

The School District of Washington



Washington, Missouri
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2014

Comprehensive Annual Financial Report

For fiscal year ending June 30, 2014



THE SCHOOL DISTRICT OF WASHINGTON

Washington, Missouri

Comprehensive Annual Financial Report
For the year ended June 30, 2014

Ms. Shelley Kinder, Chief Financial Officer
<http://www.washington.k12.mo.us>

SCHOOL DISTRICT OF WASHINGTON

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REPORT



2014

INTRODUCTORY SECTION



SCHOOL DISTRICT OF WASHINGTON
220 LOCUST STREET
WASHINGTON, MO 63090
636-231-2000 ~ 636-239-3315 FAX

Dr. Lori VanLeer,
Superintendent
Scott Byrne,
Board President

Dr. Judy Straatmann, *Assistant Superintendent* ~ Dr. Brendan Mahon, *Assistant Superintendent* ~ Shelley Kinder, *CFO*

December 5, 2014

Members of the Board of Education and
Residents of the School District of Washington

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the School District of Washington (District) for the fiscal year ended, June 30, 2014. This report provides full disclosure of the District's financial operation. This CAFR, which includes an opinion from the Independent Auditors who conducted the District's audit, conforms to the Generally Accepted Accounting Principles in the United States of America (GAAP) as applicable to governmental entities. The District maintains full responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

We believe that all data, as presented, is accurate in all material respects and that it is presented in a manner to fairly set forth the financial position and results of the District's operations as measured by the financial activity of its various funds. We further believe that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The Introductory Section, which includes a Table of Contents, Letter of Transmittal, listing of elected Board of Education members, listing of administrative officials and an organizational chart of the District.
2. The Financial Section, which begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes to Financial Statements.
3. The Statistical Section, which includes selected comparative financial, non-financial, demographic and economic data for the District.

Profile of the District

The School District of Washington has provided education services to the students in the Franklin County area since its incorporation as a public entity in 1889. Through mergers, it has become one of the largest geographical school districts in Missouri with the reorganization and addition of area in both Warren and St. Charles counties. Population growth in the District has remained constant with increases from year to year. Enrollment projections indicate the student population during the next five years will continue at a slow rate of increase at approximately .5% each year. It is believed once the economy has improved the District will realize much residential growth. The District currently provides education to approximately 3,928 students Kindergarten through grade 12, with an additional 150 students in its early childhood education programs.

The District encompasses approximately 257 square miles in Franklin County, southern St. Charles County and eastern Warren County. The cities within the District's boundaries are Augusta, Labadie, Marthasville, New

Haven, Union, and Washington. The District operates as fiscally independent of the State of Missouri or any other jurisdiction in the county or local township in which it operates.

The District's educational facilities include a new early learning center, eight elementaries, one middle school and one high school. The District also provides a Vocational Career Center that supports high school students from the Washington School District and seven other surrounding school districts. The District has one operational support building, an administration building, a Family Resource Center for special education services, and a Technology and Learning Center which houses the Technology Department.

The District employs approximately 654 staff members to assist in the student learning process. Personnel costs, including salaries and benefits, account for 70% of the District's total operating expenditures. The student to teacher ratio is 18:1 for the District as a whole, 15:1 for elementary schools, 16:1 for middle school and 23:1 for high school. By looking at the student to teacher ratio for elementary, the reader would tend to believe the District has low classes sizes. Many of the District's outlying buildings do have low enrollment, but it seems each year the District has a few buildings with pockets of growth at varying grade levels. So much so, it means they are at the bubble of what is acceptable or an additional classroom needs to be added.

The District contracts with First Student, Inc. to provide transportation to and from school to eligible students and on school sponsored activity trips. Approximately 2,300 students are transported on a daily basis. Forty-two school buses are used in the transportation program with most buses serving multiple routes.

Washington's Investment in Great Schools Foundation (WINGS) provides annual program grants to the District teachers from funds raised through its own fundraising efforts. The Foundation is a legally separate entity.

The District is governed by the Board of Education, whose membership is elected for staggered three-year terms of office. The Board is a policy-making body whose primary function is to establish policies for the District, provide for the general operation and personnel of the District and to safeguard the assets of the District. It is the responsibility of the District to make public education available to residents of the School District of Washington. The District is an independent entity and receives its funding from local, state, and federal government sources and must comply with the requirements of these funding agencies.

The District provides a wide range of public educational services at all grade levels ranging from Kindergarten through grade twelve. In addition to a great regular academic curriculum, the District offers a broad range of other programs for students including gifted/talented, English as a Second Language, fine arts, advanced college placement, interscholastic and intramural athletics, assistance for at-risk students and others. In addition, the District provides services beyond the broad K-12. The District provides Early Childhood services, including regular preschool, which serves children before they attend Kindergarten. The District also provides a Career Center which serves seven surrounding districts and provides adult continuing education. Some of the services provided to our students include instructional staff, instructional materials, instructional facilities, administrative and business service support, food service, bus transportation services and facility maintenance.

The District is committed to developing, maintaining, and improving effective management systems and controls. The District makes conscientious efforts to employ high qualified employees through active recruitment and thorough evaluations. Further, operations are continually evaluated to assure they function effectively and provide appropriate levels of supervision and segregation of duties.

Local Economy

Washington is situated along the Missouri River and is located 55 miles west of St. Louis. Highway 100 and Highway 47 are the two state highways leading into Washington. Construction converting Missouri State Highway 100 to four lanes from I-44 to Washington began in 2008 and was completed in 2010. Amtrak and

Union Pacific Railroads also serve the town. The Washington Memorial Airport is located in Warren County. The airport is home base for 36 airplanes and just recently added another hangar.

With more than 300 retail stores, it is the largest shopping community between St. Louis and Jefferson City. Phoenix Center II Community Improvement District was established in 2006. Anchor stores for the District are Target and Kohls. Within the last year Marshall's, JoAnn's Fabrics, and Ross have opened retail shops in the area.

Over 60 industries are located in Washington, employing an estimated 7,000 people. Washington has a growing visitor industry, attracted by the boat access to the Missouri River, historical buildings, and wineries located in the general area.

There are two radio stations, two local television stations and a twice-weekly newspaper. In addition, the cable television company carries a local channel broadcast from East Central College. Additional radio and television services are available from the St. Louis area.

There are currently seven banks with combined assets of approximately \$1.4 billion.

Mercy Hospital has been serving the area since 1926. Part of the Sisters of Mercy Health System, the 187 bed non-profit facility is a Level III Trauma Center that has received numerous state and national honors over the years. As of 2012, Mercy Hospital purchased Patients First allowing them to expand services.

Major Initiatives

The District continues to improve its facilities and infrastructure to better serve the students and staff. All except two buildings have HVAC installed, a major upgrade was done at the Athletic complex with new turf, track and fencing, and many roofing projects have been completed. With the passage of the no tax increase bond issue in 2013, the District has constructed a new early learning center. This center will be home to all pre-kindergarten programs, including Parents as Teachers. Formerly, our early childhood special education program was housed in modular units and several preschool rooms were located in the various elementary buildings. Because early intervention is a critical element to developing learners and future education success, we are very excited to open this new center.

A classroom addition at Marthasville Elementary is currently underway with an expected completion date of December 2014. Due to the successful sale of bonds and favorable construction bids, the combination of bond proceeds and savings on the projects listed made funding available for a much needed fourteen classroom addition at Washington West Elementary. This project is currently underway with an anticipated completion date of July 2015. The additional classrooms at Washington West Elementary will not only alleviate overcrowding in that building, but will also allow for the integration of students from Fifth Street Elementary. Low enrollment numbers at Fifth Street Elementary and costly needed maintenance make it more cost effective to combine the two elementary buildings and retire Fifth Street Elementary.

Wireless access points have been installed in all our buildings, laptops deployed to all teaching staff, and the iBelieve initiative launched. This initiative will phase into a 1:1 (computer to student ratio) environment for students by 2016. Successful completion of the elementary STEM Lab initiative concluded and confirmed the need to expand. This along with building additions and continued building improvements are planned for the 2014-2015 school year.

As you can see on page 31 for building information, except for the new Early Learning Center completed this summer, many of our buildings are aging and will eventually need to be replaced or have major overhauls. It is desired to go for a bond issue in 2016 to replace South Point Elementary, which is situated in a flood plain, land locked, and whose basement is not usable due to mold. With that bond issue, some major renovations at the high school are very much needed and would be put at the top of the priority list.

Long-Term Financial Planning

The Board of Education adopted a series of policies that provide direction regarding the District's budget and financial affairs that reflect the educational philosophy of the District, and provide a framework in which the District's administration can effectively operate. The purpose of the District's budget and finance policies is to provide direction for a systematic process that maintains continuity from year to year and inform the public regarding the education and financial operations of the District.

In 2010, the District formed two focus groups. Focus Group 1 centered on literacy, 21st century learning environments, appropriate interventions for all learners, and professional learning for our teachers and leaders who serve our students. Focus Group 2 focused on the strategic short and long term goals for facilities. New for the FY 2013-2014 school year was Focus Group 3, with a focus on improving student achievement in the age of advanced technology. Focus Group 4 will be added for the 2014-2015 school year called Pathways to Success: Ensuring Students are College and/or Career Ready. The Focus Group 4 mission will be to learn, analyze and guide the design of college and career pathways and other essential learning opportunities for future graduates of Washington High School and Four Rivers Career Center.

The District adopted a Fund Balance policy in accordance with GASB 54. The primary objective of the Fund Balance policy is to protect against revenue shortfalls or unexpected expenditures. The policy states the District will maintain a reserve of 22-27% in the Operating Fund. If the fund balance falls below the minimum of 22%, the board will put a plan in place to replenish the fund balance within two years. As of June 30, 2014, the fund balance in the Operating Fund was 35%, well above the board's target.

In addition, the District has continued to maintain and update facilities and equipment by going to the voters for authorization to issue general obligation bonds or by issuing lease purchase agreements for financing as needed. The District currently has a five-year capital improvement plan built within its 2014-2015 budget.

Accounting System and Budgetary Control

The District's accounting system for governmental funds reflects the modified accrual basis of accounting. At the end of the year, the governmental funds are converted from modified accrual basis to the accrual basis for presentation in district-wide financial statements. The District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. This system provides a complete set of self-balancing accounts for each District fund. The chart of accounts used in this accounting system was developed in accordance with the Missouri Financial Accounting Manual prepared by the Department of Elementary and Secondary Education, School Finance Section, State of Missouri.

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use of disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of these controls should not exceed the benefit and the evaluation of costs and benefits requires estimate and judgments by management.

The District believes the internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The District's accounting system is organized on the basis of funds, each of which is considered its own entity. The District considers four funds (General, Special Revenue-Teachers', Debt Service and Capital Projects) as major.

The school budget is an instrument which provides a definite financial policy for the direction of business operations of the District as per policy DB. It provides an outline of the probable expenditures and the

anticipated receipts during a specified period of time. The budget is one of the most important legal documents of a school district. It is not a static document but rather a working document that changes. The fiscal year for the budget is defined as beginning annually on the first day of July and ending on the thirtieth day of June as set by board policy DBB.

In accordance with Chapter 67 RSMo, each year, the Superintendent of Schools is required to submit to the Board of Education for its consideration a detailed annual budget showing estimates of income and expenditures for the ensuing fiscal year. The Board may accept, reject, modify, or request revisions of the budget, but will adopt a budget by June 30, according to statutory provisions.

Each entity may request to revise, alter, increase or decrease the items contained in the proposed budget, subject to such limitations as may be provided by law; provided, that in no event shall the total authorized expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year. After the entity has approved the budget for any year and has approved or adopted the orders, motions, resolutions, or ordinances required to authorize the expenditures proposed in the budget, the entity shall not increase the total amount authorized for expenditure from any fund, unless the governing body approves the order.

By law the approved estimated expenditures for each fund cannot exceed the estimated revenues to be received plus the unencumbered beginning cash balance for the fund. After the beginning of the fiscal year, the Superintendent reviews with the Board the adopted budget in relationship to the beginning cash balances for each fund. Monthly financial statements are prepared and distributed to the Board for their approval.

Independent Audit

The revised statutes of the State of Missouri require that an independent audit be conducted on a biennial basis. The District policy, however, requires that an independent certified public accounting firm conduct an audit annually. This requirement has been satisfied and the opinion of Daniel Jones, CPA, is included in this report.

The School Board is also required to undergo an annual single audit in conformity with the provisions of Single Audit Act Amendments of 1996 and US Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. Information related to this single audit, including the schedule of expenditures of federal awards, law and regulations is included in a separate single audit report and is available at the School District's Administrative Office for inspection.

Management's Discussion and Analysis

As part of this reporting model, management is responsible for providing a narrative introduction and analysis to accompany the basic financial statements. This can be found in the Management Discussion and Analysis (MD&A) section of this report. The MD&A can be found immediately following the report of the independent auditors in the Financial Section.

Awards and Acknowledgements

For the past four years, the District has received the Association of School Business Officials (ASBO) International Meritorious Budget Award (MBA), the prestigious award for excellence in budgeting. This will be the District's third time applying for the Association of School Business Officials International Certificate of Excellence in Financial Reporting for the year ended June 30, 2014. The 2012-2013 was the first year the District was the recipient of the COE award. We will continue to provide the utmost comprehensive report.

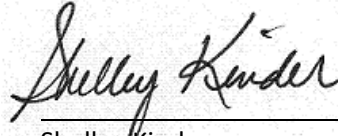
It is our intention this Comprehensive Annual Financial Report will provide the District's management, outside investors, and interested local citizens with the most meaningful financial presentation possible. We are hopeful that all readers of the report will obtain a clear and concise picture of the District's financial condition as of June 30, 2014.

We want to express our appreciation to all staff members, in particular those in Business Services, who assisted and contributed to the preparation of this report. We would also like to thank the members of the Board of Education and the Board Finance Committee for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,



Dr. Lori Van Leer
Superintendent



Shelley Kinder
Chief Financial Officer

The School District of Washington
Board of Education 2014-2015



Mr. Scott Byrne
School Board President



Mr. Dan Contarini
School Board Vice-President



Mrs. Trish Mitchell
School Board Secretary



Mr. Kevin Blackburn
School Board Treasurer



Mr. Todd Geisert



Mrs. Susan Thatcher



Mrs. Becky Voelkerding



Dr. Lori VanLeer
Superintendent of Schools

Superintendent's Cabinet



Dr. Judy Straatmann
*Assistant Superintendent
Curriculum Instruction*



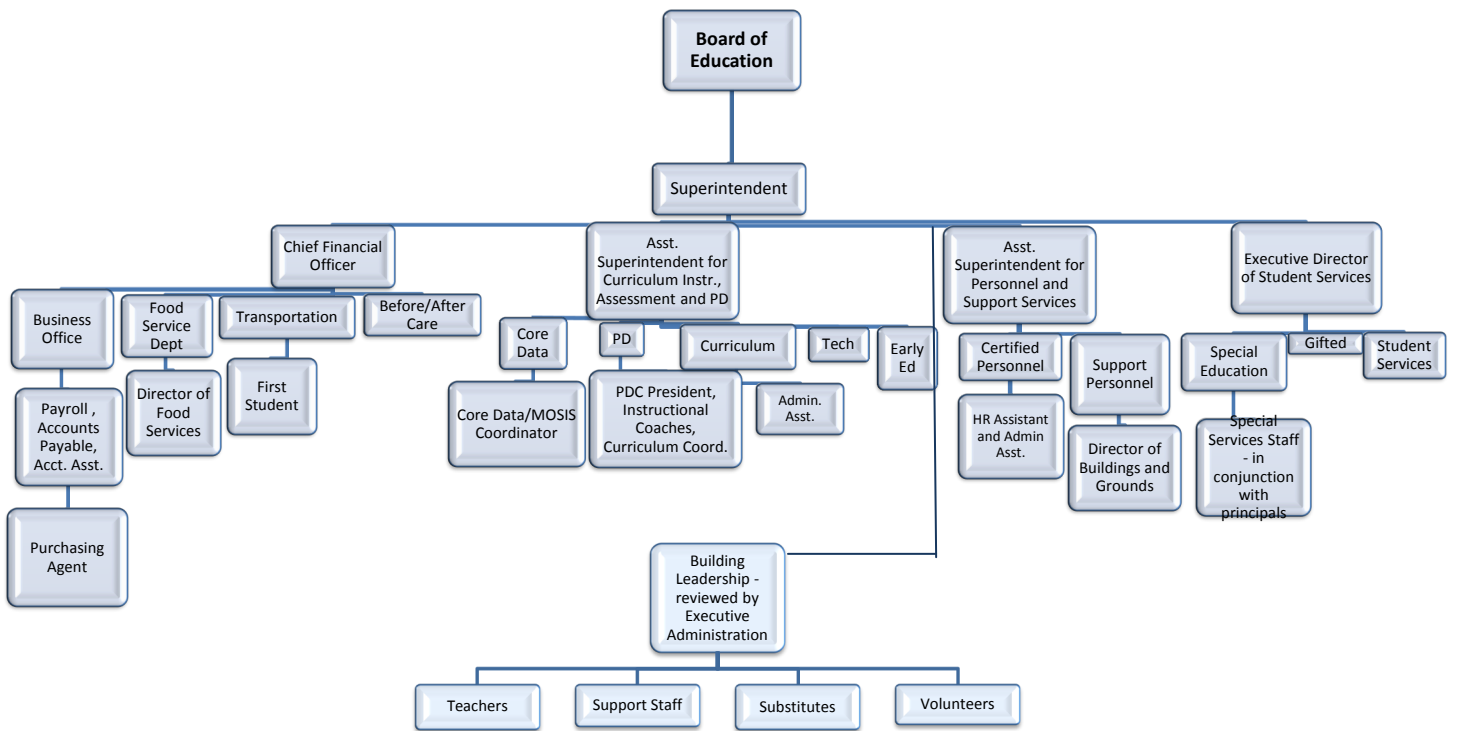
Dr. Brendan Mahon
*Assistant Superintendent
Personnel & Support Services*



