

***WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO***

AUDIT REPORT

For the Year Ended June 30, 2009



Mary Taylor, CPA
Auditor of State

Board of Education
Wooster City School District
144 N. Market Street
Wooster, Ohio 44691

We have reviewed the *Report of Independent Accountants* of the Wooster City School District, Wayne County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

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Auditor of State

January 28, 2010

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WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO
AUDIT REPORT
For the Year Ended June 30, 2009

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REPORT OF INDEPENDENT ACCOUNTANTS

Wooster City School District
Wayne County
144 North Market Street
Wooster, OH 44691

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Wooster City School District, Wayne County, Ohio, (the School District), as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Wooster City School District, Wayne County, Ohio, as of June 30, 2009, and the respective changes in financial position and cash flows thereof and the budgetary comparison for the General Fund and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally on inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2009 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wooster City School District's basic financial statements. The accompanying schedule of federal awards expenditures is presented for the purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Charles E. Harris & Associates, Inc.
December 11, 2009

Wooster City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(Unaudited)

The discussion and analysis of the Wooster City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key Financial Highlights for 2009 are as follows:

- ❑ General Revenues accounted for \$40.0 million in revenue or 81.7% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for approximately \$9.0 million or 18.3% of total revenues of \$49.0 million.
- ❑ Total program expenses were \$48.5 million, \$44.4 million in Governmental Activities, and \$4.1 million in Business Type Activities.
- ❑ In total, net assets increased \$.4 million. Net assets of governmental activities increased \$.8 million, which represents a 2.3% increase from 2008. Net assets of business-type activities decreased \$.4 million or 19.2% from 2008.
- ❑ Outstanding debt and related charges increased from \$23.5 million to \$23.9 million in 2009. The School District issued a \$1.8 million energy conservation note to make the facilities more energy efficient.

Using this Annual Report

This annual report consists of the MD&A, the basic financial statements and the notes to the basic financial statements. The basic financial statements include a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also highlight the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Wooster City School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2009?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include *all assets* and *liabilities* using the

Wooster City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(Unaudited)

accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's *net assets* and *changes in those assets*. This change in net assets is important because it tells the reader that, for the School District as a whole, the *financial position* of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, required educational programs, and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❑ **Governmental Activities** - Most of the School District's programs and services are reported here, including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- ❑ **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The School District food service, uniform supplies, recreation center and costs for outside entities are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 9. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the debt service fund.

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

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(Unaudited)

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the debt service fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

The School District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The governmental fund financial statements begin on page 16.

Proprietary Funds - The School District maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The School District uses enterprise funds to account for its food service, uniform school supplies, recreation center and costs for outside services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District uses an internal service fund to account for its drug and health benefit program. Because this service predominantly benefits governmental rather than business-type functions, it has been included within the governmental activities in the government-wide financial statements. The proprietary fund financial statements begin on page 22.

Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The accounting for the fiduciary funds is much like that used to proprietary funds. The fiduciary fund financial statements begin on page 24.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 27.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Wooster City School District
Management's Discussion and Analysis
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(Unaudited)

Table 1 provides a summary of the School District's net assets for 2009 compared to 2008:

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Current and Other Assets	\$ 51,873,066	\$ 53,826,700	\$ 766,724	\$ 1,064,855	\$ 52,639,790	\$ 54,891,555
Capital Assets	41,310,778	41,315,151	1,819,837	1,875,068	43,130,615	43,190,219
Total Assets	93,183,844	95,141,851	2,586,561	2,939,923	95,770,405	98,081,774
Liabilities						
Long-Term Liabilities	28,983,962	29,063,269	467,058	419,375	29,451,020	29,482,644
Other Liabilities	26,696,702	29,421,140	322,465	295,887	27,019,167	29,717,027
Total Liabilities	55,680,664	58,484,409	789,523	715,262	56,470,187	59,199,671
Net Assets						
Invested in Capital Assets Net of Debt	24,318,221	22,675,246	1,819,837	1,875,068	26,138,058	24,550,314
Restricted	5,443,601	4,702,882	0	0	5,443,601	4,702,882
Unrestricted (Deficit)	7,741,358	9,279,314	(22,799)	349,593	7,718,559	9,628,907
Total Net Assets	\$ 37,503,180	\$ 36,657,442	\$ 1,797,038	\$ 2,224,661	\$ 39,300,218	\$ 38,882,103

Total assets in the governmental activities decreased \$2.0 million from 2008 and liabilities decreased \$2.8 million. The decrease in taxes receivable and the related deferred tax revenue account for most of these decreases, which were caused primarily from a reduction in assessed property values and phase out of tangible property taxes by the State of Ohio.

Total assets in the business-type activities decreased \$.4 million. The timing of receipts to cover expenses caused a \$.4 million decrease in cash over 2008. Increases in accrued wages and compensated absences account for the \$.07 million increase in liabilities.

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(Unaudited)

Table 2 shows the changes in net assets for fiscal year 2009 and 2008.

(Table 2)
Governmental and Business-Type Activities

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 1,090,725	\$ 1,126,625	\$ 2,623,438	\$ 2,189,284	\$ 3,714,163	\$ 3,315,909
Operating Grants	4,169,017	4,452,454	1,051,338	1,046,191	5,220,355	5,498,645
Capital Grants and Contributions	16,173	31,955	0	0	16,173	31,955
<i>General Revenue:</i>						
Property Taxes	24,423,792	29,561,296	0	0	24,423,792	29,561,296
Grants and Entitlements not Restricted to Specific Programs	15,045,345	13,670,832	0	0	15,045,345	13,670,832
Other Revenue	531,618	856,052	4,654	7,347	536,272	863,399
Total Revenues	45,276,670	49,699,214	3,679,430	3,242,822	48,956,100	52,942,036
Program Expenses						
Instruction	26,227,460	24,615,617	0	0	26,227,460	24,615,617
Support Services	15,671,221	14,960,869	0	0	15,671,221	14,960,869
Operation of Non-Instructional	505,054	382,247	0	0	505,054	382,247
Extracurricular Activities	586,273	827,511	0	0	586,273	827,511
Depreciation Expense Not Included in Other Functions	90,356	90,356	0	0	90,356	90,356
Interest and Fiscal Charges	1,350,568	1,569,611	0	0	1,350,568	1,569,611
Enterprise Funds	0	0	4,107,053	3,830,664	4,107,053	3,830,664
Total Expenses	44,430,932	42,446,211	4,107,053	3,830,664	48,537,985	46,276,875
Increase (Decrease) in Net Assets	\$ 845,738	\$ 7,253,003	\$ (427,623)	\$ (587,842)	\$ 418,115	\$ 6,665,161

Revenues in the governmental activities decreased \$4.4 million from 2008 with elimination of personal property tax accounting for most of that change. The tax loss reimbursement accounts for a portion of the increase in entitlements. Program expenses increased \$2.0 million in the instruction and support services areas caused primarily by annual pay and step increases.

The business-type activities remained fairly consistent with 2008.

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Management's Discussion and Analysis
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(Unaudited)

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. All governmental activities had total revenues of \$45.3 million and expenses of \$44.4 million.

(Table 3)
Governmental Activities

	2009		2008	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$ 26,227,460	\$ 22,431,463	\$ 24,615,617	\$ 20,773,800
Support Services:				
Pupil and Instructional Staff	4,360,409	3,977,062	3,965,550	3,477,955
Board of Education, Administration, Fiscal and Business	4,508,004	4,169,385	4,244,045	3,846,712
Operation and Maintenance of Plant and Central Pupil Transportation	4,715,462	4,637,537	5,129,883	4,994,867
Pupil Transportation	2,177,702	2,129,593	1,711,747	1,711,689
Operation of Non-Instructional Extracurricular Activities	505,054	222,387	382,247	95,269
Interest and Fiscal Charges	586,273	296,057	827,511	542,313
	<u>1,350,568</u>	<u>1,291,533</u>	<u>1,569,611</u>	<u>1,392,572</u>
Total Expenses	<u>\$ 44,430,932</u>	<u>\$ 39,155,017</u>	<u>\$ 42,446,211</u>	<u>\$ 36,835,177</u>

Instruction and pupil and instructional support services comprise the majority of governmental program expenses totaling \$30.6 million or 68.8%. Interest and fiscal charges are attributable to the outstanding notes, and fiscal expenses including payments to the County Auditors for administrative fees and amount to 3.0% of total expenses. Pupil transportation and the operation/maintenance of facilities accounts for 15.5% of governmental program expenses.

