

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
WILLIAMSBURG, IOWA

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2010

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WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
(Before September 2009 Election)		
Tom Claypool	President	2011
James McMillin	Vice President	2009
Dianne Foley	Board Member	2009
Darren Spenler	Board Member	2009
Mark Armstrong	Board Member	2011
<u>Board of Education</u>		
(After September 2009 Election)		
Tom Claypool	President	2011
Dianne Foley	Vice President	2013
Mark Armstrong	Board Member	2011
Darren Spenler	Board Member	2013
Matt Blythe	Board Member	2013
<u>School Officials</u>		
Dr. Carol Montz	Superintendent	2012
Kathryn McMann	District Secretary/Treasurer	2010
Tom Buchanan	Attorney	Indefinite
Andrew Bracken	Attorney	Indefinite

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Williamsburg Community School District:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Williamsburg Community School District, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that 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, the business-type activities, each major fund, and the aggregate remaining fund information of Williamsburg Community School District at June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2010 on our consideration of Williamsburg Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Budgetary Comparison Information and Schedule of Funding Progress for the Retiree Health Plan on pages 38 through 40 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The District has not presented management's discussion and analysis which introduces the basic financial statements by presenting certain financial information as well as management's analytical insights on that information that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Williamsburg Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the five years ended June 30, 2009 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 5, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of District management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Oskaloosa, Iowa
December 2, 2010

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Basic Financial Statements

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS
June 30, 2010

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and pooled investments	\$ 2,592,073	\$ 84,746	\$ 2,676,819
Receivables:			
Property tax:			
Current year	85,844	-	85,844
Succeeding year	4,237,639	-	4,237,639
Income surtax	446,389	-	446,389
Due from other governments	348,547	-	348,547
Inventories	-	15,233	15,233
Prepaid expenses	303	-	303
Capital assets, net of accumulated depreciation (note 4)	10,902,185	63,164	10,965,349
Total assets	18,612,980	163,143	18,776,123
Liabilities			
Accounts payable	303,787	-	303,787
Salaries and benefits payable	7,051	-	7,051
Deferred revenue:			
Succeeding year property tax	4,237,639	-	4,237,639
Other	64,467	8,150	72,617
Long-term liabilities (notes 5 and 6):			
Portion due within one year:			
Early retirement	43,688	-	43,688
Asbestos loan	10,096	-	10,096
Portion due after one year:			
Early retirement	124,275	-	124,275
Net OPEB liability	211,441	-	211,441
Total liabilities	5,002,444	8,150	5,010,594

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS
June 30, 2010

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net Assets			
Invested in capital assets, net of related debt	\$ 10,892,089	\$ 63,164	\$ 10,955,253
Restricted for:			
Categorical funding (note 10)	148,287	-	148,287
Management levy	130,090	-	130,090
Physical plant and equipment levy	49,587	-	49,587
Other special revenue purposes	135,682	-	135,682
Capital projects	511,245	-	511,245
Unrestricted	<u>1,743,556</u>	<u>91,829</u>	<u>1,835,385</u>
Total net assets	<u>\$ 13,610,536</u>	<u>\$ 154,993</u>	<u>\$ 13,765,529</u>

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 7,852,756	\$ 1,053,978	\$ 1,111,870	\$ -
Support services:				
Student services	168,165	39,011	6,722	-
Instructional staff services	288,404	-	71,391	-
Administration services	968,208	-	-	-
Operation and maintenance of plant services	882,563	5,010	-	-
Transportation services	560,798	-	36,544	-
	<u>2,868,138</u>	<u>44,021</u>	<u>114,657</u>	<u>-</u>
Other expenditures:				
Facilities acquisition	338,341	-	-	92,000
Long-term debt interest and fiscal charges	8,169	-	-	-
AEA flowthrough	434,225	434,225	-	-
Depreciation (unallocated) *	320,358	-	-	-
	<u>1,101,093</u>	<u>434,225</u>	<u>-</u>	<u>92,000</u>
Total governmental activities	<u>11,821,987</u>	<u>1,532,224</u>	<u>1,226,527</u>	<u>92,000</u>
Business-Type Activities:				
Support services:				
Food service operations	4,244	-	-	-
Non-instructional programs:				
Food service operations	549,768	404,259	182,788	-
Total business-type activities	<u>554,012</u>	<u>404,259</u>	<u>182,788</u>	<u>-</u>
Total	<u>\$ 12,375,999</u>	<u>\$ 1,936,483</u>	<u>\$ 1,409,315</u>	<u>\$ 92,000</u>

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (5,686,908)	\$ -	\$ (5,686,908)
(122,432)	-	(122,432)
(217,013)	-	(217,013)
(968,208)	-	(968,208)
(877,553)	-	(877,553)
(524,254)	-	(524,254)
(2,709,460)	-	(2,709,460)
(246,341)	-	(246,341)
(8,169)	-	(8,169)
-	-	-
(320,358)	-	(320,358)
(574,868)	-	(574,868)
(8,971,236)	-	(8,971,236)
-	(4,244)	(4,244)
-	37,279	37,279
-	33,035	33,035
(8,971,236)	33,035	(8,938,201)

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2010

Functions/Programs

General Revenues:

Property tax levied for:

General purposes

Capital outlay

Income surtax

Statewide sales and services tax

Unrestricted state grants

Unrestricted investment earnings

Other

Total general revenues

Change in net assets

Net assets beginning of year

Net assets end of year

* = This amount excludes the depreciation included
in the direct expenses of the various programs.

