



Dave Yost • Auditor of State

**WILLIAMSBURG LOCAL SCHOOL DISTRICT
CLERMONT COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities.....	12
Fund Financial Statements:	
Balance Sheet – Governmental Fund.....	13
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Change in Fund Balances of Governmental Funds to the Statement of Activities.....	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund	17
Statement of Fiduciary Net Assets – Fiduciary Fund.....	18
Statement of Changes in Fiduciary Net Assets – Fiduciary Fund	19
Notes to the Financial Statements	21
Federal Awards Receipts and Expenditures Schedule.....	45
Notes to Federal Awards Expenditures Schedule	46
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	47
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	49
Schedule of Finding	51
Corrective Action Plan.....	53
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	55

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Williamsburg Local School District, Clermont County, Ohio, as of June 30, 2011, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 20, during 2011 the District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The federal awards receipts and expenditures schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

April 19, 2012

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

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, 2011. 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, 2011 by \$9,333,950.
- The School District's net assets increased \$325,086 during this fiscal year's operations.
- General revenues accounted for \$8,638,925 or 76 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions and interest accounted for \$2,685,983 or 24 percent of total revenues of \$11,324,908.
- The School District had \$10,999,822 in expenses related to governmental activities; only \$2,685,983 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 the 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 assets 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 2011?" The statement of net assets and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These 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 assets and changes in those assets. The change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 7. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

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

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 assets and changes in fiduciary net assets. 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.

The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for fiscal years 2011 and 2010:

(Table 1)
Net Assets
Governmental Activities

	2011	2010	Change
Assets			
Current and Other Assets	\$6,830,843	\$7,209,203	(\$378,360)
Capital Assets, Net	9,555,383	9,687,628	(132,245)
Total Assets	16,386,226	16,896,831	(510,605)
Liabilities			
Other Liabilities	3,785,054	4,398,544	(613,490)
Long-Term Liabilities	3,267,222	3,489,423	(222,201)
Total Liabilities	7,052,276	7,887,967	(835,691)
Net Assets			
Invested in Capital Assets, Net of Related Debt	7,099,316	6,965,894	133,422
Restricted	1,300,033	1,268,968	31,065
Unrestricted	934,601	774,002	160,599
Total Net Assets	\$9,333,950	\$9,008,864	\$325,086

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

Total net assets increased \$325,086. This increase was primarily due to a decrease in deferred revenue of \$534,069 and long-term liabilities of \$222,201, which was partially offset by a decrease in cash and investments of \$296,032. Deferred revenue decreased primarily due to an increase in tax collections available for advance. Long-term liabilities decreased due primarily to principal retirements.

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 assets. 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.

(Table 2)
Change in Net Assets
Governmental Activities

	2011	2010	Change
Revenues			
Program Revenues			
Charges for Services and Sales	\$1,268,246	\$1,071,029	\$197,217
Operating Grants, Contributions, and Interest	1,417,737	1,296,797	120,940
Total Program Revenues	2,685,983	2,367,826	318,157
General Revenues			
Property Taxes	4,039,866	3,745,153	294,713
Grants and Entitlements not Restricted to Specific Programs	4,323,592	4,319,292	4,300
Gifts and Donations	11,000	44,806	(33,806)
Investment Earnings	12,572	24,790	(12,218)
Miscellaneous	251,895	247,619	4,276
Total General Revenues	8,638,925	8,381,660	257,265
Total Revenues	11,324,908	10,749,486	575,422
Program Expenses			
Instruction			
Regular	4,817,495	4,986,043	(168,548)
Special	1,442,033	1,478,054	(36,021)
Vocational	90,004	87,791	2,213
Other	25,384	26,325	(941)
Support Services			
Pupils	401,391	251,019	150,372
Instructional Staff	538,485	591,871	(53,386)
Board of Education	22,187	22,913	(726)
Administration	704,715	592,612	112,103
Fiscal	330,359	330,075	284
Operation and Maintenance of Plant	1,046,402	1,148,602	(102,200)
Pupil Transportation	632,315	606,664	25,651
Central	739	168,340	(167,601)

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

(Table 2)
Change in Net Assets
Governmental Activities
(Continued)

	2011	2010	Change
Operation of Non-Instructional Services	\$547,074	\$501,554	\$45,520
Extracurricular Activities	306,195	353,375	(47,180)
Interest and Fiscal Charges	95,044	103,380	(8,336)
Total Expenses	<u>10,999,822</u>	<u>11,248,618</u>	<u>(248,796)</u>
Change in Net Assets	325,086	(499,132)	824,218
Net Assets at Beginning of Year	<u>9,008,864</u>	<u>9,507,996</u>	<u>(499,132)</u>
Net Assets at Ending of Year	<u>\$9,333,950</u>	<u>\$9,008,864</u>	<u>\$325,086</u>

Program revenues increased \$318,157 due primarily to the receipt of federal stimulus funds. Property taxes increased \$294,713 due primarily to an increase in the emergency levy passed in May of 2009. However, property taxes are expected to decline in the future due to falling valuations and increased delinquencies.

Program expenses decreased \$248,796. Regular instruction and operation and maintenance of plant decreased \$168,548 and \$102,200, respectively, due to budget cuts. Central support services decreased by \$167,601 as administration and pupils support services increased \$112,103 and \$150,372, respectively, primarily due to the reclassification of certain expenses, mainly related to the EMIS, Title VI-B, and Federal Stimulus programs.

Governmental Activities

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.