The dependence upon tax revenues for governmental activities is apparent. The community, as a whole, is by far the primary support for Wooster City School District students.

Business-Type Activities

Business-type activities include the recreation center, the food service operations, the sale of uniform school supplies and education costs for outside entities. There were program revenues of \$3.7 million and expenses of \$4.1 million for fiscal year 2009. Business activities receive no support from tax revenues.

Wooster City School District
Management's Discussion and Analysis
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(Unaudited)

Financial Analysis of the Government's Funds

Governmental Funds

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the School District's net resources available for spending at year-end.

The School District's governmental funds (as presented on the balance sheet on page 16) reported a total fund balance of \$19.2 million, which is \$1.0 million over last year's balance of \$18.2 million. The most significant change within the School District's major funds was reported in the debt service fund with an increase in fund balance of \$.2 million.

Major Funds

The general fund is the main operating fund of the School District. At the end of fiscal year 2009, the fund balance in the general fund was \$14.1 million which is an increase of \$.04 million from fiscal year 2008.

The debt service fund is the School District fund that accumulates tax revenues to pay general obligation bonds. At the end of fiscal year 2009, the fund balance in the debt service fund was \$3.0 million, which is an increase of \$.2 million from fiscal year 2008. This is mainly due to a transfer from general fund to pay upcoming interest payments.

General Fund Budgeting Highlights

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

During the course of fiscal year 2009, the School District modified its General fund budget. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, there was difference of \$4.3 million between the final budget basis revenue of \$39.3 million, and the original budget estimates of \$35.0 which is due to larger estimated intergovernmental revenue than originally budgeted. There was a minimal change from original appropriations to final appropriations.

Actual revenues were \$.05 million over final budget estimates. Actual expenditures were \$1.3 million less than final estimates which allowed some leeway to budget for expenditures.

Wooster City School District
Management's Discussion and Analysis
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(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2009, the School District had \$43.1 million invested in land and construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, textbooks and an ice arena. A total of \$41.3 million of this was for governmental activities with the remainder attributable to business-type activities. Table 4 shows fiscal year 2009 balances compared with 2008.

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land and						
Construction in Progress	\$ 3,575,529	\$ 2,609,634	\$ 0	\$ 0	\$ 3,575,529	\$ 2,609,634
Land Improvements	69,647	63,654	0	0	69,647	63,654
Buildings and Improvements	31,190,318	32,054,881	1,791,667	1,842,375	32,981,985	33,897,256
Furniture and Equipment	1,835,519	1,969,697	28,170	32,693	1,863,689	2,002,390
Vehicles	844,804	731,968	0	0	844,804	731,968
Ice Arena	3,794,961	3,885,317	0	0	3,794,961	3,885,317
Totals	\$ 41,310,778	\$ 41,315,151	\$ 1,819,837	\$ 1,875,068	\$ 43,130,615	\$ 43,190,219

The decrease of less than \$60,000 in capital assets was attributable to depreciation exceeding additional purchases. Additional details of the capital assets can be found in Note 8 to the basic financial statements.

Debt

At June 30, 2009 the School District had \$22.1 million in bonds and related charges outstanding and \$1.8 million in notes payable with \$2.5 million due within one year. During fiscal year 2009, \$2.2 million of general obligation bonds were retired and an energy conservation note was issued for \$1.8 million. Table 5 summarizes bonds outstanding.

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(Table 5)
Outstanding Debt and Related Charges, at June 30

	Governmental Activities	
	2009	2008
<i>Note Payable:</i>		
2009 Energy Conservation Notes	\$ 1,757,800	\$ 0
<i>General Obligation Bonds:</i>		
2004 Bond Refunding	1,950,002	2,165,002
Capital Appreciation Bonds	234,998	234,998
Accretion on Capital Appreciation Bonds	116,840	86,658
1997 Bond Refunding	430,000	2,460,000
Capital Appreciation Bonds	3,664,831	3,664,831
Accretion on Capital Appreciation Bonds	5,725,112	4,987,462
2007 Bond Refunding	7,800,000	7,800,000
Capital Appreciation Bonds	1,955,000	1,955,000
Accretion on Capital Appreciation Bonds	139,627	55,322
Premium on Debt Issuance	196,871	218,745
Loss on Refunding	(79,814)	(88,682)
	\$ 23,891,267	\$ 23,539,336
Totals		

In 1997, the School District issued \$25 million in refunded general obligation bonds. These include current interest bonds which mature December 2017, and capital appreciation bonds which mature December 2013.

In 2004, the School District issued \$3 million in refunded general obligation bonds. These include current interest bonds which mature in December 2018 and capital appreciation bonds which mature in December 2012.

In September 2007, the School District issued \$9.8 million in refunding bonds. These include current interest bonds which mature in December 2016 and capital appreciation bonds which mature in December 2017. The proceeds were used to refund a portion of the 1997 general obligation bonds.

In 2009, the School District issued \$1.8 million in energy conservation notes which mature in December 2018.

More information about the long-term obligations is in Note 13 to the basic financial statements.

Current Issues

The Wooster City School District continues to receive strong support from the residents of the School District. As the preceding information shows, the School District relies heavily on its local property taxpayers. In the past, the Board of Education has typically experienced the need to return to the voters for additional millage every four (4) to five (5) years. The residents of the School District passed the most recent continuing operating levy in March 2004. In addition to raising revenue, the Board of

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Management's Discussion and Analysis
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(Unaudited)

Education has also implemented significant budget reductions measures, including a \$2.4 million budget reduction in 1999 and a \$3.5 million budget reduction in 2004. The vast majority of these budget reductions, including the closure of Layton Elementary School, have never been restored. As the School District nears six (6) years since passage of its last levy, the need to return to the ballot will likely occur again in calendar year 2010.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a levy will not increase solely as a result of inflation due to Ohio House Bill 920 (passed in 1976). As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become .5 mills, and the owner would still pay \$35.00.

Thus, School District's dependency upon property taxes is hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 54% of revenues for governmental activities for the Wooster City Schools in fiscal year 2009. With the current economic recession, real estate tax collections have declined primarily due to lack of new construction coupled with increased instances of delinquencies and foreclosures.

The School District has been affected by changes in the personal property tax structure (utility deregulation) and commercial business/property uncertainties. During the summer of 2005, the Ohio legislature approved Ohio House Bill 66, which includes the phased-out elimination of the tangible personal property tax. This affects taxes on all business tangible property and public utility property (telephone companies and railroads) – roughly 20% of the School District's general fund revenues. While this discontinued revenue will be partially reimbursed by the State of Ohio through FY2013, this loss of revenue must be anticipated and replaced in the future.

The Wooster City School District has not anticipated any meaningful growth in State revenue. The State Legislature's biennial budget was approved and became effective on July 17, 2009. Due to revenue shortfalls at the state level, the State utilized federal stimulus dollars to maintain funding to Ohio schools. The School District anticipates no increased funding over the next two years.

All scenarios require management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

In addition, the School District's systems of budgeting and internal controls are well regarded. All of the School District's financial abilities will be needed to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Treasurer/CFO of Wooster City School District, 144 N. Market Street, Wooster, Ohio, 44691.

Wooster City School District
Statement of Net Assets
June 30, 2009

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 25,033,665	\$ 487,196	\$ 25,520,861
Receivables:			
Taxes	26,054,105	0	26,054,105
Accounts	467	48,057	48,524
Internal Balances	138,000	(138,000)	0
Interest	59,320	0	59,320
Intergovernmental	469,420	353,770	823,190
Prepaid Items	1,032	0	1,032
Inventory Held For Resale	0	15,701	15,701
Bond Issuance Costs	117,057	0	117,057
Nondepreciable Capital Assets	3,575,529	0	3,575,529
Depreciable Capital Assets (Net)	37,735,249	1,819,837	39,555,086
<i>Total Assets</i>	<u>93,183,844</u>	<u>2,586,561</u>	<u>95,770,405</u>
Liabilities			
Accounts Payable	230,886	1,418	232,304
Contracts Payable	238,591	0	238,591
Accrued Wages and Benefits	2,851,871	221,413	3,073,284
Matured Compensated Absences	232,798	0	232,798
Intergovernmental Payable	1,387,570	99,634	1,487,204
Deferred Revenue	21,169,241	0	21,169,241
Accrued Interest Payable	36,790	0	36,790
Claims Payable	548,955	0	548,955
Long Term Liabilities:			
Due Within One Year	2,964,136	43,245	3,007,381
Due in More Than One Year	26,019,826	423,813	26,443,639
<i>Total Liabilities</i>	<u>55,680,664</u>	<u>789,523</u>	<u>56,470,187</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	24,318,221	1,819,837	26,138,058
Restricted for:			
Capital Projects	1,767,400	0	1,767,400
Debt Service	3,270,785	0	3,270,785
Other Purposes	405,416	0	405,416
Unrestricted	7,741,358	(22,799)	7,718,559
<i>Total Net Assets</i>	<u>\$ 37,503,180</u>	<u>\$ 1,797,038</u>	<u>\$ 39,300,218</u>

See accompanying notes to the basic financial statements.