See notes to financial statements.

Net (Expense) Revenue
and Changes in Net Assets

<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
\$ 3,745,010	\$ -	\$ 3,745,010
107,463	-	107,463
421,291	-	421,291
830,330	-	830,330
4,065,950	-	4,065,950
34,442	461	34,903
47,622	-	47,622
<hr/>		
9,252,108	461	9,252,569
<hr/>		
280,872	33,496	314,368
<hr/>		
13,329,664	121,497	13,451,161
<hr/>		
<u>\$ 13,610,536</u>	<u>\$ 154,993</u>	<u>\$ 13,765,529</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

	General	Special Revenue Physical Plant and Equipment Levy	Nonmajor	Total
Assets				
Cash and pooled investments	\$ 1,596,578	\$ 47,192	\$ 948,304	\$ 2,592,074
Receivables:				
Property tax:				
Current year	78,443	2,395	5,005	85,843
Succeeding year	3,463,751	543,889	229,999	4,237,639
Income surtax	446,389	-	-	446,389
Due from other governments	192,180	-	156,367	348,547
Prepaid expenses	303	-	-	303
Total assets	\$ 5,777,644	\$ 593,476	\$ 1,339,675	\$ 7,710,795
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 139,092	\$ -	\$ 164,696	\$ 303,788
Salaries and benefits payable	7,050	-	-	7,050
Deferred revenue:				
Succeeding year property tax	3,463,751	543,889	229,999	4,237,639
Other	510,856	-	-	510,856
Total liabilities	4,120,749	543,889	394,695	5,059,333
Fund balances:				
Reserved for:				
Categorical funding (note 10)	148,287	-	-	148,287
Prepaid expenses	303	-	-	303
Unreserved, reported in:				
General fund	1,508,305	-	-	1,508,305
Special revenue funds	-	49,587	433,735	483,322
Capital projects fund	-	-	511,245	511,245
Total fund balances	1,656,895	49,587	944,980	2,651,462
Total liabilities and fund balances	\$ 5,777,644	\$ 593,476	\$ 1,339,675	\$ 7,710,795

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET ASSETS
 June 30, 2010

Total fund balances of governmental funds	\$ 2,651,462
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	10,902,185
Other long-term assets, including income surtax receivable, are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	446,389
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(389,500)</u>
Net assets of governmental activities	<u>\$ 13,610,536</u>

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2010

	General	Special Revenue Physical Plant and Equipment Levy	Nonmajor	Total
Revenues:				
Local sources:				
Local tax	\$ 3,945,780	\$ 107,418	\$ 1,054,857	\$ 5,108,055
Tuition	444,260	-	-	444,260
Other	191,462	7,623	604,222	803,307
Intermediate sources	32,846	-	-	32,846
State sources	4,761,239	46	112	4,761,397
Federal sources	866,873	-	-	866,873
Total revenues	<u>10,242,460</u>	<u>115,087</u>	<u>1,659,191</u>	<u>12,016,738</u>
Expenditures:				
Current:				
Instruction	7,034,526	-	684,941	7,719,467
Support services:				
Student services	159,224	-	-	159,224
Instructional staff services	288,404	-	-	288,404
Administration services	945,161	-	-	945,161
Operation and maintenance of plant services	800,949	2,310	74,577	877,836
Transportation services	490,385	-	124,299	614,684
	<u>2,684,123</u>	<u>2,310</u>	<u>198,876</u>	<u>2,885,309</u>
Other expenditures:				
Facilities acquisition	-	115,100	530,413	645,513
Long term debt:				
Principal	-	-	170,189	170,189
Interest and fiscal charges	-	-	8,875	8,875
AEA flowthrough	434,225	-	-	434,225
	<u>434,225</u>	<u>115,100</u>	<u>709,477</u>	<u>1,258,802</u>
Total expenditures	<u>10,152,874</u>	<u>117,410</u>	<u>1,593,294</u>	<u>11,863,578</u>
Excess (deficiency) of revenues over (under) expenditures	<u>89,586</u>	<u>(2,323)</u>	<u>65,897</u>	<u>153,160</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2010

	General	Special Revenue Physical Plant and Equipment Levy	Nonmajor	Total
Other financing sources (uses):				
Interfund transfers in (note 3)	\$ -	\$ -	\$ 179,064	\$ 179,064
Interfund transfers out (note 3)	(20,189)	-	(158,875)	(179,064)
Total other financing sources (uses)	(20,189)	-	20,189	-
Net change in fund balances	69,397	(2,323)	86,086	153,160
Fund balances beginning of year	1,587,498	51,910	858,894	2,498,302
Fund balances end of year	\$ 1,656,895	\$ 49,587	\$ 944,980	\$ 2,651,462

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

Net change in fund balances - total governmental funds \$ 153,160

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Expenditures for capital assets	\$ 422,727	
Capital contributions	92,000	
Depreciation expense	<u>(391,938)</u>	122,789

Income surtax revenue not received until several months after the District's fiscal year end is not considered available revenue in the governmental funds and is deferred. It is, however, recorded as revenue in the Statement of Activities. (5,879)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities.

Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets. 170,189

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 706

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Early retirement	51,348	
Net OPEB liability	<u>(211,441)</u>	<u>(160,093)</u>

Change in net assets of governmental activities \$ 280,872

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS
PROPRIETARY FUND
June 30, 2010

	<u>School Nutrition</u>
Assets	
Cash and cash equivalents	\$ 84,746
Inventories	15,233
Capital assets, net of accumulated depreciation (note 4)	<u>63,164</u>
Total assets	<u>163,143</u>
Liabilities	
Deferred revenue	<u>8,150</u>
Net Assets	
Invested in capital assets	63,164
Unrestricted	<u>91,829</u>
Total net assets	<u>\$ 154,993</u>

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
Year Ended June 30, 2010

	<u>School Nutrition</u>
Operating revenues:	
Local sources:	
Charges for services	\$ <u>404,259</u>
Operating expenses:	
Support services:	
Food service operations:	
Purchased services	<u>4,244</u>
Non-instructional programs:	
Food service operations:	
Salaries	205,887
Benefits	48,717
Purchased services	166
Supplies	272,939
Depreciation	<u>22,059</u>
	<u>549,768</u>
Total expenses	<u>554,012</u>
Operating loss	(149,753)
Non-operating revenues:	
Interest on investments	461
State sources	5,027
Federal sources	<u>177,761</u>
Total non-operating revenues	<u>183,249</u>
Change in net assets	33,496
Net assets beginning of year	<u>121,497</u>
Net assets end of year	\$ <u><u>154,993</u></u>

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2010

	<u>School Nutrition</u>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 401,748
Cash received from miscellaneous operating activities	3,248
Cash payments to employees for services	(254,604)
Cash payments to suppliers for goods or services	<u>(235,863)</u>
Net cash used by operating activities	<u>(85,471)</u>
Cash flows from non-capital financing activities:	
State grants received	5,027
Federal grants received	<u>134,297</u>
Net cash provided by non-capital financing activities	<u>139,324</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(6,157)</u>
Cash flows from investing activities:	
Interest on investments	<u>461</u>
Net increase in cash and cash equivalents	48,157
Cash and cash equivalents beginning of year	<u>36,589</u>
Cash and cash equivalents end of year	<u>\$ 84,746</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (149,753)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	22,059
Commodities used	43,464
Decrease in accounts receivable	1
(Increase) in inventories	(1,978)
Increase in deferred revenue	<u>736</u>
Net cash used by operating activities	<u>\$ (85,471)</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2010, the District received \$43,464 of federal commodities.

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 June 30, 2010

	Private Purpose Trust
	<u>Scholarship</u>
Assets:	
Land held in scholarship trust (note 11)	\$ <u>733,625</u>
Liabilities:	
None	<u>-</u>
Net assets:	
Reserved for scholarships	\$ <u><u>733,625</u></u>

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 Year Ended June 30, 2010

	<u>Private Purpose Trust</u>
	<u>Scholarship</u>
Additions:	
Local sources:	
Gifts and contributions	\$ <u>733,625</u>
Deductions:	
None	<u>-</u>
Change in net assets	733,625
Net assets beginning of year	<u>-</u>
Net assets end of year	<u><u>\$ 733,625</u></u>

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies

Williamsburg Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten.

Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the City of Williamsburg, Iowa, and agricultural territory in Iowa County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Williamsburg Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District. Williamsburg Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Iowa County Assessor's Conference Board.

B. Basis of Presentation

District-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the District-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Special Revenue, Physical Plant and Equipment Levy Fund is used to account for expenditures of monies raised through property taxation for maintenance, construction and equipment.

The District reports the following nonmajor proprietary fund:

The Enterprise, School Nutrition Fund is used to account for the food service operations of the District.

The District also reports fiduciary funds which focus on net assets and changes in net assets. The District's fiduciary funds include the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements with restrictions of income earned to be used to benefit individuals through scholarship awards.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary funds of the District apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust, which is valued at amortized cost, and non-negotiable certificates of deposit, which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and, at the day of purchase, have a maturity date no longer than three months.

Land Held in Scholarship Trust – Land held by the District as a scholarship trust is reported at appraised value.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Current year property tax receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the District-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

The property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2008 assessed property valuations; is for the tax accrual period July 1, 2009 through June 30, 2010 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2009.

