

See the accompanying notes to the basic financial statements.

**Williamsburg Local School District**  
*Statement of Changes in Fiduciary Net Position*  
*Fiduciary Fund*  
*For the Fiscal Year Ended June 30, 2014*

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	Private Purpose Trust
	Scholarship
<b>Additions</b>	
Gifts and Donations	\$2,215
Miscellaneous	1,000
<i>Total Additions</i>	3,215
<b>Deductions</b>	
Payments in Accordance With Trust Agreements	5,250
<i>Total Deductions</i>	5,250
<i>Change in Net Position</i>	(2,035)
<i>Net Position Beginning of Year</i>	9,805
<i>Net Position End of Year</i>	\$7,770

See the accompanying notes to the basic financial statements.

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 1 – Description of the District and Reporting Entity**

Williamsburg 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 federal guidelines.

The School District was established in 1922. The School District serves an area of approximately 41 square miles. It is located in Clermont County, and includes all of the Village of Williamsburg and portions of Williamsburg and Jackson Townships. The Board of Education controls the School District's two instructional support facilities staffed by 43 non-certified, 54 teaching personnel and 5 administrative employees providing education to 985 students.

**Reporting Entity**

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

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

The School District participates in two jointly governed organizations and two insurance purchasing pools. These organizations are discussed in Notes 14 and 15 of the basic financial statements. These organizations are:

Jointly Governed Organizations:

Hamilton/Clermont Cooperative Association  
U.S. Grant Joint Vocational School

Insurance Purchasing Pools:

Clermont County Insurance Consortium  
Ohio Association of School Business Officials Workers' Compensation Group Rating Plan

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

The financial statements of Williamsburg Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

**Note 2 – Summary of Significant Accounting Policies (Continued)**

Basis of Presentation

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

*Government-wide Financial Statements*

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The government-wide statements usually distinguish between those activities that are governmental and those that are considered business-type activities. The School District, however, has no activities which are reported as business-type activities.

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

*Fund Financial Statements*

During the fiscal year, the School District segregates transactions related to certain School District functions or activities into 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 reporting on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

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

*Governmental Funds*

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

**Note 2 – Summary of Significant Accounting Policies (Continued)**

The following are the School District's major governmental funds:

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

*Debt Service Fund* - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

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

*Fiduciary Funds*

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

Measurement Focus

*Government-wide Financial Statements*

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

*Fund Financial Statements*

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

**Note 2 – Summary of Significant Accounting Policies (Continued)**

Basis of Accounting

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

*Revenue – Exchange and Non-exchange Transactions*

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined, and “available” means that the resources are collectible within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 5.) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

*Deferred Inflows/Outflows of Resources*

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. For the School District, deferred outflows of resources include a deferral on refunding reported in the government-wide statement of net position. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property taxes for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2015 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows of resources on the statement of net position and governmental fund balance sheet. Grants and entitlements not received within the available period and delinquent property taxes due at June 30, 2014, are recorded as deferred inflows of resources in the governmental funds and as revenue on the statement of activities.

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

*Expenses/Expenditures*

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

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

Cash and Investments

To improve cash management, all 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” on the financial statements.

During fiscal year 2014, the School District invested in the State Treasury Asset Reserve of Ohio (STAR Ohio), STAR Plus, a repurchase agreement, the First American Government Obligation money market fund, Federated Government Obligations money market fund, negotiable certificates of deposit, Federal Home Loan Bank notes, Federal Home Loan Mortgage Corporation notes and discount notes, Federal National Mortgage Association notes, and U.S. Treasury bills. Investments are reported at cost, except for the money market funds, STAR Ohio, and STAR Plus. The School District’s money market funds and STAR Plus investments are recorded at amounts reported by the respective financial institutions at June 30, 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.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund and other governmental funds during fiscal year 2014 amounted to \$15,467 and \$37, respectively.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as “equity in pooled cash and investments”.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of consumable supplies.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

Capital Assets

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

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$2,500. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	5-20 years
Buildings and Improvements	25-80 years
Furniture, Fixtures and Equipment	5-20 years
Vehicles	8 years

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current fiscal year. Bonds and loans that will be paid from governmental funds are recognized as a liability on the governmental fund financial statements when due.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the amount “matured compensated absences payable” in the termination benefits fund, which is presented as part of the general fund for GAAP reporting purposes. The noncurrent portion of the liability is not reported. The School District reported no matured compensated absences payable at June 30, 2014.