Wooster City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2009

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
Governmental Activities				
Current:				
Instruction:				
Regular	\$ 18,072,011	\$ 684,617	\$ 527,871	\$ 0
Special	5,046,875	3,263	2,337,879	0
Vocational	381,475	0	0	0
Student Intervention	235,590	0	242,367	0
Other	2,491,509	0	0	0
Support services:				
Pupils	2,167,130	1,030	105,308	0
Instructional Staff	2,193,279	9,891	267,118	0
Board of Education	126,063	0	0	0
Administration	3,221,457	22,027	206,507	0
Fiscal	941,982	77,849	32,236	0
Business	218,502	0	0	0
Operation and Maintenance of Plant	4,143,312	2,638	18,308	16,173
Pupil Transportation	2,177,702	0	48,109	0
Central	481,794	0	40,806	0
Operation of Non-Instructional Services	505,054	2,308	280,359	0
Extracurricular Activities	586,273	287,102	3,114	0
Depreciation Expense not Included in Other Functions (See Note 8)	90,356	0	0	0
Interest and Fiscal Charges	1,350,568	0	59,035	0
<i>Total Governmental Activities</i>	<u>44,430,932</u>	<u>1,090,725</u>	<u>4,169,017</u>	<u>16,173</u>
Business-Type Activities				
Food Service	1,616,687	663,882	860,475	0
Uniform School Supplies	5,465	5,148	0	0
Education Costs for Outside Entities	2,212,873	1,778,562	186,154	0
Recreation Center	272,028	175,846	4,709	0
<i>Total Business-Type Activities</i>	<u>4,107,053</u>	<u>2,623,438</u>	<u>1,051,338</u>	<u>0</u>
<i>Totals</i>	<u>\$ 48,537,985</u>	<u>\$ 3,714,163</u>	<u>\$ 5,220,355</u>	<u>\$ 16,173</u>

General Revenues

Property Taxes Levied for:

General Purposes

Debt Service

Capital Outlay

Grants and Entitlements not Restricted

to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (16,859,523)	\$ 0	\$ (16,859,523)
(2,705,733)	0	(2,705,733)
(381,475)	0	(381,475)
6,777	0	6,777
(2,491,509)	0	(2,491,509)
(2,060,792)	0	(2,060,792)
(1,916,270)	0	(1,916,270)
(126,063)	0	(126,063)
(2,992,923)	0	(2,992,923)
(831,897)	0	(831,897)
(218,502)	0	(218,502)
(4,106,193)	0	(4,106,193)
(2,129,593)	0	(2,129,593)
(440,988)	0	(440,988)
(222,387)	0	(222,387)
(296,057)	0	(296,057)
(90,356)	0	(90,356)
(1,291,533)	0	(1,291,533)
(39,155,017)	0	(39,155,017)
0	(92,330)	(92,330)
0	(317)	(317)
0	(248,157)	(248,157)
0	(91,473)	(91,473)
0	(432,277)	(432,277)
(39,155,017)	(432,277)	(39,587,294)
21,872,157	0	21,872,157
2,095,215	0	2,095,215
456,420	0	456,420
15,045,345	0	15,045,345
424,140	0	424,140
107,478	4,654	112,132
40,000,755	4,654	40,005,409
845,738	(427,623)	418,115
36,657,442	2,224,661	38,882,103
\$ 37,503,180	\$ 1,797,038	\$ 39,300,218

See accompanying notes to the basic financial statements.

Wooster City School District

Balance Sheet

Governmental Funds

June 30, 2009

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 16,807,090	\$ 2,855,425	\$ 2,627,817	\$ 22,290,332
Receivables:				
Taxes	23,375,764	2,184,481	493,860	26,054,105
Accounts	467	0	0	467
Interfund	155,900	0	0	155,900
Interest	59,320	0	0	59,320
Intergovernmental	67,388	0	402,032	469,420
Prepaid Items	1,032	0	0	1,032
<i>Total Assets</i>	<u>\$ 40,466,961</u>	<u>\$ 5,039,906</u>	<u>\$ 3,523,709</u>	<u>\$ 49,030,576</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 172,715	\$ 0	\$ 58,171	\$ 230,886
Contracts Payable	0	0	238,591	238,591
Accrued Wages and Benefits	2,644,998	0	206,873	2,851,871
Matured Compensated Absences	232,798	0	0	232,798
Interfund Payable	0	0	17,900	17,900
Intergovernmental Payable	1,261,623	0	125,947	1,387,570
Deferred Revenue	22,031,889	2,056,936	773,894	24,862,719
<i>Total Liabilities</i>	26,344,023	2,056,936	1,421,376	29,822,335
Fund Balances				
Fund Balance:				
Reserved for Encumbrances	1,279,381	0	1,240,478	2,519,859
Reserved for Tax Revenue Unavailable for Appropriation	1,343,875	127,545	28,580	1,500,000
Unreserved, Undesignated, Reported in:				
General Fund	11,499,682	0	0	11,499,682
Special Revenue Funds	0	0	321,467	321,467
Debt Service Fund	0	2,855,425	0	2,855,425
Capital Projects Funds	0	0	511,808	511,808
<i>Total Fund Balances</i>	<u>14,122,938</u>	<u>2,982,970</u>	<u>2,102,333</u>	<u>19,208,241</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 40,466,961</u>	<u>\$ 5,039,906</u>	<u>\$ 3,523,709</u>	<u>\$ 49,030,576</u>

See accompanying notes to the basic financial statements.

Wooster City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets Governmental Activities
 June 30, 2009*

Total Governmental Fund Balances	\$	19,208,241
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		41,310,778
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds.		
Grants	\$ 308,614	
Delinquent Property Taxes	<u>3,384,864</u>	3,693,478
Bond issuance costs reported as an expenditure in the funds are allocated as an expense over the life of the debt on an accrual basis.		117,057
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		2,194,378
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.		
General Obligation Bonds	10,180,002	
Notes Payable	1,757,800	
Capital Appreciation Bonds	11,836,408	
Bond Premiums	196,871	
Loss on Refunding	(79,814)	
Compensated Absences	5,092,695	
Accrued Interest	<u>36,790</u>	<u>(29,020,752)</u>
Net Assets of Governmental Activities	\$	<u><u>37,503,180</u></u>

See accompanying notes to the basic financial statements.

Wooster City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2009

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 21,328,869	\$ 2,060,486	\$ 442,864	\$ 23,832,219
Intergovernmental	15,262,203	375,548	3,628,632	19,266,383
Investment Income	424,140	59,035	23,702	506,877
Tuition and Fees	627,418	0	65,000	692,418
Extracurricular Activities	122,703	0	197,755	320,458
Rentals	77,849	0	0	77,849
Gifts and Donations	0	0	46,422	46,422
Miscellaneous	60,466	0	590	61,056
<i>Total Revenues</i>	37,903,648	2,495,069	4,404,965	44,803,682
Expenditures:				
Current:				
Instruction:				
Regular	15,756,755	0	642,376	16,399,131
Special	3,301,104	0	1,597,898	4,899,002
Vocational	369,278	0	0	369,278
Student Intervention	0	0	216,828	216,828
Other	2,550,008	0	0	2,550,008
Support Services:				
Pupils	2,019,575	0	115,679	2,135,254
Instructional Staff	1,861,480	0	339,654	2,201,134
Board of Education	126,063	0	0	126,063
Administration	2,912,724	0	232,700	3,145,424
Fiscal	910,646	0	43,729	954,375
Business	218,351	0	0	218,351
Operation and Maintenance of Plant	4,164,892	0	464,956	4,629,848
Pupil Transportation	1,712,900	0	156,693	1,869,593
Central	355,762	0	114,531	470,293
Operation of Non-Instructional Services	165,948	0	331,982	497,930
Extracurricular Activities	410,225	0	125,769	535,994
Capital outlay	168,742	0	1,067,924	1,236,666
Debt Service:				
Principal Retirement	360,074	2,245,000	0	2,605,074
Interest and Fiscal Charges	10,442	523,926	0	534,368
<i>Total Expenditures</i>	37,374,969	2,768,926	5,450,719	45,594,614
<i>Excess of Revenues Over (Under) Expenditures</i>	528,679	(273,857)	(1,045,754)	(790,932)
Other Financing Sources (Uses):				
Proceeds of Notes	0	0	1,757,800	1,757,800
Proceeds From Sales of Capital Assets	450	0	0	450
Transfers In	0	427,275	65,000	492,275
Transfers Out	(492,275)	0	0	(492,275)
<i>Total Financing Sources and (Uses)</i>	(491,825)	427,275	1,822,800	1,758,250
<i>Net Change in Fund Balance</i>	36,854	153,418	777,046	967,318
<i>Fund Balance (Deficit) at Beginning of Year</i>	14,086,084	2,829,552	1,325,287	18,240,923
<i>Fund Balance (Deficit) at End of Year</i>	\$ 14,122,938	\$ 2,982,970	\$ 2,102,333	\$ 19,208,241

See accompanying notes to the basic financial statements.