(Table 3)
Governmental Activities

	Total Cost of Services 2011	Total Cost of Services 2010	Net Cost of Services 2011	Net Cost of Services 2010
Instruction	\$6,374,916	\$6,578,213	(\$5,305,635)	(\$5,632,043)
Support Services	3,676,593	3,712,096	(2,476,408)	(2,886,425)
Operation of Non-Instructional Services	547,074	501,554	(282,693)	(62,212)
Extracurricular Activities	306,195	353,375	(154,059)	(196,732)
Interest and Fiscal Charges	95,044	103,380	(95,044)	(103,380)
Total Expenses	<u>\$10,999,822</u>	<u>\$11,248,618</u>	<u>(\$8,313,839)</u>	<u>(\$8,880,792)</u>

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

The School District's Funds

Information about the School District's major funds starts on page 12. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$11,311,394 and expenditures of \$11,089,369. The net change in fund balance for the fiscal year was most significant in the General Fund, an increase of \$197,658, due primarily to an increase in property taxes and tuition and fees revenue, which were the result of increases in amounts available for advance and open enrollment revenues, respectively. There were also some significant decreases in expenditures due to additional budget cuts.

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 2011, 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 \$74,800 above the final budgeted amount in the General Fund.

For the General Fund, original budgeted revenues were \$8,235,877 and final budgeted revenues were \$8,273,554. This represents an increase in estimated revenue of \$37,677 due largely to an increase in expected intergovernmental revenues, which were partially offset by decreases in expectations for property tax and tuition and fees revenues. The difference between actual budget basis revenues and final budget basis revenues was \$161.

Original budgeted expenditures in the General Fund were \$8,366,974 and final budgeted expenditures were \$8,427,624. This represents an increase in estimated expenditures of \$60,650, or less than one percent. The difference between actual budget basis expenditures and final budgeted expenditures was \$74,961 due mainly to spending less than the budgeted amounts for regular and special instruction.

Capital Assets and Debt Administration

Capital Assets

The School District's investment in capital assets as of June 30, 2011 was \$9,555,383. This investment in capital assets includes land, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. Table 4 shows fiscal year 2011 balances compared to fiscal year 2010:

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

	2011	2010
Land	\$99,200	\$99,200
Construction in Progress	0	97,242
Land Improvements	214,392	163,976
Buildings and Improvements	8,468,272	8,448,616
Furniture, Fixtures and Equipment	519,568	593,438
Vehicles	253,951	285,156
Totals	\$9,555,383	\$9,687,628

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

Net capital assets decreased \$132,245 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 to the basic financial statements.

Debt

At June 30, 2011, the School District had \$2,456,067 in bonds and loans outstanding with \$276,781 due within one year. Table 5 summarizes bonds outstanding:

(Table 5)
 Outstanding Debt at June 30
 Governmental Activities

	2011	2010
General Obligation Bonds		
2008 School Improvement Bonds 3.846%	\$2,149,000	\$2,370,000
Premium on Debt Issue	31,323	35,521
Deferred Loss on Refunding	(19,701)	(22,328)
2007 Energy Conservation Loan 2.61%	295,445	340,063
Totals	\$2,456,067	\$2,723,256

The School District's overall legal debt margin was \$9,984,005 with an unvoted debt margin of \$127,317 and an energy conservation debt limit of \$850,406 at June 30, 2011.

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.

For more information on debt, refer to Note 13 to the basic financial statements.

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

District Challenges for the Future

On June 12, 2007, the Auditor of State determined that Williamsburg Local School District had met the guidelines for release from Fiscal Watch as published by the Auditor of State and the Ohio Department of Education. The release was two-fold for the School District. It was an exciting end to a long process of bringing the School District back to a financially sound status with a positive five-year forecast through 2011. However, it also presents a challenge to the School District to keep that process going so that the School District will remain financially sound beyond 2011, a challenge that is proving to be difficult in light of State budget cuts and the loss of tangible personal property taxes.

Issues of funding continue as a concern, and particularly, personal property tax revenue and changes in laws. Prior to 1999, the School District received 35 percent of total tax revenue from personal property taxes paid by businesses. In 1999, a local business, Cincinnati Milacron, representing 25 percent of the School District's tax revenue, was given a tax abatement to develop a foreign trade zone. The School District negotiated an agreement with the business to reimburse a portion of the taxes lost in the tax abatement.

Budget Bill (HB66) was passed by the State Legislators 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. Since the payment in lieu of taxes agreement with Cincinnati Milacron was based on the law, payment to the School District was reduced at the same rate. Given the School District's significant reliance on this source of revenue, its elimination will have a significant impact. Fiscal year 2009 was our final year of payment from Cincinnati Milacron and the loss of this income is impacting the school district greatly. In addition, future state and local revenues will certainly be compromised due to the ongoing economic downturn. Our tangible personal property tax reimbursement has been reduced for fiscal year 2012 with even larger reductions expected for future years. 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.

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 school year. Teaching and non-teaching staff continue to provide a quality education to students, without many of the resources available to larger school districts. All School District staff is committed to achieving excellence in all programs offered.

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 State budget concerns and 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, OH 45176, or email at kamphaus_ju@burgschools.org.

This page intentionally left blank.

Williamsburg Local School District
Statement of Net Assets
June 30, 2011

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$2,752,998
Materials and Supplies Inventory	878
Accrued Interest Receivable	1,936
Accounts Receivable	20,395
Intergovernmental Receivable	80,544
Prepaid Items	28,475
Property Taxes Receivable	3,933,283
Deferred Charges	12,334
Capital Assets:	
Nondepreciable Capital Assets	99,200
Depreciable Capital Assets, Net	9,456,183
Total Assets	16,386,226
Liabilities	
Accounts Payable	24,818
Accrued Wages and Benefits Payable	821,426
Intergovernmental Payable	231,692
Accrued Interest Payable	6,549
Matured Compensated Absences Payable	40,841
Unearned Revenue	2,659,728
Long-Term Liabilities:	
Due Within One Year	346,523
Due in More Than One Year	2,920,699
Total Liabilities	7,052,276
Net Assets	
Invested in Capital Assets, Net of Related Debt	7,099,316
Restricted For:	
Debt Service	781,312
Capital Outlay	35,310
Other Purposes	297,952
Set-Asides	185,459
Unrestricted	934,601
Total Net Assets	\$9,333,950

See the accompanying notes to the basic financial statements.