**Bond Premiums/Issuance Costs**

In the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method.

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

**Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for food service, music and athletic programs, and federal and state grants restricted to expenditures for specified purposes. The School District has no net position that is restricted by enabling legislation.

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

**Fund Balances**

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

*Nonspendable* – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

*Committed* – This fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District’s Board of Education. Those committed amounts cannot be used for any other purpose unless the School District’s 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.

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

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

*Unassigned* – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only 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 expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Internal Activity

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

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

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

Short term interfund loans are classified as “interfund receivables” and “interfund payables”. These amounts are eliminated in the governmental activities column of the statement of net position.

Estimates

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

Budgetary Process

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

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

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

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

**Note 3 – Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

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

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

Net Change in Fund Balance	
GAAP Basis	\$291,098
Revenue Accruals	(270,621)
Expenditure Accruals	(24,512)
Encumbrances	(64,558)
(Excess) Deficit of Funds Combined with General Fund for Reporting Purposes	69,995
Budget Basis	\$1,402

As part of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, 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 neediest kids, uniform school supplies, pre-school, centre, public school support, and termination benefits funds. These funds were excluded from the budgetary presentation for the general fund.

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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

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

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

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

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 4 – Deposits and Investments (Continued)**

Deposits

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

As of June 30, 2014, the School District’s bank balance of \$213,207 was either covered by FDIC or collateralized by the financial institutions’ public entity deposit pools in the manner described above.

Investments

As of June 30, 2014, the School District had the following investments, which are in an internal investment pool:

	Fair Value	Maturity	Percent of Total Investments
STAR Ohio	\$20,152	N/A	0.72%
STAR Plus	501,161	N/A	17.97%
First American Government Obligation Money Market Fund	35,312	N/A	1.27%
Repurchase Agreement	490,745	Less than one year	17.60%
Federated Government Obligations Money Market Fund	6,187	N/A	0.22%
Negotiable Certificates of Deposit	801,182	Less than one year	28.73%
U.S. Treasuries	95,082	Less than one year	3.41%
Federal Home Loan Bank	54,847	One to two years	1.97%
Federal Home Loan Mortgage Corp.	104,993	Less than one year	3.77%
Federal Home Loan Mortgage Corp.	125,054	One to two years	4.48%
Federal Home Loan Mortgage Corp.	170,157	Three to five years	6.10%
Federal National Mortgage Assn.	160,111	One to two years	5.74%
Federal National Mortgage Assn.	223,589	Three to five years	8.02%
Total Investments	<u>\$2,788,572</u>		

Interest Rate Risk

The School District has no investment policy that addresses interest rate risk beyond the requirements of state statute. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 4 – Deposits and Investments (Continued)**

Credit Risk

STAR Ohio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market funds be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. STAR Plus is not rated. The Federated Government Obligations and First American Government Obligation money market funds were rated AAAm by Standard and Poor's. Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association notes, and U.S. Treasury bills all carry AA+ ratings by Standard and Poor's. Federal Home Mortgage Corporation discount notes carry an A-1+ rating by Standard and Poor's. The repurchase agreement is invested in Goldman Sachs Financial Square Government Fund, which carries an A-2 rating by Standard and Poor's. The School District has no investment policy that addresses credit risk.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District's securities are either insured and registered in the name of the School District or at least registered in the name of the School District. The School District has no investment policy dealing with investment custodial credit risk beyond the requirements in state statute that prohibit 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, the School District does diversify for protection of assets in a responsible manner.