Wooster City School District
Reconciliation of the Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2009

Net Change in Fund Balances - Total Governmental Funds	\$	967,318
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures, However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital Asset Additions	\$ 1,590,781	
Current Year Depreciation	<u>(1,595,154)</u>	(4,373)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Grants	(118,586)	
Delinquent Property Taxes	<u>591,574</u>	472,988
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Bond Principal	2,245,000	
Capital Lease	<u>360,074</u>	2,605,074
The issuance of notes results in other financing sources in the governmental funds, but is reflected in the statement of net assets as a long-term liability.		
Proceeds of Notes		(1,757,800)
Some expenses reported in the statement of activities do not use the current financial resources and therefore, are not reported as expenditures in the governmental funds.		
Decrease in Compensated Absences	71,164	
Accrued Interest	35,937	
Bond Accretion	(852,136)	
Amortization of Bond Premium	21,874	
Amortization of Refunding Loss	(8,868)	
Amortization of Bond Issuance Costs	<u>(13,006)</u>	(745,036)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. The net revenue (expense) of internal service funds is reported with governmental activities.		
		<u>(692,433)</u>
Change in Net Assets of Governmental Activities	\$	<u>845,738</u>

See accompanying notes to the basic financial statements.

Wooster City School District
*Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 22,705,000	\$ 22,705,000	\$ 22,391,124	\$ (313,876)
Intergovernmental	11,310,758	15,447,504	15,586,276	138,772
Investment Income	344,067	400,000	474,558	74,558
Tuition and Fees	463,071	551,662	638,695	87,033
Extracurricular Activities	88,938	114,090	122,703	8,613
Rentals	77,652	77,652	77,652	0
Miscellaneous	1,060	7,006	60,466	53,460
<i>Total Revenues</i>	<u>34,990,546</u>	<u>39,302,914</u>	<u>39,351,474</u>	<u>48,560</u>
Expenditures:				
Current				
Instruction				
Regular	16,490,873	16,463,519	15,872,470	591,049
Special	3,596,548	3,569,701	3,360,824	208,877
Vocational	376,922	380,422	370,917	9,505
Other	2,394,012	2,438,029	2,426,741	11,288
Support Services				
Pupils	2,137,597	2,122,877	2,064,914	57,963
Instructional Staff	1,970,702	1,948,790	1,843,727	105,063
Board of Education	284,474	140,008	126,146	13,862
Administration	2,959,905	3,035,062	2,923,985	111,077
Fiscal	942,155	945,707	922,357	23,350
Business	218,981	290,156	287,894	2,262
Operation and Maintenance of Plant	4,552,662	4,390,871	4,266,373	124,498
Pupil Transportation	2,156,781	2,210,932	2,151,659	59,273
Central	563,902	818,610	791,485	27,125
Operation of Non-Instructional Services	179,058	170,154	161,542	8,612
Extracurricular	418,689	446,328	446,257	71
Capital Outlay	390,658	208,569	208,569	0
Debt Service				
Principal Retirement	360,074	360,074	360,074	0
Interest and Fiscal Charges	10,442	10,442	10,442	0
<i>Total Expenditures</i>	<u>40,004,435</u>	<u>39,950,251</u>	<u>38,596,376</u>	<u>1,353,875</u>
Excess of Revenues Over (Under) Expenditures	(5,013,889)	(647,337)	755,098	1,402,435
Other Financing Sources (Uses):				
Proceeds from Sale of Assets	0	0	450	450
Other Financing Uses	(155,000)	(97,725)	0	97,725
Advances In	243,750	243,750	243,750	0
Advances Out	(441,600)	(241,600)	(155,900)	85,700
Transfers Out	(235,000)	(492,275)	(492,275)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(587,850)</u>	<u>(587,850)</u>	<u>(403,975)</u>	<u>183,875</u>
<i>Net Change in Fund Balance</i>	(5,601,739)	(1,235,187)	351,123	1,586,310
<i>Fund Balance (Deficit) at Beginning of Year</i>	14,095,854	14,095,854	14,095,854	0
Prior Year Encumbrances Appropriated	893,982	893,982	893,982	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 9,388,097</u>	<u>\$ 13,754,649</u>	<u>\$ 15,340,959</u>	<u>\$ 1,586,310</u>

See accompanying notes to the basic financial statements.

Wooster City School District
Statement of Net Assets
Proprietary Funds
June 30, 2009

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
Assets		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 487,196	\$ 2,743,333
Accounts Receivable	48,057	259,172
Intergovernmental Receivable	353,770	0
Inventory Held For Resale	15,701	0
<i>Total Current Assets</i>	904,724	3,002,505
Non Current Assets:		
Depreciable Capital Assets (Net)	1,819,837	0
<i>Total Assets</i>	2,724,561	3,002,505
Liabilities		
Current Liabilities:		
Accounts Payable	1,418	0
Accrued Wages and Benefits	221,413	0
Interfund Payable	138,000	0
Intergovernmental Payable	99,634	0
Unearned Revenue	0	259,172
Compensated Absences Payable	43,245	0
Claims Payable	0	548,955
<i>Total Current Liabilities</i>	503,710	808,127
Long Term Liabilities:		
Compensated Absences	423,813	0
<i>Total Liabilities</i>	927,523	808,127
Net Assets		
Invested in Capital Assets	1,819,837	0
Unrestricted	(22,799)	2,194,378
<i>Total Net Assets</i>	\$ 1,797,038	\$ 2,194,378

See accompanying notes to the basic financial statements.

Wooster City School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
Operating Revenues:		
Tuition	\$ 1,778,562	\$ 0
Sales	227,076	0
Charges for Services	617,800	5,214,647
Other Operating Revenues	4,654	0
<i>Total Operating Revenues</i>	<u>2,628,092</u>	<u>5,214,647</u>
Operating Expenses:		
Salaries	1,951,210	0
Fringe Benefits	776,089	0
Purchased Services	1,194,031	647,593
Materials and Supplies	130,492	0
Claims	0	5,335,875
Depreciation	55,231	0
<i>Total Operating Expenses</i>	<u>4,107,053</u>	<u>5,983,468</u>
Operating Income (Loss)	<u>(1,478,961)</u>	<u>(768,821)</u>
Non-Operating Revenues (Expenses):		
Federal Donated Commodities	69,699	0
Grants	971,003	0
Interest	10,636	76,388
<i>Total Non-Operating Revenues (Expenses)</i>	<u>1,051,338</u>	<u>76,388</u>
<i>Change in Net Assets</i>	(427,623)	(692,433)
<i>Net Assets (Deficit) Beginning of Year</i>	<u>2,224,661</u>	<u>2,886,811</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$ 1,797,038</u>	<u>\$ 2,194,378</u>

See accompanying notes to the basic financial statements.