Shelley Kinder
Chief Financial Officer

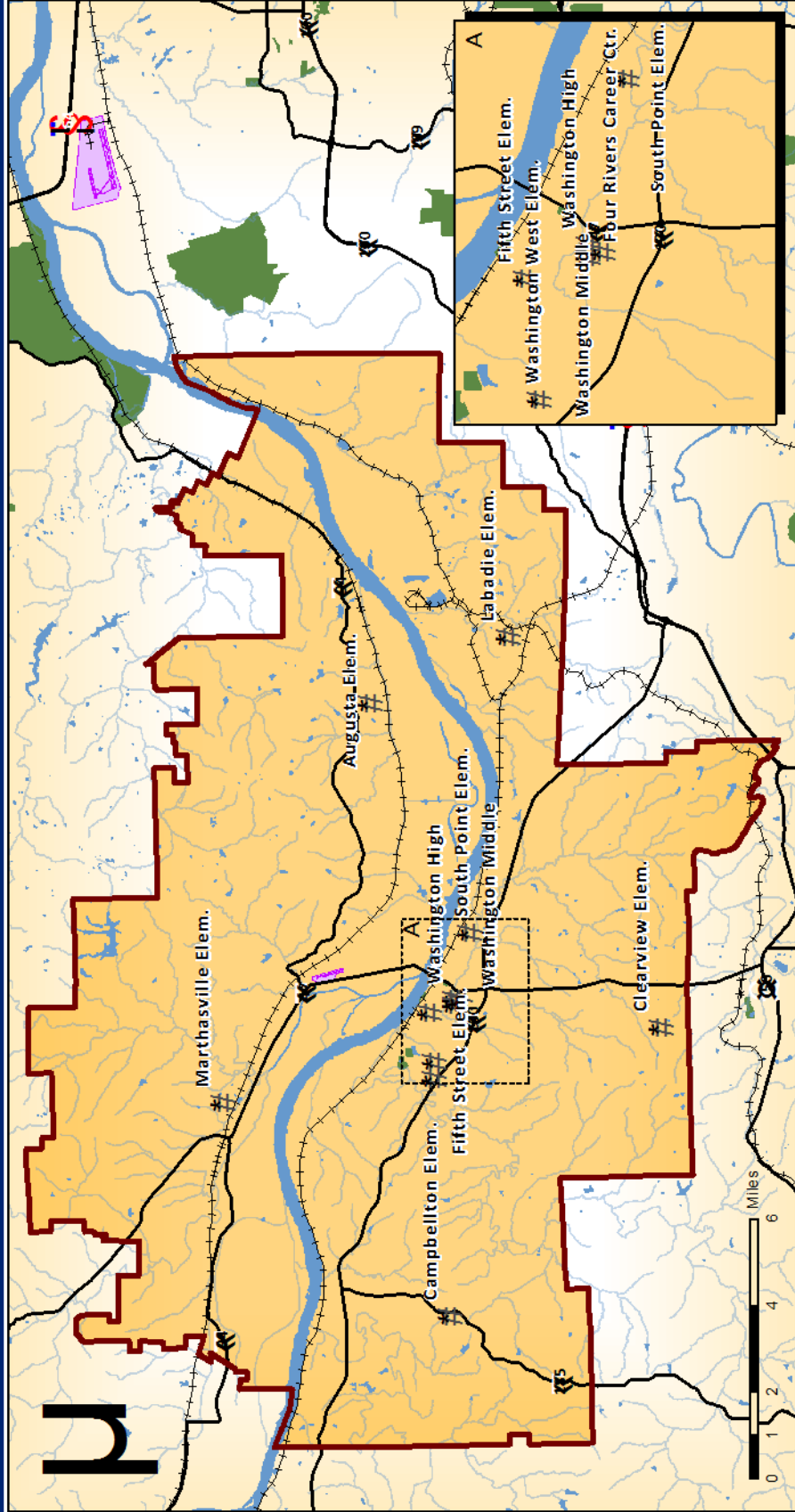


Dr. Rachael Franssen
Director of Student Services



School District of Washington

District Overview



- # Schools
- Streets
- Highways
- Railroads
- Rivers
- Parks
- Water
- Airports
- School District

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

School District of Washington

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in dark ink, reading "Terrie S. Simmons", written over a horizontal line.

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in dark ink, reading "John D. Musso", written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

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REPORT



2014

FINANCIAL SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Education
School District of Washington

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of School District of Washington ("District"), Missouri, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 *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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of School District of Washington, Missouri, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note A to the financial statements in 2014, the District has adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Other Post-Employment Benefit Obligation, and Budgetary Comparison Schedules – General Fund and Special Revenue Fund on pages 4 through 12, 44, and 41 through 42 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting 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 assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise School District of Washington's basic financial statements. The Budgetary Comparison Schedules – Debt Service Fund and Capital Projects Fund, Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedules – Debt Service Fund and Capital Projects Fund, Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014, on our consideration of School District of Washington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District of Washington's internal control over financial reporting and compliance.

Daniel Jones & Associates, P.C.
Certified Public Accountants
Arnold, Missouri

December 5, 2014

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2014

The discussion and analysis of School District of Washington's financial performance provides a comprehensive overview of the District's financial activities and the results of operations for the fiscal year ended June 30, 2014. Readers of the District statements, including this discussion and analysis, are encouraged to review the notes to the basic financial statements to enhance their understanding of the District's financial performance.

The Management's discussion and analysis is provided at the beginning of the audit to communicate the past and current position of the District's financial condition.

Financial Highlights

The key government-wide financial highlights for FY14 are as follows:

- At the government-wide level, the net position was \$32.8 million compared to \$38.5 million at the end of FY13 for a decrease of \$5.6 million. Of the \$32.8 million of the net position (assets less liabilities), \$1.6 million are restricted for capital asset investment net of related debt and unspent bond proceeds of \$2.7 million.

At June 30, 2014, \$13.2 million of the net position was restricted by Missouri Statute for: Debt Service Fund (\$2.0 million) and Capital Projects (\$11.2 million). Net position restricted for capital projects decreased \$6.3 million.

At June 30, 2014, \$12.7 million is unrestricted and may be used to finance day-to-day activities without constraints established by Federal or State statutes. Unrestricted net position increased \$3.6 million.

- Total assets decreased \$15 million in the current year. The District realized a decrease in current assets of \$12.8 million which included a net decrease in noncurrent assets of \$2.1 million. Accumulated depreciation on the District's capital assets was approximately \$106.2 million compared to additions of \$1.1 million.
- Total liabilities decreased \$9.4 million in the current year. The District's long-term obligations had a net decrease of \$9 million primarily due to the reduction on outstanding principal from the District's general obligation bonds. Of the total long-term obligation, \$3 million is classified as current, as this represents the amount due within one year of June 30, 2014.
- General revenues accounted for \$40.1 million or 82% of the District's \$49 million total revenue. Of this general revenue, \$34.9 million or 87% was from local effort including all taxes. Program specific revenue in the form of charges for services, operating grants, contributions and capital grants accounted for approximately \$10.4 million or 21% of the total revenue.

The dependence upon local tax revenues is apparent. The assessed valuation for the fiscal year ended June 30, 2014, decreased \$46.4 million (6%) to \$712,055,289 from the prior year. The District's tax rate increased \$.1945 in an effort to recover lost taxes from the lost assessed values. The District received \$1.2 million less revenue from state sources from the basic formula and SPED High Needs from the State of Missouri as a result of the District's declining special education enrollment.

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2014

- At the government-wide level, the District had \$56.1 million in expenses. Of these expenses approximately \$10.4 million were offset by program specific charges for services, grants or contributions. General revenues were adequate to provide for the District's programs in FY14.

Enrollment

The District served a student body of 3,928 students as recorded by the September membership report to the Department of Elementary and Secondary Education. The District's enrollment has experienced slight annual reductions over the last three years. The overall picture for the next few years reflects stagnant with no anticipated immediate residential growth. It is felt once the economy has recovered, Washington area will realize residential growth. As far as commercial growth, the Washington area has realized much growth in that area with merchants such as Kohls, JoAnn Fabrics, Marshalls, Dress Barn and Ross recently moving into the area. Joining those retail chains will soon be Dick's Sporting Goods.

Using this Annual Report

The District's annual report consists of a series of financial statements that show information for the District as a whole. The Statement of Net Position on page 13 and the Statement of Activities on pages 14 provide information about the activities of the Government as a whole, based on the full-accrual basis of accounting and present a longer-term view of the District's finances. The Fund Financial Statements, the Balance Sheet-Governmental Funds and Statement of Revenues, Expenditures and Changes in Fund Balances, provide the next level of detail about the District's four required funds; the General Fund, the Special Revenue (Teacher's) Fund, the Debt Service Fund and the Capital Projects Fund. These statements tell how the District financed program services in the short-term, as well as what remains for future spending. The fund level statements are prepared on the modified accrual basis of accounting and include a bridge schedule to reconcile them to the government-wide level statements. These statements provide a comparative look at FY14 versus the prior year.

The annual report also includes the notes to the basic financial statements. The user of the annual report should read the independent auditor's report, as well as the notes to the basic financial statements, to gain a clear picture of the financial position of the District.

Reporting the District as a Whole

The District adheres to Missouri State requirements for school districts and uses four major funds to account for the revenues, programs and activities each fiscal year. These statements provide information on these funds individually and the view of the District as a whole. The Statement of Activities answers the question of how well did the District do financially during the year.

The Statement of Activities explains the types of resources: revenues, charges for services, grants and contributions and the uses of resources: instructional and support services expenses. In addition, the Statement of Net Position reports the District's net position and changes in those assets and liabilities or claims against those assets. This statement tells the reader that, for the District as a whole, the financial position during the current year has either improved or diminished.

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2014

These statements report revenues and expenses, and assets, liabilities and fund balances using the full accrual basis of accounting similar to the accounting used by most private-sector entities. This basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash is received or paid.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular and miscellaneous activities. The District does not have any business-type activities.

The District as a Whole

Table 1 provides a summary of the District's net position as of June 30, 2014, compared to June 30, 2013.

Table 1			
SCHOOL DISTRICT OF WASHINGTON			
Condensed Statements of Net Position - Governmental Activities			
June 30,			
	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Assets			
Current Assets	\$ 47,740,151	\$ 48,630,299	\$ (890,148)
Capital Assets, Net	55,284,565	54,154,418	1,130,147
Total Assets	103,024,716	102,784,717	239,999
Liabilities			
Current Liabilities	\$ 1,238,999	\$ 1,593,540	\$ (354,541)
Noncurrent Liabilities			
Due Within One Year	3,038,715	2,734,660	304,055
Due in More Than One Year	50,701,556	60,030,400	(9,328,844)
Total Liabilities	54,979,270	64,358,600	(9,379,330)
Net Position			
Net investment in capital assets	\$ 5,669,769	\$ 7,285,664	\$ (1,615,895)
Restricted	14,459,929	17,382,072	(2,922,143)
Unrestricted	12,699,348	13,758,381	(1,059,033)
Total Net Position	32,829,046	38,426,117	(5,597,071)
Total Liabilities and Net Position	\$ 87,808,316	\$ 102,784,717	\$ (14,976,401)

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2014

Table 2 shows the sources of the changes in net position for the year ended June 30, 2014, compared to the year ended June 30, 2013.

Table 2
Changes in Net Position for Government-Wide Activities
Year ended June 30,

	2014	2013	Increase (Decrease)	%
Program revenues				
Charges for services	\$ 2,963,636	\$ 1,109,239	\$ 1,854,397	167.2%
Operating grants and contributions	7,470,852	10,721,744	(3,250,892)	-30.3%
General revenue				
Property taxes and other county taxes	34,107,395	35,517,706	(1,410,311)	-4.0%
State aid	3,819,530	4,221,810	(402,280)	-9.5%
Investment earnings	764,485	553,208	211,277	38.2%
Miscellaneous	1,378,858	1,426,112	(47,254)	-3.3%
Total revenue	50,504,756	53,549,819	(3,045,063)	-5.7%
Program expenses				
Instructional programs	25,422,510	25,190,876	231,634	0.9%
Other	27,950,839	21,402,541	6,548,298	30.6%
Interest and other expenses on long-term debt	2,728,478	2,253,788	474,690	21.1%
Total expense	56,101,827	48,847,205	7,254,622	14.9%
Change in net position	\$ (5,597,071)	\$ 4,702,614		

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2014

The Statement of Activities shows the cost of program services and any charges for services and grants offsetting those services, which are defined as net cost of services. Table 3 shows the total cost of services and the net cost of services. This table identifies the amount of the total cost of services, including depreciation, supported by tax revenue, other local effort, and unrestricted entitlements.

Table 3
Total and Net Costs of Governmental Activities
Year ended June 30,

	2014		2013	
	Total cost of services	Net cost of services	Total cost of services	Net cost of services
Instructional programs	\$ 25,422,510	\$ 17,940,948	\$ 25,190,876	\$ 15,900,161
Attendance	180,565	180,565	146,831	146,831
Guidance	927,955	927,955	880,770	880,770
Health services	848,735	848,735	1,400,999	1,400,999
Improvements of instruction	549,850	446,606	494,414	371,166
Professional development	80,216	80,216	54,832	54,832
Media services	1,625,868	1,625,868	871,040	871,040
Board of education	168,339	168,339	122,216	122,216
Executive administration	2,139,746	2,139,746	1,781,448	1,781,448
Building level administration	2,415,915	2,415,915	2,349,276	2,349,276
Operation of plant	4,946,752	4,946,752	7,476,859	7,476,859
Pupil transportation	2,633,332	2,056,423	2,649,380	2,082,764
Food services	1,711,675	54,331	1,677,953	108,124
Central office support	60,629	60,629	146,875	146,875
Business and central services	358,771	358,771	327,816	327,816
Security services	412,101	54,415	17,556	17,556
Adult education	607,121	381,864	395,746	395,746
Community services	8,283,269	8,250,783	608,530	327,955
Debt service	2,728,478	2,728,478	2,253,788	2,253,788
Total	\$ 56,101,827	\$ 45,667,339	\$ 48,847,205	\$ 37,016,222

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2014

Capital Assets

At June 30, 2014, the District had \$161,531,313 invested in capital assets at the gross level with \$40,068,165 net of depreciation. Table 4 shows June 30, 2014, compared to June 30, 2013.

Table 4			
Capital Assets			
	June 30,		
	2014	2013	Increase (Decrease)
Land	\$ 10,638,600	\$ 10,638,600	\$ -
Buildings and building improvements	142,902,081	142,415,197	486,884
Furniture and equipment	3,412,832	3,460,244	(47,412)
Construction in progress	4,577,800	1,325,082	3,252,718
Totals	\$ 161,531,313	\$ 157,839,123	\$ 3,692,190

Overall capital assets increased \$3.7 million from June 30, 2013. The increase in capital assets is related to the District spending the remaining proceeds of the 2013 bond issuance that have not been completed. Of the remaining proceeds spent during the year ended June 30, 2014, \$500,000 was capitalized for building improvements at locations District wide.

Further information may be found in Note C, Capital Assets.

Debt Administration

At June 30, 2014, the District had general obligation bonds outstanding of \$31,995,000 and lease debt of \$15,945,000. The District has made major additions and renovations on our campuses in recent years including HVAC, new building, and new turf field. The bonds issued in September 2010 allowed the District to install HVAC at most of the buildings in the District. The bonds issued in 2013 Series, were used for major renovations in a number of campuses, including a new Early Learning Center on the West Elementary campus. The remainder of the 2013 Series will be used for further improvements and additions.

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2014

Table 5 shows bond debt due from June 30, 2014:

Table 5
Bond Obligation

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2015	\$ 1,600,000	\$ 1,520,950	\$ 3,120,950
2016	1,450,000	1,470,550	2,920,550
2017	740,000	1,421,925	2,161,925
2018	950,000	1,394,175	2,344,175
2019	1,000,000	1,358,075	2,358,075
2020-2024	6,005,000	6,110,825	12,115,825
2025-2029	8,500,000	4,453,875	12,953,875
2030-2033	<u>11,750,000</u>	<u>1,522,625</u>	<u>13,272,625</u>
	<u>\$ 31,995,000</u>	<u>\$ 19,253,000</u>	<u>\$ 51,248,000</u>

Lease debt in 2012 was used for land purchase, building purchase, technology enhancements and building improvements. Table 6 shows outstanding lease debt.

Table 6
Lease Debt

Year ending June 30,	
2015	\$ 1,287,000
2016	1,355,600
2017	1,406,300
2018	1,479,738
2019	1,535,050
2020-2024	8,345,319
2025-2028	<u>5,892,313</u>
Total future minimum lease payments	21,301,320
Less amount representing interest	<u>5,356,320</u>
Present value of future minimum lease payments	<u><u>\$ 15,945,000</u></u>

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2014

Other long-term debt obligations included accrued compensated absences and liability for other Post Employment Benefits. Further information may be found in Note D, Changes in Long-Term Liabilities.

Missouri statute allows school districts to incur debt up to an amount equal to 15% of the most current assessed valuation. The District's allowable debt level ceiling was \$77.5 million at June 30, 2014, far above the District's current level of debt. Missouri law also requires school districts to set a tax levy adequate to service the outstanding debt. The District's Debt Service levy for FY14 was \$.3317 on each \$100 of assessed valuation. The Debt Service Fund balance at June 30, 2014, was \$2.68 million.

Budgeting Highlights

The District's budget is prepared according to Missouri law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

Statements showing the original budget and the final budget amounts compared to the District's actual activity are provided on pages 41, 42, 45, and 46. Budgetary expenditures are obtained for the General Ledger and are reported based on budgetary accounting rules. It contains capital expenditures but excludes such items as depreciation, changes in unfunded liability estimates and certain other non-fund costs and activities.

Reporting the District's Most Significant Funds

The District's Funds

The District had actual revenues of \$50 million and actual expenditures of \$65.5 million, which resulted in an overall fund balance decrease of \$15 million from \$46.1 million in 2013 to \$31 million in 2014. This is largely due to continuing construction from the 2013 bond issue. The Capital Projects Fund decreased \$7.5 million as construction continued. The General Fund balance decreased by \$907,000, the Teachers Fund increased by \$114,000 and the Debt Service Fund decreased by \$6.8 million due to the payment of the escrow account to the 2004 bond issue.

Schedules showing the District's original and final budget compared with actual operating results are provided in the CAFR on pages 41 and 42 for the General Fund and Teachers (Special Revenue) Fund, and on pages 45 to 46 for the Debt Service Fund and Capital Projects Fund.

The District's budget and reporting structure follow the statutes of the State of Missouri and as such consists of four major funds: the General Fund, the Teachers (Special Revenue) Fund, the Debt Service Fund and the Capital Projects Fund. At the fund level, the District accounts for the annual activities and prepares the budget using the accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available or collectible within sixty days after the end of the current period (June 30). Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2014

For the Future

The School District of Washington continues to be in excellent financial health and is committed to wise financial management. The operating fund balances have grown to 39.0% of expenditures. The current Board of Education policy is to ensure year-end operating fund balances are maintained to range between 22-27%. The school board has put into policy measures to be put into place if the balance should fall below 22%.