Due From Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities and Fund Equity (continued)

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business-type activities columns in the District-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 5,000
Buildings	5,000
Improvements other than buildings	5,000
Intangibles	50,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	5,000

Capital assets are depreciated using the straight line method of depreciation over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50 years
Improvements other than buildings	20 years
Furniture and equipment	5-20 years

Salaries and Benefits Payable – Payroll withholdings not remitted by year end have been accrued as liabilities.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, the succeeding year property tax receivable and other receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Assets consists of the succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

Long-term Liabilities – In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Compensated Absences – The District’s policy is not to reimburse employees for unused vacation. Vacation can only be used by an employee in the year it is earned. The District had no compensated absences liability at June 30, 2010.

Fund Balances – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Invested in capital assets, net of related debt – In the District-wide Statement of Net Assets, the net asset balance invested in capital assets, net of related debt is equal to the capital assets balances, including restricted capital assets, less accumulated depreciation and the outstanding balances of any bonds, notes, or other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets – In the District-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Net assets restricted through enabling legislation as of June 30, 2010 consists of \$148,287.

E. Budgets and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2010, expenditures did not exceed the amounts budgeted.

Note 2. Cash and Pooled Investments

The District’s deposits in banks at June 30, 2010 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 2. Cash and Pooled Investments (continued)

At June 30, 2010, the District had investments in the Iowa Schools Joint Investment Trust as follows:

	<u>Amortized Cost</u>
Diversified Portfolio	\$ <u>49,944</u>

The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Credit Risk – The investment in the Iowa Schools Joint Investment Trust was rated Aaa by Moody’s Investors Service.

Note 3. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2010 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	General	\$ 20,189
	Capital Projects	<u>158,875</u>
Total		\$ <u>179,064</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2010 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 255,800	\$ -	\$ -	\$ 255,800
Construction in progress	176,890	294,046	331,091	139,845
Total capital assets not being depreciated	<u>432,690</u>	<u>294,046</u>	<u>331,091</u>	<u>395,645</u>
Capital assets being depreciated:				
Buildings	12,303,637	423,091	-	12,726,728
Improvements other than buildings	2,415,330	8,125	-	2,423,455
Furniture and equipment	1,315,894	120,556	6,700	1,429,750
Total capital assets being depreciated	<u>16,034,861</u>	<u>551,772</u>	<u>6,700</u>	<u>16,579,933</u>
Less accumulated depreciation for:				
Buildings	4,154,602	261,072	-	4,415,674
Improvements other than buildings	478,245	65,587	-	543,832
Furniture and equipment	1,055,308	65,279	6,700	1,113,887
Total accumulated depreciation	<u>5,688,155</u>	<u>391,938</u>	<u>6,700</u>	<u>6,073,393</u>
Total capital assets being depreciated, net	<u>10,346,706</u>	<u>159,834</u>	<u>-</u>	<u>10,506,540</u>
Governmental activities capital assets, net	<u>\$ 10,779,396</u>	<u>\$ 453,880</u>	<u>\$ 331,091</u>	<u>\$ 10,902,185</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 4. Capital Assets (continued)

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Furniture and equipment	\$ 286,418	\$ 6,157	\$ -	\$ 292,575
Less accumulated depreciation	207,352	22,059	-	229,411
Business-type activities capital assets, net	<u>\$ 79,066</u>	<u>\$ (15,902)</u>	<u>\$ -</u>	<u>\$ 63,164</u>

Depreciation expense was charged by the District to the following functions:

Governmental activities:		
Instruction		\$ 4,243
Support services:		
Student support		8,941
Operation and maintenance of plant services		4,727
Transportation		53,669
		<u>71,580</u>
Unallocated depreciation		<u>320,358</u>
Total governmental activities depreciation expense		<u>\$ 391,938</u>
Business-type activities:		
Food service operations		<u>\$ 22,059</u>

Note 5. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2010 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Early retirement	\$ 219,311	\$ 142	\$ 51,490	\$ 167,963	\$ 43,688
General obligation bonds	150,000	-	150,000	-	-
Asbestos loan	30,285	-	20,189	10,096	10,096
Net OPEB liability	-	211,441	-	211,441	-
Total	<u>\$ 399,596</u>	<u>\$ 211,583</u>	<u>\$ 221,679</u>	<u>\$ 389,500</u>	<u>\$ 53,784</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 5. Long-Term Liabilities (continued)

Early Retirement

The District offers a voluntary early retirement plan to its certified employees. Eligible employees must be at least age fifty-seven by June 30 of the year of retirement and employees must have completed fifteen years of full-time service to the District. Employees must complete an application which is required to be approved by the Board of Education.

The early retirement benefit for each eligible employee is equal to single insurance coverage provided by the District at the dollar amount of single coverage at the time of the employee's retirement. Coverage at this rate will be provided until the employee reaches age sixty-five or otherwise becomes eligible for Medicare or insurance coverage from any other source.

The District also has early retirees covered by other plans. The details of these plans are available upon request at the business administration office.

At June 30, 2010, the District had obligations to seven participants with a total liability of \$167,963. Actual early retirement expenditures for the year ended June 30, 2010 totaled \$51,490. Early retirement is recorded as a long-term liability of the Governmental Activities in the District-wide financial statements.