**Note 5 – Property Taxes**

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

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the School District. Real property tax revenues received in calendar year 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 in calendar year 2014 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.

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2014

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**Note 5 – Property Taxes (Continued)**

The School District receives property taxes from Clermont and Brown 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 Counties by June 30, 2014, are available to finance fiscal year 2014 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2014, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

The amount available as an advance at June 30, 2014 was \$716,800 in the general fund, \$58,800 in the debt service fund and \$9,900 in other governmental funds. The amount available as an advance at June 30, 2013 was \$484,100 in the general fund, \$36,600 in the debt service fund, and \$6,500 in other governmental funds.

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

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

	2013 Second-Half Collections		2014 First-Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$114,649,540	95.72%	\$114,407,070	95.40%
Public Utility Personal	5,125,880	4.28%	5,521,040	4.60%
Total Assessed Value	\$119,775,420	100.00%	\$119,928,110	100.00%
Tax rate per \$1,000 of assessed value	\$34.03		\$34.22	

**Note 6 - Receivables**

Receivables at June 30, 2014, consisted of accrued interest, accounts, intergovernmental, interfund, and property taxes. All receivable amounts, except delinquent property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The intergovernmental receivables are as follows:

<i>Major Fund</i>	
General	\$62,428
 <i>Nonmajor Funds</i>	
Title I	63,766
Improving Teacher Quality	124
Total Nonmajor Funds	63,890
 Total All Funds	 \$126,318

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2014

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**Note 7 – Capital Assets**

Capital assets activity for the fiscal year ended June 30, 2014 was as follows:

	Balance at 6/30/13	Additions	Deductions	Balance at 6/30/14
<i>Governmental Activities</i>				
Capital Assets Not Being Depreciated:				
Land	\$99,200	\$0	\$0	\$99,200
Construction in Progress	536,182	132,790	0	668,972
Total Capital Assets Not Being Depreciated	635,382	132,790	0	768,172
Capital Assets Being Depreciated:				
Land Improvements	1,617,197	0	0	1,617,197
Buildings and Improvements	13,007,632	9,204	0	13,016,836
Furniture, Fixtures, and Equipment	1,811,767	126,402	(61,528)	1,876,641
Vehicles	804,869	0	(145,428)	659,441
Total Capital Assets Being Depreciated	17,241,465	135,606	(206,956)	17,170,115
Less Accumulated Depreciation				
Land Improvements	(1,439,262)	(21,241)	0	(1,460,503)
Buildings and Improvements	(4,648,840)	(266,539)	0	(4,915,379)
Furniture, Fixtures, and Equipment	(1,303,645)	(118,780)	49,182	(1,373,243)
Vehicles	(646,135)	(40,199)	145,428	(540,906)
Total Accumulated Depreciation	(8,037,882)	(446,759)	194,610	(8,290,031)
Total Capital Assets Being Depreciated, Net	9,203,583	(311,153)	(12,346)	8,880,084
Governmental Activities Capital Assets, Net	\$9,838,965	(\$178,363)	(\$12,346)	\$9,648,256

Depreciation was charged to the following governmental functions:

Instruction:	
Regular	\$290,100
Special	980
Support Services:	
Instructional Staff	7,469
Administration	805
Fiscal	193
Operation and Maintenance of Plant	57,799
Pupil Transportation	46,613
Operation of Non-Instructional Services	14,520
Extracurricular Activities	28,280
Total Depreciation Expense	<u>\$446,759</u>

**Note 8 – Risk Management**

Property and Liability

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2014, the School District contracted with commercial carriers for property and fleet insurance, liability insurance and inland marine coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from the prior year.

Workers' Compensation

For fiscal year 2014, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 15). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the GRP.

Employee Benefits

For fiscal year 2014, the School District participated in the Clermont County Insurance Consortium (the Consortium), a group insurance purchasing pool (see Note 15), in order to provide dental, life, medical, and disability benefits to employees, their dependents and designated beneficiaries and to set aside funds for such purposes. The Directors provides insurance policies in whole or in part through one or more group insurance policies.