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

	Program Revenues			Net Revenues (Expenses) and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	
Governmental Activities				
Instruction				
Regular	\$4,817,495	\$425,360	\$244,605	(\$4,147,530)
Special	1,442,033	134,747	264,569	(1,042,717)
Vocational	90,004	0	0	(90,004)
Other	25,384	0	0	(25,384)
Support Services				
Pupils	401,391	4,569	195,833	(200,989)
Instructional Staff	538,485	3,330	154,188	(380,967)
Board of Education	22,187	0	0	(22,187)
Administration	704,715	0	296,230	(408,485)
Fiscal	330,359	0	0	(330,359)
Operation and Maintenance of Plant	1,046,402	270,455	219,678	(556,269)
Pupil Transportation	632,315	55,902	0	(576,413)
Central	739	0	0	(739)
Operation of Non-Instructional Services	547,074	264,381	0	(282,693)
Extracurricular Activities	306,195	109,502	42,634	(154,059)
Interest and Fiscal Charges	95,044	0	0	(95,044)
Total Governmental Activities	\$10,999,822	\$1,268,246	\$1,417,737	(8,313,839)
		General Revenues		
		Property Taxes Levied for		
		General Purposes		3,672,271
		Debt Service		317,548
		Capital Outlay		50,047
		Grants and Entitlements not Restricted to Specific Programs		4,323,592
		Gifts and Donations		11,000
		Investment Earnings		12,572
		Miscellaneous		251,895
		Total General Revenues		8,638,925
		Change in Net Assets		325,086
		Net Assets Beginning of Year		9,008,864
		Net Assets End of Year		\$9,333,950

See the accompanying notes to the basic financial statements.

Williamsburg Local School District
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$1,525,116	\$674,496	\$367,927	\$2,567,539
Materials and Supplies Inventory	0	0	878	878
Accrued Interest Receivable	1,936	0	0	1,936
Accounts Receivable	19,695	0	700	20,395
Intergovernmental Receivable	0	0	80,544	80,544
Prepaid Items	28,475	0	0	28,475
Property Taxes Receivable	3,574,428	310,001	48,854	3,933,283
Restricted Assets:				
Equity in Pooled Cash and Investments	185,459	0	0	185,459
Total Assets	\$5,335,109	\$984,497	\$498,903	\$6,818,509
Liabilities				
Accounts Payable	\$23,058	\$0	\$1,760	\$24,818
Accrued Wages and Benefits Payable	660,468	0	160,958	821,426
Intergovernmental Payable	192,056	0	39,636	231,692
Matured Compensated Absences Payable	40,841	0	0	40,841
Unearned Revenue	2,763,128	238,301	82,752	3,084,181
Total Liabilities	3,679,551	238,301	285,106	4,202,958
Fund Balances				
Nonspendable:				
Prepaid Items	28,475	0	0	28,475
Inventory	0	0	878	878
Restricted for:				
Capital Projects and Maintenance	0	0	192,946	192,946
Food Service	0	0	45,849	45,849
Other Purposes	0	0	5,638	5,638
Set-Asides	185,459	0	0	185,459
Debt Service	0	746,196	0	746,196
Extracurricular Activities	0	0	46,464	46,464
Committed to:				
Other Purposes	1,067	0	0	1,067
Severance Payments	81,715	0	0	81,715
Assigned to:				
Other Purposes	32,228	0	0	32,228
Student and Staff Support	26,921	0	0	26,921
Unassigned	1,299,693	0	(77,978)	1,221,715
Total Fund Balances	1,655,558	746,196	213,797	2,615,551
Total Liabilities and Fund Balances	\$5,335,109	\$984,497	\$498,903	\$6,818,509

See the accompanying notes to the basic financial statements.

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

Total Governmental Fund Balances		\$2,615,551
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		\$9,555,383
<p>Some of the District's revenues will be collected after fiscal year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.</p>		
Property taxes	379,355	
Intergovernmental	45,098	
Total	424,453	424,453
Bond issuance costs reported as an expenditure in governmental funds are allocated as an expense over the life of the debt on a full accrual basis.		12,334
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, as interest expenditure is reported when due.		(6,549)
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:</p>		
Bonds payable	(2,149,000)	
Premium on refunding	(31,323)	
Deferred loss on refunding	19,701	
Loan payable	(295,445)	
Special termination benefits	(28,638)	
Compensated absences	(782,517)	
Total	(3,267,222)	(3,267,222)
Net Assets of Governmental Activities		\$9,333,950