Over the next few years the District will be faced with many financial challenges. Revenue sources are projecting to remain relatively flat over the next three fiscal years. The estimated increase in revenue from local sources will be offset by decreases in funding from the State formula as our recent trend of declining enrollment will impact future funding. Expenditures related to District staff will increase and without funding from bond issues the District will be budgeting routine maintenance from operating funds.

In conclusion and in response to the financial challenges that we will face, the School District of Washington is committed to providing outstanding educational opportunities for its students and to provide the necessary resources to ensure student success. The District's systems for financial planning, budgeting and internal control are well regarded. The District will continue to be prudent in financial management in order to meet the challenges of the future.

Contacting the District's Financial Management:

This report is designed to give an overview of the financial conditions of the School District of Washington. If you desire additional information, you may contact Shelley Kinder, Chief Financial Officer, at 636-231-2007.

SCHOOL DISTRICT OF WASHINGTON

STATEMENT OF NET POSITION

As of June 30, 2014

	Governmental activities
ASSETS	
Cash and investments	\$ 28,999,960
Property taxes receivable	1,088,580
Other receivables	2,036,017
Prepaid items	246,932
Inventories	152,262
Other assets	-
Land	10,638,600
Construction in progress	4,577,800
Depreciable capital assets, net of accumulated depreciation	40,068,165
TOTAL ASSETS	\$ 87,808,316
LIABILITIES	
Accounts payable	\$ 208,548
Bank overdraft	6,637
Accrued payroll and related liabilities	325,642
Interest payable	698,172
Noncurrent liabilities	
Due within one year	3,038,715
Due in more than one year	50,701,556
Total liabilities	54,979,270
NET POSITION	
Net investment in capital assets	5,669,769
Restricted for:	
Capital projects	11,208,986
Debt service	2,068,206
Certificated employees' compensation and benefits	1,182,737
Unrestricted	12,699,348
Total net position	32,829,046
TOTAL LIABILITIES AND NET POSITION	\$ 87,808,316

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF WASHINGTON

STATEMENT OF ACTIVITIES

For the year ended June 30, 2014

Function/Program	Expenses	Program revenues		Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Total governmental activities
Governmental activities				
Instruction	\$ 25,422,510	\$ 1,899,964	\$ 5,581,598	\$ (17,940,948)
Attendance	180,565	-	-	(180,565)
Guidance	927,955	-	-	(927,955)
Health services	848,735	-	-	(848,735)
Improvement of instruction	549,850	-	103,244	(446,606)
Professional development	80,216	-	-	(80,216)
Media services	1,625,868	-	-	(1,625,868)
Board of Education services	168,339	-	-	(168,339)
Executive administration	2,139,746	-	-	(2,139,746)
Building level administration	2,415,915	-	-	(2,415,915)
Operation of plant	4,946,752	-	-	(4,946,752)
Pupil transportation	2,633,332	-	576,909	(2,056,423)
Food services	1,711,675	913,398	743,946	(54,331)
Central office support	60,629	-	-	(60,629)
Business and central services	358,771	-	-	(358,771)
Security services	412,101	-	357,686	(54,415)
Adult education	607,121	117,788	107,469	(381,864)
Community services	8,283,269	32,486	-	(8,250,783)
Interest and other expenses on long-term debt	2,728,478	-	-	(2,728,478)
Total governmental activities	\$ 56,101,827	\$ 2,963,636	\$ 7,470,852	(45,667,339)
General revenues				
Taxes				
Property taxes				28,478,380
Sales taxes				3,452,691
Other				2,176,324
State aid				3,819,530
Investment earnings				764,485
Miscellaneous				1,378,858
Total general revenues				40,070,268
Change in net position				(5,597,071)
Net position at July 1, 2013				38,426,117
Net position at June 30, 2014				<u>\$ 32,829,046</u>

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF WASHINGTON

BALANCE SHEET - GOVERNMENTAL FUNDS

As of June 30, 2014

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and investments	\$ 15,397,537	\$ -	\$ 2,681,172	\$ 10,921,251	\$ 28,999,960
Receivables	1,349,954	1,362,466	92,917	319,260	3,124,597
Prepaid items	246,932	-	-	-	246,932
Inventories	152,262	-	-	-	152,262
Total assets	\$ 17,146,685	\$ 1,362,466	\$ 2,774,089	\$ 11,240,511	\$ 32,523,751
LIABILITIES					
Bank overdraft	\$ -	\$ -	\$ 6,637	\$ -	\$ 6,637
Accounts payable	151,107	24,841	1,075	31,525	208,548
Accrued payroll and benefits	170,754	154,888	-	-	325,642
Total liabilities	321,861	179,729	7,712	31,525	540,827
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	803,857	-	80,829	95,036	979,722
Total Deferred Inflows of Resources	803,857	-	80,829	95,036	979,722
FUND BALANCES					
Nonspendable					
Prepaid items	246,932	-	-	-	246,932
Inventory	152,262	-	-	-	152,262
Restricted					
Teachers salaries and benefits	-	1,182,737	-	-	1,182,737
Debt service	-	-	2,685,548	-	2,685,548
Capital projects	-	-	-	5,240,273	5,240,273
Assigned					
Other capital projects	-	-	-	5,873,677	5,873,677
Unassigned	15,621,773	-	-	-	15,621,773
Total fund balances	16,020,967	1,182,737	2,685,548	11,113,950	31,003,202
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,146,685	\$ 1,362,466	\$ 2,774,089	\$ 11,240,511	\$ 32,523,751

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF WASHINGTON

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET WITH THE STATEMENT OF NET POSITION As of June 30, 2014

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

Total fund balance - governmental funds	\$	31,003,202
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$161,531,313 and the accumulated depreciation is \$106,246,748		55,284,565
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds as follows: Deferred tax revenue		979,722
Bond discounts are reported as expenditures in the governmental funds. The cost is \$683,881 and the accumulated amortization is \$246,124.		437,757
To recognize interest accrued on general obligation bonds and obligations under capital leases		(698,171)
Long-term liabilities, including bonds and leases payable, are not due and payable in the current period and therefore are not reported in the funds as follows:		
General obligation bonds	(31,995,000)	
Bond premium, net of accumulated amortization	(2,112,553)	
Compensated absences	(3,768,576)	
Postemployment benefits other than pensions	(356,900)	
Capital lease obligation	(15,945,000)	
Total		(54,178,029)
Total net position - governmental activities	\$	32,829,046

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF WASHINGTON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the year ended June 30, 2014

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues					
Local	\$ 26,334,211	\$ 3,694,195	\$ 2,871,285	\$ 2,813,400	\$ 35,713,091
County	1,161,916	302,492	183,298	74,743	1,722,449
State	1,118,243	5,525,177	-	1,610,991	8,254,411
Federal	1,641,171	1,637,925	-	-	3,279,096
Other	48,684	1,272,314	-	-	1,320,998
Total revenues	30,304,225	12,432,103	3,054,583	4,499,134	50,290,045
Expenditures					
Current					
Instruction	4,426,759	20,687,275	-	245,193	25,359,227
Attendance	115,236	64,893	-	-	180,129
Guidance	69,789	855,420	-	-	925,209
Health services	504,939	340,155	-	1,210	846,304
Improvement of instruction	167,595	380,918	-	-	548,513
Professional development	49,426	30,690	-	-	80,116
Media services	264,907	569,981	-	788,946	1,623,834
Board of Education services	168,339	-	-	-	168,339
Executive administration	1,416,214	329,791	-	391,206	2,137,211
Building level administration	599,893	1,808,927	-	-	2,408,820
Operation of plant	4,907,459	-	-	32,411	4,939,870
Pupil transportation	2,633,332	-	-	-	2,633,332
Food services	1,673,540	-	-	35,452	1,708,992
Central office support	58,553	337	-	1,566	60,456
Business and central services	361,284	-	-	-	361,284
Security services	-	3,931	-	41,197	45,128
Adult education	154,092	257,092	-	-	411,184
Community services	350,462	244,104	-	10,974	605,540
Facilities acquisition and construction	-	-	-	9,413,416	9,413,416
Debt service					
Principal retirement	-	-	8,100,000	600,000	8,700,000
Interest and other charges	-	-	1,782,300	640,010	2,422,310
Total expenditures	17,921,819	25,573,514	9,882,300	12,201,581	65,579,214
Revenues over (under) expenditures	12,382,406	(13,141,411)	(6,827,717)	(7,702,447)	(15,289,169)
Other financing sources (uses)					
Transfers	(13,291,218)	13,255,766	-	35,452	-
Sale of other property	1,848	-	-	157,385	159,233
Proceeds from capital lease	-	-	-	-	-
Payments to refunded capital lease escrow agent	-	-	-	-	-
Sale of bonds	-	-	-	-	-
Premium on issuance of bonds	-	-	-	-	-
Total other financing sources (uses)	(13,289,370)	13,255,766	-	192,837	159,233
NET CHANGE IN FUND BALANCES	(906,964)	114,355	(6,827,717)	(7,509,610)	(15,129,936)
Fund balances at July 1, 2013	16,927,931	1,068,382	9,513,265	18,623,560	46,133,138
Fund balances at June 30, 2014	\$ 16,020,967	\$ 1,182,737	\$ 2,685,548	\$ 11,113,950	\$ 31,003,202

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF WASHINGTON

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES For the year ended June 30, 2014

Net change in fund balances - total governmental funds	\$ (15,129,936)
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Capital outlays are reported as expenditures in the 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 purchases	3,753,789	
Depreciation expense	<u>(2,623,642)</u>	1,130,147

Revenue in the Statement of Activities that does not provide current financial resources are not reported as revenues in the governmental funds. These amounts consist of:

Increase in deferred tax revenue	104,163
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Increase in OPEB Liability	(150,300)
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The governmental funds report debt (e.g. bonds and capital leases) proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Also, governmental funds report the effect of discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of debt and related items is as follows:

Repayment of bond principal	8,100,000	
Repayment of capital lease obligation	600,000	
Amortization of bond issuance discounts and costs	(34,593)	
Expense of bond issuance costs per GASB 65	(194,999)	
Amortization of bond premium	<u>132,606</u>	
Total		8,603,014

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

Decrease in compensated absences	(95,275)
Net decrease in accrued interest	<u>(58,884)</u>

Change in net position of governmental activities	<u><u>\$ (5,597,071)</u></u>
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The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School District of Washington (“District”) is a political subdivision of the State of Missouri and operates under the regulations pursuant to Section 162.092 RSMo of the Public School Laws of Missouri, which designates a Board of Education to act as the governing authority. The District provides educational services to pre-kindergarten through high school residents.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (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.

1. Principles Determining the Scope of Reporting Entity

Generally accepted accounting principles require that the financial reporting entity is to include (1) the primary government, (2) organizations for which the primary government is financially accountable and, (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The criteria provided in the applicable GASB statements have been considered and there are no other agencies or entities, which should be presented with the District.

Excluded from the reporting entity:

Public School Retirement System of Missouri and Public Education Employee Retirement System are excluded from the reporting entity. The participating School District’s governing bodies have appointed these potential component units jointly. These are independent units that select management staff, set user charges, establish budgets and control all aspects of its daily activity.

Additionally, while the parent-teacher organizations of the District’s schools are organizations that provide financial support exclusively to the District, they are not required to be included as a component unit because the amount of financial support provided is of a de minimis nature.

The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District’s financial statements. In addition, the District is not aware of any entity that would exercise such oversight which would result in the District being considered a component unit of the entity.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

2. Fund Accounting

The accounts of the District are organized on the basis of legally established funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. District resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the District:

Governmental Funds

Governmental funds are those through which most functions of the District are financed. The District's expendable financial resources are accounted for through Governmental Funds. The measurement focus is based upon determination of changes in the financial position rather than upon net income determination. Governmental funds focus 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. The following are the District's governmental funds, each of which the District considers to be a major fund:

General (Incidental) Fund

This fund is the general operating fund of the District and accounts for expenditures for noncertified employees, pupil transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any expenditure not required or permitted to be accounted for in other funds.

Special Revenue (Teachers') Fund

This fund accounts for revenues derived from specific taxes or other earmarked revenue sources. The Special Revenue (Teachers') Fund is a special revenue fund, which accounts for expenditures for certified employees involved in administration and instruction, and includes revenues restricted or committed for the payment of teacher salaries and certain benefits.

Debt Service Fund

This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of, principal, interest and fiscal charges on certain long-term debt.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

2. Fund Accounting (concluded)

Capital Projects Fund

This fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities or other capital assets.

3. Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to remain intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to limitations imposed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through ordinances approved by the Board. The District does not have any committed fund balances.

Assigned – includes amounts that the District intends to use for a specific purpose but that do not meet the definition of restricted or committed fund balance. Under the District's adopted policy, amounts may be assigned by the Chief Financial Officer.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

The details of the fund balances are included in the Balance Sheet – Governmental Funds.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

4. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities present financial information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The government-wide statements are prepared using the economic resources measurement focus. This differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations, with brief explanations, to better identify the relationship between the government-wide statements and the statements for governmental funds.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* include (a) charges paid by the students for tuition, fees, goods and services offered by the program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as *program revenues* are presented as general revenues and include all property taxes. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or drawing from the general revenues of the District.

Interfund activities, if applicable, would be eliminated except those representing balances in the Statement of Net Position and the Statement of Activities.

Fund Financial Statements

The fund financial statements provide detail information about the District's funds. The emphasis of fund financial statements is on *major* governmental funds. Each fund is displayed in a separate column.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are the balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

5. Basis of Accounting

Basis of accounting determines when transactions are reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting at the fund level.

Revenues – Exchange and Non-Exchange Transactions – Revenues resulting from exchange transactions in which each party receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving 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. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before they 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, sales tax, interest, tuition, grants, student fees and rentals.

Deferred Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received, (i.e., cash advances) before eligibility requirements are met, are recorded as deferred revenues.

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 governmental funds at the fund reporting level.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

5. Basis of Accounting (concluded)

Change in Accounting Principles

During the fiscal year ended June 30, 2014, the District implemented Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

6. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. The county collects the property tax and remits it to the District. An allowance for uncollectible taxes has been provided for delinquent taxes.

At the fund reporting level, property tax revenues are recognized when they become measurable and available. Available includes those property tax receivables expected to be collected within sixty (60) days after year end. Revenue recognition of delinquent property taxes not collected within sixty (60) days of fiscal year end is deferred.

The District also receives sales tax collected by the State and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year. The voters in the District approved a waiver of this tax rollback.

The assessed valuations of the tangible taxable property for the calendar years 2013 and 2012, for purposes of local taxation, were \$716,525,469 and \$762,447,744, respectively.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

6. Property Taxes (concluded)

The tax levy per \$100 of assessed valuation of tangible taxable property for the calendar years 2013 and 2012, for purposes of local taxation, were:

	December 31,	
	2013	2012
General Fund	\$ 3.2988	\$ 3.2175
Special Revenue Fund	-	-
Debt Service Fund	0.3317	0.2985
Capital Projects Fund	0.3900	0.2900
Total	<u>\$ 4.0205</u>	<u>\$ 3.8260</u>

The receipts of current property taxes during the fiscal year ended June 30, 2014, aggregated approximately 98.40% of the current assessment computed on the basis of the levy as shown above.

7. Pooled Cash and Temporary Investments

Cash resources are combined to form a pool of cash and temporary investments, which is managed by the District Treasurer, except resources from the Debt Service Fund, as state law requires these deposits to be separately maintained. The reported value of the pool is the same as the fair value of the pool shares.

The District may invest in bonds of the State of Missouri, of the United States, or any wholly-owned corporation of the United States; or in other short-term obligations of the United States.

Investments are stated at fair value, which is based on quoted market prices as of June 30, 2014.

Interest income earned is allocated to contributing funds based on each fund's proportionate share of funds invested.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

8. Restricted Cash and Investments

Restricted cash and investments represent amounts limited by legal requirements and they consist of unexpended bond proceeds and amounts escrowed for future general obligation bond principal and interest payments in conjunction with the Missouri School District Direct Deposit Program and Missouri Securities Investment Program. Restricted cash and investments also include amounts escrowed for future lease participation certificates principal and interest payments.

9. Receivables

Balances due from other governmental units:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Property Taxes	\$ 893,175	\$ -	\$ 89,810	\$ 105,595	\$ 1,088,580
DESE	425,878	1,362,466	-	199,377	1,987,721
Interest	30,901	-	3,107	14,288	48,296
Total Receivables	<u>\$ 1,349,954</u>	<u>\$ 1,362,466</u>	<u>\$ 92,917</u>	<u>\$ 319,260</u>	<u>\$ 3,124,597</u>

10. Prepaid Items

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

11. Inventory

Inventories are stated at cost, on a first-in, first-out (FIFO) basis, and are expensed when used.

12. Capital Assets

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

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

12. Capital Assets (concluded)

All capital assets are recorded at cost (or estimated historical cost) and are updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000 for financial reporting purposes.

The cost of normal maintenance and repairs that do not add value to the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed and placed in service. Improvements are depreciated over the remaining useful lives of the related capital assets. Except for land and construction in progress, all reported capital assets are depreciated. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings and improvements	40	years
Furniture and equipment	5 - 15	years

13. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Accumulated vacation and sick pay benefits, within limits set by the Board of Education policy, which are unused and vested to the employee are payable upon termination. Sick pay is accrued in the government-wide financial statements for the amount of sick pay benefits accumulated at year end. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts are reported in governmental funds only after they become payable, for example, as a result of employee resignations and retirements.

14. Accrued Liabilities and Long-term Obligations

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, special termination benefits, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment. In general, liabilities that mature or are due for payment during the fiscal year are considered to have been made with current available financial resources.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

14. Accrued Liabilities and Long-term Obligations (concluded)

Bonds, capital leases and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

15. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use, either through the enabling legislation adopted by the District or through external restrictions imposed by regulators, grantors or laws or regulations of other governments. The remaining balance of net position is reported as unrestricted. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first.

16. Interfund Activity

Interfund transfers, if applicable, are reported as other financing sources (uses) in governmental funds. During the year, the District transferred \$13,255,766 and \$35,452 from the General Fund to the Special Revenue Fund and Capital Projects Fund, respectively. Transfers are made to the Special Revenue Fund to cover any negative fund balance incurred in a fiscal year. Transfers are made to the Capital Projects Fund to help pay for equipment and capital lease obligations.

17. Estimates

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

NOTE B – CASH AND INVESTMENTS

The District maintains a cash and temporary investment pool that is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District). Each fund's portion of this pool is displayed on the balance sheet as "cash and investments" under each fund's caption.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE B – CASH AND INVESTMENTS (continued)

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2014, the carrying amount of the deposits under District control was \$21,095,573 and the bank balance was \$22,550,752, which was covered by federal depository insurance and collateral held by the District's safekeeping bank agent, in the District's name.