**Note 9 – Defined Benefit Pension Plans**

School Employees Retirement System

Plan Description – The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per 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 can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2014, the allocation to pension and death benefits is 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's contributions to SERS for the years ended June 30, 2014, 2013, and 2012 were \$162,163, \$150,104, and \$152,364, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

**Note 9 – Defined Benefit Pension Plans (Continued)**

State Teachers Retirement System of Ohio

State Teachers Retirement System of Ohio (STRS Ohio) is a cost-sharing, multiple-employer public employee retirement plan.

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

Plan Options – New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership. Eligible members who do not make a choice during their reselection period will permanently remain in their current plan.

DB Plan Benefits – Plan benefits are established under Chapter 3007 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowances, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2 percent multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5 percent. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6 percent for 32 years, 2.7 percent for 33 years and so on) until 100 percent of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5 percent instead of 2.2 percent. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

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

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

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 9 – Defined Benefit Pension Plans (Continued)**

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

Benefits are increased by 3 percent of the original base amount for DB Plan participants.

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

A 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 members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

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

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2014, were 11 percent of covered payroll for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014, 2013, and 2012 were \$472,383, \$471,042, and \$508,371, respectively; 83.11 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012. Member and employer contributions actually made for DC and Combined Plan participants will be provided upon written request.

STRS Ohio issues a stand-alone financial report. Additional information or copies of STRS Ohio's Comprehensive Annual Financial Report can be requested by writing to STRS Ohio, 275 E. Broad St., Columbus, Ohio 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2014, one member of the Board of Education has elected Social Security. The contribution rate is 6.2 percent of wages.

**Note 10 – Postemployment Benefits**

**School Employees Retirement System**

Postemployment Benefits – In addition to a cost-sharing multiple-employer defined benefit pension plan. The School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

**Note 10 – Postemployment Benefits (Continued)**

Medicare Part B Plan – The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B 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. SERS’ reimbursement to retirees was \$45.50 if they participated in one of SERS’ health care plans.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2014, the actuarially required allocation is 0.76 percent. The School District contributions for the years ended June 30, 2014, 2013, and 2012 were \$9,408, \$8,479, and \$9,033, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

Health Care Plan – ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS’ Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, 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 ORC provides the statutory authority to fund SERS’ postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code Section 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. For the year ended June 30, 2014, the health care allocation is 0.14 percent. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer’s SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the minimum compensation level was established at \$20,250. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District contributions assigned to health care for the years ended June 30, 2014, 2013, and 2012 were \$22,738, \$18,602, and \$29,414, respectively.

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

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

**State Teachers Retirement System of Ohio**

Plan Description – STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan, a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefit Plan and the Defined Contribution Plan.

**Note 10 – Postemployment Benefits (Continued)**

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to Chapter 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

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

Funding Policy – Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2014, 2013, and 2012. The 14 percent employer contribution rate is the maximum rate established under Ohio law. The School District's contributions for health care for the fiscal years ended June 30, 2014, 2013, and 2012 were \$36,337, \$36,234, and \$39,105, respectively; 83.11 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

**Note 11 – Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Eligible classified employees earn 10 to 20 days of vacation per fiscal year, depending upon length of service. Teachers do not earn vacation time. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment.

Teachers, administrators, and non-certified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 230 days for all employees. For non-certified employees, upon retirement, payment is made for 25 percent of accrued, but unused sick leave credit to a maximum of 62.5 days. If certified employees do not elect retirement in their first year of eligibility, payment is made for 25 percent (one payment) or 35 percent (two payments) of accrued, but unused sick leave credit to a maximum of 75 and 105 days, respectively.