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, 2011

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$3,678,866	\$318,216	\$50,132	\$4,047,214
Intergovernmental	4,294,814	46,359	1,336,660	5,677,833
Interest	12,308	0	264	12,572
Tuition and Fees	662,610	0	0	662,610
Rent	244,132	0	1,909	246,041
Extracurricular Activities	9,696	0	97,685	107,381
Gifts and Donations	19,420	0	34,214	53,634
Customer Sales and Services	212	0	252,002	252,214
Miscellaneous	212,389	0	39,506	251,895
Total Revenues	9,134,447	364,575	1,812,372	11,311,394
Expenditures				
Current				
Instruction				
Regular	4,376,574	0	272,514	4,649,088
Special	1,201,757	0	214,826	1,416,583
Vocational	85,612	0	0	85,612
Other	25,384	0	0	25,384
Support Services				
Pupils	135,216	0	260,474	395,690
Instructional Staff	341,536	0	147,065	488,601
Board of Education	22,187	0	0	22,187
Administration	314,768	0	367,022	681,790
Fiscal	312,705	7,871	750	321,326
Operation and Maintenance of Plant	918,979	0	49,359	968,338
Pupil Transportation	563,504	0	0	563,504
Central	0	0	739	739
Operation of Non-Instructional Services	25,033	0	487,088	512,121
Extracurricular Activities	62,694	0	228,325	291,019
Capital Outlay	230,270	0	75,782	306,052
Debt Service				
Principal Retirement	44,618	221,000	0	265,618
Interest and Fiscal Charges	8,817	86,900	0	95,717
Total Expenditures	8,669,654	315,771	2,103,944	11,089,369
Excess of Revenues Over (Under) Expenditures	464,793	48,804	(291,572)	222,025
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	500	0	0	500
Transfers In	0	0	267,635	267,635
Transfers Out	(267,635)	0	0	(267,635)
Total Other Financing Sources (Uses)	(267,135)	0	267,635	500
Net Change in Fund Balances	197,658	48,804	(23,937)	222,525
Beginning Fund Balances, July 1 - Restated	1,457,900	697,392	237,734	2,393,026
Ending Fund Balances, June 30	\$1,655,558	\$746,196	\$213,797	\$2,615,551

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, 2011*

Net Change in Fund Balances - Total Governmental Funds \$222,525

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

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

Capital asset additions	306,052	
Depreciation expense	(422,110)	
Total	(116,058)	(116,058)

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. (16,187)

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

Delinquent property taxes	(7,348)	
Intergovernmental	20,851	
Total	13,503	13,503

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

Amortization of bond issuance costs	1,571	
Amortization of bond premium	(4,198)	
Total	(2,627)	(2,627)

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

Bond principal retirement	221,000	
Loan principal retirement	44,618	
Total	265,618	265,618

In the statement of activities, interest accrued on outstanding bonds and bond issuance costs 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	673	
Amortization of deferred amount on refunding	2,627	
Total	3,300	3,300

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 special termination benefits	(1,363)	
Increase in compensated absences	(43,625)	
Total	(44,988)	(44,988)

Change in Net Assets of Governmental Activities		\$325,086
---	--	-----------

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, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$3,291,347	\$3,254,266	\$3,254,266	\$0
Intergovernmental	4,237,507	4,294,818	4,294,814	(4)
Interest	24,770	11,497	11,914	417
Tuition and Fees	626,520	646,742	646,604	(138)
Rent	18,738	19,900	19,899	(1)
Gifts and Donations	1,025	11,435	11,000	(435)
Miscellaneous	35,970	34,896	34,896	0
Total Revenues	8,235,877	8,273,554	8,273,393	(161)
Expenditures				
Current				
Instruction				
Regular	4,567,864	4,372,981	4,346,962	26,019
Special	1,098,576	1,254,865	1,237,474	17,391
Vocational	79,574	84,510	83,676	834
Other	28,215	27,415	26,830	585
Support Services				
Pupils	99,844	140,277	135,737	4,540
Instructional Staff	342,050	363,836	357,920	5,916
Board of Education	21,075	22,951	22,046	905
Administration	361,372	330,256	325,042	5,214
Fiscal	314,563	321,017	317,935	3,082
Operation and Maintenance of Plant	787,076	713,114	709,337	3,777
Pupil Transportation	450,556	576,377	569,682	6,695
Extracurricular Activities	0	3,596	3,595	1
Capital Outlay	216,209	216,429	216,427	2
Total Expenditures	8,366,974	8,427,624	8,352,663	74,961
Excess of Revenues Over (Under) Expenditures	(131,097)	(154,070)	(79,270)	74,800
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	500	500	0
Transfers Out	(326,635)	(326,635)	(326,635)	0
Total Other Financing Sources (Uses)	(326,635)	(326,135)	(326,135)	0
Net Change in Fund Balance	(457,732)	(480,205)	(405,405)	74,800
Beginning Fund Balances, July 1 - Restated	1,501,668	1,501,668	1,501,668	0
Prior Year Encumbrances Appropriated - Restated	181,407	181,407	181,407	0
Ending Fund Balances, June 30	\$1,225,343	\$1,202,870	\$1,277,670	\$74,800

See the accompanying notes to the basic financial statements.

Williamsburg Local School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Investments	\$8,701	\$43,391
Liabilities		
Undistributed Monies		\$43,391
Net Assets		
Held in Trust for Scholarships	\$8,701	

See the accompanying notes to the basic financial statements.

Williamsburg Local School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2011

	Private Purpose Trust
	Scholarship
Additions	
Gifts and Donations	\$5,109
Miscellaneous	5,914
Total Additions	11,023
Deductions	
Payments in Accordance With Trust Agreements	6,157
Total Deductions	6,157
Change in Net Assets	4,866
Net Assets Beginning of Year	3,835
Net Assets End of Year	\$8,701

See the accompanying notes to the basic financial statements.

This page intentionally left blank.

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

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 48 non-certified, 57 teaching personnel and 5 administrative employees providing education to 1,043 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 15 and 16 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 School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District’s accounting policies are described below.

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

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 assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

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

The Statement of Net Assets presents the financial condition of the governmental activities of the School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and 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.