Investments

The District may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States Government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements, maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. Government agencies or instrumentalities of any maturity, as provided by law. As of June 30, 2014, the District had the following investments and maturities:

Type	Fair Value	Investment Maturities	
		0 to 1 year	1 to 3 years
U.S. Treasury securities	\$ -	\$ -	\$ -
External investment pools	7,904,387	7,904,387	-
	<u>\$ 7,904,387</u>	<u>\$ 7,904,387</u>	<u>\$ -</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, one of the ways the District manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so a portion of the portfolio is maturing and coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE B – CASH AND INVESTMENTS (continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The District's investment in Missouri Securities Investment Program and U.S. treasury securities are rated AA^{Am} and AA⁺ by Standard and Poor's. The District's investment in Missouri Health and Education Facilities Authority Direct Deposit Program is not rated by any of the nationally recognized statistical rating programs.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond what is provided by law. There were no investments in any one issuer representing 5% or more of the total investments (excluding investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools and other pooled investments) at June 30, 2014.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a formal policy regarding the custody of its cash and investments. As of June 30, 2014, the District's investments in U.S. treasury securities were held by the investment's counterparty.

Summary

The cash deposits and investments are summarized and presented in the financial statements as follows as of June 30, 2014:

Carrying amount of deposits	\$ 21,095,573
Investments	<u>7,904,387</u>
	<u>\$ 28,999,960</u>
Cash and investments - restricted	\$ 25,063,758
Cash and investments - unrestricted	<u>3,936,202</u>
Total reporting entity	<u>\$ 28,999,960</u>

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE B – CASH AND INVESTMENTS (concluded)

The District has investments managed by Wells Fargo in conjunction with the Missouri School District Deposit Program. These investments are restricted for payment of interest and retirement of general obligation bonds issued through the MOHEFA Bond program as discussed more fully in Note D. The District also has funds invested in the Missouri Securities Investment Program. All funds in this program are invested in accordance with Section 165.061 RSMo. Each school district owns a pro rata share of each investment, which is held in the name of the Fund. The District also has restricted cash and investments escrowed for future bond and lease payments.

NOTE C - CAPITAL ASSETS

The following is a summary of changes occurring in capital assets for the year ended June 30, 2014:

	Balance July 1, 2013	Transfers	Additions	Deletions	Balance June 30, 2014
Governmental activities					
Capital assets that are not depreciated					
Land	\$ 10,638,600	\$ -	\$ -	\$ -	\$ 10,638,600
Construction in progress	1,325,082	-	3,252,718	-	4,577,800
Capital assets that are depreciated					
Buildings and building improvements	142,415,198	-	486,883	-	142,902,081
Furniture and equipment	3,460,244	-	14,188	61,600	3,412,832
Totals at estimated historical cost	157,839,124	-	3,753,789	61,600	161,531,313
Accumulated depreciation					
Buildings and building improvements	101,104,988	-	894,961	-	101,999,949
Furniture and equipment	2,579,718	-	1,728,681	61,600	4,246,799
Total accumulated depreciation	103,684,706	-	2,623,642	61,600	106,246,748
Governmental activities capital assets, net	<u>\$ 54,154,418</u>	<u>\$ -</u>	<u>\$ 1,130,147</u>	<u>\$ -</u>	<u>\$ 55,284,565</u>

Depreciation expense is reported in the Statement of Activities and was allocated to Operation of Plant.

Construction in Progress of \$4,577,800 covers the completion of the athletic field with new turf along with various other projects.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE D - CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes occurring in long-term liabilities for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Amounts due within one year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 40,095,000	\$ -	\$ (8,100,000)	\$ 31,995,000	\$ 1,600,000
Deferred amounts for issuance discount	(329,399)	(142,951)	34,592	(437,758)	-
Deferred amounts for issuance premium	2,245,159	-	(132,606)	2,112,553	-
Total bonds payable, net	42,010,760	(142,951)	(8,198,014)	33,669,795	1,600,000
Obligations under capital leases	16,545,000	-	(600,000)	15,945,000	685,000
Compensated absences	3,673,301	95,275	-	3,768,576	753,715
Other postemployment benefit obligation	206,600	150,300	-	356,900	-
Total governmental activity long-term liabilities	<u>\$ 62,435,661</u>	<u>\$ 102,624</u>	<u>\$ (8,798,014)</u>	<u>\$ 53,740,271</u>	<u>\$ 3,038,715</u>

Payments on the general obligation bonds are made by the Debt Service Fund. The obligations under capital leases are paid by the Capital Projects Fund. The accrued vacation and other post-employment benefit obligation will be liquidated by the fund in which the employee's salary was charged.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE D - CHANGES IN LONG-TERM LIABILITIES (continued)

Bonds Payable

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

Bonds payable consist of the following at June 30, 2014:

Date issued	Maturity date	Rate of interest	Original issue amount	Balance at June 30, 2014
6/1/04	3/1/21	3.50% - 5.25%	\$ 9,400,000	\$ 1,400,000
12/15/06	3/1/21	3.75% - 4.00%	6,445,000	4,945,000
12/1/10	3/1/30	4.50% - 5.55%	15,000,000	15,000,000
12/1/10	3/1/16	2.00% - 3.00%	2,650,000	1,650,000
6/15/13	3/1/33	5.00%	9,000,000	9,000,000
			<u>\$ 42,495,000</u>	<u>\$ 31,995,000</u>

The annual requirements to amortize bonded debt outstanding as of June 30, 2014, are as follows:

Year ending June 30,	Principal	Interest	Total
2015	\$ 1,600,000	\$ 1,520,950	\$ 3,120,950
2016	1,450,000	1,470,550	2,920,550
2017	740,000	1,421,925	2,161,925
2018	950,000	1,394,175	2,344,175
2019	1,000,000	1,358,075	2,358,075
2020-2024	6,005,000	6,110,825	12,115,825
2025-2029	8,500,000	4,453,875	12,953,875
2030-2033	11,750,000	1,522,625	13,272,625
	<u>\$ 31,995,000</u>	<u>\$ 19,253,000</u>	<u>\$ 51,248,000</u>

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE D - CHANGES IN LONG-TERM LIABILITIES (continued)

Bonds Payable (concluded)

Certain bond issue payments are made through the Missouri School District Direct Deposit program, which is a mechanism for public school bond repayments. It authorizes direct depositing a portion of the District's state aid payment by the State of Missouri to a trustee bank that accumulates these payments and then makes the principal and interest payments to the paying agents on the bonds.

The District has \$1,248,380 on deposit with Wells Fargo in conjunction with this program, as discussed in Note B.

Advanced Refunding

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for defeased bonds are not included in the District's financial statements. At June 30, 2014, the escrowed cash was paid to the bond holders to reduce the principal balance on the general obligation bonds.

Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a District to fifteen (15%) percent of the assessed valuation of the District (including State assessed railroad and utility). The legal debt margin, computed including the assessed valuation of State assessed railroad and utilities, of the District at June 30, 2014, was:

Constitutional debt limit	\$ 107,478,820
General obligation bonds payable	(31,995,000)
Amount available in Debt Service Fund	<u>2,685,548</u>
Legal debt margin	<u><u>\$ 78,169,368</u></u>

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE D - CHANGES IN LONG-TERM LIABILITIES (concluded)

Capital Lease Payable

On July 1, 2007, lease participation certificates were issued, sold and delivered for Series 2007 in the amount of \$12,550,000, for the purpose of providing funds to pay the cost of acquisition of land, construction and installation of certain improvement projects.

On February 15, 2013, the District issued \$5,420,000 in Series 2013 certificates to refinance \$6,050,000 of outstanding Series 2003. The 2003 escrow fund of \$692,000 was used to offset the total debt due. This was undertaken to reduce the total debt by reducing interest rates from 2% - 4% to 2% - 2.625%.

The cost for such projects related to Series 2003 (refunded by Series 2013) and 2007 as of June 30, 2014, was \$20,963,529, with current year depreciation totaling \$713,967 and accumulated depreciation of \$5,602,699.

Issue	Balance July 1, 2013	Additions	Principal Payments	Balance June 30, 2014	Due in One Year
Series 2007	\$ 11,125,000	\$ -	\$ 325,000	\$ 10,800,000	\$ 350,000
Series 2013	5,420,000	-	275,000	5,145,000	335,000
Total	<u>\$ 16,545,000</u>	<u>\$ -</u>	<u>\$ 600,000</u>	<u>\$ 15,945,000</u>	<u>\$ 685,000</u>

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2014.

Year Ended June 30,	Principal	Interest	Total
2015	\$ 685,000	\$ 602,000	\$ 1,287,000
2016	775,000	580,600	1,355,600
2017	850,000	556,300	1,406,300
2018	950,000	529,738	1,479,738
2019	1,035,000	500,050	1,535,050
2020-2024	6,450,000	1,895,319	8,345,319
2025-2028	5,200,000	692,313	5,892,313
Total	<u>\$ 15,945,000</u>	<u>\$ 5,356,320</u>	<u>\$ 21,301,320</u>

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE E - RETIREMENT PLAN

Statement 67 of the Governmental Accounting Standards Board (GASB), *Accounting for Pensions by State and Local Governmental Employers*, requires public employers to provide detailed disclosure of pension information in financial statements and accompanying information.

A. PSRS/PEERS administers two separate pension plans as described below:

1. The District contributes to the Public School Retirement System of Missouri (PSRS) – PSRS is a mandatory cost-sharing multiple-employer defined benefit pension plan for all full-time certified employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and some educational associations. PSRS provides service retirement, death and disability benefits to its members.

Statutes governing PSRS are found in Sections 169.010 - 169.141 and Sections 169.560 – 169.595 of RSMo.

PSRS members are required to contribute 14.5% during 2011-2012, 2012-2013, and 2013-2014. The employer districts were required to match this amount. The Board of Trustees sets the contribution rate based upon the recommendation of the system's actuary.

Total required employer contributions for PSRS are equal to 100% of employer charges. The District's contributions to PSRS for the years ending June 30, 2014, 2013, and 2012 were \$3,071,257, \$3,004,269, and \$2,868,959 respectively, equal to the required contributions.

2. The District also contributes to The Public Education Employee Retirement System of Missouri (PEERS) – PEERS is a mandatory cost-sharing multiple-employer defined benefit pension plan for non-certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and some educational associations. Employees of covered districts who work 20 or more hours per week on a regular basis and are not contributing members of PSRS must contribute to PEERS.

Statutes governing PEERS are found in Sections 169.600 – 169.715 and Sections 169.560 – 169.595 RSMo.

PEERS members were required to contribute 6.86% during 2011-2012, 2012-2013, and 2013-2014. The employer districts were required to match this amount. The Board of Trustees sets the contribution rate based upon the recommendation of the system's actuary.

Total required employer contributions for PEERS are equal to 100% of employer charges.. The District's contributions to PEERS for the years ending June 30, 2014, 2013, and 2012 were \$420,103, \$408,127, and \$392,549, respectively, equal to the required contributions.

- B. PSRS/PEERS issues a stand-alone Comprehensive Annual Financial Report. Interested parties may obtain a copy by writing to PSRS/PEERS, P.O. Box 268, Jefferson City, MO 65102 or by calling 800-392-6848. A copy may also be viewed online at <http://www.psr-peers.org/Investments/AnnualReport.htm>.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

In addition to providing the pension benefits described above, the District provides continuation of medical, dental and vision insurance coverage to employees who are eligible for retirement under a single employer plan. Retirees who elect to participate must pay the premium in effect for the current plan year or any subsequent year at the premium rates in effect at that time. Since the retirees pay the premium for each year, the District's share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. A stand-alone financial report is not available for the plan.

Funding Policy

The District currently pays for the implicit rate subsidy associated with these post-employment health care benefits on a pay-as-you-go basis. The District determines contribution requirements and may be amended by the District. As of June 30, 2014, no trust fund has been established for the funding of the plan's post-employment benefit obligation, resulting in the classification of the entire liability as unfunded. The schedule of funding progress is presented as required supplementary information.

Annual Other Post-employment Benefit Cost

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

As of June 30, 2014, the schedule of employer contributions and net OPEB obligation is as follows:

Annual required contribution	\$ 346,500
Interest on net OPEB obligation	7,700
Adjustment to annual required contribution	<u>(7,600)</u>
Annual OPEB cost (expense)	346,600
Contributions made	<u>196,300</u>
Increase in net OPEB obligation	150,300
Net OPEB obligation at July 1, 2013	<u>206,600</u>
Net OPEB obligation at June 30, 2014	<u><u>\$ 356,900</u></u>

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – (continued)

Annual Other Post-employment Benefit Cost – (concluded)

As of June 30, 2014, the annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation were as follows:

Plan Year	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 262,100	78.14%	\$ 57,300
2013	262,100	43.04%	206,600
2014	346,600	56.64%	356,900

Funded Status and Funding Progress

As of July 1, 2014, the actuarial accrued liability for benefits was \$3,378,900, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$25,991,258, and the ratio of the unfunded actuarial liability to the covered payroll was 13.0%.

The projection of future benefit payments for an ongoing plan involves 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 healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions 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 following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan 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 to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities consistent with the long-term prospective of the calculations. The initial unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis over 30 years.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – (concluded)

In the actuarial valuation, the liabilities were computed using the projected unit credit cost method. The actuarial assumptions utilized a 3.75% discount rate. Because the plan is unfunded, reference to general assets, which are short-term in nature, was considered in the selection of the 3.75% rate. The healthcare trends used are based on long term healthcare trends generated by the Getzen Model.

NOTE G - RISK MANAGEMENT

The District is exposed to various risks of loss related to theft, damage to and destruction of assets; errors and omissions; injuries to employees and natural disaster. To cover these risks, the District is a participant in the Missouri United School Insurance Council (the “Council”) which is a Protected Self-Insurance Program of Missouri Public School Districts with 473 members. The District pays an assessment to the Council, which for the calendar year 2014 was \$576,410. Part of the assessment then goes to buy excess insurance contracts for the group as a whole. Should the contributions received by the Council not be sufficient, special assessments can be made to the member Districts. The District believes that it is not possible to estimate the range of contingent losses to be borne by the District. For the three previous years, settlements did not exceed the insurance coverage provided by commercial insurance. There has been no significant reduction in insurance coverage from the preceding year.

NOTE H - COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require 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 District at June 30, 2014.

Litigation

The District is not currently a party in pending litigation.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014

NOTE I – ACTUAL EXPENDITURES IN EXCESS OF BUDGET

For the year ended June 30, 2014, the District's actual expenditures were in excess of its budgeted expenditures in the Debt Service Fund by \$239,049.

NOTE J – OPERATING LEASES

The District has entered into leases for postage equipment, modular classrooms, and rent for a trailer that have been determined to be operating leases. The expenditures related to these leases for the year ended June 30, 2014, were approximately \$109,908.

Future minimum lease payments under these lease agreements are as follows:

	<u>Postage Machine</u>	<u>SP 24 x 68 Modular</u>	<u>SP 24 x 34 Modular</u>	<u>Total</u>
2015	1,584	16,200	9,900	27,684
2016	923	4,050	2,475	7,448
Total	<u>\$ 2,507</u>	<u>\$ 20,250</u>	<u>\$ 12,375</u>	<u>\$ 35,132</u>

NOTE K – SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF WASHINGTON

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - UNAUDITED For the year ended June 30, 2014

	Budgeted amounts		Actual (budgetary basis)	Variance with final budget positive (negative)
	Original	Final		
Revenues				
Local	\$ 26,515,933	\$ 26,593,496	\$ 26,417,075	\$ (176,421)
County	1,079,400	1,157,508	1,161,916	4,408
State	1,457,642	1,120,766	1,115,878	(4,888)
Federal	1,553,688	1,402,738	1,393,850	(8,888)
Total revenues	30,606,663	30,274,508	30,088,719	(185,789)
Expenditures				
Current				
Instruction	5,805,747	4,781,877	4,483,804	298,073
Attendance	89,582	114,918	114,918	-
Guidance	78,026	71,880	70,010	1,870
Health services	628,370	525,861	502,921	22,940
Improvement of instruction	245,929	171,238	168,021	3,217
Professional development	89,000	51,425	49,840	1,585
Media services	382,314	264,363	264,363	-
Board of Education services	150,600	158,730	158,550	180
Executive administration	1,642,531	1,631,307	1,611,607	19,700
Building level administration	638,239	596,463	598,987	(2,524)
Operation of plant	4,994,597	4,748,753	4,749,597	(844)
Pupil transportation	2,547,175	2,741,342	2,660,819	80,523
Food services	1,651,141	1,687,067	1,687,018	49
Central office support	79,612	58,586	58,586	-
Business and central services	603,727	511,870	511,871	(1)
Security services	18,140	29,322	29,322	-
Community services	315,997	356,560	351,060	5,500
Total expenditures	19,960,727	18,501,562	18,071,294	430,268
Excess of revenues over (under) expenditures	10,645,936	11,772,946	12,017,425	244,479
Other financing uses				
Transfers	(14,532,892)	(13,054,180)	(13,291,218)	(237,038)
Sale of Property	-	3,000	1,848	(1,152)
NET CHANGE IN FUND BALANCE	(3,886,956)	(1,278,234)	(1,271,945)	6,289
Budget Fund Balance, July 1, 2013	16,669,481	16,669,481	16,669,481	-
Budget Fund Balance, June 30, 2014	\$ 12,782,525	\$ 15,391,247	\$ 15,397,536	\$ 6,289
Reconciliation of budgetary basis (cash basis) of accounting to modified accrual basis of accounting				
Revenues per above - cash basis			\$ 30,088,719	
Current year revenue accruals			546,096	
Prior year revenue accruals			(379,274)	
Revenues - modified accrual basis			\$ 30,255,541	
Expenditures per above - cash basis			\$ 18,071,294	
Current year expenditure accruals			(77,335)	
Prior year expenditure accruals			(120,824)	
Expenditures - modified accrual basis			\$ 17,873,135	

The accompanying notes to required supplementary information is an integral part of this statement.