Wooster City School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities:		
Cash Received from Customers	\$ 2,829,489	\$ 5,222,644
Other Cash Receipts	4,654	0
Cash Paid for Goods and Services	(3,220,015)	(655,590)
Cash Paid to Employees	(686,072)	0
Cash Paid for Claims	0	(5,453,022)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(1,071,944)</u>	<u>(885,968)</u>
Cash Flows From Non-Capital Financing Activities:		
Advances to Other Funds	(95,000)	0
Advances from Other Funds	138,000	0
Operating Grants	646,393	0
<i>Net Cash Provided By (Used For) Non-Capital Financing Activities</i>	<u>689,393</u>	<u>0</u>
Cash Flows From Investing Activities:		
Interest on Investments	10,636	76,388
<i>Net Cash Provided By (Used For) Investing Activities</i>	<u>10,636</u>	<u>76,388</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(371,915)	(809,580)
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>859,111</u>	<u>3,552,913</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$ 487,196</u>	<u>\$ 2,743,333</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:		
Operating Income (Loss)	\$ (1,478,961)	\$ (768,821)
Adjustments:		
Depreciation	55,231	0
Federal Donated Commodities	69,699	0
(Increase) Decrease Assets		
Accounts Receivable	206,051	7,997
Inventory	1,775	0
Increase (Decrease) in Liabilities		
Accounts Payable	(4,685)	0
Accrued Wages and Benefits	32,001	0
Compensated Absences Payable	41,502	0
Due to Other Governments	5,443	0
Deferred Revenue	0	(7,997)
Claims Payable	0	(117,147)
<i>Total Adjustments</i>	<u>407,017</u>	<u>(117,147)</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (1,071,944)</u>	<u>\$ (885,968)</u>

Noncash items:
The Food Service Fund received \$69,699 in Federally donated commodities.

See accompanying notes to the basic financial statements.

Wooster City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 717	\$ 157,986
Liabilities		
Due to Students	\$ 0	\$ 157,986
Net Assets		
Held in Trust for Scholarships	\$ 717	

See accompanying notes to the basic financial statements.

Wooster City School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2009

	Private Purpose Trust
	Scholarship
Additions	
Donations	\$ 1,210
Deductions	
Payments in Accordance with Trust Agreements	1,914
<i>Change in Net Assets</i>	(704)
<i>Net Assets Beginning of Year</i>	1,421
<i>Net Assets End of Year</i>	\$ 717

See accompanying notes to the basic financial statements.

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Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 1 - Description of the School District

The Wooster City School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally elected five member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. The Board controls the School District's thirteen instructional/support facilities staffed by non-certificated personnel, certificated full time teaching personnel and administrative employees to provide services to students and other community members. In 2009, the School District had 471 certificated staff, 20 administrative staff and 235 full and part-time support staff.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Wooster City School District, this includes general operations, food service, special needs school (Boys Village), and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt or the levying of their taxes. The School District has no component units.

The School District participates in one public entity risk pool and one jointly governed organization. These organizations include the School Boards Association Workers' Compensation Group Rating Program (GRP) and the Tri-County Computer Services Association (TCCSA). These organizations are presented in [Notes 9 and 17](#) to the basic financial statements.

The following entities which perform activities within the School District's boundaries for the benefit of its residents are excluded from accompanying financial statements. All are legally separate. None are fiscally dependent on the School District. The School District is not financially accountable for any of these entities:

City of Wooster

The Wayne County Public Library

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles to its governmental activities provided they do not conflict or contradict GASB pronouncements. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and enterprise funds provided they do not conflict with or contradict GASB pronouncements.

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

The School District has elected not to follow FASB guidance for business-type activities and enterprise funds issued after November 30, 1989.

The following are the most significant of the School District's accounting policies.

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The activity of the internal service fund is eliminated to avoid "doubling up" of revenues and expenses.

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

Fund Financial Statements During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

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

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

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

Debt Service Fund The debt service fund is used to account for the accumulation of property tax revenues for, and the payment of, principal and interest obligations relative to the School District's general obligation bonds.

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

Proprietary Fund Type Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The following is the School District's proprietary fund types:

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for a self-insurance program for employee health insurance benefits.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's fiduciary funds are private purpose trust and agency funds. The School District's agency funds account for student activities and the private purpose trusts disburses scholarships to students.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

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

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary fund activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and 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. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. 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 School District, available means expected to be received within sixty days of the fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 6) 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 School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

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

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as "federal donated commodities".

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.

E. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2009. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2009. Certificates of deposit and repurchase agreements are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the General Fund during fiscal year 2009 amounted to \$424,140, which includes \$36,107 assigned from other School District funds.

Investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are reported as investments.

F. Inventory

Within the basic financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories of the general fund were not significant at year end. Inventories of the food service enterprise fund consist of donated and purchased food.

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

G. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets may include unexpended revenues restricted for the purchase of school buses, and amounts required to be set aside by the School District for the purchase of textbooks or for the acquisition or construction of capital assets. See [Note 19](#) for additional information regarding restricted assets.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land	N/A	N/A
Buildings and Improvements	10 - 40 Years	10 - 40 Years
Furniture and Equipment	5 - 20 Years	20 Years
Vehicles	13 Years	N/A
Textbooks	5 Years	N/A
Ice Arena	50 Years	N/A

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

J. Compensated Absences

GASB Statement No. 16 specifies that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met.

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Other compensated absences with characteristics similar to vacation leave are those which are not contingent on a specific event outside the control of the employer and employee.

Further, sick leave and other similar compensated absences are those which are contingent on a specific event that is outside the control of the employer and employee. The School District has accrued a liability for these compensated absences using the termination method when the following criterion is met.

1. The benefits are earned by the employees and it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' retirement ("termination payments").

The sick leave liability has been based on the School District's past experience of making termination payments for sick leave.

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

In governmental funds, the liability for unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, 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 during the current fiscal year. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due.

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

L. Deferred Charges and Bond Premiums

In governmental fund types, bond premiums and issuance costs are recognized in the current period. On the statement of net assets, note premiums and issuance costs are deferred and amortized over the term of the bonds using the straight-line method, which is not significantly different than the bonds outstanding method, or the effective interest method. Bond premiums are presented as an addition to the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

N. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation, in future periods. Fund balance reserves are established for encumbrances and property taxes.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for food service, uniform school supplies, costs for outside entities and recreation center fees. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenue and expenses not meeting these definitions are classified as nonoperating.

P. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. The proprietary funds received no capital contributions during the current fiscal year.

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Q. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds.

Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2009.

S. Estimates

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

T. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the object level for certain functions within the general fund and at the fund level for other funds. The treasurer has been given the authority to allocate Board appropriations to the function and object levels within each fund.

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

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

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

U. Change in Accounting Principles

For the year ended June 30, 2009, the School District has implemented GASB Statement No. 52, “*Land and Other Real Estate Held as Investments by Endowments*”, GASB Statement No. 55, “*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*”, and GASB Statement No. 56, “*Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*”.

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature.

GASB Statement No. 56 incorporates into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards.

Implementation of these GASB Statements did not affect the presentation of the financial statements of the School District.

Note 3 - Fund Deficits

Fund balances at June 30, 2009 included the following individual fund deficits:

	<u>Deficit Fund Balance</u>
<i>Governmental Activities:</i>	
NonMajor Funds:	
EMIS	\$ 929
Early Childhood Education	1,628
Title VI-B	118,989
Title VI	479
<i>Business-Type Activities:</i>	
NonMajor Funds:	
Food Service	208,633
Education Costs for Outside Entities	826

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

The deficits in the nonmajor governmental funds resulted from adjustments for accrued liabilities. The deficit in the food service fund is the result of adjustments for accrued liabilities and the timing of receipts. The general fund is liable for any deficit in these funds and will provide transfers when cash is required, not when accruals occur.

Note 4 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual, is presented for the general fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement on a fund type basis for the General Fund.

Net Change in Fund Balance	
	General
GAAP Basis	\$ 36,854
Net Adjustment for Revenue Accruals	1,447,826
Advance In	243,750
Advance Out	(155,900)
Net Adjustment for Expenditure Accruals	244,728
Adjustment for Encumbrances	(1,466,135)
Budget Basis	\$ 351,123

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 5 - Deposits and Investments

State statutes classify monies held by the School District into three categories.

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of School District cash and deposits is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all uninsured public deposits. The face value of the pooled collateral must equal at least 105 percent of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Custodial credit risk for an investment is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investment in repurchase agreements is to be secured by the specific government securities upon which the repurchase agreements are based. These securities, held by the counterparty and not in the School District's name, must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of the securities subject to a repurchase agreement by 2%. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Deposits: The carrying value of the School District's deposits totaled \$14,956,154 and the bank balances of the deposits totaled \$15,349,565. \$12,549,565 of the bank balance was covered by federal depository insurance and \$2,800,000 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments: Investments are reported at fair value. As of June 30, 2009, the School District had the following investments:

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Rating by Moody	Issue	Fair Value	Investment Maturity less than 1 year	Percentage of Total Investments
N/A *	Repurchase Agreement	\$ 1,132,373	\$ 1,132,373	10.56%
Aa2	Charter One Money Market	8,510,813	8,510,813	79.37%
AAAm **	STAROhio	1,080,224	1,080,224	10.07%
		<u>\$ 10,723,410</u>	<u>\$ 10,723,410</u>	<u>100.00%</u>

* Underlying Securities are Exempt

** Rated by Standard and Poor's

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The School District’s policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the School District.