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

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 assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's 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 and liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

Fund Financial Statements

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

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 revenue, and in the presentation of expenses versus expenditures.

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

Unearned/Deferred Revenue

Unearned/deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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

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

Expenses/Expenditures

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

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

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.

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

Note 2 – Summary of Significant Accounting Policies (Continued)

During fiscal year 2011, the School District invested in the State Treasury Asset Reserve of Ohio (STAROhio), the Fifth Third Institutional Government Money Market Mutual Fund, a Repurchase Agreement, the First American Government Obligation Money Market Mutual Fund, negotiable certificates of deposit, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Association Notes, and U.S. Treasury bills. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost. For investments in open-end mutual funds, the fair value is determined by the fund's current share price. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2011.

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 All Other Governmental Funds during fiscal year 2011 amounted to \$12,308 and \$264, 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, 2011, 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.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent cash equivalents legally required to be set-aside by the School District for textbooks and instructional materials.

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 assets but are not reported in the fund financial statements.

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

Note 2 – Summary of Significant Accounting Policies (Continued)

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, 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 and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current 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.

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.

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Bond Premiums/Issuance Costs

In the government-wide financial statements, bond premiums and issuance costs 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 Assets

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

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are 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, 2011

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

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.

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.

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 assets. The School District had no interfund receivables/payables outstanding at June 30, 2011.

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.

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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).

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

Note 3 – Budgetary Basis of Accounting (Continued)

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$197,658
Revenue Accruals	(444,489)
Expenditure Accruals	(153,330)
Encumbrances	(43,874)
(Excess) Deficit of Funds Combined with General Fund for Reporting Purposes	<u>38,630</u>
Budget Basis	<u>(\$405,405)</u>

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.

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;

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

Note 4 – Deposits and Investments (Continued)

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 (STAROhio); 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.

Deposits

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

As of June 30, 2011, the School District’s bank balance of \$913,000 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, 2011, the School District had the following investments, which are in an internal investment pool:

	Fair Value	Maturity	Percent of Total Investments
STAROhio	\$338,399	N/A	12.09%
First American Government Obligation Money Market Mutual Fund	3,591	N/A	0.13%
Repurchase Agreement Fifth Third Institutional Government Money Market Mutual Fund	464,355	Less than one year	21.07%
Negotiable Certificates of Deposits	690	N/A	0.00%
U.S. Treasuries	663,000	Less than one year	23.68%
Federal Home Loan Bank	149,802	Less than one year	5.35%
Federal Home Loan Bank	104,899	Less than one year	3.75%
Federal Home Loan Bank	119,742	One to two years	4.27%
Federal Home Loan Mortgage Corp.	505,150	One to two years	18.04%
Federal Home Loan Mortgage Corp.	125,041	Three to five years	4.47%
Federal National Mortgage Assn.	125,038	One to two years	4.47%
Federal National Mortgage Assn.	74,989	Three to five years	2.68%
Total Investments	<u>\$2,674,696</u>		

Note 4 – Deposits and Investments (Continued)

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.

Credit Risk

STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The Fifth Third Institutional Government and First American Government Obligation Money Market Mutual Funds and Federal Home Loan Bank, Federal Home Loan Mortgage Corp., and Federal National Mortgage Assn. notes, and U.S. Treasury bills all carry Aaa ratings by Moody's. The repurchase agreement is invested in Goldman Sachs Financial Square Government Fund, which carries an Aaa rating by Moody'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 2011 represent the collection of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed values as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

Note 5 – Property Taxes (Continued)

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

Tangible personal property tax revenues received in calendar year 2011 (other than public utility property) represent the collection of calendar year 2011 taxes levied against local and interexchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after October 1, 2010, on the value as of December 31, 2010. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from 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, 2011, are available to finance fiscal year 2011 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2011, 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 revenue.

The amount available as an advance at June 30, 2011, was \$811,300 in the General Fund, \$71,700 in the Debt Service Fund and \$11,200 in the All Other Governmental Funds. The amount available as an advance at June 30, 2010, was \$386,700 in the General Fund, \$34,100 in the Debt Service Fund, and \$5,300 in the All 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 2011 taxes were collected are:

	2010 Second-Half Collections		2011 First-Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$122,299,550	96.38%	\$122,570,810	96.27%
Public Utility Personal	4,444,690	3.50%	4,745,960	3.73%
General Business Personal	149,617	0.12%	0	0.00%
Total Assessed Value	\$126,893,857	100.00%	\$127,316,770	100.00%
Tax rate per \$1,000 of assessed value	\$48.17		\$48.17	

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

Note 6 - Receivables

Receivables at June 30, 2011, consisted of accrued interest, accounts, intergovernmental, 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:

	Amount
<i>Governmental Activities</i>	
Title I	\$72,637
Improving Teacher Quality	3,331
Technology	331
ARRA Title I	4,226
ARRA Special Education	19
Total Intergovernmental Receivable	\$80,544

Note 7 – Capital Assets

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

	Balance at 6/30/10	Additions	Deductions	Balance at 6/30/11
<i>Governmental Activities</i>				
Capital Assets Not Being Depreciated:				
Land	\$99,200	\$0	\$0	\$99,200
Construction in Progress	97,242	0	97,242	0
Total Capital Assets Not Being Depreciated	196,442	0	97,242	99,200
Capital Assets Being Depreciated:				
Land Improvements	1,540,967	76,792	(5,800)	1,611,959
Buildings and Improvements	12,390,087	277,921	(40,916)	12,627,092
Furniture, Fixtures, and Equipment	1,583,447	29,793	(4,316)	1,608,924
Vehicles	839,877	18,788	0	858,665
Total Capital Assets Being Depreciated	16,354,378	403,294	(51,032)	16,706,640
Less Accumulated Depreciation				
Land Improvements	(1,376,991)	(20,721)	145	(1,397,567)
Buildings and Improvements	(3,941,471)	(248,938)	31,589	(4,158,820)
Furniture, Fixtures, and Equipment	(990,009)	(102,458)	3,111	(1,089,356)
Vehicles	(554,721)	(49,993)	0	(604,714)
Total Accumulated Depreciation	(6,863,192)	(422,110)	34,845	(7,250,457)
Total Capital Assets Being Depreciated, Net	9,491,186	(18,816)	16,187	9,456,183
Governmental Activities Capital Assets, Net	\$9,687,628	(\$18,816)	\$113,429	\$9,555,383