SCHOOL DISTRICT OF WASHINGTON

BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND - UNAUDITED For the year ended June 30, 2014

	Budgeted amounts		Actual (budgetary basis)	Variance with final budget positive (negative)
	Original	Final		
Revenues				
Local	\$ 3,702,530	\$ 3,622,102	\$ 3,571,390	\$ (50,712)
County	350,000	303,000	302,492	(508)
State	5,148,085	5,530,155	5,518,855	(11,300)
Federal	2,748,409	1,851,909	1,642,123	(209,786)
Other	3,900	1,312,000	1,272,314	(39,686)
Total revenues	11,952,924	12,619,166	12,307,174	(311,992)
Expenditures				
Current				
Instruction	21,488,513	20,793,943	20,681,543	112,400
Attendance	64,858	64,893	64,893	-
Guidance	853,188	855,420	855,420	-
Health services	332,119	338,730	340,155	(1,425)
Improvement of instruction	383,640	379,849	379,849	-
Professional development	14,059	30,690	30,690	-
Media services	573,737	569,981	569,981	-
Executive administration	341,383	328,702	329,792	(1,090)
Building level administration	1,808,659	1,808,927	1,808,927	-
Central office support	-	337	337	-
Supporting Services	300,154	251,628	251,627	1
Security services	3,931	3,931	3,931	-
Adult education	-	-	-	-
Community services	286,123	246,315	245,795	520
Total expenditures	26,450,364	25,673,346	25,562,940	110,406
Excess of revenues over (under) expenditures	(14,497,440)	(13,054,180)	(13,255,766)	(201,586)
Other financing sources				
Transfers	14,497,440	13,054,180	13,255,766	201,586
NET CHANGE IN FUND BALANCE	-	-	-	-
Budget Fund Balance, July 1, 2013	-	-	-	-
Budget Fund Balance, June 30, 2014	\$ -	\$ -	\$ -	\$ -

Reconciliation of budgetary basis (cash basis) of
accounting to modified accrual basis of accounting

Revenues per above - cash basis	\$ 12,307,174
Current year revenue accruals	1,362,466
Prior year revenue accruals	(1,237,537)
Revenues - modified accrual basis	\$ 12,432,103
Expenditures per above - cash basis	\$ 25,562,940
Current year expenditure accruals	179,729
Prior year expenditure accruals	(169,155)
Expenditures - modified accrual basis	\$ 25,573,514

The accompanying notes to required supplementary information is an integral part of this statement.

SCHOOL DISTRICT OF WASHINGTON

NOTES TO BUDGETARY COMPARISON SCHEDULES

June 30, 2014

NOTE A – BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 67 RSMo, the District adopts a budget for each fund.
2. Prior to July, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. For each fund, total fund expenditures may not legally exceed final amended budgeted expenditures. Expenditure appropriations lapse at the end of the fiscal year.
6. Budgets are presented on the cash basis of accounting for all governmental funds. The cash basis is used to enable the District to more accurately budget revenue and expenditures as the resources are expended or received.

SCHOOL DISTRICT OF WASHINGTON

OTHER POST-EMPLOYMENT BENEFIT OBLIGATION - UNAUDITED YEAR ENDED JUNE 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	(UAAL) Percentage of Covered Payroll ((b - a) / c)
July 1, 2011	\$ -	\$ 2,819,700	\$ 2,819,700	0.00%	\$ 23,792,969	11.85%
July 1, 2013	-	3,378,900	3,378,900	0.00%	25,991,258	13.00%

Schedule of Employer Contributions

Plan Year	Annual Required Contribution (ARC)	OPEB Cost Contributed
2012	\$ 262,100	\$ 204,800
2013	262,100	112,800
2014	346,500	196,300

The District implemented GASB No. 45 for the year ended June 30, 2012; therefore, information for prior years is not available.

SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF WASHINGTON

BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND - UNAUDITED For the year ended June 30, 2014

	Budgeted amounts		Actual (budgetary basis)	Variance with final budget positive (negative)
	Original	Final		
Revenues				
Local	\$ 2,713,551	\$ 2,770,339	\$ 2,884,618	\$ 114,279
County	199,390	195,866	183,298	(12,568)
Total revenues	2,912,941	2,966,205	3,067,916	101,711
Expenditures				
Debt service				
Principal retirement	1,400,000	8,100,000	8,100,000	-
Interest and other charges	1,516,769	1,543,101	1,782,150	(239,049)
Total expenditures	2,916,769	9,643,101	9,882,150	(239,049)
NET CHANGE IN FUND BALANCE	\$ (3,828)	\$ (6,676,896)	\$ (6,814,234)	\$ (137,338)
Reconciliation of budgetary basis (cash basis) of accounting to modified accrual basis of accounting				
Revenues per above - cash basis			\$ 3,067,916	
Current year revenue accruals			12,088	
Prior year revenue accruals			(25,421)	
Revenues - modified accrual basis			\$ 3,054,583	
Expenditures per above - cash basis			\$ 9,882,150	
Current year expenditure accruals			1,075	
Prior year expenditure accruals			(925)	
Expenditures - modified accrual basis			\$ 9,882,300	

SCHOOL DISTRICT OF WASHINGTON

BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECTS FUND - UNAUDITED

For the year ended June 30, 2014

	Budgeted amounts		Actual (budgetary basis)	Variance with final budget positive (negative)
	Original	Final		
Revenues				
Local	\$ 2,147,727	\$ 2,826,918	\$ 2,814,033	\$ (12,885)
County	95,900	61,345	74,745	13,400
State	1,499,283	1,702,988	1,700,667	(2,321)
Federal	10,000	-	-	-
Total revenues	3,752,910	4,591,251	4,589,445	(1,806)
Expenditures				
Instruction	219,828	262,470	262,470	-
Health services	3,775	1,210	1,210	-
Improvement of instruction	1,200	-	-	-
Media services	821,557	1,012,427	794,815	217,612
Executive administration	398,414	391,206	391,206	-
Building level administration	-	-	-	-
Operation of plant	-	32,411	32,411	-
Pupil transportation	-	-	-	-
Food services	20,000	35,452	35,452	-
Central office support	-	1,566	1,566	-
Business and central services	3,232	-	-	-
Security services	26,260	41,196	41,196	-
Community services	-	10,974	10,974	-
Facilities acquisition and construction	11,892,000	9,715,289	9,497,320	217,969
Debt Service				
Principal retirement	600,000	600,000	600,000	-
Interest and other charges	642,598	639,929	640,010	(81)
Total expenditures	14,628,864	12,744,130	12,308,630	435,500
Excess of revenues over (under) expenditures	(10,875,954)	(8,152,879)	(7,719,185)	433,694
Other financing sources (uses)				
Transfers	35,452	-	35,453	35,453
Sale of other property	-	161,200	157,385	(3,815)
Total other financing sources	35,452	161,200	192,838	31,638
NET CHANGE IN FUND BALANCE	\$ (10,840,502)	\$ (7,991,679)	\$ (7,526,347)	\$ 465,332

Reconciliation of budgetary basis (cash basis) of
accounting to modified accrual basis of accounting

Revenues per above - cash basis	\$ 4,589,445
Current year revenue accruals	224,224
Prior year revenue accruals	(314,535)
Revenues - modified accrual basis	\$ 4,499,134
Expenditures per above - cash basis	\$ 12,308,630
Current year expenditure accruals	43,301
Prior year expenditure accruals	(150,350)
Expenditures - modified accrual basis	\$ 12,201,581

STATISTICAL SECTION

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT



2014

STATISTICAL SECTION

SCHOOL DISTRICT OF WASHINGTON

SUMMARY OF STATISTICAL INFORMATION YEAR ENDED JUNE 30, 2014

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the financial information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

	Pages
Financial Trends	48-54

These schedules contain trend information to help the reader understand how the District's financial performance and position have changed over time.

Revenue Capacity	55-59
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These schedules contain information to help the reader assess the District's most significant local revenue source – property tax.

Debt Capacity	60-61
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These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information	62-64
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These schedules offer demographic economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information	65-70
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These schedules contain service data to help the reader assess how information in the District's financial reports relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

School District of Washington
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

Net Position	2014	2013	2012	2011	2010
Net Investment in Capital Assets	\$ 5,669,769	\$ 7,285,664	\$ 492,896	\$ -	\$ -
Restricted	\$ 14,459,929	\$ 17,382,072	\$ 19,554,544	\$ 28,349,060	\$ 18,205,095
Unrestricted	\$ 12,699,348	\$ 13,759,381	\$ 13,676,064	\$ 18,014,917	\$ 10,385,375
Total net position	\$ 32,829,046	\$ 38,427,117	\$ 33,723,503	\$ 46,363,977	\$ 28,590,470

Net Position	2009	2008	2007	2006	2005
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	\$ 12,941,245	\$ 13,304,960	\$ 10,823,649	\$ 5,533,313	\$ 9,067,443
Unrestricted	\$ 12,209,776	\$ 11,176,881	\$ 9,766,321	\$ 7,838,434	\$ 7,678,869
Total net position	\$ 25,151,021	\$ 24,481,841	\$ 20,589,970	\$ 13,371,747	\$ 16,746,312

Source: School District of Washington records

Note: 2011-2012 is the first year of accrual, thus the first year Capital Assets are required to be reported

School District of Washington
Expenses, Program Revenues and Net(Expense)/Revenue
Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental Activities:										
Total Instruction	\$ 25,422,510	\$ 25,190,876	\$ 23,846,562	\$ 23,374,795	\$ 22,653,732	\$ 23,177,851	\$ 22,060,930	\$ 19,754,381	\$ 19,805,177	\$ 16,454,469
Support Services										
Attendance	\$ 180,565	\$ 146,831	\$ 139,673	\$ 104,208	\$ 139,905	\$ 179,360	\$ 100,094	\$ 81,967	\$ 63,201	\$ 76,335
Guidance	\$ 927,955	\$ 880,770	\$ 899,504	\$ 793,033	\$ 786,806	\$ 782,800	\$ 648,541	\$ 620,278	\$ 658,315	\$ 512,978
Health, Psych, Speech and Audio	\$ 848,735	\$ 1,400,999	\$ 1,278,829	\$ 1,153,972	\$ 1,180,038	\$ 663,088	\$ 623,929	\$ 562,642	\$ 521,740	\$ 586,598
Improvement of Instruction	\$ 549,850	\$ 494,414	\$ 460,627	\$ 506,006	\$ 491,341	\$ 411,678	\$ 176,552	\$ 232,352	\$ 237,773	\$ 294,326
Professional Development	\$ 80,216	\$ 54,832	\$ 47,504	\$ 71,197	\$ 54,121	\$ 67,592	\$ 110,060	\$ 40,324	\$ 55,341	\$ 27,960
Media Services (Library)	\$ 1,625,868	\$ 871,040	\$ 869,509	\$ 1,890,394	\$ 1,640,700	\$ 1,553,461	\$ 1,808,511	\$ 894,536	\$ 859,095	\$ 805,576
Board of Education Services	\$ 168,339	\$ 122,216	\$ 129,421	\$ 163,894	\$ 112,108	\$ 129,701	\$ 124,636	\$ 135,446	\$ 99,345	\$ 113,508
Executive Administration	\$ 2,139,746	\$ 1,781,448	\$ 1,629,110	\$ 780,742	\$ 827,954	\$ 1,324,942	\$ 1,363,979	\$ 1,468,181	\$ 1,422,031	\$ 1,004,532
Building Level Administration	\$ 2,415,915	\$ 2,199,976	\$ 2,190,853	\$ 2,032,067	\$ 2,041,801	\$ 2,101,055	\$ 1,960,258	\$ 1,832,381	\$ 1,734,950	\$ 1,454,035
Business Services	\$ 358,771	\$ 327,816	\$ 348,417	\$ 371,301	\$ 328,972	\$ -	\$ -	\$ -	\$ -	\$ -
Security Services	\$ 412,101	\$ 17,556	\$ 11,305	\$ 15,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operation of Plant	\$ 4,946,752	\$ 6,743,235	\$ 5,152,447	\$ 4,261,152	\$ 4,122,899	\$ 4,449,441	\$ 4,409,375	\$ 3,854,851	\$ 3,695,844	\$ 3,074,501
Pupil Transportation	\$ 2,633,332	\$ 2,649,380	\$ 2,483,182	\$ 2,344,042	\$ 2,328,762	\$ 2,298,371	\$ 2,233,479	\$ 2,156,817	\$ 2,142,866	\$ 1,959,931
Food Services	\$ 1,711,675	\$ 1,677,953	\$ 1,502,884	\$ 1,455,752	\$ 1,463,522	\$ 1,522,679	\$ 1,421,720	\$ 1,385,581	\$ 1,339,379	\$ 1,364,664
Central Office Support Services	\$ 60,629	\$ 146,875	\$ 37,891	\$ 710	\$ -	\$ 11,790	\$ -	\$ 60	\$ -	\$ -
Adult Education and Community Services	\$ 1,019,222	\$ 1,004,276	\$ 1,099,844	\$ 1,084,813	\$ 1,149,061	\$ 1,225,323	\$ 1,244,293	\$ 1,104,348	\$ 917,018	\$ 867,970
Capital Outlay	\$ 8,283,269	\$ 733,624	\$ 6,752,013	\$ 638,596	\$ 460,659	\$ 927,601	\$ 9,027,558	\$ 2,092,824	\$ 5,628,476	\$ 7,416,971
Debt Service:										
Interest and Fiscal Charges	\$ 2,728,478	\$ 2,253,788	\$ 2,647,053	\$ 7,265,113	\$ 4,363,114	\$ 4,328,355	\$ 6,104,399	\$ 3,275,209	\$ 3,072,105	\$ 2,911,973
Total Primary Government Expenses	\$ 56,513,928	\$ 48,697,905	\$ 51,526,628	\$ 48,307,175	\$ 44,145,495	\$ 45,155,088	\$ 53,418,314	\$ 39,492,178	\$ 42,252,656	\$ 38,926,327
Program Revenues										
Government Activities										
Charges for services										
Total Instruction	\$ 1,899,964	\$ -	\$ -	\$ -	\$ 1,941,900	\$ 2,156,034	\$ 1,369,101	\$ 1,270,108	\$ 1,313,641	\$ 1,082,885
Support Services:										
Attendance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Guidance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health, Pscyh, Speech, and Audio	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Improvement of Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Media Services (Library)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board of Education Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Executive Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building Level Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Security Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operation of Plant	\$ -	\$ -	\$ -	\$ -	\$ 80,449	\$ 79,804	\$ 75,830	\$ 76,215	\$ 9,703	\$ 19,601
Pupil Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 322,577	\$ -
Food Services	\$ 913,398	\$ 902,893	\$ 941,522	\$ 916,604	\$ 1,014,344	\$ 1,089,885	\$ 1,002,740	\$ 1,033,038	\$ -	\$ 1,002,611
Central Office Support Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adult Education and Community Services	\$ 117,788	\$ 206,346	\$ 197,877	\$ 197,449	\$ 145,733	\$ 120,425	\$ 169,773	\$ 158,775	\$ 105,471	\$ 167,207
Capital Outlay	\$ 32,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service:										
Interest and Fiscal Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants and Contributions	\$ 7,470,852	\$ 10,721,744	\$ 11,251,350	\$ 10,563,098	\$ 6,566,271	\$ 5,291,038	\$ 17,251,266	\$ 11,399,880	\$ 6,443,211	\$ 5,522,661
Capital Grants and Contributions	\$ -	\$ -	\$ 76,000	\$ 58,957	\$ 199,578	\$ 137,734	\$ 302,392	\$ 244,908	\$ 258,987	\$ 255,863
Total Primary Government Program Revenue	\$ 10,434,489	\$ 11,830,983	\$ 12,466,749	\$ 11,736,108	\$ 9,948,275	\$ 8,874,920	\$ 20,171,102	\$ 14,182,924	\$ 8,453,590	\$ 8,050,828
Net (Expense)/Revenue										
Total Primary Government Net Expense	\$ (46,079,439)	\$ (36,866,922)	\$ (39,059,878)	\$ (36,571,067)	\$ (34,197,220)	\$ (36,280,168)	\$ (33,247,212)	\$ (25,309,254)	\$ (33,799,066)	\$ (30,875,499)

Source: School District of Washington records

The School District began accrual in the 2011/2012 school year.

SCHOOL DISTRICT OF WASHINGTON
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Net (Expense)/Revenue										
Total Primary Government Net Expense	\$ (45,667,339)	\$ (37,016,222)	\$ (39,059,879)	\$ (36,571,068)	\$ (34,197,220)	\$ (36,280,168)	\$ (33,247,212)	\$ (25,309,254)	\$ (33,799,066)	\$ (30,875,499)
General Revenues:										
Taxes:										
Property Tax	\$ 28,478,380	\$ 30,276,973	\$ 28,206,888	\$ 27,859,003	\$ 25,209,345	\$ 24,438,798	\$ 23,449,365	\$ 22,930,820	\$ 21,900,131	\$ 19,125,820
Sales Tax	\$ 3,452,691	\$ 3,865,077	\$ 3,307,819	\$ 3,136,813	\$ 3,089,298	\$ 3,201,282	\$ 3,405,963	\$ 3,389,551	\$ 3,231,810	\$ 3,044,259
Other	\$ 2,176,324	\$ 1,375,656	\$ 507,320	\$ 668,713	\$ 3,707,434	\$ 3,450,602	\$ 2,995,522	\$ 1,863,415	\$ 1,736,508	\$ 1,737,660
State Aid	\$ 3,819,530	\$ 4,221,810	\$ 4,192,687	\$ 3,349,480	\$ 4,859,142	\$ 5,166,440	\$ 4,770,081	\$ 4,408,198	\$ 2,873,851	\$ 2,722,795
Interest and Investment Earnings	\$ 764,485	\$ 553,208	\$ 878,511	\$ 624,435	\$ 473,574	\$ 636,235	\$ 1,243,448	\$ 1,134,975	\$ 682,201	\$ 552,425
Bond Proceeds	\$ -	\$ -	\$ -	\$ 17,650,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ 1,378,858	\$ 1,426,112	\$ 1,592,665	\$ 1,403,908	\$ 9,055	\$ 55,991	\$ 75,763	\$ -	\$ -	\$ -
Total General Revenues	\$ 40,070,268	\$ 41,718,836	\$ 38,685,890	\$ 54,692,353	\$ 37,347,848	\$ 36,949,348	\$ 35,940,142	\$ 33,726,959	\$ 30,424,501	\$ 27,182,959
Change in Net Position										
Total Primary Government	\$ (5,597,071)	\$ 4,702,614	\$ (373,989)	\$ 18,121,285	\$ 3,150,628	\$ 669,180	\$ 2,692,930	\$ 8,417,705	\$ (3,374,565)	\$ (3,692,540)

Source: School District of Washington records
The School District began accrual in the 2011/2012 school year.