Credit Risk: The School District’s investments credit ratings are summarized above. The School District’s investments in the federal agency securities that underlie the School District’s repurchase agreement were rated Aaa by Moody’s Investor Services.

Concentration of Credit Risk –The School District places no limit on the amount the School District may invest in any one issuer. See percentages of investments above.

Note 6 - Property Taxes

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

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the School District. Property tax revenue received during calendar 2009 for real and public utility property taxes represents collections of calendar 2008 taxes. Property tax revenue received during calendar 2009 for tangible personal property (other than public utility property) is for calendar 2009 taxes.

2009 real property taxes are levied after April 1, 2009, on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after April 1, 2008 and are collected in 2009 with real property taxes.

Tangible personal property tax revenues received in calendar year 2009 (other than public utility property) represent the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008,

Wooster City School District
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For the Fiscal Year Ended June 30, 2009

on the value as of December 31, 2008. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies and railroads. The tax on general business and railroad property will be eliminated by 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In 2007-2010, the City will be fully reimbursed for the lost revenue. In 2011-2017, the reimbursements will be phased out.

The property valuation consisted of:

	<u>2008 Second Half Collection</u>	<u>2009 First Half Collection</u>
Real Property		
Residential/Agricultural	\$ 401,165,320	\$ 426,463,340
Commercial/Industrial	185,343,750	196,953,350
Public Utilities	79,090	72,570
Minerals	2,317,950	2,214,806
Tangible Personal Property		
General	60,266,410	0
Public Utilities	<u>13,814,680</u>	<u>16,090,376</u>
Total Valuation	<u><u>\$ 662,987,200</u></u>	<u><u>\$ 641,794,442</u></u>

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers' are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Wayne County. The County Auditor periodically advances to the School District their portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2009, are available to finance fiscal year 2009 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2009 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The late settlement and the amount available as an advance at June 30 are recognized as revenue.

The amount available as an advance at June 30, 2009, was \$1,500,000 and is recognized as revenue. \$1,343,875 was available to the general fund and \$127,545 was available to the bond retirement debt service, and \$28,580 was available to other governmental funds.

Note 7 - Receivables

Receivables at June 30, 2009, consisted of taxes, accounts (student fees), interfund, interest and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. Intergovernmental receivables consisted of a \$67,388 receivable for general fund and grants and excess costs receivable in the following other governmental and enterprise funds:

<i>Other Governmental Funds:</i>	
Pupil Support	\$ 48,727
Early Childhood Education	16,146
Alternative Education	8,157
IDEA-B	89,373
Title I	155,376
Title V	2,484
Title II-A	81,769
Total Other Governmental Funds	402,032
 <i>Enterprise Funds:</i>	
Food Service Enterprise Fund	765
Education Costs for Outside Entities	353,005
Total Enterprise Funds	353,770
Total	\$ 755,802

Wooster City School District
Notes to the Basic Financial Statements
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Note 8 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Balance 6/30/2008	Additions	Reductions	Balance 6/30/2009
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 2,609,634	\$ 125,226	\$ 0	\$ 2,734,860
Construction in Progress	0	840,669	0	840,669
	<u>2,609,634</u>	<u>965,895</u>	<u>0</u>	<u>3,575,529</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	2,962,463	27,000	0	2,989,463
Buildings and Improvements	52,676,896	0	0	52,676,896
Furniture and Equipment	7,085,849	383,162	(1,192,346)	6,276,665
Vehicles	1,938,732	214,724	(87,204)	2,066,252
Textbooks	205,647	0	(46,752)	158,895
Ice Arena	(1) 4,517,809	0	0	4,517,809
Total Capital Assets, being depreciated	<u>69,387,396</u>	<u>624,886</u>	<u>(1,326,302)</u>	<u>68,685,980</u>
Less Accumulated Depreciation:				
Land Improvements	(2,898,809)	(21,007)	0	(2,919,816)
Buildings and Improvements	(20,622,015)	(864,563)	0	(21,486,578)
Furniture and Equipment	(5,116,152)	(517,340)	1,192,346	(4,441,146)
Vehicles	(1,206,764)	(101,888)	87,204	(1,221,448)
Textbooks	(205,647)	0	46,752	(158,895)
Ice Arena	(1) (632,492)	(90,356)	0	(722,848)
Total Accumulated Depreciation	<u>(30,681,879)</u>	<u>(1,595,154)</u>	<u>1,326,302</u>	<u>(30,950,731)</u>
Total Capital Assets being depreciated, net	<u>38,705,517</u>	<u>(970,268)</u>	<u>0</u>	<u>37,735,249</u>
Governmental Activities Capital Assets, Net	<u>\$ 41,315,151</u>	<u>\$ (4,373)</u>	<u>\$ 0</u>	<u>\$ 41,310,778</u>
Business-Type Activities				
<i>Capital Assets, being depreciated:</i>				
Buildings	2,535,383	0	0	2,535,383
Furniture and Equipment	601,103	0	(2,598)	598,505
Total Capital Assets, being depreciated	<u>3,136,486</u>	<u>0</u>	<u>(2,598)</u>	<u>3,133,888</u>
Less Accumulated Depreciation:				
Buildings	(693,008)	(50,708)	0	(743,716)
Furniture and Equipment	(568,410)	(4,523)	2,598	(570,335)
Total Accumulated Depreciation	<u>(1,261,418)</u>	<u>(55,231)</u>	<u>2,598</u>	<u>(1,314,051)</u>
Total Capital Assets being depreciated, net	<u>1,875,068</u>	<u>(55,231)</u>	<u>0</u>	<u>1,819,837</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,875,068</u>	<u>\$ (55,231)</u>	<u>\$ 0</u>	<u>\$ 1,819,837</u>

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Depreciation expense was charged to governmental functions as follows:

<i>Governmental Activities:</i>	
Instruction:	
Regular	\$ 1,237,725
Special	29,435
Support Services:	
Pupil	2,111
Instructional Staff	3,176
Administration	2,142
Operation and Maintenance of Plant	68,342
Pupil Transportation	104,021
Operation of Non-Instructional Services	7,567
Extracurricular Activities	50,279
Depreciation Expense Not Included in in Other Functions	(1) <u>90,356</u>
Total Governmental Activities	<u>\$ 1,595,154</u>
 <i>Business-Type Activities:</i>	
Food Service	\$ 231
Community Recreation	52,245
Costs for Outside Entities	<u>2,755</u>
Total Business-Type Activities	<u>\$ 55,231</u>

(1) The ice arena was donated to the School District and is operated by the Donald and Alice Noble Foundation, Inc. The School District does not collect any fees or pay any expenses to operate the facility.

Note 9 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The School District insures its buildings and their contents through insurance having a \$5,000 deductible and providing replacement cost for such items. An inventory of all loose equipment is conducted annually.

Appropriate liability insurance is maintained in the amount of \$1,000,000 for each occurrence and \$3,000,000 aggregate. The School District also maintains an excess liability policy of \$2,000,000. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Bond is maintained on all employees handling or responsible for money in the amount of \$25,000. A bond of \$50,000 is maintained on the Treasurer. Bonds are also provided for the School Board President, Superintendent, and business manager in the amount of \$20,000 each.

Wooster City School District
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By state statute, Bond is provided by all contractors in amounts sufficient to cover the entire bid amount awarded to the contractor.

B. Workers' Compensation

As of June 30, 2009, the School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

C. Health Insurance

The School District is self-insured for its medical insurance, dental insurance, and prescription drug program. Premiums are paid into the Self-Insurance Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 2009, a total expense of \$5,983,468 was incurred in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$100,000. The liability for unpaid claims cost of \$548,955 reported in the fund at June 30, 2009 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims cost, including estimates of costs relating to incurred but not reported claims, be reported. Interfund premiums are based primarily upon the insured funds' claims experience and are reported as charges for services to other funds.