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

Note 7 – Capital Assets (Continued)

Depreciation was charged to the following governmental functions:

Instruction:	
Regular	\$169,350
Special	15,995
Vocational	1,999
Support Services:	
Pupils	1,999
Instructional Staff	37,401
Administration	16,905
Fiscal	6,555
Operation and Maintenance of Plant	62,724
Pupil Transportation	65,070
Operation of Non-Instructional Services	29,726
Extracurricular Activities	14,386
Total Depreciation Expense	<u>\$422,110</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 2011, 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 in last year.

Workers' Compensation

For fiscal year 2011, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 16). 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 Sheakley Uniservice, Inc. provides administrative, cost control, and actuarial services to the GRP.

Employee Benefits

For fiscal year 2011, the School District participated in the Clermont County Insurance Consortium (the Consortium), a group insurance purchasing pool (see Note 16), 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 may be obtained on SERS’ website at www.ohsers.org under Employers/Audit Resources.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% 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, 2011, the allocation to pension and death benefits is 11.81%. The remaining 2.19% of the 14% 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, 2011, 2010, and 2009 were \$153,403, \$201,570, and \$108,457, respectively; 48.86 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

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 unless they permanently select the DC or Combined Plan.

Note 9 – Defined Benefit Pension Plans (Continued)

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% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who 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% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

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

Benefits are increased annually by 3% of the original base amount for 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 these active members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the 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.

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

Note 9 – Defined Benefit Pension Plans (Continued)

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

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2011, were 10% of covered payroll for members and 14% for employers. The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$518,232, \$491,445, and \$481,035, respectively; 82.82 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. 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 2010 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.

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, 2011, 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.

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 2011 was \$96.40 for most participants, but could be as high as \$369.10 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2011, the actuarially required allocation is 0.76%. The School District contributions for the years ended June 30, 2011, 2010, and 2009 were \$9,123, \$10,942, and \$8,949, respectively; 48.86 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

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.

Note 10 – Postemployment Benefits (Continued)

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% contribution to the Health Care Fund. For the year ended June 30, 2011, the health care allocation is 1.43%. 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% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% 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, 2011, 2010, and 2009 were \$36,612, \$6,623, and \$74,353, 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 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.

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 benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting 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% employer contribution rate, 1% of covered payroll was allocated to post-employment health care for the years ended June 30, 2011, 2010, and 2009. The 14% 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, 2011, 2010, and 2009 were \$39,864, \$35,103, and \$37,003, respectively; 82.82 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

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

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.

Note 12 – Special Termination Benefits Payable

For certified employees, the School District is offering a special termination benefit during the first year that an employee becomes eligible to retire. The benefit is 60 percent (if the employee elects to receive the money in four payments) or 50 percent (if the employee elects to receive the money in three payments) of accrued, but unused sick leave, up to a maximum payment of 180 and 150 days, respectively. Payment will be made each July with the first being made the year the member retires. If certified employees do not elect retirement in their first year of eligibility, payment is made for 25 percent (if the employee elects to receive the money in one payment) or 35 percent (if the employee elects to receive the money in two payments) of accrued, but unused sick leave credit to a maximum payment of 75 and 105 days, respectively. During fiscal year 2011, \$18,637 in special termination benefits were paid.

For fiscal year 2011, the School District implemented an additional early retirement incentive to eligible employees in the amount of \$10,000 payable in two installments, with the first payment to be made within 15 days of receipt of written confirmation from STRS that the employee is retired and receiving benefits. The second payment is to be made the following January.

The outstanding balance at June 30, 2011 was \$28,638. Of this balance, \$23,638 will be paid on July 15, 2011 and \$5,000 will be paid on January 15, 2012.

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

Note 13 – Long-Term Obligations

The changes in the School District’s long-term obligations during fiscal year 2011 were as follows:

	Amount Outstanding 6/30/10	Additions	Deductions	Amount Outstanding 6/30/11	Amounts Due Within One Year
<i>Governmental Activities</i>					
2008 School Improvement General Obligation Refunding Bonds – 3.846%	\$2,370,000	\$0	\$221,000	\$2,149,000	\$231,000
Premium on Debt Issue	35,521	0	4,198	31,323	0
Deferred Loss on Refunding	(22,328)	0	(2,627)	(19,701)	0
2007 Energy Conservation Loan – 2.61%	340,063	0	44,618	295,445	45,781
Total Long-Term Bonds and Loan	2,723,256	0	267,189	2,456,067	276,781
Compensated Absences	738,892	69,451	25,826	782,517	41,104
Special Termination Benefits	27,275	20,000	18,637	28,638	28,638
Total Governmental Activities Long- Term Obligations	\$3,489,423	\$89,451	\$311,652	\$3,267,222	\$346,523

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.

Compensated absences and special termination benefits 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 \$9,984,005 with an unvoted debt margin of \$127,317 and an energy conservation debt limit of \$850,406 at June 30, 2011.