Asbestos Loan Program Grant

During the year ended June 30, 1991, the District entered into a loan agreement with the Environmental Protection Agency to finance the removal of asbestos from the Junior-Senior High School. The agreement included a grant of \$2,274 and an interest free loan of \$363,405. The loan is to be paid in 36 equal biannual installments of \$10,094. The final date of the loan is May 30, 2011. Details of the District's asbestos management loan are as follows:

Year Ending June 30,	Payment
2011	\$ <u>10,096</u>

Note 6. Other Postemployment Benefits (OPEB)

The District prospectively implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other Than Pensions during the year ended June 30, 2010.

Plan Description – The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 117 active and nine retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through a fully-insured plan with Wellmark and Delta Dental. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 6. Other Postemployment Benefits (OPEB) (continued)

Funding Policy – The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation – The District’s annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the District’s annual OPEB cost for the year ended June 30, 2010, the amount actually contributed to the plan and changes in the District’s net OPEB obligation:

Annual required contribution	\$ 281,013
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>281,013</u>
Contributions made	<u>69,572</u>
Increase in net OPEB obligation	211,441
Net OPEB obligation beginning of year	<u>-</u>
Net OPEB obligation end of year	<u><u>\$ 211,441</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2010.

For the year ended June 30, 2010, the District contributed \$51,490 to the medical plan.

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2010 are summarized as follows:

<u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
June 30, 2010	\$ 281,013	24.75%	\$ 211,441

Funded Status and Funding Progress – As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2010, the actuarial accrued liability was \$3,761,983, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,761,983. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$6,661,139, and the ratio of the UAAL to covered payroll was 56.4%. As of June 30, 2010, there were no trust fund assets.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 6. Other Postemployment Benefits (OPEB) (continued)

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future.

Examples include assumptions about future employment, mortality and the health care cost trend.

Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2009 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 6%. The ultimate medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table, projected to 2000 (2/3 female, 1/3 male).

Annual retirement and termination probabilities were developed from the retirement probabilities from the 2006 Society of Actuaries Study.

Projected claim costs of the medical plan are \$4,291 per month for retirees less than age 65.

Note 7. Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 4.30% of their annual covered salary and the District is required to contribute 6.65% of annual covered payroll for the year ended June 30, 2010. Contribution requirements are established by State statute. The District's contributions to IPERS for the years ended June 30, 2010, 2009, and 2008 were \$435,349, \$408,329, and \$368,922, respectively, equal to the required contributions for each year.

Note 8. Risk Management

Williamsburg Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 9. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$434,225 for the year ended June 30, 2010 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 10. Categorical Funding

The District's fund balance reserved for categorical funding at June 30, 2010 is comprised of the following programs:

Program	Amount
Limited English proficiency	\$ 20,473
Beginning teacher mentoring and induction	7,820
Salary improvement program	53,978
Professional development for model core curriculum	14,126
Professional development	10,648
Market factor incentives	3,326
Gifted and talented	6,502
Dropout prevention programs	31,414
Total	\$ 148,287

Note 11. Scholarship Trust Contribution

During the year ended June 30, 2010, the District received a contribution of 117 acres of farm land. The land is to be rented by the District to the highest responsible bidder and all proceeds are to be used for two or more scholarships to further the education of Williamsburg Community School District high school seniors.

The land had an appraised value of \$733,625 at June 30, 2010, and is reported as an investment in the District's Private-purpose Trust Fund.

Note 12. Subsequent Events

On September 15, 2010, the District issued \$7,650,000 in Qualified School Construction Bonds. The bonds are revenue bonds repayable from the District's sales tax revenues. The bonds are payable through June 30, 2027 with interest rates of 1.5%.

On October 1, 2010, the District issued \$3,850,000 in General Obligation School Capital Loan Notes. The notes are payable through June 30, 2020, and have interest rates ranging from 1.25% to 2.80%. The notes will be paid with taxes raised by the voter-approved physical plant and equipment property tax levy.

Required Supplementary Information

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances –
 Budget and Actual – All Governmental Funds
 and Proprietary Fund
 Required Supplementary Information
 Year Ended June 30, 2010

	Governmental Funds - Actual	Proprietary Fund - Actual	Total Actual	Budgeted Amounts Original and Final	Final to Actual Variance
REVENUES:					
Local sources	\$ 6,355,622	\$ 404,720	\$ 6,760,342	\$ 6,643,561	\$ 116,781
Intermediate sources	32,846	-	32,846		32,846
State sources	4,761,397	5,027	4,766,424	6,094,889	(1,328,465)
Federal sources	866,873	177,761	1,044,634	572,955	471,679
Total revenues	12,016,738	587,508	12,604,246	13,311,405	(707,159)
EXPENDITURES/EXPENSES:					
Instruction	7,719,467	-	7,719,467	8,119,182	399,715
Support services	2,885,309	4,244	2,889,553	4,052,620	1,163,067
Non-instructional programs	-	549,768	549,768	636,047	86,279
Other expenditures	1,258,802	-	1,258,802	1,942,300	683,498
Total expenditures/expenses	11,863,578	554,012	12,417,590	14,750,149	2,332,559
Excess (deficiency) of revenues over (under) expenditures/ expenses	153,160	33,496	186,656	(1,438,744)	1,625,400
Balance beginning of year	2,498,302	121,497	2,619,799	1,775,989	843,810
Balance end of year	\$ <u>2,651,462</u>	\$ <u>154,993</u>	\$ <u>2,806,455</u>	\$ <u>337,245</u>	\$ <u>2,469,210</u>