**SCHOOL DISTRICT OF WASHINGTON
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

General Fund
Reserved
Unreserved
Total General Fund
All Other Governmental Funds
Reserved - Debt Service
Unreserved reported in:
Special Revenue Fund
Capital Projects Fund
Total All Other Governmental Funds
Total Fund Balance

2010	2009	2008	2007	2006	2005
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 353,384
\$ 14,000,110	\$ 12,184,913	\$ 11,427,035	\$ 9,967,095	\$ 8,398,173	\$ 7,326,235
\$ 14,000,110	\$ 12,184,913	\$ 11,427,035	\$ 9,967,095	\$ 8,398,173	\$ 7,679,619
\$ 9,533,910	\$ 8,753,386	\$ 8,873,977	\$ 10,823,649	\$ 3,279,905	\$ 2,247,158
\$ 226,785	\$ 423,815	\$ 1,388,712	\$ 1,211,967	\$ 819,273	\$ -
\$ 4,829,665	\$ 4,246,816	\$ 4,430,983	\$ 1,199,481	\$ 2,253,408	\$ 4,473,650
\$ 14,590,360	\$ 13,424,017	\$ 14,693,672	\$ 13,235,097	\$ 6,352,586	\$ 6,720,808
\$ 28,590,470	\$ 25,608,930	\$ 26,120,707	\$ 23,202,192	\$ 14,750,759	\$ 14,400,427

	2014	2013	2012	2011
Fund Balances				
Nonspendable				
Inventory	\$ 399,194	\$ 513,000	\$ 708,403	
Restricted				
Debt Service	\$ 2,685,548	\$ 9,513,265	\$ 9,146,254	\$ 11,754,059
Teacher salaries and benefits	\$ 1,182,737			
Assigned Fund Balance				
Unspent Bond Proceeds	\$ 3,985,243	\$ 10,082,250	\$ 3,985,243	\$ 14,571,378
Escrowed Certificates of Participation	\$ 1,255,030	\$ 1,266,806	\$ 1,947,623	\$ 2,023,623
Remaining Capital Projects Fund	\$ 5,873,677	\$ 7,274,504	\$ 4,475,424	\$ 1,855,101
Unassigned Fund Balance	\$ 15,621,773	\$ 17,483,313	\$ 17,241,402	\$ 16,159,815
Total Fund Balance	\$ 31,003,202	\$ 46,133,138	\$ 37,504,349	\$ 46,363,977

Source: School District of Washington records
The School District began accrual in the 2011/2012 school year.

**SCHOOL DISTRICT OF WASHINGTON
GOVERNMENTAL FUND REVENUES
LAST TEN FISCAL YEARS**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Local Sources	\$ 35,713,091	\$ 38,860,517	\$ 35,715,466	\$ 34,614,132	\$ 31,316,300	\$ 31,108,277	\$ 30,766,935	\$ 29,858,099	\$ 28,048,236	\$ 24,965,923
Couty Sources	\$ 1,722,449	\$ 1,700,915	\$ 1,885,998	\$ 1,211,492	\$ 3,025,721	\$ 2,761,578	\$ 2,504,931	\$ 1,414,589	\$ 1,367,378	\$ 1,314,538
State Sources	\$ 8,254,411	\$ 9,475,018	\$ 8,443,507	\$ 7,264,413	\$ 7,330,172	\$ 7,879,007	\$ 7,472,978	\$ 6,919,392	\$ 6,600,042	\$ 6,300,303
Federal Sources	\$ 3,279,096	\$ 3,238,166	\$ 3,822,364	\$ 4,491,385	\$ 4,300,696	\$ 2,706,243	\$ 2,503,610	\$ 2,527,473	\$ 2,235,122	\$ 2,261,881
Other Sources	\$ 1,431,547	\$ 1,280,560	\$ -	\$ -	\$ 1,323,234	\$ 1,365,225	\$ 589,641	\$ 755,883	\$ 627,313	\$ 391,142
Total Revenues	\$ 50,400,594	\$ 54,555,176	\$ 49,867,335	\$ 47,581,422	\$ 47,296,123	\$ 45,820,330	\$ 43,838,095	\$ 41,475,436	\$ 38,878,091	\$ 35,233,787

Source: School District of Washington records

The School District began accrual in the 2011/2012 school year.

SCHOOL DISTRICT OF WASHINGTON
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
EXPENDITURES										
Total Instruction	\$ 25,359,227	\$ 25,301,471	\$ 23,850,214	\$ 23,374,795.00	\$ 22,653,732.00	\$ 23,177,851.00	\$ 22,060,930.00	\$ 19,754,381.00	\$ 19,805,177.00	\$ 16,454,469.00
Support Services										
Attendance	\$ 180,129	\$ 147,599	\$ 139,673	\$ 104,208.00	\$ 139,905.00	\$ 179,360.00	\$ 100,094.00	\$ 81,967.00	\$ 63,201.00	\$ 76,335.00
Guidance	\$ 925,209	\$ 885,447	\$ 899,793	\$ 793,033.00	\$ 786,806.00	\$ 782,800.00	\$ 648,541.00	\$ 620,278.00	\$ 658,315.00	\$ 512,978.00
Health, Psych, Speech, and Audio	\$ 846,304	\$ 1,408,378	\$ 1,279,393	\$ 1,153,972.00	\$ 1,180,038.00	\$ 663,088.00	\$ 623,929.00	\$ 562,642.00	\$ 521,740.00	\$ 586,598.00
Improvement of Instruction	\$ 548,514	\$ 496,554	\$ 460,774	\$ 506,006.00	\$ 491,341.00	\$ 411,678.00	\$ 176,552.00	\$ 232,352.00	\$ 237,773.00	\$ 294,326.00
Professional Development	\$ 80,116	\$ 55,001	\$ 47,540	\$ 71,197.00	\$ 54,121.00	\$ 67,592.00	\$ 110,060.00	\$ 40,324.00	\$ 55,341.00	\$ 27,960.00
Media Services (Library)	\$ 1,623,834	\$ 874,729	\$ 869,584	\$ 1,890,394.00	\$ 1,640,700.00	\$ 1,553,461.00	\$ 1,808,511.00	\$ 894,536.00	\$ 859,095.00	\$ 805,576.00
Board of Education Services	\$ 168,339	\$ 122,216	\$ 129,422	\$ 163,894.00	\$ 112,108.00	\$ 129,701.00	\$ 124,636.00	\$ 135,446.00	\$ 99,345.00	\$ 113,508.00
Executive Administration	\$ 2,137,211	\$ 1,785,860	\$ 1,628,232	\$ 780,741.00	\$ 827,954.00	\$ 1,324,942.00	\$ 1,363,979.00	\$ 1,468,181.00	\$ 1,422,031.00	\$ 1,004,532.00
Building Level Administration	\$ 2,408,820	\$ 2,212,212	\$ 2,191,642	\$ 2,032,067.00	\$ 2,041,801.00	\$ 2,101,055.00	\$ 1,960,258.00	\$ 1,832,381.00	\$ 1,734,950.00	\$ 1,454,035.00
Business Services	\$ 361,284	\$ 329,621	\$ 348,560	\$ 371,301.00	\$ 328,972.00	\$ 11,790.00	\$ -	\$ -	\$ -	\$ -
Operation of Plant	\$ 4,939,870	\$ 4,180,530	\$ 4,278,038	\$ 4,261,152.00	\$ 4,122,899.00	\$ 4,449,441.00	\$ 4,409,375.00	\$ 3,854,851.00	\$ 3,695,844.00	\$ 3,074,501.00
Security Services	\$ (3,556)	\$ 17,579	\$ 11,309	\$ 15,388.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil Transportation	\$ 2,633,332	\$ 2,649,380	\$ 2,483,182	\$ 2,344,042.00	\$ 2,328,762.00	\$ 2,298,371.00	\$ 2,233,479.00	\$ 2,156,817.00	\$ 2,142,866.00	\$ 1,959,931.00
Food Services	\$ 1,708,992	\$ 1,682,695	\$ 1,503,323	\$ 1,455,752.00	\$ 1,463,522.00	\$ 1,522,679.00	\$ 1,421,720.00	\$ 1,385,581.00	\$ 1,339,379.00	\$ 1,364,664.00
Central Office Support Services	\$ 60,456	\$ 147,540	\$ 37,893	\$ 710.00	\$ -	\$ -	\$ -	\$ 60.00	\$ -	\$ -
Adult Education	\$ 411,184	\$ 397,555	\$ 458,793	\$ 514,514.00	\$ 522,072.00	\$ 561,323.00	\$ 605,943.00	\$ 526,715.00	\$ 447,725.00	\$ 867,970.00
Community Services	\$ 605,540	\$ 611,586	\$ 641,468	\$ 570,299.00	\$ 626,989.00	\$ 664,000.00	\$ 638,350.00	\$ 577,633.00	\$ 469,293.00	\$ -
Capital Outlay	\$ 9,413,416	\$ 6,924,978	\$ 11,022,715	\$ 638,596.00	\$ 460,659.00	\$ 927,601.00	\$ 9,027,558.00	\$ 2,092,824.00	\$ 5,628,476.00	\$ 7,416,971.00
Debt Service										
Principal Retirement	\$ 8,700,000	\$ 1,775,000	\$ 4,200,000	\$ 5,295,000.00	\$ 2,370,000.00	\$ 2,215,000.00	\$ 4,025,000.00	\$ 1,610,000.00	\$ 1,535,000.00	\$ 1,450,000.00
Interest and Fiscal Charges	\$ 2,422,310	\$ 3,066,007	\$ 2,779,286	\$ 1,970,113.00	\$ 1,993,114.00	\$ 2,113,355.00	\$ 2,079,399.00	\$ 1,665,209.00	\$ 1,537,105.00	\$ 1,461,973.00
Total Support Services	\$ 40,171,304	\$ 29,770,467	\$ 35,410,618.87	\$ 24,932,379.00	\$ 21,491,763.00	\$ 21,977,237.00	\$ 31,357,384.00	\$ 19,737,797.00	\$ 22,447,479.00	\$ 22,471,858.00
TOTAL EXPENDITURES	\$ 65,530,530	\$ 55,071,938	\$ 59,260,832.87	\$ 48,307,174.00	\$ 44,145,495.00	\$ 45,155,088.00	\$ 53,418,314.00	\$ 39,492,178.00	\$ 42,252,656.00	\$ 38,926,327.00
Debt Service as a % of non-capital expenditures	18.74%	9.90%	12.72%	15.24%	9.99%	9.79%	13.75%	8.76%	8.39%	9.24%

Source: School District of Washington records

The School District began accrual in the 2011/2012 school year.

SCHOOL DISTRICT OF WASHINGTON
OTHER FINANCING SOURCES AND NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Year	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Excess (deficiency) of revenues over expenditures	\$ (16,561,486)	\$ (1,943,022)	\$ (9,393,498)	\$ (725,754)	\$ 3,150,628	\$ 665,242	\$ (9,580,219)	\$ 1,983,258	\$ (3,374,565)	\$ (3,692,540)
Other Financing Sources (Uses):										
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payments to refunded capital lease escrow agent	\$ -	\$ (6,050,000)	\$ -	\$ -	\$ -	\$ -	\$ 12,109,609	\$ -	\$ -	\$ -
Proceeds from capital lease		\$ 5,420,000								
Bond Issuance	\$ -	\$ 9,000,000	\$ -	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Refunding bond issued	\$ -	\$ -	\$ -	\$ 2,650,000	\$ -	\$ -	\$ -	\$ 6,445,000	\$ -	\$ -
Payment to be refunded bond escrow agent	\$ -	\$ -	\$ -	\$ 42,607	\$ -	\$ -	\$ -	\$ (10,553)	\$ -	\$ -
Premium on issuance of bonds	\$ -	\$ 2,056,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Noncurrent/Sale of Property	\$ 159,233	\$ 145,552	\$ 147,639	\$ -	\$ -	\$ 3,938	\$ 163,000	\$ -	\$ -	\$ -
Area Voc. & Contract Ed Services	\$ 1,272,314	\$ -	\$ 1,137,666	\$ 1,154,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ (15,129,939)	\$ 8,628,790	\$ (8,108,193)	\$ 18,121,285	\$ 3,150,628	\$ 669,180	\$ 2,692,390	\$ 8,417,705	\$ (3,374,565)	\$ (3,692,540)

Basic Financial Statements

The School District began accrual in the 2011/2012 school year.

School District of Washington
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ending 6/30	Real Property Assessed Value 19%	Real Property Est. Actual Value	Personal Property Assessed Value 33%	Personal Property Est. Actual Value	Total Property Assessed Value	Total Property Est. Actual Value	Total Tax Rate per \$100 A/V
2014	\$ 104,294,977	\$ 548,920,934	\$ 53,834,337	\$ 163,134,355	\$ 158,129,315	\$ 712,055,289	\$ 4.0205
2013	\$ 114,745,829	\$ 603,925,414	\$ 51,005,021	\$ 154,560,670	\$ 165,750,850	\$ 758,486,084	\$ 3.8260
2012	\$ 114,278,771	\$ 601,467,217	\$ 44,773,662	\$ 135,677,763	\$ 159,052,433	\$ 737,144,980	\$ 3.8060
2011	\$ 115,831,875	\$ 609,641,446	\$ 43,064,882	\$ 130,499,642	\$ 158,896,757	\$ 740,141,088	\$ 3.7860
2010	\$ 113,491,186	\$ 597,322,029	\$ 41,171,960	\$ 124,763,515	\$ 154,663,145	\$ 722,085,544	\$ 3.7923
2009	\$ 110,611,153	\$ 582,163,962	\$ 42,566,836	\$ 128,990,413	\$ 153,177,989	\$ 711,154,375	\$ 3.6600
2008	\$ 107,817,239	\$ 567,459,152	\$ 39,493,427	\$ 119,677,053	\$ 147,310,666	\$ 687,136,205	\$ 3.6600
2007	\$ 95,681,199	\$ 503,585,258	\$ 40,994,831	\$ 124,226,760	\$ 136,676,030	\$ 627,812,018	\$ 3.6600
2006	\$ 91,454,782	\$ 481,340,958	\$ 43,347,599	\$ 131,356,361	\$ 134,802,381	\$ 612,697,319	\$ 3.6600
2005	\$ 79,075,066	\$ 416,184,556	\$ 35,903,515	\$ 108,798,531	\$ 114,978,581	\$ 524,983,087	\$ 3.6693

Source: Franklin, St. Charles, and Warren County Assessor's Offices

Note: On January 1 of every second year, the property values are rendered for appraisal (reassessment). The appraisal process for the School District of Washington is conducted by the Franklin, St. Charles and Warren County Assessor's offices. For the School District of Washington, residential real estate is appraised at 19% of market value, commercial at 32% of value, agricultural at 12% of value and personal property at 33% of value.

The Assessor's Office submits preliminary values to the school district by June. These values are usually a realistic estimate of the ultimate certified values that come by August. The preliminary values are good estimates upon which to base the tax levies for the operating and debt service budgets. Once the certified values are received by the district, the tax rate adoption is completed prior to September and the budgeting process can begin for the subsequent fiscal year.

Property owners (both Real Estate and Personal Property) are taxed by the various taxing authorities (including the school district) in their county of residence. Tax levy rates (so much per \$100 of assessed valuations) are set by the taxing authorities according to the State law. Assessed valuations are set by the county in which the property resides and every other year is a reassessment year. The tax obligation is billed by the county department of revenue and paid through that department to the taxing authorities. The tax billed is simply the levy rate multiplied by the assessed valuation. There are normally multiple taxing authority obligations included on one tax bill which is typically mailed to tax payers in November with a due date of December 31. The District receives the majority of its revenue in late December and January.

School District of Washington
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Taxing Districts	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
School District of Washington	\$ 4.0205	\$ 3.8260	\$ 3.8060	\$ 3.7860	\$ 3.7923	\$ 3.6600	\$ 3.6600	\$ 3.6600	\$ 3.6600	\$ 3.6606
General Fund	\$ 3.2988	\$ 3.1043	\$ 3.2175	\$ 3.3260	\$ 3.1244	\$ 1.8656	\$ 1.8656	\$ 1.6831	\$ 1.6719	\$ 1.6647
Special (Teachers') Fund	\$ -	\$ -	\$ -	\$ -		\$ 1.2700	\$ 1.2700	\$ 1.2700	\$ 1.2700	\$ 1.2774
Capital Fund	\$ 0.3900	\$ 0.3900	\$ 0.2900	\$ 0.1700	\$ 0.3779	\$ 0.3779	\$ 0.3600	\$ 0.3600	\$ 0.3581	\$ 0.5135
Debt Service Fund	\$ 0.3317	\$ 0.3317	\$ 0.2985	\$ 0.2900	\$ 0.2900	\$ 0.1465	\$ 0.1644	\$ 0.3469	\$ 0.3600	\$ 0.2050
Overlapping										
City of Washington	\$ 0.6062	\$ 0.6062	\$ 0.6048	\$ 0.6020	\$ 0.5962	\$ 0.5959	\$ 0.5941	\$ 0.5857	\$ 0.5940	\$ 0.5177
East Central College	\$ 0.4541	\$ 0.4400	\$ 0.4385	\$ 0.4329	\$ 0.4329	\$ 0.4348	\$ 0.4313	\$ 0.4471	\$ 0.4473	\$ 0.4369
Total Overlapping	\$ 1.0603	\$ 1.0462	\$ 1.0433	\$ 1.0349	\$ 1.0291	\$ 1.0307	\$ 1.0254	\$ 1.0328	\$ 1.0413	\$ 0.9546