Principal and interest requirements to retire debt outstanding at June 30, 2011, are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		Energy Conservation Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$231,000	\$78,208	\$45,781	\$7,653	\$276,781	\$85,861
2013	241,000	69,132	46,977	6,458	287,977	75,590
2014	251,000	59,671	48,203	5,232	299,203	64,903
2015	262,000	49,806	49,461	3,974	311,461	53,780
2016	273,000	39,518	50,751	2,684	323,751	42,202
2017-2019	891,000	52,324	54,272	1,359	945,272	53,683
Total	\$2,149,000	\$348,659	\$295,445	\$27,360	\$2,444,445	\$376,019

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

Note 14 – Set-Aside Calculations

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

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

	Textbooks and Instructional Materials	Capital Acquisitions
Set-Aside Balance as of June 30, 2010	\$201,287	\$0
Current Fiscal Year Set-Aside Requirement	149,406	149,406
Current Fiscal Year Offsets	0	(149,406)
Qualifying Disbursements	(165,234)	(156,358)
Totals	\$185,459	(\$156,358)
Set-Aside Balance Carried Forward to Future Fiscal Years	\$185,459	\$0
Set-Aside Balance as of June 30, 2011	\$185,459	\$0

Amounts of offsets and qualifying disbursements presented in the table for capital improvements 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 improvements during the fiscal year, this extra amount may not be used to reduce the set-aside requirements of future fiscal years.

Note 15 – 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 \$17,712 for services provided during the fiscal year. Complete financial statements for H/CCA can be obtained from Al Porter, Director, at their administrative offices at 7615 Harrison Avenue, Cincinnati, Ohio 45231.

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.

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

Note 16 – Insurance Purchasing Pools

Clermont County Insurance Consortium

The Clermont County Insurance Consortium (the Consortium), an insurance purchasing pool, is an insurance consortium formed to provide affordable and desirable dental, life, medical, and other disability group insurance for members' employees, eligible dependents and designated beneficiaries of such employees. The Board of Directors consists of one representative from each of the participating members and is elected by the vote of a majority of the member school districts. The School District pays premiums to a third party administrator, Southwestern Ohio Educational Purchasing Council, which in turn buys the insurance policies from various insurance companies. Upon termination, the School District is responsible for prompt payment of all plan liabilities accruing as a result of such termination and maintains no right to any assets of the Consortium. The School District may terminate participation in the Consortium for the benefit of its employees upon written notice to the Trustee delivered at least 60 days prior to the annual review date of the policy. Financial information can be obtained from Dr. Alexander, Administrator of the Clermont County Insurance Consortium, at 2400 Clermont Center Drive, Suite 202, Batavia, OH 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 17 – Interfund Activity

Interfund Transfers

Transfers made during the fiscal year ended June 30, 2011, were as follows:

	Transfers To	Transfers From
General Fund	\$0	\$267,635
Other Governmental Funds	267,635	0
Total	<u>\$267,635</u>	<u>\$267,635</u>

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

Note 18 - 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, 2011.

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

Note 18 – Contingencies (Continued)

Litigation

The School District is not currently party to legal proceedings.

Note 19 - Accountability

At June 30, 2011, the Miscellaneous State Grants, Education Jobs, Federal Stimulus, Title I, and Improving Teacher Quality Nonmajor Special Revenue Funds had deficit fund balances of \$5, \$43,632, \$24,829, \$8,230, and \$1,282, respectively, which were created by the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 20 – Change in Accounting Principles and Restatement of Beginning Fund Balances

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, which the School District has implemented for the fiscal year ended June 30, 2011. This pronouncement does not affect the calculation of the School District’s fund balances but does shift the focus of fund balance reporting from the availability of fund resources for budgeting to the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in funds can be spent (see Note 2).

As a result of the implementation of GASB Statement No. 54, certain funds previously reported as Special Revenue Funds were reclassified to the General Fund. These reclassifications had the following effect on beginning fund balances:

	General Fund	Other Governmental Funds
Fund Balance, June 30, 2010	\$1,389,456	\$306,178
Fund Reclassification		
Uniform School Supplies Fund	68,444	(68,444)
Restated Fund Balance, July 1, 2010	\$1,457,900	\$237,734

This reclassification had no effect on government-wide net assets.

Beginning balances were restated in the budgetary presentation for the General Fund to adhere to the new pronouncement, wherein it is specified that only the legally adopted budget should be included in the budgetary presentation for the General Fund and that additional revenues and expenditures pertaining to the other funds result from perspective differences and should be explained in the reconciliation of the budgetary information to generally accepted accounting principles. In prior fiscal years, certain funds were reported as part of the General Fund and were also included within the budgetary presentation. This restatement removed those funds’ balances from the budgetary presentation.

Note 21 – Subsequent Event

On March 6, 2012, the School District issued \$525,000 of general obligations energy conservation bonds.