Changes in the fund's claims liability amount in 2008 and 2009 were:

	<u>Balance</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2008	\$ 565,638	4,993,064	4,892,600	\$ 666,102
2009	\$ 666,102	5,335,875	5,453,022	\$ 548,955

Wooster City School District
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Note 10 - Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and state laws. Classified employees earn up to twenty days of vacation per year depending upon length of service. Vacation days are credited to classified employees as earned. Accumulated, unused vacation time is paid to classified employees upon termination or retirement. Teachers do not earn vacation time.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month.

For employees with 10 to 30 years of service, a percentage of unused sick time is paid upon retirement at 50% of the maximum number of days accumulated not to exceed 275 days for certificated staff and classified staff.

For employees with more than 30 years of service, a percentage of unused sick time is paid upon retirement at the lesser of 65 days or 25% of the maximum number of days accumulated not to exceed 275 days for certificated staff and classified staff.

Note 11 - Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling (800) 878-5853. It is also posted on SERS' Web site, www.ohsers.org, under Employers/Audit Resources.

Plan members are required to contribute 10% of their annual covered payroll and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 % of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10% for plan members and 14% for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2009, 9.09% of annual covered salary was the portion used to fund pension obligations. For fiscal years 2008 and 2007, the amounts were 9.16% and 10%, respectively. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$595,634, \$540,696 and \$576,737 respectively; 50% has been contributed for fiscal year 2009 and 100% for fiscal years 2008 and 2007. \$461,776 represents the unpaid contribution for fiscal year 2009, and is recorded as a liability within the respective funds.

Wooster City School District
Notes to the Basic Financial Statements
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B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling 1-800-227-7877, or by visiting STRS Ohio website at strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to allocate their member contributions and employer contributions equal to 10.5% of earned compensation among various investment accounts. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001 were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2009, plan members were required to contribute 10% of their annual covered salaries. The District was required to contribute 14%; 13% was the portion used to fund pension obligations. For fiscal year 2008, the portion used to fund pension obligations was also 13%. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employer contributions.

The School District's required contributions to the DB Plan for the fiscal years ended June 30, 2009, 2008, and 2007 were \$2,604,608, \$2,576,194, and \$2,515,554 respectively; 83% has been contributed for fiscal year 2009 and 100% for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$32,465 made by the School District and \$72,418 made by the plan members. \$455,592 represents the unpaid contribution for fiscal year 2009, and is recorded as a liability within the respective funds.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the

Wooster City School District
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original retirement allowance. Effective April 11, 2005, a reemployed retiree may alternatively receive a refund of member contributions with interest before age 65, once employment is terminated.

C. Social Security System

Members of the Board of Education have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2009, four members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

Note 12 - Postemployment Benefits

A. School Employees Retirement System

The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by SERS for non-certified retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan included hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of SERS' Health Care and Medicare B plans are included in its Comprehensive Annual Financial Report. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Employers/Audit Resources*.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2009, the health care allocation was 4.16%, at June 30, 2008 and 2007 the allocation was 4.18% and 3.32%, respectively. The District's contributions for the years ended June 30, 2009, 2008 and 2007 were \$272,589, \$246,737 and \$191,477, respectively.

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2009, the minimum compensation level was established at \$35,800. For the School District during fiscal year 2009 this amounted to \$108,838.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2009, the actuarially required allocation was .75% and for fiscal years 2008 and 2007 the required allocation was .66% and .68%, respectively. The School District contributions for the fiscal years 2009, 2008 and 2007 were \$49,145, \$38,958 and \$39,218, respectively.

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

B. State Teachers Retirement System

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

Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$196,022, \$190,613 and \$182,147, respectively.

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 13 - Long - Term Obligations

The changes in the School District's long-term obligations during the year consist of the following:

	Outstanding 6/30/08	Additions	Reductions	Outstanding 6/30/09	Amounts Due in One Year
Governmental Activities:					
<i>Note Payable:</i>					
Energy Conservation Note					
Interest Rate 3.32% through 2018	\$ 0	\$ 1,757,800	\$ 0	\$ 1,757,800	\$ 150,800
<i>General Obligation Bonds Payable:</i>					
1997 Bond Refunding					
3.8% - 4.6% through 2017	2,460,000	0	2,030,000	430,000	0
Capital Appreciation Bonds	3,664,831	0	0	3,664,831	827,756
Accretion on CABs	4,987,462	737,650	0	5,725,112	1,279,840
2004 Bond Refunding					
2.5% - 4.1% through 2018	2,165,002	0	215,000	1,950,002	220,000
Capital Appreciation Bonds	234,998	0	0	234,998	0
Accretion on CABs	86,658	30,182	0	116,840	0
2007 Bond Refunding					
4.00%-4.15% through 2016	7,800,000	0	0	7,800,000	0
Capital Appreciation Bonds	1,955,000	0	0	1,955,000	0
Accretion on CABs	55,322	84,305	0	139,627	0
Premium on Debt Issuance	218,745	0	21,874	196,871	0
Refunding Loss	(88,682)	0	8,868	(79,814)	0
Total	<u>23,539,336</u>	<u>2,609,937</u>	<u>2,275,742</u>	<u>23,891,267</u>	<u>2,478,396</u>
Capital Lease	360,074	0	360,074	0	0
Compensated Absences	<u>5,163,859</u>	<u>294,478</u>	<u>365,642</u>	<u>5,092,695</u>	<u>485,740</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 29,063,269</u>	<u>\$ 2,904,415</u>	<u>\$ 3,001,458</u>	<u>\$ 28,983,962</u>	<u>\$ 2,964,136</u>
Business-Type Activities					
Compensated Absences	<u>\$ 419,375</u>	<u>\$ 73,138</u>	<u>\$ 25,455</u>	<u>\$ 467,058</u>	<u>\$ 43,245</u>

In 1997, the School District issued \$24,994,832 in refunded general obligation bonds. These include current interest bonds which mature December 2017, and capital appreciation bonds which mature December 2013.

In 2004, the School District issued \$3,010,000 in refunded general obligation bonds. These include current interest bonds which mature in December 2018, and capital appreciation bonds which mature in December 2012. The associated costs of the refunding were insignificant and will not be amortized.

On September 27, 2007, the School District issued \$9,755,000 in refunded general obligation bonds. These include current interest bonds which mature in December 2016, and capital appreciation bonds with mature in December 2017. The proceeds of the bonds were used to refund \$9,852,550 of the School District's outstanding Capital Improvement Bonds. The bonds were issued for a 11 year period with final maturity at December 1, 2017. At the date of the refunding, \$9,995,619 (including premium and after underwriting fees) was deposited in the debt service fund for the payment on the refunded bonds to the bond escrow agent.

These refunding bonds were issued with a premium of \$240,619, which is reported as an increase to bonds payable. The amounts are being amortized to interest expenses over the life of the bonds using the straight-

Wooster City School District
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line method. There was \$21,874 in amortization recorded for June 30, 2009. The issuance costs of \$143,069 have been reported as prepaid expenses and are being amortized to interest expense over the life of the loan. There was \$13,006 in amortization recorded for June 30, 2009. The issuance resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$97,550.

In 2009, the School District issued \$1,757,800 in energy conservation notes payable for renovation of school facilities to conserve energy. The notes mature in December 2018.

General obligation bonds and notes payable will be paid from the debt service fund. Compensated absences will be paid from the general fund and the food service and costs for outside entities enterprise funds. Capital leases will be paid from the general fund.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2009 are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Accretion	Principal	Interest/ Accretion
2010	\$ 220,000	\$ 914,265	\$ 827,756	\$ 1,367,244	\$ 1,047,756	\$ 2,281,509
2011	225,000	907,865	787,427	1,477,573	1,012,427	2,385,438
2012	0	904,490	854,814	1,690,188	854,814	2,594,678
2013	0	904,490	798,127	1,786,873	798,127	2,691,363
2014	230,000	900,408	631,705	1,723,295	861,705	2,623,703
2015 - 2019	9,505,002	1,731,087	1,955,000	1,015,000	11,460,002	2,746,087
Totals	<u>\$ 10,180,002</u>	<u>\$ 6,262,605</u>	<u>\$ 5,854,829</u>	<u>\$ 9,060,173</u>	<u>\$ 16,034,831</u>	<u>\$15,322,778</u>

Principal and interest requirements to retire notes payable at June 30, 2009 are as follows:

Fiscal Year Ending June 30,	Energy Conservation Notes	
	Principal	Interest
2010	\$ 150,800	\$ 54,476
2011	156,000	49,509
2012	162,000	44,361
2013	167,000	39,034
2014	172,000	33,546
2015 - 2019	950,000	78,847
Totals	<u>\$ 1,757,800</u>	<u>\$ 299,773</u>

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For the Fiscal Year Ended June 30, 2009

Note 14 - Interfund Transfers

Transfers for the year ended June 30, 2009 consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 0	\$ 492,275
Debt Service Fund	427,275	0
Other Governmental Funds	65,000	0
	\$ 492,275	\$ 492,275

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

General fund made transfers to the debt service fund to cover debt service payments and to the EMIS fund to cover operating costs.