Source: Franklin County Collector and Assessor's Offices

School District of Washington Principal Property Taxpayers 2011-2014 Years Ago												
	2014			2013			2012			2011		
Taxpayer	Taxable Assessed Valuation	Rank	Percentage of Total of Taxable Value	Taxable Assessed Valuation	Rank	Percentage of Total of Taxable Value	Taxable Assessed Valuation	Rank	Percentage of Total of Taxable Value	Taxable Assessed Valuation	Rank	Percentage Of Total Taxable Value
Real Estate												
Wal-Mart Real Estate Business	\$ 5,440,000	1	0.40%	\$ 5,440,000	1	0.43%	\$ 5,719,446	2	0.42%	\$ 5,719,446	2	0.42%
Missouri Natural Gas	\$ 3,968,589	2	0.29%	\$ 2,688,634	5	0.21%	\$ 2,690,230	6	0.20%	\$ 2,758,896	6	0.20%
Parker-Hannifin Corp	\$ 3,474,465	3	0.26%	\$ 3,474,465	2	0.28%	\$ 3,491,535	3	0.26%	\$ 3,491,535	3	0.26%
PCII Lots 10A and 10C LLC	\$ 3,448,087	4	0.26%									
Bank of Washington	\$ 3,279,952	5	0.24%	\$ 3,289,350	3	0.26%	\$ 3,410,900	4	0.25%	\$ 3,329,449	4	0.25%
USR-DESCO Washington Crossing	\$ 3,027,077	6	0.22%	\$ 3,027,077	4	0.24%	\$ 3,030,725	5	0.22%			
Lowes Home Centers Inc	\$ 2,839,578	7	0.21%	\$ 2,414,775	7	0.19%	\$ 2,624,406	8	0.19%	\$ 2,624,406	8	0.19%
CG Power Systems USA Inc	\$ 2,661,900	8	0.20%	\$ 2,661,900	6	0.21%	\$ 2,664,406	7	0.20%	\$ 2,664,285	7	0.20%
Target Corporation Target Pro	\$ 2,406,973	9	0.18%	\$ 2,406,973	8	0.19%	\$ 2,407,815	9	0.18%	\$ 2,407,815	10	0.18%
PC II Vertical LLC	\$ 2,342,212	10	0.17%	\$ 2,342,212	9	0.19%	\$ 2,345,137	10	0.17%			
Hollingsworth Capital Partner				\$ 2,271,923	10	0.18%						
Mercy Health East Communities							\$ 13,150,305	1	0.97%			
Creekside Land & Dev Co LLC										\$ 10,462,853	1	0.78%
MCW-RD Washington Crossing										\$ 3,033,125	5	0.22%
Creekside Land & Development										\$ 2,464,000	9	0.18%
Subtotal Top Ten Property Owners	\$ 32,888,833		2.43%	\$ 30,017,309		2.38%	\$ 41,534,905		3.06%	\$ 38,955,810		2.89%
Remaining property owners	\$ 1,318,778,616		97.57%	\$ 1,229,913,257		97.62%	\$ 1,315,238,544		96.94%	\$ 1,310,636,941		97.11%
Total Assessed Value	\$ 1,351,667,449		100.00%	\$ 1,259,930,566		100.00%	\$ 1,356,773,449		100.00%	\$ 1,349,592,751		100.00%
Personal Property												
Alberici Constructors	\$ 3,852,333	1	0.21%									
RTI Advanced Forming Inc	\$ 1,878,974	2	0.10%	\$ 1,137,875	1	0.06%						
CG Powers Systems USA, Inc	\$ 1,684,462	3	0.09%	\$ 768,840	5	0.04%	\$ 771,763	9	0.04%	\$ 869,181	7	0.05%
C G Power Systems USA, Inc	\$ 1,361,483	4	0.07%									
Valent Aerostructures-Wash. LLC	\$ 1,247,086	5	0.07%	\$ 1,080,630	2	0.06%						
Magnet LLC	\$ 876,984	6	0.05%	\$ 924,128	3	0.05%	\$ 1,107,248	2	0.06%	\$ 875,579	6	0.05%
G H T M LC	\$ 814,363	7	0.04%	\$ 716,025	6	0.04%	\$ 771,081	10	0.04%	\$ 791,351	10	0.04%
Fricks Meat Products	\$ 761,511	8	0.04%	\$ 705,055	7	0.04%	\$ 806,457	8	0.04%	\$ 833,710	8	0.05%
Enterprise Rent-A-Car (Washington)	\$ 706,637	9	0.04%	\$ 504,086	10	0.03%						
Larkwood Energy LLC	\$ 660,288	10	0.04%									
W M F Inc				\$ 853,649	4	0.05%	\$ 900,978	6	0.05%	\$ 955,247	5	0.05%
Canam Steel Corp-Midwestern				\$ 634,166	8	0.04%	\$ 831,859	7	0.04%	\$ 810,091	9	0.04%
Miete Corp-KJU IN				\$ 524,694	9	0.03%						
L L Enterprises llc							\$ 967,473	5	0.05%			
PFHC Medical Management LLC							\$ 2,112,281	1	0.11%	\$ 2,549,210	2	0.14%
Bank of AM Leasing - CG Power Systems							\$ 1,039,390	3	0.06%	\$ 1,319,083	3	0.07%
RTI Tradco Inc-Wash Inc							\$ 1,015,843	4	0.05%	\$ 971,409	4	0.05%
Harman Becker - Washington										\$ 3,532,072	1	0.19%
Subtotal Top Ten Property Owners	\$ 13,844,121		0.76%	\$ 7,849,148		0.44%	\$ 10,324,373		0.56%	\$ 13,506,933		0.74%
Remaining Property Owners	\$ 1,811,517,258		99.24%	\$ 1,761,510,216		99.56%	\$ 1,840,580,101		99.44%	\$ 1,814,449,698		99.26%
Total Assessed Value	\$ 1,825,361,379		100.00%	\$ 1,769,359,364		100.00%	\$ 1,850,904,474		100.00%	\$ 1,827,956,631		100.00%

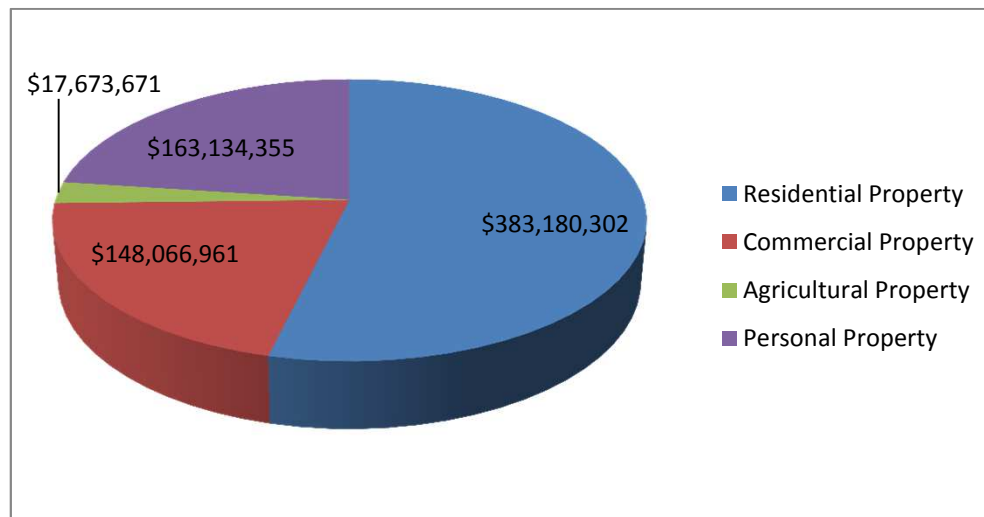
Source: Franklin County Collector's Office

Note: Reporting four years as the remaining years of information was not available.

School District of Washington
Assessed Value and Estimate Actual Value of Taxable Property
Last Ten Fiscal Years

June 30	Residential Property	Commercial Property	Agricultural Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Property Est. Actual Value
2014	\$ 383,180,302	\$ 148,066,961	\$ 17,673,671	\$ 163,134,355	\$ 712,055,289	\$ 4.0205	\$ 1,119,609,239
2013	\$ 418,255,529	\$ 171,580,567	\$ 14,089,318	\$ 154,560,670	\$ 758,486,084	\$ 3.8260	\$ 1,139,342,087
2012	\$ 414,929,805	\$ 172,340,260	\$ 14,197,152	\$ 135,677,763	\$ 737,144,980	\$ 3.8060	\$ 1,085,785,320
2011	\$ 423,435,994	\$ 171,554,345	\$ 14,651,107	\$ 130,499,642	\$ 740,141,088	\$ 3.7923	\$ 1,072,024,071
2010	\$ 420,714,061	\$ 162,032,431	\$ 14,575,537	\$ 124,763,515	\$ 722,085,544	\$ 3.6600	\$ 1,024,284,978
2009	\$ 414,867,901	\$ 153,342,650	\$ 13,953,411	\$ 128,990,413	\$ 711,154,375	\$ 3.6600	\$ 1,004,319,299
2008	\$ 405,963,073	\$ 147,451,557	\$ 14,044,522	\$ 119,677,053	\$ 687,136,205	\$ 3.6600	\$ 958,257,342
2007	\$ 361,083,409	\$ 129,495,253	\$ 13,006,596	\$ 124,226,760	\$ 627,812,018	\$ 3.6600	\$ 904,782,907
2006	\$ 344,506,862	\$ 124,473,705	\$ 12,360,391	\$ 131,356,861	\$ 612,697,819	\$ 3.6693	\$ 904,225,521
2005	\$ 292,450,213	\$ 112,678,248	\$ 11,056,095	\$ 108,798,531	\$ 524,983,087	\$ 3.6031	\$ 786,074,002

Source: Franklin, St. Charles, and Warren County Assessor's Offices



As is evident by the chart above, over 70% of revenue comes from residential, commercial and vehicle taxes with residential being the most. As we realize a decline in the major revenue source, the District will need to implement strategies to decrease spending and increase other revenue sources.

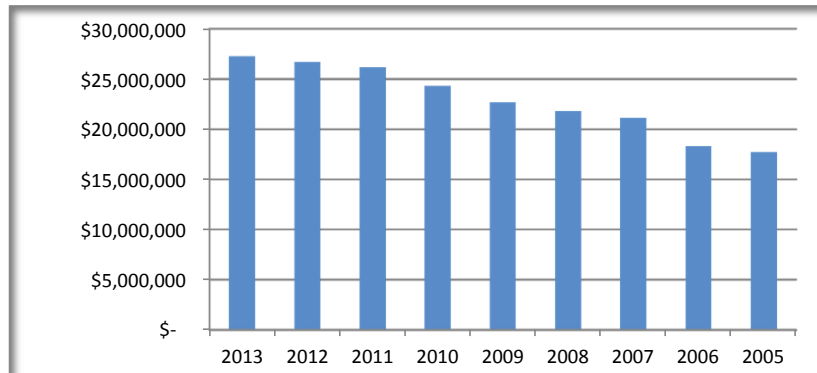
**School District of Washington
Property Tax Levies and Collections
Last Ten Fiscal Years**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Assessed Valuations	\$ 712,055,289	\$ 758,486,084	\$ 737,769,800	\$ 740,139,858	\$ 722,084,314	\$ 713,370,108	\$ 687,136,205	\$ 627,812,018	\$ 612,697,819	\$ 524,983,087
Tax Rate	\$ 4.0205	\$ 3.8260	\$ 3.8060	\$ 3.7860	\$ 3.7923	\$ 3.6600	\$ 3.6600	\$ 3.6600	\$ 3.6693	\$ 3.6031
Taxes Levied for the Fiscal Year	\$ 28,628,183	\$ 29,019,678	\$ 28,079,519	\$ 28,021,695	\$ 27,383,603	\$ 26,109,346	\$ 25,149,185	\$ 22,977,920	\$ 22,481,721	\$ 18,915,666
Collected within Fiscal Year of Levy										
Amount	\$ 27,008,132	\$ 27,272,976	\$ 26,705,721	\$ 26,203,085	\$ 24,308,028	\$ 22,673,715	\$ 21,808,861	\$ 21,150,716	\$ 18,313,758	\$ 17,743,368
% of Levy	94%	94%	95%	94%	89%	87%	87%	92%	81%	94%
Collected in Subsequent Years										
Amount	\$ 658,432	\$ 2,387,435	\$ 1,545,114	\$ 1,689,789	\$ 1,659,265	\$ 1,938,507	\$ 1,122,585	\$ 749,415	\$ 812,062	\$ 556,245
% of Levy	97%	102%	101%	100%	95%	94%	91%	95%	85%	97%

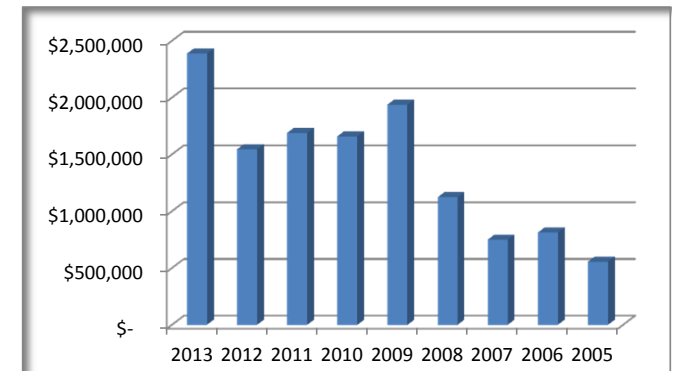
Note: Based on Fiscal Year, Warren County unable to provide delinquent information.

Source: School District of Washington records and Franklin, St. Charles and Warren County Department of Revenue

Taxes Levied



Delinquent Taxes Collected



**School District of Washington
Outstanding Debt By Type
Last Ten Fiscal Years**

	2014	2013	2012	2011	2010
Capital Leases	\$ 15,945,000	\$ 16,545,000	\$ 17,650,000	\$ 18,100,000	\$ 18,500,000
General Obligation Bonds	\$ 31,995,000	\$ 40,095,000	\$ 32,395,000	\$ 36,145,000	\$ 19,395,000
Total Primary	\$ 47,940,000	\$ 56,640,000	\$ 50,045,000	\$ 54,245,000	\$ 37,895,000
Estimated Actual Value of Taxable Property	\$ 1,119,609,239	\$ 1,139,442,243	\$ 1,323,280,011	\$ 1,087,728,265	\$ 1,072,024,006
% of General Bonded Debt to Estimated Actual Value of Taxable Property	4.28%	4.97%	3.78%	4.99%	3.53%
Personal Income (County data)	N/A	N/A	3742547	3650522	3,529,850
% of Personal Income	N/A	N/A	13.37%	14.86%	10.74%
Population (County data)	N/A	N/A	101412	101938	101543
Per Capita	N/A	N/A	\$ 493	\$ 532	\$ 373

	2009	2008	2007	2006	2005
Capital Leases	\$ 18,940,000	\$ 19,430,000	\$ 7,400,000	\$ 7,590,000	\$ 7,720,000
General Obligation Bonds	\$ 20,095,000	\$ 20,695,000	\$ 23,160,000	\$ 17,170,000	\$ 17,670,000
Total Primary	\$ 39,035,000	\$ 40,125,000.00	\$ 30,560,000.00	\$ 24,760,000.00	\$ 25,390,000.00
Estimated Actual Value of Taxable Property	\$ 1,024,284,914	\$ 1,005,397,693.51	\$ 958,257,342.19	\$ 904,782,907.33	\$ 904,225,520.56
% of General Bonded Debt to Estimated Actual Value of Taxable Property	3.81%	3.99%	3.19%	2.74%	2.81%
Personal Income (County data)	3,472,141	3,611,348	3,408,674	3,210,395	3,005,136
% of Personal Income	11.24%	11.11%	8.97%	7.71%	8.45%
Population (County data)	101422	101149	100265	99341	98417
Per Capita	\$ 385	\$ 397	\$ 305	\$ 249	\$ 258

Note: N/A - Not Available; Information is for Franklin County, 2012 and 2013 demographic information not available at the time of publication.
Source: School District of Washington records and Bureau of Economic Analysis

**School District Of Washington
Legal Debt Margin Information
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2014

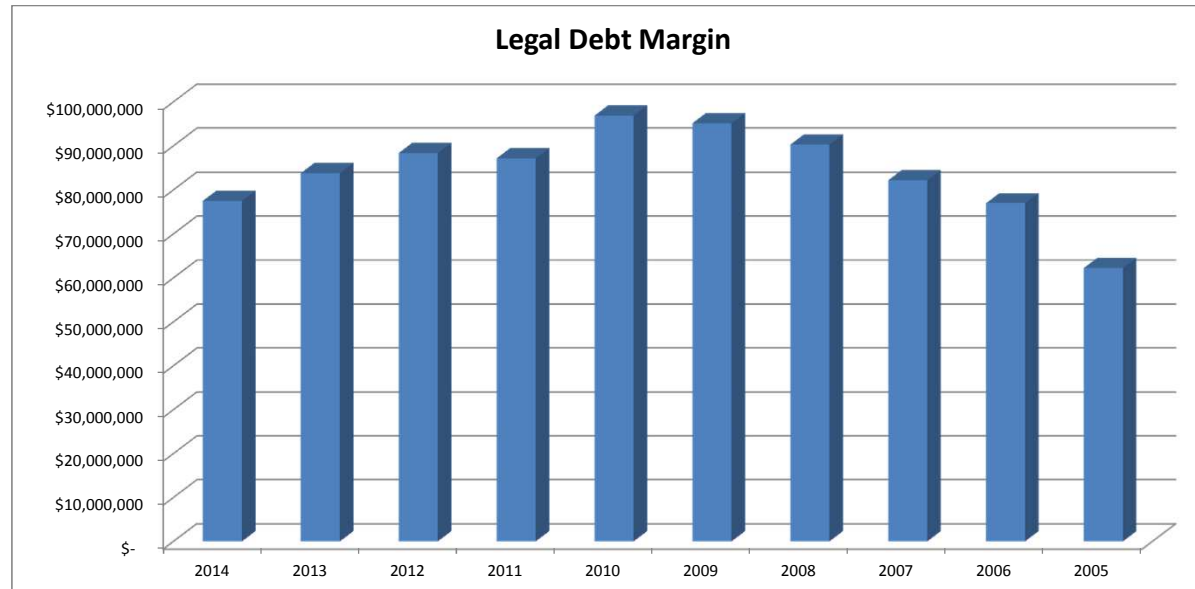
Assessed Value	\$ 716,525,469
Debt Limit (15% of Assessed Value)	\$ 107,478,820
Debt Applicable to Limit	\$ 31,995,000
Amount Available in Debt Service Fund	\$ 2,685,548

Legal Debt Margin \$ 78,169,368

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limitation	\$ 106,808,293	\$ 114,367,162	\$ 111,621,212	\$ 111,539,154	\$ 107,983,822	\$ 107,814,198	\$ 103,385,662	\$ 94,505,256	\$ 92,150,581	\$ 78,921,849
General Obligation Bonds Payable	\$ (31,995,000)	\$ (40,095,000)	\$ (32,395,000)	\$ (36,145,000)	\$ (19,395,000)	\$ (20,095,000)	\$ (20,695,000)	\$ (23,160,000)	\$ (17,170,000)	\$ (17,670,000)
Avail. Debt Service Fund Balance	\$ 2,685,547	\$ 9,513,265	\$ 9,139,001	\$ 11,754,059	\$ 8,272,199	\$ 7,416,642	\$ 7,580,868	\$ 10,823,649	\$ 1,973,369	\$ 996,783
Net Debt Applicable	\$ (29,309,453)	\$ (30,581,735)	\$ (23,255,999)	\$ (24,390,941)	\$ (11,122,801)	\$ (12,678,358)	\$ (13,114,132)	\$ (12,336,351)	\$ (15,196,631)	\$ (16,673,217)
Legal Debt Margin	\$ 77,498,840	\$ 83,785,427	\$ 88,365,213	\$ 87,148,213	\$ 96,861,021	\$ 95,135,840	\$ 90,271,530	\$ 82,168,905	\$ 76,953,950	\$ 62,248,632
Legal Debt Margin as a % of Debt Limit	72.56%	73.26%	79.17%	78.13%	89.70%	88.24%	87.32%	86.95%	83.51%	78.87%

Note: Legal Debt Margin is the additional amount of debt the District may incur. Legal Debt Limit is the assessed valuation (A/V) multiplied by 15%.