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2014

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**Note 12 – Long-Term Obligations**

The changes in the School District’s long-term obligations during fiscal year 2014 were as follows:

	Amount Outstanding 6/30/13	Additions	Deductions	Amount Outstanding 6/30/14	Amounts Due Within One Year
<i>Governmental Activities</i>					
2008 School Improvement General Obligation Refunding Bonds – 3.846%	\$1,677,000	\$0	\$251,000	\$1,426,000	\$262,000
Premium on Debt Issue	22,927	0	4,198	18,729	0
2007 Energy Conservation Loan – 2.61%	205,429	0	48,203	157,226	49,461
2012 Energy Conservation Bonds – 1.150%-2.750%	490,000	0	35,000	455,000	35,000
Premium on Debt Issue	18,213	0	1,325	16,888	0
Total Long-Term Bonds and Loan	2,413,569	0	339,726	2,073,843	346,461
Compensated Absences	1,080,964	391,505	275,791	1,196,678	120,256
Total Governmental Activities Long- Term Obligations	\$3,494,533	\$391,505	\$615,517	\$3,270,521	\$466,717

*School Improvement Bonds* - In June 2008, the School District issued \$2,780,000 in voted general obligation bonds for the purpose of a current refunding of the 1996 School Improvement General Obligation Bonds. The bonds were issued for an 11-year period with final maturity during fiscal year 2019. The bonds will be repaid from the debt service fund.

*Energy Conservation Loan* - In June 2007, the School District received \$465,028 in loan proceeds for an energy efficiency project. The loan has an interest rate of 2.61 percent for a 10-year period with the final payment due in fiscal year 2017. The loan will be repaid from the general and centre funds. The centre fund has been presented as part of the general fund for GAAP reporting purposes.

*Energy Conservation Bonds* - In March 2012, the School District received \$544,869 in loan proceeds, which included \$19,869 in premiums, for an energy efficiency project. The bonds carry coupon rates between 1.15 percent and 2.75 percent for a 15-year period with the final payment due in fiscal year 2027. The bonds will be repaid from the general fund.

Compensated absences will be paid from the termination benefits fund, which has been presented as part of the general fund for GAAP reporting purposes.

The School District’s overall legal debt margin was \$10,119,898 with an unvoted debt margin of \$119,928 and an energy conservation debt limit of \$467,127 at June 30, 2014.

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

**Note 12 – Long-Term Obligations (Continued)**

Principal and interest requirements to retire debt outstanding at June 30, 2014, are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		Energy Conservation Loan		Energy Conservation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$262,000	\$49,806	\$49,461	\$3,974	\$35,000	\$10,205
2016	273,000	39,518	50,751	2,684	35,000	9,803
2017	285,000	28,787	57,014	1,359	30,000	9,400
2018	297,000	17,595	0	0	35,000	8,890
2019	309,000	5,942	0	0	35,000	8,295
2020-2024	0	0	0	0	160,000	62,313
2025-2027	0	0	0	0	125,000	7,011
Total	\$1,426,000	\$141,648	\$157,226	\$8,017	\$455,000	\$115,917

**Note 13 – Set-Aside Calculations**

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

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

	Capital Acquisitions
Set-Aside Balance as of June 30, 2013	\$0
Current Fiscal Year Set-Aside Requirement	172,746
Current Fiscal Year Offsets	(178,522)
Qualifying Disbursements	(94,791)
Totals	<u>(\$100,567)</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u>\$0</u>
Set-Aside Balance as of June 30, 2014	<u>\$0</u>

Amounts of offsets and qualifying disbursements presented in the table for capital acquisitions were limited to those necessary to reduce the fiscal year-end balance to zero. Although the School District may have had additional offsets and qualifying disbursements for capital acquisitions during the fiscal year, this extra amount may not be used to reduce the set-aside requirements of future fiscal years.

**Note 14 – Jointly Governed Organizations**

**Hamilton/Clermont Cooperative Association**

The School District is a participant in a two-county consortium of school districts to operate the Hamilton/Clermont Cooperative Association (H/CCA). H/CCA is an association of public districts in a geographic area determined by the Ohio Department of Education. 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 districts. The Board of H/CCA consists of one representative from each of the participating members. The School District paid \$17,566 for services provided during the fiscal year. Complete financial statements for H/CCA can be obtained from Dave Horine, Director, at their administrative offices at 7615 Harrison Avenue, Cincinnati, Ohio 45231.