See accompanying independent auditor's report.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING
June 30, 2010

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except internal service, private-purpose trust and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the accrual basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

During the year ended June 30, 2010, expenditures did not exceed the amounts budgeted.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN

(In Thousands)

Required Supplementary Information

Year Ended June 30, 2010

<u>Year Ended June 30,</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
2010	July 1, 2009	\$ -	\$ 3,762	\$ 3,762	0.0%	\$ 6,661	56.4%

See note 6 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

Other Supplementary Information

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2010

	Special Revenue		Capital Projects	Total
	Management Levy	Student Activity		
Assets				
Cash and pooled investments	\$ 293,048	\$ 143,978	\$ 511,278	\$ 948,304
Receivables:				
Property tax:				
Current year	5,005	-	-	5,005
Succeeding year	229,999	-	-	229,999
Due from other governments	-	-	156,367	156,367
Total assets	\$ 528,052	\$ 143,978	\$ 667,645	\$ 1,339,675
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 8,296	\$ 156,400	\$ 164,696
Deferred revenue:				
Succeeding year property tax	229,999	-	-	229,999
Total liabilities	229,999	8,296	156,400	394,695
Fund balances:				
Unreserved:				
Undesignated	298,053	135,682	511,245	944,980
Total liabilities and fund balances	\$ 528,052	\$ 143,978	\$ 667,645	\$ 1,339,675

See accompanying independent auditor's report.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2010

	Special Revenue		Debt Service	Capital Projects	Total
	Management Levy	Student Activity			
Revenues:					
Local sources:					
Local tax	\$ 224,527	\$ -	\$ -	\$ 830,330	\$ 1,054,857
Other	20,150	564,772	-	19,300	604,222
State sources	112	-	-	-	112
Total revenues	<u>244,789</u>	<u>564,772</u>	<u>-</u>	<u>849,630</u>	<u>1,659,191</u>
Expenditures:					
Current:					
Instruction	124,821	548,384	-	11,736	684,941
Support services:					
Operation and maintenance of plant services	74,577	-	-	-	74,577
Transportation services	16,744	-	-	107,555	124,299
Other expenditures:					
Facilities acquisition	-	-	-	530,413	530,413
Long term debt:					
Principal	-	-	170,189	-	170,189
Interest and fiscal charges	-	-	8,875	-	8,875
Total expenditures	<u>216,142</u>	<u>548,384</u>	<u>179,064</u>	<u>649,704</u>	<u>1,593,294</u>
Excess (deficiency) of revenues over (under) expenditures	28,647	16,388	(179,064)	199,926	65,897
Other financing sources (uses):					
Interfund transfers in	-	-	179,064	-	179,064
Interfund transfers out	-	-	-	(158,875)	(158,875)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>179,064</u>	<u>(158,875)</u>	<u>20,189</u>
Net change in fund balances	28,647	16,388	-	41,051	86,086
Fund balances beginning of year	<u>269,406</u>	<u>119,294</u>	<u>-</u>	<u>470,194</u>	<u>858,894</u>
Fund balances end of year	<u>\$ 298,053</u>	<u>\$ 135,682</u>	<u>\$ -</u>	<u>\$ 511,245</u>	<u>\$ 944,980</u>

See accompanying independent auditor's report.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2010

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
All Weather Track	\$ 1,081	\$ 3,456	\$ 4,367	\$ 170
Athletics	5,971	104,993	104,755	6,209
Art Club	649	-	409	240
Baseball Club/Goodwin	1,296	14,979	11,699	4,576
Basketball Cheerleaders	3,820	28,509	28,931	3,398
Boys Golf Club	1,069	4,294	5,039	324
Change Fund	-	14,111	14,111	-
Cheerleaders	26	1,718	1,485	259
Class of:				
2007	380	-	-	380
2008	607	-	-	607
2009	2,965	20	294	2,691
2010	7,203	3,152	5,808	4,547
2011	-	14,259	8,950	5,309
Construction Club	1,205	3,569	3,492	1,282
Country Club	1,566	2,942	3,333	1,175
Drama	10,573	3,647	2,720	11,500
Elementary Book Rental	-	34,762	34,762	-
Future Farmers of America	4,157	30,897	32,038	3,016
Future Homemakers of America	3,753	13,938	13,353	4,338
General Revenue	6,514	5,139	4,964	6,689
German Club	638	58	-	696
Grade School Activities	3,378	23,310	21,023	5,665
Honor Society	353	1,581	1,355	579
Interest	1,119	21	913	227
Jr. High Account	300	3,449	3,621	128
Jr. High Honor Society	138	-	81	57
Jr. High Student Council	1,877	2,045	2,016	1,906
Jr. High Volleyball Club	402	-	-	402
Jr./Sr. High Book Rental	-	49,697	49,697	-
Letter Winners	2,676	1,320	1,389	2,607
Library	6,876	1,653	850	7,679
Little Raiders Girls' Basketball	9,792	10,440	9,664	10,568
M & M Club	-	-	-	-
Math Club	931	88	135	884
Mikana	3,750	24,674	23,077	5,347
Music Organization	5,029	9,964	9,974	5,019
Music Trip	1,621	22,477	12,806	11,292
Pom Pom Squad	303	8,886	6,646	2,543