**WILLIAMSBURG LOCAL SCHOOL DISTRICT
CLERMONT COUNTY**

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

FEDERAL GRANTOR Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education</i>						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	05-PU-2011	10.555		\$64,458		\$64,458
Cash Assistance:						
National School Breakfast Program	LL-P4-2011	10.553	55,172		55,172	
National School Lunch Program		10.555	160,020		160,020	
Total Nutrition Cluster			<u>215,192</u>	<u>64,458</u>	<u>215,192</u>	<u>64,458</u>
Total U.S. Department of Agriculture			<u>215,192</u>	<u>64,458</u>	<u>215,192</u>	<u>64,458</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education</i>						
Special Education Cluster:						
IDEA Part B	6B-SF-2011	84.027	187,243		187,243	
IDEA Part B - Stimulus		84.391	22,446		22,446	
Total Special Education Cluster			<u>209,689</u>		<u>209,689</u>	
Title I Cluster:						
ESEA Title I	C1-S1-2011	84.010	210,907		202,563	
	C1-S1-2010		39,052		36,505	
ESEA Title I - Stimulus	C1-S1-2010	84.389	10,851		10,864	
	C1-S1-2011		59,239		56,843	
Total Title I Cluster			<u>320,049</u>		<u>306,775</u>	
Fiscal Stabilization		84.394	309,020		309,384	
Ed Jobs		84.394	204,448		204,448	
Drug Free Schools Grant	DR-S1-2010	84.386	758			
Title II-D Technology	TJ-S1-2011	84.318	1,320		1,099	
Improving Teacher Quality	TR-S1-2011	84.367	48,136		43,783	
	TR-S1-2010		935		950	
Learn and Serve America	2011	94.004	3,000		3,000	
	2010				1,886	
Total U.S. Department of Education			<u>1,097,355</u>	<u>64,458</u>	<u>1,081,014</u>	<u>64,458</u>
Total			<u><u>\$1,312,547</u></u>	<u><u>\$64,458</u></u>	<u><u>\$1,296,206</u></u>	<u><u>\$64,458</u></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
FISCAL YEAR ENDED JUNE 30, 2011**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Williamsburg Local School District's (the 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 District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Williamsburg Local School District, Clermont County, Ohio (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 19, 2012, wherein we noted the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated April 19, 2012.

We intend this report solely for the information and use of management, the audit committee, board of education, and federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.

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

Dave Yost
Auditor of State

April 19, 2012



Dave Yost • Auditor of State

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

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

To the Board of Education:

Compliance

We have audited the compliance of Williamsburg Local School District, Clermont County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the year ended June 30, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the District's compliance based on our audit.

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

As described in finding 2011-001 in the accompanying schedule of findings, the District did not comply with requirements regarding reporting on the federal schedule applicable to its State Fiscal Stabilization major federal program. Compliance with this requirement is necessary, in our opinion, for the District to comply with requirements applicable to this program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Williamsburg Local School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, we cannot assure we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2011-001 to be a material weakness.

We also noted a matter involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated April 19, 2012.

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

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



Dave Yost
Auditor of State

April 19, 2012

**WILLIAMSBURG LOCAL SCHOOL DISTRICT
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified – State Fiscal Stabilization (84.394) Unqualified – Title 1 (84.010, 84.389)
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	Yes
(d)(1)(vii)	Major Programs (list):	CFDA#84.010,84.389 Title 1; CFDA #84.394 State Fiscal Stabilization
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

1. Federal Schedule

Finding Number	2011-001
CFDA Title and Number	CFDA #84.394 State Fiscal Stabilization
Federal Award Number / Year	2010/2011
Federal Agency	US Department of Education
Pass-Through Agency	Ohio Department of Education

Noncompliance and Material Weakness

Office of Management and Budget (OMB) Circular A-133 Subpart C, Section .310(b) states, in part, that the auditee shall prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements.

Office of Management and Budget (OMB) Circular A-133 Subpart C Section .300 states, in pertinent part, that the auditee shall:

- a. Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the federal agency, and name of the pass-through entity. (d) prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §_.310.

While the District prepared a Schedule of Federal Awards Receipts and Expenditures (the Schedule), this schedule was not complete. Three Federal programs amounting to \$518,718 of federal expenditures were not included on the Schedule and of this total \$513,832 is ARRA (stimulus money) and \$4,886 in non ARRA. These programs included the State Fiscal Stabilization, Ed Jobs and Learn and Service America. The State Fiscal Stabilization monies were considered a major program, while the Ed Jobs and Learn and Serve America were not major programs.

We recommend the District exercise due care in the preparation and completion of the Schedule. The Treasurer should compare programs to the prior year schedule and to supporting accounting and grant records and follow up on any discrepancies.

Officials' Response:

The district will exercise due care in the preparation and completion of the Federal schedule, as it has in the past, while continuing to follow all federal requirements on the spending of and the timeliness of those funds. For complete transparency, it should be noted that the Treasurer was complimented by the auditors several times during the audit period about the District's total compliance with all Federal stimulus funds requirements. This qualified opinion and internal control weakness refers only to the fact that the Federal Stimulus funds were erroneously not included on one closing document, the Federal Schedule, of which the auditor uses to plan the scope of the audit. In all other respects, all federal grants were spent properly and reported properly.

**WILLIAMSBURG LOCAL SCHOOLS
CLERMONT COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
FISCAL YEAR END, JUNE 30, 2011**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2011-001	<p>The district will exercise due care in the preparation and completion of the Federal schedule, as it has in the past, while continuing to follow all federal requirements on the spending of and the timeliness of those funds. In addition, the treasurer will continue to report those funds, correctly as done in the past, in their entirety, to the Auditor of State's Stimulus Tracker, to the Federal ARRA 1512 reporting, on the State's Comprehensive Continuous Improvement Planning Application Budget documents and Final expenditure reports, on the district's five year forecast, and anywhere else the powers that be demand those totals be reported. For complete and total transparency, it should be noted that the Treasurer was complimented by the auditors several times during the audit period about the District's total compliance with all Federal stimulus funds requirements. This citation only refers to the fact that the Stimulus amounts were erroneously not included on one closing document, of which the auditor uses.</p>	April 12, 2012	Julie Kamphaus

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

To the Board of Education:

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

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

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

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

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

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

Dave Yost
Auditor of State

April 19, 2012

This page intentionally left blank.



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
MAY 10, 2012**