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 14 – Jointly Governed Organizations (Continued)**

U.S. Grant Joint Vocational School

The U.S. Grant Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the four participating school districts' elected boards with an additional representative rotated among the four schools. The Vocational School possesses its own budgeting and taxing authority. To obtain financial information write to the U.S. Grant Joint Vocational School, Patricia Patton, who serves as Treasurer, at 718 West Plane Street, Bethel, Ohio 45106.

**Note 15 – Insurance Purchasing Pools**

Clermont County Insurance Consortium

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

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

Ohio Association of School Business Officials Workers' Compensation Group Rating Plan

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

**Note 16 – Interfund Activity**

Interfund Transfers

Transfers made during the fiscal year ended June 30, 2014, were as follows:

	Transfers To	Transfers From
General Fund	\$0	\$126,000
Other Governmental Funds	126,000	0
Total	<u>\$126,000</u>	<u>\$126,000</u>

Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds.

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 16 – Interfund Activity (Continued)**

Interfund Receivables/Payables

Interfund receivables/payables outstanding at June 30, 2014, were as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$20,000	\$0
Other Governmental Funds	0	20,000
Total	<u>\$20,000</u>	<u>\$20,000</u>

The general fund advanced funds to the lunchroom nonmajor special revenue fund in anticipation of grants funds.

**Note 17 - Contingencies**

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2014.

Litigation

The School District is currently party to legal proceedings. However, management is of the opinion that the final disposition of the proceedings will not have a material adverse effect on its financial position.

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2014

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**Note 18 – Fund Balances**

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

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>				
Materials and Supplies Inventory	\$0	\$0	\$3,073	\$3,073
Prepaid Items	25,375	0	0	25,375
Total Nonspendable	25,375	0	3,073	28,448
<i>Restricted for</i>				
Capital Projects and Maintenance	0	0	109,723	109,723
Other Purposes	0	0	8,057	8,057
Debt Service	0	738,940	0	738,940
Extracurricular Activities	0	0	65,834	65,834
Total Restricted	0	738,940	183,614	922,554
<i>Committed for</i>				
Severance Benefits	63,888	0	0	63,888
Other Purposes	582	0	0	582
Total Committed	64,470	0	0	64,470
<i>Assigned to</i>				
Student and Staff Support	29,348	0	0	29,348
Other Purposes	4,641	0	0	4,641
Total Assigned	33,989	0	0	33,989
<i>Unassigned</i>	1,694,967	0	(41,092)	1,653,875
<i>Total Fund Balances</i>	\$1,818,801	\$738,940	\$145,595	\$2,703,336

**Note 19 – Change in Basis of Accounting and Restatement of Beginning Net Position/Fund Balances**

For the fiscal year ended June 30, 2014, the School District opted to report using generally accepted accounting principles instead of the cash basis of accounting.

**Williamsburg Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2014

**Note 19 – Change in Basis of Accounting and Restatement of Beginning Net Position/Fund Balances (Continued)**

*Restatement of Net Position/Fund Balances*

The implementation of this change had the following effects on the net position of governmental activities and on the fund balances of major and other governmental funds of the School District as previously reported.

	Governmental Activities			
Net Position, As Reported, June 30, 2013	\$2,959,017			
Restatements:				
Inventories	2,647			
Receivables	3,822,081			
Prepaid Items	29,478			
Capital Assets	9,838,965			
Deferred Outflows of Resources	14,447			
Accounts Payable	(304,667)			
Accrued Wages and Benefits	(676,493)			
Intergovernmental Payables	(189,470)			
Accrued Interest Payable	(5,951)			
Compensated Absences	(1,080,964)			
Debt	(2,413,569)			
Deferred Inflows of Resources	(3,046,313)			
Net Position, As Restated, July 1, 2013	\$8,949,208			

  