Source: School District of Washington financial records

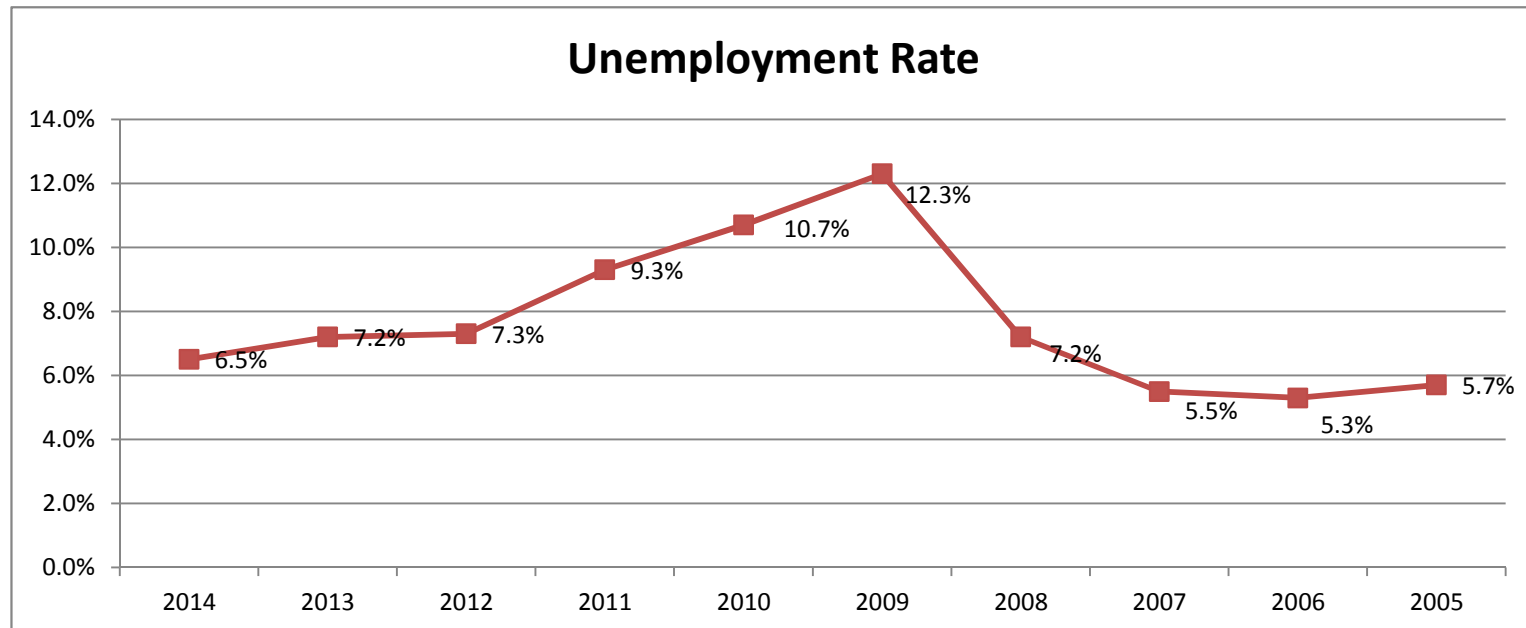


School District of Washington
Demographic and Economic Statistics - Franklin County Only
Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2014	N/A	N/A	N/A	6.5%
2013	N/A	N/A	N/A	7.2%
2012	101412	\$ 3,742,547	\$ 37,397	7.3%
2011	101938	\$ 3,650,522	\$ 35,811	9.3%
2010	101543	\$ 3,529,850	\$ 34,762	10.7%
2009	101422	\$ 3,472,141	\$ 34,235	12.3%
2008	101149	\$ 3,611,348	\$ 35,703	7.2%
2007	100265	\$ 3,408,674	\$ 33,997	5.5%
2006	99341	\$ 3,210,395	\$ 32,317	5.3%
2005	98417	\$ 3,005,136	\$ 30,535	5.7%

Note: N/A - Not available

Source: Bureau of Economic Analysis and Federal Reserve Bank of St. Louis



School District of Washington
Principal Employers
Last Ten Fiscal Years

		2014			2005		
Employer	Type	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Mercy Hospital	Health Care	1285	1	6.39%	760	1	3.78%
Parker Hannifin	Manufacturer	1111	2	5.53%	638	2	3.18
Washington School District	Education	642	3	3.19%	0	0	0.00
CG Powers (Pauwels)	Manufacturer	460	4	2.29%	272	5	1.35
Walmart Super Center	Retail Merchant	388	5	1.93%	443	3	2.20
Magnet	Advertising Spec	257	6	1.28%	355	4	1.77
RTI Tradco	Manufacturer	205	7	1.02%	0	0	0.00
Valent Aerostructures	Manufacturer	185	8	0.92%	0	0	0.00
Frick's Quality Meats	Meat Processing	161	9	0.80%	0	0	0.00
Rawlings Sporting Goods Co	Manufacturer	173	10	0.78%	125	7	0.62
Canam Steel	Manufacturer	0	0	0	165	6	0.82
Schnucks	Grocery Store	0	0	0	121	8	0.60
Missourian	Publishing	0	0	0	115	9	0.57
Hazel Promotional Products	Manufacturer	0	0	0	97	10	0.48

Source: City of Washington, Finance Department - Business Licenses

SCHOOL DISTRICT OF WASHINGTON

POSITION	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
ADMINISTRATION											
SUPT/ASST. SUPT	3	3	3	3	3	3	3	3	2	2	2
CFO/DIR OF BUSINESS SERVICES	1	1	1	1	1	1	1	1	1	1	1
PRINCIPAL HS AND MS	2	3	3	3	3	3	3	4	3	3	2
PRINCIPAL/ BLDG. SUPV. - ELEMENTARY	9	10	9	9	9	9	9	8	8	6	6
ASSOC & ASST. PRINCIPAL HS & MS	4	3	3	3	3	1	2	3	4	3	1
DIRECTOR/COORDINATORS	12	11	5	5	5	4	4	4	4	4	4
SUB TOTAL	31	31	24	24	24	21	22	23	22	19	16
TEACHERS (INCLUDES COUNSELORS, LIBRARIANS, SPEECH PATHOLOGISTS, PSYCH EXAMINERS)											
ELEMENTARY	172	169	170	158	150	164	158	159	152	145	148
MIDDLE SCHOOL	45	44	45	43	45	44	42	43	38	42	40
HIGH SCHOOL	92	98	92	86	82	85	85	96	81	73	76
CAREER CENTER	20	20	20	20	20	20	17	17	17	15	19
EARLY CHILDHOOD SPECIAL ED	10	11	9	9	9	13	9	9	9	9	8
INSTRUCT. COOR/PROCESS COOR	4	6	4	3	3	3	3	1	1	1	1
SUB TOTAL	343	348	340	319	309	329	314	325	298	285	292
SUPPORT STAFF											
DISTRICT OFFICE SUPPORT STAFF	11	11	10	10	13	13	11	12	10	6	8
ALL OTHER SEC/ADMIN. ASST.	30	30	29	26	24	25	27	28	27	20	18
TECHNOLOGY	6	6	8	7	7	7	6	5	4	3	2
PARAPROFESSIONAL	72	68	67	63	61	65	64	62	58	54	54
NURSE / HEALTH COORD	10	10	11	11	10	10	8	8	7	5	5
PT /OT AND ASST.	5	5	5	4	4	4	4	3	2	2	3
PARENT EDUCATOR	8	7	8	10	12	13	14	9	9	6	6
SOCIAL WORKER	2	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FOOD SERVICE DIRECTOR	1	1	1	1	1	1	1	1	1	1	1
FOOD SERVICE COOK & KITCHEN MGR.	46	42	43	40	40	40	41	39	40	38	40
NOON AIDE/CROSSING GUARD	17	17	16	16	17	18	17	18	18	14	11
BEFORE/AFTER CARE FACILITATOR	12	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BLDG GROUNDS DIR/MAINT. FOREMAN	2	2	2	2	2	2	2	2	2	2	2
GROUNDS/DELIVERY/MAINT.	12	12	12	12	12	11	12	12	12	7	6
CUSTODIANS/CUST. SUPERVISOR	46	43	41	42	44	44	46	48	46	42	49
SUB TOTAL	280	260	254	244	247	253	253	247	236	200	205
GRAND TOTAL	654	639	618	587	580	603	589	595	556	504	513

Note: Does not include substitutes, temporaries or seasonal employees

Source: School District of Washington HR records

**School District of Washington
Operating Statistics
Last Ten Fiscal Years**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Enrolled Pupils (September)	3928	3937	3947	3929	3994	4050	4018	4002	3991	3891
Operating Expenditures	\$ 43,634,233	\$ 42,781,204	\$ 40,327,088	\$ 39,291,088	\$ 38,700,152	\$ 39,045,810	\$ 36,860,351	\$ 34,009,354	\$ 33,552,075	\$ 28,597,383
Cost Per Enrolled Pupil	\$ 10,214	\$ 9,903	\$ 9,072	\$ 9,074	\$ 8,810	\$ 8,798	\$ 8,690	\$ 8,720	\$ 8,062	\$ 6,799
% of Change	1.03%	1.09%	1.00%	1.03%	1.00%	1.01%	1.00%	1.08%	1.19%	1.05%
Teaching Staff	362	351	336	308	316	319	320	296	290	301
Enrolled Pupils/Teacher Ratio	18	18	18	19	19	18	19	19	18	18
# of Free & Reduced	1359	1321	1090	1196	1168	944	793	746	718	718
% of Enrolled Pupils Qualifying for Free/Reduced	34.70%	33.90%	30.80%	30.44%	29.24%	23.31%	19.74%	18.64%	17.98%	18.45%
Fund Balance % (Reserves)	35.29%	44.29%	41.23%	36.02%	31.27%	30.32%	23.97%	23.36%	26.85%	20.59%

Note: Operating Expenditures are before transfers; Teaching Staff includes Counselors

Source: School District of Washington records

**SCHOOL DISTRICT OF WASHINGTON
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
School District of Washington										
Minimum Salary	\$ 35,050	\$ 34,950	\$ 34,100	\$ 32,950	\$ 31,800	\$ 31,800	\$ 31,800	\$ 31,000	\$ 29,800	\$ 29,451
Maximum Salary	\$ 71,739	\$ 70,120	\$ 69,960	\$ 69,085	\$ 68,591	\$ 68,591	\$ 68,951	\$ 66,865	\$ 59,092	\$ 57,378
SDOW Average Salary	\$ 46,322	\$ 46,320	\$ 46,121	\$ 45,764	\$ 45,495	\$ 45,046	\$ 43,851	\$ 41,880	\$ 39,808	\$ 39,448
County Average Salary	\$ 42,092	\$ 41,250	\$ 40,242	\$ 39,212	\$ 39,077	\$ 39,302	\$ 38,140	\$ 37,213	\$ 36,010	\$ 35,779
Statewide Average Salary	\$ 46,756	\$ 46,913	\$ 46,740	\$ 46,288	\$ 46,945	\$ 46,069	\$ 45,050	\$ 43,524	\$ 42,063	\$ 40,685

Note: Amounts do not include benefits such as pension, health insurance, disability, etc.

Source: St. Louis Cooperating School District; District data from School District of Washington records; Dept of Secondary Education

School District of Washington
School Building Information
Last Ten Fiscal Years

Location	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Elementary										
Augusta - 1939										
Square Feet	26392	26392	26392	26392	26392	26392	26392	26392	26392	26392
Capacity	235	235	235	235	235	235	235	235	235	235
Enrollment	140	140	145	139	146	141	144	158	156	153
Campbellton - 1958										
Square Feet	30941	30941	30941	30941	30941	30941	30941	30941	30941	30941
Capacity	280	280	280	280	280	280	280	158	158	158
Enrollment	157	157	155	152	149	154	167	186	182	156
Clearview - 1963										
Square Feet	35596	35596	35596	35596	35596	35596	35596	35596	35596	35596
Capacity	324	324	324	324	324	324	324	324	324	324
Enrollment	328	328	334	323	335	330	317	309	295	278
Fifth Street - 1938										
Square Feet	26392	26392	26392	26392	26392	26392	26392	26392	26392	26392
Capacity	236	236	236	236	236	236	236	236	236	236
Enrollment	125	125	125	130	136	140	121	136	134	145
Labadie - 1962										
Square Feet	25142	25142	25142	25142	25142	25142	25142	25142	25142	25142
Capacity	229	229	229	229	229	229	229	229	229	229
Enrollment	100	100	108	108	118	127	144	149	163	158
Marthasville - 1940										
Square Feet	36325	29315	29315	29315	29315	29315	29315	29315	29315	29315
Capacity	275	275	275	275	275	275	275	275	275	275
Enrollment	244	244	246	241	253	247	228	211	181	177
South Point - 1952								354		467
Square Feet	48980	48980	48980	48980	48980	48980	48980	48980	48980	48980
Capacity	445	445	445	445	445	445	445	445	445	445
Enrollment	447	447	465	472	459	485	477	478	488	467
Washington West - 1998										
Square Feet	63340	58385	58385	58385	58385	58385	58385	58385	58385	58385
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	457	457	424	419	397	385	402	377	355	339

School District of Washington
School Building Information (Concluded)
Last Ten Fiscal Years

Location	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Middle School										
Washington Middle School - 1970										
Square Feet	77131	77131	77131	77131	77131	77131	77131	77131	77131	77131
Capacity	563	563	563	563	563	563	563	563	563	563
Enrollment	587	587	577	589	605	641	589	542	545	602
High School										
Washington High School - 1955										
Square Feet	277287	277287	277287	277287	277287	277287	277287	277287	277287	277287
Capacity	1713	1713	1713	1713	1713	1713	1713	1713	1713	1713
Enrollment	1352	1352	1368	1356	1396	1400	1429	1456	1492	1416
Other Structures										
Administration Building - 1889										
Square Feet	19131	19131	19131	19131	19131	19131	19131	19131	19131	19131
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Early Learning Center - 2014										
Square Feet	25320	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	300	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Central Warehouse - 1960										
Square Feet	16725	16725	16725	16725	16725	16725	16725	16725	16725	16725
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Family Resource Center - 1979										
Square Feet	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Four Rivers Career Center - 1979										
Square Feet	83727	83727	83727	83727	83727	83727	83727	83727	83727	83727
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Technology and Learning Center - 2008										
Square Feet	21868	21868	21868	21868	21868	21868	21868	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

PERSONNEL INFORMATION

Year		2010	2011	2012	2013	2014
Average Teacher Salary	Washington	\$44,625	\$44,921	\$45,307	\$46,039	\$46,322
	Missouri	\$45,148	\$45,312	\$45,709	\$46,223	\$46,754
Average Teacher Salary (*total)	Washington	\$45,495	\$45,764	\$46,121	\$46,833	\$47,138
	Missouri	\$46,950	\$46,291	\$46,735	\$47,243	\$47,843
Average Administrator Salary	Washington	\$79,483	\$79,789	\$90,801	\$89,871	\$89,265
	Missouri	\$83,293	\$83,579	\$84,794	\$86,015	\$87,197
Average Years of Experience	Washington	13.9	14.2	13.4	13	12.3
	Missouri	12.4	12.5	12.4	12.4	12.8
Teachers with a Master's Degree or Higher (%)	Washington	54.5	61.8	61.3	57.3	55.3
	Missouri	56	57.7	58.8	59.1	58.9

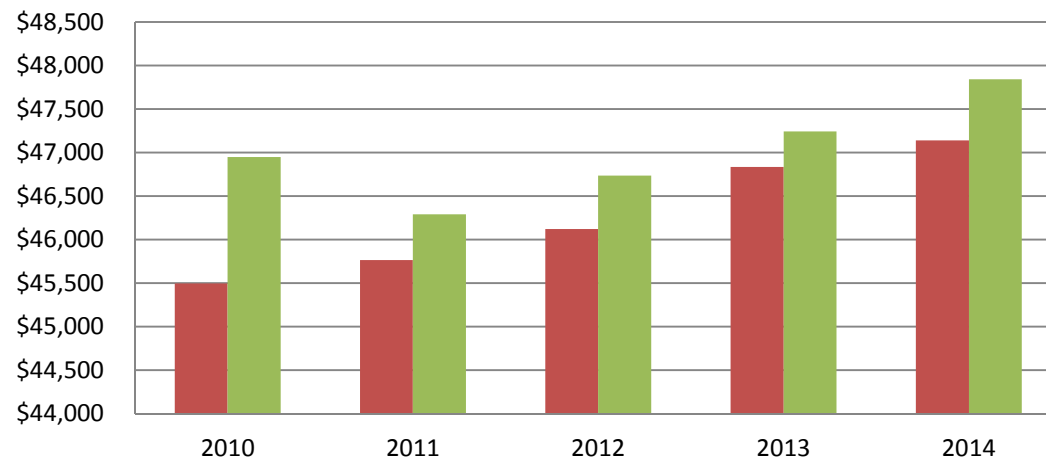
*Includes extended contract salary and extra duty pay.

Source: Missouri Dept. of Elementary and Secondary Education

Core Data as Submitted by Missouri Public Schools

Data as of July 14, 2014

Average Years of Experience - Teachers



Student/Teacher Ratios	2011	2012	2013	2014
Washington High School	24	22	23	23
Washington Middle School	17	17	17	16
Augusta Elementary	16	15	16	15
Campbellton Elementary	17	17	16	16
Clearview Elementary	18	16	17	17
Fifth St. Elementary	15	14	14	13
Labadie Elementary	14	12	12	12
Marthasville Elementary	16	15	16	15
South Point Elementary	18	17	17	16
Washington West Elementary	22	21	18	19
Average Elementary Ratio	17	16	16	15

As you can see from the spreadsheet above, many of the outlying elementaries have relatively low populations, thus low student to teacher ratios. Also, by this report, the buildings look right in range to what would be considered an ideal ratio. But each year it seems the District has a few buildings with pockets of growth at varying grades levels. So much so, it means that they are at the bubble of what is acceptable or an additional class needs to be added.