Note 15 - Interfund Balances

Interfund balances at June 30, 2009 consisted of the following:

	Interfund Receivable	Interfund Payable
General Fund	\$ 155,900	\$ 0
Nonmajor Governmental Funds	0	17,900
Nonmajor Enterprise Funds	0	138,000
	\$ 155,900	\$ 155,900

Interfund receivables and payables resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2009, all interfund payables outstanding are anticipated to be repaid by fiscal year 2010.

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 16 - Contractual Commitments

As of June 30, 2009, the School District had contractual commitments for the following:

	<u>Contractual Commitment</u>	<u>Expended</u>	<u>Balance 6/30/2009</u>
Energy Conservation Project	<u>\$ 1,757,800</u>	<u>\$ 840,669</u>	<u>\$ 917,131</u>

Note 17 - Jointly Governed Organization

The Tri-County Computer Services Association (TCCSA) is a jointly governed organization comprised of 21 school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member districts. Each of the governments of these districts supports TCCSA based on per pupil charge dependent upon the software package utilized. The TCCSA assembly consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent. TCCSA is governed by a board of directors chosen from the general membership of the TCCSA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least an assembly member from each county from which participating districts are located. Financial information can be obtained by contacting the Treasurer at the Tri-County Education Services Center, which serves as fiscal agent, located at 741 Winkler Drive, Wooster, Ohio, 44691. During the fiscal year ended June 30, 2009 the School District paid approximately \$134,090 for basic service charges.

Note 18 - Contingencies

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2009.

Note 19 - Set-Asides

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

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

Wooster City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

	Textbook Instructional Materials Reserve	Capital Improvement Reserve	Total
	<u> </u>	<u> </u>	<u> </u>
Set-Aside Carryover Balance as of June 30, 2008	\$ (1,185,802)	\$ 0	\$ (1,185,802)
Current Year Set-Aside Requirement	578,615	578,615	1,157,230
Qualifying Disbursements	(128,822)	(1,615,768)	(1,744,590)
Total	<u>\$ (736,009)</u>	<u>\$ (1,037,153)</u>	<u>\$ (1,773,162)</u>
Balance Carried Forward to FY 2010	<u>\$ (736,009)</u>	<u>\$ 0</u>	<u>\$ (736,009)</u>
Amount to Restrict for Set-Asides			<u>\$ 0</u>
Total Restricted Assets			<u>\$ 0</u>

The School District had qualifying disbursements during the year that reduced the textbook and capital improvement reserve set-asides below zero. These extra amounts may be used to reduce the set-aside requirement of future years for the purchase of textbooks and/or instructional materials, but not for capital improvements.

WOOSTER CITY SCHOOL DISTRICT
Schedule of Federal Awards Expenditures
For The Fiscal Year Ended June 30, 2009

Federal Grantor/Pass Trough Grantor Program Title	CFDA Number	Grant Number	Federal Receipts	Federal Disbursements
U. S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education:				
Title I Delinquent	84.010	CI-SD-08	\$ 41,893	\$ 42,028
Title I Regular	84.010	CI-SR-08	75,342	87,162
Title I Delinquent	84.010	CI-SD-09	98,244	89,160
Title I Regular	84.010	CI-SR-09	577,271	558,449
Total Title I			792,750	776,799
Title IV-A Safe & Drug Free	84.186	DR-SI-08	-	753
Title IV-A Safe & Drug Free	84.186	DR-SI-09	13,230	12,484
Total IV-A Safe & Drug Free			13,230	13,237
Part B-IDEA Special Education	84.027	6B-SF-08	-	14,290
Part B-IDEA Special Education	84.027	6B-SF-09	867,053	887,557
Total IDEA-B Special Education			867,053	901,847
Title V-Innovative Programs	84.298	C2-SI-08	5,962	5,773
Title V-Innovative Programs	84.298	C2-SI-09	15,750	15,002
Total Title V Innovative Programs			21,712	20,775
Title II-D	84.318	TJ-SI-08	2,876	4,521
Title II-D	84.318	TJ-SI-09	7,560	6,990
Total Title II-D			10,436	11,511
Title II-A	84.367	TR-SI-08	37,543	32,442
Title II-A	84.367	TR-SI-09	131,781	124,290
Total Title II-A			169,324	156,732
Title III Immigrant	84.365	N/A	3,240	3,600
Total Title III Immigrant			3,240	3,600
TOTAL U. S. DEPARTMENT OF EDUCATION			1,877,745	1,884,501
U. S. DEPARTMENT OF AGRICULTURE				
Nutrition Cluster:				
Passed Through Ohio Department of Education:				
Cash Assistance:				
School Breakfast Program	10.553	3L70-08/09	157,022	157,022
National School Lunch Program	10.555	LLP4-08/09	573,875	573,875
Special Milk Program for Children	10.556	02PU-09	5,006	5,006
Summer Food Service for Children	10.559	24PU-09	62,508	62,508
Direct Program:				
Non-Cash Assistance:				
National School Lunch Program - See Note 2	10.555	N/A	69,699	69,699
Total Nutrition Cluster			868,110	868,110
Fruit & Vegetable	10.582	FFVP-08/09	32,272	32,272
TOTAL U. S. DEPARTMENT OF AGRICULTURE			900,382	900,382
Total Federal Receipts/Expenditures			\$ 2,778,127	\$ 2,784,883

**Wooster City School District
Wayne County, Ohio
Notes to the Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2009**

1. Significant Accounting Policies

The accompanying schedule of federal awards expenditures is a summary of the activity of the Wooster City School District's federal award programs. The schedule has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred.

2. Food Distribution

Non-monetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2009, the District had immaterial food commodities in inventory recorded in the Food Service Fund.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF STATEMENTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Wooster City School District
Wayne County
144 North Market Street
Wooster, OH 44691

To the Board of Education:

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Wooster City School District, Wayne County (the School District), as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 11, 2009. 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.

Internal Controls over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the School District's financial statements that is more than inconsequential will not be prevented or detected by the School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School District's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the audit committee, management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.
December 11, 2009

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Cleveland, OH 44113-1306

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

Wooster City School District
Wayne County
144 North Market Street
Wooster, OH 44691

To the Board of Education:

Compliance

We have audited the compliance of the Wooster City School District (the School District) with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2009. The School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

This report intended for the information and use of the audit committee, management, the Board of Education, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.
December 11, 2009

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

**Wooster City School District
Wayne County
June 30, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other significant deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other significant deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Program's Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Program:</i>	Title I Program CFDA # 84.010
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)
OMB CIRCULAR A-133 SECTION .505

Wooster City School District
Wayne County
June 30, 2009

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY**

Schedule of Prior Audit Findings

The prior audit, for the year ended June 30, 2008, reported no material citations or recommendations.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Wooster City School District
Wayne County
144 North Market Street
Wooster, OH 44691

To the Board of Education:

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

Accordingly, we have performed the procedures enumerated below, which we agreed to by the Board, solely to assist the Board in evaluating whether the Wooster City School District has adopted an anti-harassment policy in accordance with Ohio Revised Code Section 3313.666. Management is responsible for complying with this requirement. The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any purpose.

1. We noted that the Board adopted an anti-harassment policy at its meeting on March 20, 2006.
2. We read the policy, noting it included the following requirements for Ohio Revised Code Section 3313.666 (B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any students on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Revised Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;

(5) A requirement that parents or guardians of any student involved in a prohibited incident to be notified and, to the extent permitted by section 3319.321 of the Revised Code and the “Family Educational Rights and Privacy Act of 1974,” 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;

(6) A procedure for documenting any prohibited incident that is reported;

(7) A procedure for responding to and investigating any report incidents;

(8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;

(9) A disciplinary procedure from any student guilty of harassment, intimidation or bullying, which shall not infringe on any student’s rights under the first amendment to the Constitution of the United States;

(10) A requirement that the district administration semiannually provide the president of the district board a written summary of all report incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the “Family Educational Rights and Privacy Act of 1974,” 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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

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

Charles E. Harris & Associates, Inc.

December 11, 2009



Mary Taylor, CPA
Auditor of State

WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 9, 2010