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances, As Reported, June 30, 2013	\$1,749,975	\$686,077	\$522,965	\$2,959,017
Restatements:				
Inventories	0	0	2,647	2,647
Receivables	3,474,273	272,781	75,027	3,822,081
Prepaid Items	29,478	0	0	29,478
Accounts Payable	(57,117)	0	(247,550)	(304,667)
Accrued Wages and Benefits	(598,850)	0	(77,643)	(676,493)
Intergovernmental Payables	(163,195)	0	(26,275)	(189,470)
Deferred Inflows of Resources	(2,906,861)	(236,181)	(40,831)	(3,183,873)
Fund Balances, As Restated, July 1, 2013	\$1,527,703	\$722,677	\$208,340	\$2,458,720

**WILLIAMSBURG LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<b>FEDERAL GRANTOR/ Pass Through Grantor/ Program Title</b>	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
<i>Passed Through Ohio Department of Education</i>					
Child Nutrition Cluster:					
Non-Cash Assistance (Food Distribution):					
National School Lunch Program	10.555	\$ -	\$ 56,411	\$ -	\$ 56,411
Cash Assistance:					
National School Breakfast Program	10.553	60,650	-	60,650	-
National School Lunch Program	10.555	179,422	-	179,422	-
Total Nutrition Cluster		<u>240,072</u>	<u>56,411</u>	<u>240,072</u>	<u>56,411</u>
Total U.S. Department of Agriculture		<u>240,072</u>	<u>56,411</u>	<u>240,072</u>	<u>56,411</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>					
<i>Passed Through Ohio Department of Education</i>					
Special Education Cluster:					
IDEA Part B	84.027	193,475	-	193,475	-
Early Childhood	84.173	1,497	-	1,497	-
Total Special Education Cluster		<u>194,972</u>	<u>-</u>	<u>194,972</u>	<u>-</u>
Title I Cluster:					
ESEA Title I -2013	84.010	23,225	-	52,015	-
ESEA Title I -2014		398,540	-	364,809	-
Total Title I Cluster		<u>421,765</u>	<u>-</u>	<u>416,824</u>	<u>-</u>
Rural & Low Income Grant	84.358	17,858	-	17,858	-
Improving Teacher Quality	84.367	47,196	-	47,002	-
Total U.S. Department of Education		<u>681,791</u>	<u>56,411</u>	<u>676,656</u>	<u>56,411</u>
<b>Total</b>		<u>\$ 921,863</u>	<u>\$ 56,411</u>	<u>\$ 916,728</u>	<u>\$ 56,411</u>

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

**WILLIAMSBURG LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Note A – Significant Accounting Policies**

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Williamsburg Local School District's (the School District's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

**Note B – Child Nutrition Cluster**

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

**Note C – Food Donation**

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

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

December 30, 2014

Williamsburg Local School District  
Clermont County  
549-A West Main Street  
Williamsburg, Ohio 45176

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 the **Williamsburg Local School District**, Clermont 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 December 30, 2014.

***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 opinions 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the 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.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

***Perry & Associates***  
Certified Public Accountants, A.C.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

December 30, 2014

Williamsburg Local School District  
Clermont County  
549-A West Main Street  
Williamsburg, Ohio 45176

To the Board of Education:

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

We have audited the **Williamsburg Local School District's** (the School District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Williamsburg Local School District's major federal programs for the year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying schedule of audit findings identifies the School District's major federal programs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the Williamsburg Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2014.

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

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

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

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

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



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**WILLIAMSBURG LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
OMB CIRCULAR A -133 § .505  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unmodified
<i>(d)(1)(ii)</i>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Nutrition Cluster: School Breakfast Program – CFDA #10.553 & National School Lunch Program – CFDA #10.555 Title I Cluster: Title I Grants to Local Educational Agencies – CFDA #84.010
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	No

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

**WILLIAMSBURG LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i></b>
2013-001	Cash-Basis Financial Statements	Yes	N/A

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# Dave Yost • Auditor of State

**WILLIAMSBURG LOCAL SCHOOL DISTRICT**

**CLERMONT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 26, 2015**