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2010

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Raider Basketball Club	\$ 2,906	\$ 10,736	\$ 13,278	\$ 364
Raider Football Club	5,327	28,820	27,380	6,767
Raider Softball Club	5,110	6,480	10,850	740
Refreshment Stand	473	24,809	24,780	502
Science Club	42	-	-	42
Soccer Club	489	4,928	5,417	-
Spanish Club	330	3,382	3,564	148
Special Education Activities	882	1,813	506	2,189
Speech Club	596	711	398	909
Student Council	265	17,311	15,364	2,212
Swimming Account	2,104	7,975	8,886	1,193
Thirty Days of Fitness	223	-	-	223
Volleyball Club	3,903	10,541	11,009	3,435
Wrestling Club	4,626	3,218	3,195	4,649
 Total	 \$ <u>119,294</u>	 \$ <u>564,772</u>	 \$ <u>548,384</u>	 \$ <u>135,682</u>

See accompanying independent auditor's report.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION

ALL GOVERNMENTAL FUNDS
FOR THE LAST SIX YEARS

	Modified Accrual Basis			
	Years Ended June 30,			
	2010	2009	2008	2007
Revenues:				
Local sources:				
Local tax	\$ 5,108,055	\$ 5,003,155	\$ 5,166,555	\$ 5,173,540
Tuition	444,260	414,164	366,862	334,335
Other	803,307	759,326	363,561	250,567
Intermediate sources	32,846	13,358	-	-
State sources	4,761,397	5,521,003	5,597,924	5,239,011
Federal sources	866,873	290,976	228,407	266,986
Total revenues	<u>\$ 12,016,738</u>	<u>\$ 12,001,982</u>	<u>\$ 11,723,309</u>	<u>\$ 11,264,439</u>
Expenditures:				
Instruction	\$ 7,719,467	\$ 7,439,655	\$ 6,917,692	\$ 7,052,236
Support services:				
Student services	159,224	174,102	222,678	228,693
Instructional staff services	288,404	269,633	298,098	296,555
Administration services	945,161	831,795	923,329	919,857
Operation and maintenance of plant services	877,836	951,593	992,032	956,288
Transportation services	614,684	572,396	501,062	471,266
Non-instructional programs	-	2,601	4,278	5,213
Other expenditures:				
Facilities acquisition	645,513	931,934	587,517	174,382
Long-term debt:				
Principal	170,189	160,189	155,189	430,189
Interest and fiscal charges	8,875	16,545	23,970	38,330
AEA flowthrough	434,225	393,646	390,544	368,305
Total expenditures	<u>\$ 11,863,578</u>	<u>\$ 11,744,089</u>	<u>\$ 11,016,389</u>	<u>\$ 10,941,314</u>

See accompanying independent auditor's report.

<u>2006</u>	<u>2005</u>
\$ 4,243,081	\$ 3,458,255
320,718	278,454
672,426	563,645
-	-
4,884,448	4,583,508
199,489	247,543
<u>\$ 10,320,162</u>	<u>\$ 9,131,405</u>
\$ 6,279,684	\$ 6,136,796
238,184	187,036
273,013	266,860
806,944	724,704
1,020,780	922,571
538,848	403,397
4,144	35,526
110,025	331,275
410,189	405,189
50,535	61,595
339,429	326,127
<u>\$ 10,071,775</u>	<u>\$ 9,801,076</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010

Grantor / Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U. S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 10	\$ 18,558
National School Lunch Program	10.555	FY 10	115,738
National School Lunch Program (non-cash)	10.555	FY 10	<u>43,464</u>
			<u>177,760</u>
U. S. Department of Education:			
Iowa Department of Education:			
Title I, Part A Cluster Programs:			
Title I Grants to Local Educational Agencies	84.010	FY 10	56,984
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	FY 10	<u>37,818</u>
			<u>94,802</u>
Migrant Education - State Grant Program	84.011	FY 10	<u>77,240</u>
Advanced Placement Program	84.330	FY 10	<u>616</u>
Improving Teacher Quality State Grants	84.367	FY 10	<u>23,620</u>
Grants for State Assessments and Related Activities	84.369	FY 10	<u>7,209</u>
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	FY 10	<u>493,001</u>
Grant Wood Area Education Agency:			
Special Education Cluster Programs:			
Special Education - Grants to States	84.027	FY 10	58,824
ARRA - Special Education - Grants to States, Recovery Act	84.391	FY 10	<u>96,379</u>
			<u>155,203</u>
Career and Technical Education - Basic Grants to States	84.048	FY 10	<u>5,536</u>
Safe and Drug-Free Schools and Communities - National Programs	84.184	FY 10	<u>3,600</u>
English Language Acquisition Grants	84.365	FY 10	<u>6,045</u>
Total			<u>\$ 1,044,632</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010

Basis of Presentation –

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Williamsburg Community School District and is presented on the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Education of
Williamsburg Community School District:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Williamsburg Community School District as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated December 2, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Williamsburg Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Williamsburg Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Williamsburg Community School District's internal control over financial reporting.

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 and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We noted no material weaknesses in internal controls over financial reporting during the course of our audit.

A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-10 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Williamsburg Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about Williamsburg Community School District's operations for the year ended June 30, 2010 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Williamsburg Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's responses, we did not audit Williamsburg Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Williamsburg Community School District and other parties to whom Williamsburg Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Williamsburg Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Oskaloosa, Iowa
December 2, 2010

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

To the Board of Education of
Williamsburg Community School District:

Compliance

We have audited the compliance of Williamsburg Community School District with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. Williamsburg Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Williamsburg Community School District's management. Our responsibility is to express an opinion on Williamsburg Community School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Williamsburg Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Williamsburg Community School District's compliance with those requirements.

In our opinion, Williamsburg Community School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Williamsburg Community School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Williamsburg Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion 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, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified.

A deficiency in the District's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. We noted no material weaknesses in internal control over compliance during the course of our audit.

Williamsburg Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's responses, we did not audit Williamsburg Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Williamsburg Community School District and other parties to whom Williamsburg Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

Oskaloosa, Iowa
December 2, 2010

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

Part I: Summary of the Independent Auditor's Results:

- (a) Unqualified opinions were issued on the financial statements.
- (b) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - CFDA Number 84.394 – ARRA – State Fiscal Stabilization Fund – Education State Grants, Recovery Act
 - Clustered programs:
 - CFDA Number 84.027 – Special Education – Grants to States
 - CFDA Number 84.391 – ARRA – Special Education Grants to States, Recovery Act
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Williamsburg Community School District did not qualify as a low-risk auditee.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

Part II: Findings Related to the Basic Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

II-A-10 Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The cash receipts listing, bank deposits and the posting of the cash receipts to the cash receipts journal were all done by the same person.

Recommendation – We realize that with a limited number of office employees, segregation of duties is difficult. However, the District should review its control procedures to obtain the maximum internal control possible under the circumstances.

Response – We have assessed this finding and concluded that any further changes would not be cost effective.

Conclusion – Response accepted.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

Part III: Findings and Questioned Costs for Federal Awards

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiency:

No matters were reported.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

Part IV: Other Findings Related to Statutory Reporting:

- IV-A-10 Certified Budget – Expenditures for the year ended June 30, 2010, did not exceed the amounts budgeted.
- IV-B-10 Questionable Expenditures – No expenditures were noted that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.
- IV-C-10 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-10 Business Transactions – No business transactions between the District and District officials or employees were noted.
- IV-E-10 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- IV-F-10 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.
- IV-G-10 Certified Enrollment – We noted that the enrollment data certified to the Department of Education included two individuals who never attended class during the year 2009-2010 fiscal year.
- Recommendation – The District should contact the Department of Education and the Department of Management to report this overclaim of two resident students in the certified data.
- Response – We will contact the necessary officials to report this overclaim. We will be more diligent in our certified enrollment reporting in the future.
- Conclusion – Response accepted.
- IV-H-10 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-10 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District’s investment policy were noted.
- IV-J-10 Certified Annual Report – The Certified Annual Report was certified to the Iowa Department of Education timely and we noted no significant deficiencies in the amounts reported.
- IV-K-10 Categorical Funding – No instances were noted of categorical funding being used to supplant rather than supplement other funds.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

Part IV: Other Findings Related to Statutory Reporting (continued):

IV-L-10 Statewide Sales and Services Tax – No instances of non-compliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax. For the year ended June 30, 2010, the District's financial activity and other required information for the statewide sales and services tax revenue are as follows:

Beginning balance	\$	466,472		
Statewide sales and services tax revenue		830,330		
Expenditures/transfers out:				
School infrastructure:				
Buildings	\$	511,113		
Equipment		119,291		
Debt service for school infrastructure:				
General obligation debt		<table style="width: 100%; border-collapse: collapse; margin-left: 100px;"> <tr> <td style="border-bottom: 1px solid black; width: 50%; text-align: right;">158,875</td> <td style="border-bottom: 1px solid black; width: 50%; text-align: right;">789,279</td> </tr> </table>	158,875	789,279
158,875	789,279			
Ending balance	\$	<u><u>507,523</u></u>		

The statewide sales, services and use tax revenue received during the year ended June 30, 2010 is equivalent to a reduction in the following levies:

	Per \$1,000 of Taxable Valuation		Property Tax Dollars
Debt service levy	\$ 2.28213	\$	725,432
Physical plant and equipment levy	0.33000		104,898